Factors Affecting the Employability of Higher National Diploma in Accountancy (HNDA) Holders of Sri Lanka Institute of Advanced Technological Education (SLIATE) in Sri Lanka

Antony. S[1], Elangkumaran. P[2]

Lecturer, Advanced Technological Institute, Trincomalee, Sri Lanka[1]

Assistant Lecturer, Advanced Technological Institute, Vavuniya, Sri Lanka[2]

Abstract:

Employability of youth has emerged as a priority in every south Asian country. Policy makers and planners have come to the realization that skill are at the core of improving the employability of an individual and at the core of the countries' growth and development. This study is focused on what is the factors influencing the employability in Sri Lanka. For the reason ten independent variables were taken under consideration to measure influences of these factor on dependent variable of employability. For analysis, primary and secondary data were collected through questioner. SPSS was used to analyze the data. A communication skill plays a significant role on salary, present position, experience, and professional status. As well as teamwork, skills also show a crucial role salary, present position, professional status, and graduation. Consequently, planning and organizing skills also play a role in salary, first Job finding time, professional status, and graduation. In addition, Integrity plays a major role on first job finding time, salary, and present position. Personality also links with salary. It has been proved that all diploma holders' personal characteristics (age and gender) affect significantly at least one of the employability variables. Nevertheless, graduate gender and age specialty are the most important characteristics affecting nearly all these variables. SLIATE should implement employers' skills requirement to strengthening their diploma holders' skills

Key words: Communication skills, Team work skills, Integrity, salary, and time until first employment.

I. Background of the Study

In the last few years, skill training and employability of youth has emerged as a priority in every South Asian country. Policy makers and planners have come to the realization that skill are at the core of improving the employability of an individual and at the core of the countries' growth and development. The need of skilled labor force and the issues of employability are getting priority. Vocational education and training are seen as the way out and the way ahead in this regard. Apart from the three focus countries, namely, India, Pakistan and Bangladesh, the other four countries that comprise South Asia, namely, Afghanistan, Nepal, Sri Lanka and Bhutan are also focusing equally on skill development and employability of the young labor force. The concept and definition of employability has been discussed for a number of years but there has been a growing interest in graduate employability over the last decade. As the interest in promoting graduate employability has increased numerous studies have produced detailed breakdowns and taxonomies of particular skills and attributes required to promote graduate employability such as core skills; key skills; common skills; transferable skills; essential skills; functional skills; skills for life; generic skills and enterprise skills. According to Harvey et al.,(2002) most employers are looking for graduates who are proactive, can use higher level skills including 'analysis, critique, synthesis and multi layered communication to facilitate innovative teamwork in catalyzing the transformation of their organization'. The employability of HNDA has been falling in Sri Lanka for the last few years. A highly competitive diploma holders employment market, other HEIs adopting a coherent, strategic focus to employability, changes in both student expectations and employer needs, an increasing number of graduates gaining employment out with the professions associated with their course of study – all these factors have contributed to the steady erosion of the institution's position. There are number of studies have been done on employability of graduates. However, there is no studies have been done to focus on the employability of HNDA diploma holders. In Sri Lanka, there is a study focused the factors affecting to the employability of HNDA holders of SLIATE in Sri Lanka. Therefore, responding to this gap that exists in literature has necessitated this present study.

II. Research Problem

The HNDA programme is the first professional accounting course introduced in Sri Lanka. It was started in 1943 as the National Diploma in Accountancy with the aim of detecting and preventing frauds, errors, and malpractices in Ceylon Tea Estates and Ceylon Railway. Then, it was converted to a Higher National Diploma in Accountancy (HNDA) in 1946. It has been gaining popularity over the time and in 1963, an evening course was introduced in order to meet the market demand. After completing HNDA program, the HNDA holders can start their carrier as registered auditor and audit companies except public companies. Even though the mission of creating excellent higher national diploma holders who are competent enough and equipped with modern technology in the fields of accounting and finance in order to contribute for the sustainable development of the country, the HNDA Holders face several challenges in the competitive market and difficult to find the job.

The ATI Trincomalee has randomly been selected for the survey. The survey was done based on the questionnaire given by the HNDA holders.

Year	Graduate Appointment	Private sector recruitment	Under employment & unemployment
2011	53%	10%	37%
2012	-	25%	75%
2013	-	20%	80%

According to the survey of employee statistic of ATI Trincomalee, HNDA diploma holder's employability is less than 63%. Out of this 90% of diploma holders get the job opportunity through graduate appointment and rest of the diploma holders got the job from private sector. In addition to this, those diploma holders have to wait more than five to six year for the graduate appointment in Government sectors. It is clearly indicate from the survey, the employability of HNDA holders decline drastically. Therefore it is important to find the factors affecting employability of diploma holders. The researcher has identified the under mentioned problem statement in relation to factors affecting the employability of HNDA holders.

Problem statement is as follows;

"To what extent factors affecting to the employability of HNDA holders of SLIATE?"

III. Objective of the study

Enhancing employability skills is considered as an important task within the country. The labour market needs and the employers' requirements for skills from diploma holders contrast by employer and also from one country to another country. The current changing business environment emphasizes the significance of education for employability, directing on the development of not only skills but also practical experience. Then, in order to enhance competitive advantage for employment, students must develop employability skills in addition to the acquisition of subject-specific knowledge. Higher Education Institutes (HEIs) need to identify ways of incorporate this requirement.

The number of fresh diploma holders has increased substantially during the last decades. This increase led to the rapid expansion of higher education in Sri Lanka.The employability of higher education diploma holders is nowadays one of the significances in Sri Lanka. The need of the study is to identify the factors affecting the employability of diploma holders. This paper focuses to the analysis of the main employment variables, personal characteristics and to the thorough investigation of the factors affecting employability and diploma holders.

1. To examine the impact of demographic factors for employability of HNDA holders of SLIATE in Sri Lanka.
2. To identify the factors which influence the employability of HNDA holders of SLIATE in Sri Lanka.
3. To detect the factor which improves the employability of HNDA holders of SLIATE in Sri Lanka.

IV. Research Question

RQ1: How does demographic factor effect on employability of HNDA holders of SLIATE?

RQ2: How does skill factors affecting on employability of HNDA holders of SLIATE?

V. Review of Literature

According to Nielsen (1993), employability conceptually "express how well the individuals" competencies and skills meet the requirements of the labour market. This refers if it is possible to be employed with the present skills and competencies." This approach implies that individuals lack employability as a result of their own readiness and work motivation. Fugate, (2004) state that an individual's employability include a multitude of person-centered constructs that interactively fuse to assist individuals in successfully adapting to numerous work-related changes in the economy. An individual's employability extends beyond knowledge and skills to include individual attributes and characteristics that make individuals valued assets to both prospective and current employer. There have been many attempts to define and measure employability as an indication of quality of individual institutions as well as the social relevance of Higher Education as a whole stated by Lindberg, (2007). The university rankings or national evaluations in some countries, for instance, use the employment rates of institutions graduates as one of the criteria Harvey, (2001). Hence, there is a notion of institutional employability as the set of outcomes of the universities implicit and explicit measures to enable graduate employability. Another approach is to view employability through the eyes of employers as the propensity of the graduate to exhibit the skills that employers expect to be necessary for efficient functioning of their organization Rothwell & Arnold, (2007). However at this stage we are more interested in the employability as an individual attribute involving the graduate's ability and skills to gain, retain and (when necessary) find new fulfilling/satisfying work Harvey, (2001) The skill is very prominent in the debates around the concept of employability and will inform part of the study on the relevance of skills gained in Finnish HE institutions for the world of work in terms of the associated expectations and tensions among students/graduates and employers. While the employers tend to be generally happy with the graduates subject specific skills, they have been less satisfied with the generic or transferrable skills Yorke, (2006). Among the most important generic skills identified by the following researchers Hoo et al., (2009); Badillo-Amador,.et al 2005; Shmarov & Fedyukin, 2004; exploring the employers and graduates views are:

- Analytical/research skills
- Computer/ technology skills
- Interpersonal/teamwork skills
- Communication skills, both verbal and written
- Leadership/problem-solving skills
- Creative/innovative skills
- Self-management
- Lifelong learning
- Emotional intelligence

Employability skills for the future (DEST 2002a) presents the findings of extensive research undertaken by the Business Council of Australia (BCA) and the Australian Chamber of Commerce and Industry (ACCI) in 2001. The report identified personal attributes required for today's employees, as well as eight employability skills.

These skills were seen to have relevance to both entry-level and established employees. It was also recognized that the skills would be prioritized and adapted to suit various job-roles. The eight identified skills are:

- Communication skills that contribute to productive and harmonious relations between employees and customers

- Teamwork skills that contribute to productive working relationships and outcomes
- Problem solving skills that contribute to productive outcomes
- Self-management skills that contribute to employee satisfaction and growth
- Planning and organizing skills that contribute to long-term and short-term strategic planning
- Technology skills that contribute to effective execution of tasks
- Life-long learning skills that contribute to ongoing improvement and expansion in employee and company operations and outcomes
- Initiative and enterprise skills that contribute to innovative outcomes.

For each of the eight skills, a number of elements or facets were identified. These provide an indication of the ways in which the employability skills may be further adapted for specific industries and job roles. Employability skills for the future also includes a discussion of implementation in higher education notes the work that some universities (at that point) had undertaken in relation to emphasizing the development of generic skills as an overt outcome, noting that 'More than ever before universities are being relied upon as a vehicle for the advancement of both the national economy and wider society. They do this through the creation of new knowledge and by preparing graduates with appropriate skills and attributes. It makes sense, then, for them to maintain a focus on keeping graduate capabilities in line with the needs of the economy and society' (DEST 2002a: 25). The Allen Consulting Group report (2006: 11), Assessment and reporting of employability skills in training packages refers to the naming of employability skills in the following way: "They are also known by several other names, including key skills, core skills, life skills, essential skills, key competencies, necessary skills, and transferable skills. However industry's preferred term are employability skills". Developing employability skills is a continuum; students learn them through their academic work, paid employment, community and social connections on- and off-campus, and life experience. Developing students' employability skills requires teaching staff with suitable skills, resources, and awareness of current industry practice. Students' employability skills will also be strengthened where students have access to relevant work experience through quality work-integrated learning programs, cooperative learning, or mentoring programs.

VI. Research Methodology

It describes research design, population and sampling strategy, data sources, measurement, reliability & validity and mode of analysis. This research study an explanatory study. The emphasis here is on studying a situation or a problem in order to explain the relationship between variables. The population of this study is HNDA students of Ampara, Anuradhapura, Badulla, Batticaloa, Dehiwala, Gall, Kandy, Kurunagala, Jaffna, Veyangoda, Trincomalee, Kegalle, Tangalle, Rathnapura, Samanthurai under SLIATE in Sri Lanka. For the purpose of this study around 75 of the HNDA diploma holders from last three years taken as sample based on random sampling method. The reason for selecting a simple random sample is one in which every possible combination of elements in the population has an equal chance of constituting the sample. The sample which was collected from various ATIs. Given the nature of the present

study, the data collected from the primary and secondary sources. Primary data collected through the questionnaire. The construction of questioner has two parts. Which are personal information questionnaire and employability skills of HNDA holders. The respondents are requested to assign a numerical value ranging from one (strongly disagree) to five (strongly Agree) in the format of a typical likert-type scale. Secondary data collected from research studies, books, journals, newspapers and ongoing academic working papers. The collected data processed and analyzed in order to make the study useful to the practitioners, researchers, planners, policy makers and academicians. Reliability of data is a vital question for all types of research study. The study proceed carefully throughout the whole process of data collection. It was mentioned earlier that the primary data were collected through questionnaire. Cronbatch Alpha is an important concept in the evaluation of assessment of questioner. This step was undertaken to obtain reliable data and information by Cronbatch alpha. In addition to the above, the secondary data for the study was mostly drawn from publication bodies. Therefore, these data may be considered reliable for the purpose of this study.

TABLE I: VARIABLES

Independent Variable	Dependent Variable
Communication skill	Professional status
Team working skill	Kind of employment
Integrity	Self-employment
Intellectual ability	Way of finding present position
Confidence	Salary
Personality	Time until first employment
Planning and organization skill	Relation between employment and studies
Literacy	
Numeracy	
Analytical and decision making skills	

Source: Archer and Davison (2010)

In this study, researchers analyzed the collected data by descriptive statistics (i.e., means and standard deviation) and inferential statistics (correlation is a single number that describes the degree of relationship between two variables and Linear regression is a statistical technique that is used to learn more about the relationship between an independent (predictor) variable and a dependent (criterion) variable). A well-known statistical package for social sciences (SPSS) 16.0 version is used in order to analyze the data.

VII. Results and Discussion

The final collected sample consisted of 75 filled and valid questionnaires. The statistical analysis was carried out with the use of SPSS, v. 16.0, the statistical package for the social sciences. Graduates" responses were analyzed through descriptive and analytical statistical techniques with emphasis to the identification of the factors affecting significantly employability. This section is divided in two parts; in the first one, personal characteristics analysis and second focuses on skills significantly affecting with the use of appropriate statistical analysis.

TABLE II:

	First Job finding time	Related studies	Salary	Present position	Experience	Employem ent	Profession al status	Graduation
Communic ation Skill	.088	.153	$.255^*$	$.232^*$	$.238^*$	.185	$.234^*$	-.023
	.451	.191	.027	.046	.040	.112	.044	.844
Team Work skill	.145	.217	$.303^{**}$	$.339^{**}$	.205	.201	$.282^*$	$-.242^*$
	.216	.061	.008	.003	.078	.083	.014	.036
Integrity	$.301^{**}$	.147	$.278^*$	$.270^*$	.031	.005	.178	-.104
	.009	.207	.016	.019	.792	.963	.126	.373
Personality	.180	.096	$.278^*$	.211	.157	.059	.195	-.168
	.122	.412	.016	.069	.178	.614	.093	.150
Planning	$.285^*$	.155	$.306^{**}$	.180	.026	.031	$.268^*$	$-.266^*$
	.013	.185	.008	.122	.827	.795	.020	.021

Source: survey data

The results exposed that the communication skill significantly positively corrected with salary, present position, experience, and professional status. As well as teamwork skills also positively correlated with salary, present position, professional status, and graduation.

Consequently, planning and organizing skills also correlated with salary, first Job finding time, professional status, and graduation. In addition, Integrity significantly correlated with first job finding time, salary, and present position. Personality also links with salary.

TABLE III:

	Hypotheses	Status
1	H_1: Communication skill effect on employability of HNDA holders of SLIATE	Accepted
2	H_2: Team working skill effect on employability of HNDA holders of SLIATE	Accepted
3	H_3: Integrity skill effect on employability of HNDA holders of SLIATE	Accepted
4	H_4: Intellectual ability skill effect on employability of HNDA holders of SLIATE	Rejected
5	H_5: Confidence skill effect on employability of HNDA holders of SLIATE	Rejected
6	H_6: Personality skill effect on employability of HNDA holders of SLIATE	Accepted
7	H_7: Planning and organization skill effect on employability of HNDA holders of SLIATE	Accepted
8	H_8: Literacy skill effect on employability of HNDA holders of SLIATE	Rejected
9	H_9: Numeracy skill effect on employability of HNDA holders of SLIATE	Rejected
10	H_{10}: Analytical and decision making skill effect on employability of HNDA holders of SLIATE	Rejected

TABLE IV:

S.N	Dependent Variable	Independent Variable	R^2	Sig	Hypotheses
01	Salary	Gender	.167	.004	Accepted
		Age			
02	Related Studies	Gender	.147	0.10	Accepted
03	Present Position	Age	.124	0.24	Accepted
04	Employment	Age	.127	0.21	Accepted
		Gender			

Source-Survey data

There is a significant effect of gender and age on salary. The R^2 value organizational commitment is 0.167. This shows 16.7% of the salary can be explained by gender and age. 83.3% of salary can be explained by other factors. Above table presents the regression analysis on the composite influence of gender and age on salary. The significance value of p is 0.004, which is smaller than 0.01. Therefore the data provide strong evidence and the overall independent variables (gender and age) appear to be statistically useful for predicting the dependent variable. This implies that age and

gender have statistically significant composite influence on salary. Therefore, hypothesis is accepted. Hence, there exists significant effect of age and gender with salary. In addition, age significantly effect on present position and employment also. Further, gender also significantly impact on employment and related studies.

VIII. Conclusion

Without doubt, graduates employability is a multidimensional issue with several parameters describing their effects. This work's findings are based on the conduct of a survey on a large sample of graduates of a three-year period. The results focus on two directions: one the analysis of the main skills portraying diploma holder's activation towards employment after the acquisition of their first diploma and b) the investigation of the significant effects of diploma holders personal characteristics to the variables describing their employment. A communication skill plays a significant role on salary, present position, experience, and professional status. As well as teamwork, skills also show a crucial role salary, present position, professional status, and graduation. Consequently, planning and organizing skills also play a role in salary, first Job finding time, professional status, and graduation. In addition, Integrity plays a major role on first job finding time, salary, and present position. Personality also links with salary. It has been proved that all diploma holders' personal characteristics (age and gender) affect significantly at least one of the employability variables. Nevertheless, graduate gender and age specialty are the most important characteristics affecting nearly all these variables and thus determining very different employability prospects and attitudes towards the labour market. Our suggestion is that important to develop communication skills, teamwork skills, planning and organizing skills, integrity, and personality of the diploma holders and to the fresh higher education diploma holders. In addition, the ability to work effectively as a member of a team and to understand the dynamics that make teams is also important to develop their study period. Further, ability to identify, prioritize and solve problems. The ability to ask the right questions, sort out the many facets of the problem, determine possible solutions, and manage your career in a constantly changing world of work. SLIATE should implement employers' skills requirement to strengthening their diploma holders' skills.

Limitations of the study

For the collection of primary data the researcher has to depend on questionnaires for sample variables on this study depend on the true participation and attitude of the survey sample. We receive realistic data by questionnaire from the public sector managers. Sometimes, we cannot get appropriate information from them because of less commitment of respondents. Some respondents they do not have very good knowledge about employability. This leads to get misleading information from the respondents. The sample size is 75 of the population of HNDA holders of SLIATE. The generalizability of the research could be increased if the sample was to be expanded.

The above mentioned limitations have no doubt, impose on the scope of the present study, but the inferences drawn and results obtained have in no way been otherwise affected. The interpretation and analysis of the available statistics have been evaluated.

IX. Reference:

[1]. Archer, w. and Davison, J (2010) Graduate employability: what do employer think and want? Council for industry in higher education (CIHE), London.

[2]. Badillo-Amador, L., García-Sánchez, A., & Vila, L.E. (2005). Mismatches in the Spanish Labor Market: Education vs. Competence Match. International Advances in Economic Research 11:93–109

[3]. Department of Education Science and Training. (2002). Employability skills for the future: A report by the Australian Chamber of Commerce and Industry and the Business Council of Australia for the Department of Education, Science and Training. Canberra.

[4]. Fugate, M.Kinicki, A.J.& Ashford B.E 2004. Employability: a psycho-social construct, its dimensions and applications, Journal of Vocational Behaviour, 75(3):329-345.

[5]. Harvey. L 1999. Employability: Developing the relationship between higher education and employment. Quality in Higher Education 24-hours seminer. Scaman House. www.qualityresearchhinternational.com

[6]. Harvey, L. 2001. Defining and measuring employability. Quality in Higher Education, 7(2):97-109.

[7]. Harvey, L., Locke, W. and Morey, A., (2002), Enhancing Employability, Recognizing Diversity. London, Universities UK.

[8]. Lindberg, M.E. 2007. At the frontier of graduate surveys: assessing participation and employability of graduates with master's degree in nine European countries. Higher Education, 53(5):623-644

[9]. Nielsen, J. 1999. Employability and workability among Danish employees. Experimental Aging Research,25:393-397.

[10]. Rothwell A., and Arnold J., 2007. Self perceived employability, development and validation of a scale. Personnel Review. (36)1:23-41.

[11]. Shmarov, A., & Fedyukin, I. (2004). A Graduate for an employer. [Vypusknik dlya rabotodatelya] A Sociological study by Analytical Center ―Expert‖

[12]. Yorke, M. 2006. Employability in higher education: What it is – and what it is not. The Higher Education Academy: Learning and employability series No. 1 (online) Available from:http://www.heacademy.ac.uk/resources/publications/learningandemployability.