Chapter 2 Literature Review

A study of the relevant literature available on the chosen topic of various authors, their researches, papers and materials available in journals, books, reports and internet have been incorporated below to help and gain a better insight into the topic.

Primary focus of the present study is to compare perceptions about the importance of competencies and performance of MBA students entering workplace, from the perspective of management faculties and business managers which are required to enhance their employability. By ascertaining different perceptions between the two groups, the researcher will be able to provide suggestions that may increase awareness level of government, academicians and managers about the importance level of various competencies required by corporates. Individuals and organizations have different criteria for measuring and evaluating employees’ competencies. The concepts and issues regarding competency need to be clarified. This chapter includes diverse perspectives of these concepts and issues from previous literature reports or existing research.

Interdisciplinary Definitions of Competency

A number of researchers have tried to integrate the terms and definitions of competency. The term, competency, can be used in many contexts with many different meanings. Competency has been defined from different perspectives in literature. Initially, it was used in the field of education (Bowden & Masters, 1993), soon (Boyatzis, 1982) it became known in the field of management too. In the study of Burgoyne (as cited in Hoffmann, 1999) it is mentioned that various researchers and practitioners have used this term with their own meaning:

- Some experts from the area of psychology considered it as an important measure of one’s ability and also considered that whether this is able to represent
observable performance shown by the basic skills of an individual (Sternberg & Kolligian, 1990).

- It was defined and discussed by management thinkers that with the help of enhanced performance, objectives were better accomplished (Burgoyne, 1993).
- Competencies used as a tool for taking strategic decisions related to personnel planning, hiring, training and development, appraisal, promotion and for giving rewards (Burgoyne, 1993).
- It was emphasized by educationalists to link work readiness with professional achievements as part of education (Bowden & Masters, 1993).
- Competency also becomes an important tool for employers, unions and political parties for enhancing efficiency of employees in the United Kingdom and Australia.

A more relevant and widely accepted definition among human resource specialists in business enterprises consider competency as an important feature of an individual that enable them in effective and better work performance at workplace (Klemp, 1980).

Further examples can be found by the work of researchers such as Armstrong (1998), Garavan and McGuire (2001), Moore, Chen, and Dainty (2002), and Woodruffe (1991). For example, Armstrong concluded that what individuals required doing for performing a job well is called competence. Armstrong likewise defined competency as an aspect of behavior behind effective performance. He, further, suggested that competencies should be mentioned as behavioral abilities as they define the behavior of individuals while performing their job.

Woodruffe suggested that competency refers to two factors. First it is a recognized ability to do a job completely, second it involves behavioral aspects of an individual compulsorily
needed to perform organizational activities and functions with competence (Moore, Chen, & Dainty, 2002).

Based on Woodruffe’s definition, Moore, Chen, and Dainty (2002) developed the following definitions such as, “competencies are behavioral attributes of an individual and competence is an ability to work.

In a study (Hatton & Haines, 2005) it has written about enhancing student employability. In their study they mentioned that universities play an important role in the regional development of the whole world. As compared to this universal trend, Australian Universities also play an important role in enhancing student employability. This paper focuses on how one Australian faculty has been trying to improve student employability by updating educational curriculum.

A study (Fitrisihara, Ramlah, & Rahim, 2009) on employability skills of Vocational and Technical Institutes of Malaysia was conducted. The researchers investigated about the status of required employability abilities in vocational and technical centers. They mentioned that the set of necessary skills needed to do job effectively at workplace are employability skills. They further stated that some important skills like competitiveness, self-actualization, innovativeness, creativity are the need of 21st century.

(Report of ILO, 2007) It was presented about employability skills of employees in Asia Pacific. First Meeting on Regional Skill Development in Korea was started in November 2005. Then a series of meetings were held about enhancing employability skills of individuals in Asia and Pacific. In ILC discussion held in 2005, it was considered that each country should identify and consider policies, tools and techniques helpful in enhancing employability and abilities of young generation in Asia.
Assessment and employability of students at school level (Matters & Curtis, 2008) was focused in this study. Australian Council of Education Research (ACER) conducted a study emphasizing on effective ways to assess and reporting student’s employability skills. Different approaches on assessing and reporting of employability skills were highlighted in the report.

A study (Neelamegham & Uberoi, 2000) on professional competency in higher education, New Delhi was conducted. Outcomes and suggestions of the study were:

- Prospect of knowing one’s individual career objectives and goals helping in making plans to accomplish them
- Recognizing strength and weakness and understanding self-development
- Innovation and new practices
- Increased employability abilities
- Novel skills and talent
- Increased sense of identity
- Enhanced self-confidence
- Improved basic skills
- Enhanced knowledge in particular areas

Widening gap (Patil, 2012) was discussed between expectations of corporate and product generated by management institutions. For this purpose, the institutions offering management programme needs to analyse the programmes with relevance to employability of MBA students. There must be shared vision, values and a sense of inclusive ownership among all stakeholders of the institute. Any strategies adopted by a university must be consistent with the strengths and interests of its faculty. The institute requires dynamic leadership to carryout strategies. Education must be learner-focused rather than teacher centred. To achieve these objectives there is a
necessity of individualised learning plans supported by self-direction materials. Therefore, the employability of MBA graduates depend upon the Vision of the Institution, Strategies adopted by the Institution, Pedagogy used in the process of educating the Management Student and the correlation between, what is taught and what is expected by the corporate world. All these factors are interdependent.

A gap between (Taneja & Maheshwari, 2012) trained business graduates and the requirement of the modern and globalized economy with respect to entrepreneurship development in our country was expressed. Business Schools should provide training to MBA aspirants through entrepreneurial education to foster economic development. Imbibing entrepreneurial skills in MBA students will develop an entrepreneurial culture in the country, which will lead to a balanced economy.

In a study conducted (Leon & Borchers, 1998), they focused on necessary skills needed for graduates at Texas in manufacturing industry. Some other researchers also concentrated on determining the employability skills for students. Employers were the research respondents for De Leon and Borchers. Primary focus of this study was on certain skills like, communication skills, reading and writing ability, critical decision making, calculating ability, group interaction, IT skills, development of self, technical know-how, leadership ability and prominently their employability. Findings of this research revealed that employers required three necessary skills such as self-development, team work and employability.

A comprehensive study was conducted (Atwater & Brent, 2007) for MBA student’s Career Service Program at a business school in the University of North Carolina (UNC). The primary focus of research was to facilitate development and career growth of MBA students.
This paper emphasises on transformation of international economy and specific issues being faced by MBA students worldwide.

Based on the review of changed social environment, special consideration was given to psychological and career development needs of MBA students registered in evening and day programs at UNC.

A case study conducted (Frederick, 2009) analysed higher education environment, characteristics of learner, individual team work, knowledge, skills and abilities (KSA) of MBA students at a student – public centred research institute. Primary focus of this research is to develop practices which can enhance knowledge, skills and abilities for the students and improve their job readiness.

Purpose of research conducted (Heimler, 2010) was to empirically scan perception of HR managers, management faculties and college students in relation to received, required and need for further training in 8 specific employability dimensions such as, management, critical thinking, numeric and literacy ability, IT, interpersonal, system thinking, leadership and work ethic. More importantly, the study also evaluated the relatedness of these skills with potential for career advancement in retail sector.

This study provided innovative attitude to the employability related researches with its unique triangular design focusing on opinions of three different groups that were actually influenced. Earlier studies only examined the opinion of managers in relation to employability skills need to be successful in corporate world.

New students (Bok, 2006) joining colleges expect that they will get all requires knowledge, skill and abilities for entering job market. In present era, managers expect that educational institutions will make students equipped with all necessary skills needed to perform their job
effectively. Students expect that management institutions will equip them with all necessary skills and abilities needed to do their job perfectly and grow in their career. Further, this study revealed that faculties and college administration believe that they are teaching students as per the need of students, nearly 35% managers believed that institutions teaching students skills which are necessary to perform well at job. Therefore, as per result of the study, it is identified that extra training is required for graduates.

Companies (Cappelli, 2008) have enhanced training and development for basic employability skills of employees to make them perform well. As per study, students believe that they require additional training mostly in system thinking skill, whereas, need for extra training is required in critical thinking skill in students. Business managers felt that extra training is needed in management skill are very important. Interestingly, students and managers both felt that additional training in work ethic is not much relevant.

Chithra (R, 2013) conducted a study to identify the perception of managers and employees in relation to graduates entering in multinational software companies. To assess the perception of managers and students regarding skills required, two different sets of questionnaires were developed. This study identified that there is a significant gap between perception of business managers and students. This gap makes students less employable. Studies and research about student employability is rare in India. Available literature only represents the viewpoint of employers.

In a study on employability (Overtoom, 2000), “Most of studies conducted in last two decades underscore their criticality to identify and define employability skills.” This study defines career success at every different level of employment and for every level of education
possession of employability skills by students.” The 21st century requires transferable core skills which contains knowledge, skills, and attitudes at all levels of basic education.

A study (Handel, 2005) identified that employers are not happy about skills of new employees. Further it is not clear that this gap in skills is due to basic employability skill received in college or other factors calling.

A study (Bracey G. W., 2006A) has shown that 69 percent of employers reported that the main factor in rejecting new applicants is poor basic employability skills.

One of the first attempts to provide a framework for the employability skills needed in the global economy is “Workplace Basics: the Essential Skills Employers want” (Carnevale, Gainer, Meltzer, & Holland, 1988). Basic skills were identified which employers expect from their employee.

A report (Richens, 1999) was mentioned which was conducted by Secretary’s Commission on Achieving Necessary Skills (SCANS) which considered as the foundation study for identifying and defining the basic employability skills essential for entry level workers, and need by industry. 30 representatives from the Secretary’s Commission including industry, academics and government had taken interview of managers to know their attitudes regarding required skills to entre work place. Mainly, the commission required to determine the skills required at workplace to be successful in the 21st century and wanted to know whether educational institutions are providing these skills to students. This report also concluded that a collaborative effort was required between industry and academia to properly understand what skills are required for productive work.

A report (National Center on Education and the Economy, 2007) mentioned based on two years of research which involved 8 global industry studies, 5 labor and economic studies, and
reports on state workforce development system in USA. The center also narrow downed on specific employability skills such as creative thinking, numeracy and literacy skills, teamwork, technology, change management and learning ability.

The demand for workers with skills that meet the needs of industry has increased during the past 20 years (Kirsch, Braun, Yamamoto, & Sum, 2007). College graduates with weak academic skills hold jobs that do not require the degree they earned in college.

Productivity is optimized when workers' skills are matched with jobs. The authors suggested that quality would imply greater efficiency where students would not need to spend more time in school to attain degrees that may not be needed for the jobs they seek (Allen & Weert, 2007).

A research (Gupta G., 2012) focused on contribution of management education in employability by analysing the database of hiring of MBA students from various management institutions, comparison of remuneration being offered and career progression of management and non- management graduates, education and success stories of top-notch businessmen and the prophecy of job market growth trends and skill requirements.

A study (Brynin, 2006), observed that excess time spent in school does not necessarily equate to additional skills. The authors write, "Years of education describe attendance more than achievement". The outcome creates workers who are overqualified and, therefore, underemployed.

Further, (Bracey G. W., 2006) study mentioned that this is very hard to identify which skills are needed by employers, even it is harder to determine that there is any gap between skills received and skills needed from employees.
A summary of “The Society of Human Resource Management 2007 Symposium”, was presented in a report (Society for Human Resource Management, 2007). The title of symposium was Critical Skill Needs and Resources for the Changing Workplace; it was about readiness of US workforce. It was mentioned that US educational system is not providing the needed quality and quantity of students and employers also have not clearly mentioned the knowledge and skills required by them. Knowing organizational need form employees is important while making any changes in education system to focus more on industry need skills for graduates.

A report (National Commission on Excellence in Education, 1983) stated that, ‘employers complain that they are forced to spend millions of dollars for making their employees ready with basic skills such as computation, reading, writing and spelling (p.3).’

It was (Packer, 1992) also mentioned that based on findings of A Nation at Risk, the Secretary of Education established the “Secretary’s Commission on Achieving Necessary Skills”, which made it mandatory to identify the skills necessary for workers to succeed in the global economy. The Commission interviewed employers to better understand the kinds of skills employees needed and used in their jobs. A report by the Commission found that a majority of high school graduates do not have the skills necessary to find and keep a job. Specifically the report stated that employers need workers who can apply their knowledge, who are creative, and who are responsible problem solvers (SCANS, 1991). The outcome of the study identified two types of basic skills for success: five workplace competencies and three foundation skills.

As per research (Sandia National Laboratories, 1993), out of all industry training expenses, nearly two third went on college educated employees.
In a study (California Academic Partnership Program, 1998) it was found that employers complain about the lack of employability skills of new employees and seek graduates who do not require remedial training in these skills.

It was (Rosenbaum J., 2002) mentioned that, in case, students do not acquire basic employability skills before joining organisations they may not have chance to develop and learn these skills during job because organisations may be less interested in providing remedial training for these skills.

A report of National Association of Manufactures titled “The 2005 Skills Gap Report” found that more than 50% respondent of a national study mentioned that employees do not have basic employability skills like timeliness, attendance and work ethic, 14% respondent stated poor problem solving skills, and nearly 36% mentioned deficient level of literacy skills. These findings show little improvement from the prior 2001 study (Jasinowski, Eisen, & Kleinert, 2005).

It was (Rosenbaum & Person, 2003) found after research on students employability that in addition to basic employability skills, organisations need proficiency in certain job specific skills.

Researcher (Mishra, 2012) emphasized on the need of 360 degree perspective of enhancing employability. Further Geeta talked about a holistic view of enhancing employability of graduate students through a participative approach wherein parents, students, university, faculty members, employers, alumni collaborate together to create synergistic effect in enhancing the employability of students. In knowledge based economy and competitive context, higher education institutes and universities face lots of competitive pressure to give quality education and enhance the skill set of students. Similarly the employers are also faced with the
challenge of recruiting the right person at the right place who can serve to be a competitive edge to them. All this calls for a collaborative platform wherein all the stakeholders assume their respective responsibility to create and harness an employable workforce. This study also draws significant light on the significant P’s in a service based industry namely people, process and physical evidence to create a significant fit between academia and industry requirements. In this research a case study approach is deployed wherein the initiatives taken by a leading private university to enhance the employability are discussed.

During the study (Gush, 1996) it was found that employers believe that job specific skills have small self-life because technology is changing and employees have to keep learning these skills on the job.

As a result, some employers consider generic employability skills as more important than the job specific skills (California Postsecondary Education Commission, 2007).

After conducting “The 2008 IBM Human Capital Study” it was found that more than half of the respondents report that workers with a lack of necessary skills are a major challenge (IBM, 2008).

In 2007 (Azzam, 2007) suggested that the United States post-secondary education system has evolved into what can be described as a mature enterprise failing to produce graduates equipped with the skills required to enter job market and become successful in modern workplace.

It was (Spencer H. , 1860), suggested in his essay "What Knowledge is of Most Worth," that students should be taught not just what to think in terms of traditional academic subjects but also how to think critically and solve problems.
It was also (Dewey, 1986) mentioned in the essay "Experience and Education" that an education system should also embrace more than just the core academic subjects, and must include blend of knowledge, skill and ability (KSA) that prepare individuals for future growth in professional career (in Educational Forum, Reprint 1986: Dewey, 1986).

A Nation at Risk (1983) identified the risk to the United States' leadership position in the global economy from an education system that failed to address the knowledge, skills, and abilities needed by K-12 students to succeed in the 21st century economy. After publishing of report entitled A Nation at Risk, within few years higher education quality in United States was criticized (Bok, 2006).

Beyond A Nation at Risk, there were two national studies that were considered to be the similar works in identifying the generic employability skills required for success in new economy. These two reports i.e. Secretary’s Commission on Achieving Necessary Skills (SCANS , 1991) and Workplace Basics: The Essential Skills Employers Want (Carnevale, Gainer, Meltzer, & Holland, 1988) examined students’ employability skills. Outcome of these two reports suggested that generic employability skills are necessary for individuals to succeed in the global economy (Silva, 2008).

Change is inherent in society; however, societies assume that future is like the past, with educational systems aligned along this perception and resistant to change (in The Educational Forum: (Dewey, 1986)).

While discussing the skills required for success in the 21st century workforce, it is important to first identify the necessary skills cited (Wise, Chia, & Rudner, 1990). Ten core competencies were identified by National Academy of Science- problem solving and reasoning, IT skill/computation, English language command, reading, writing, science and technology,
interpersonal relationship, communication, personal attitude and work habits, and economic and social studies.

Employers required (Wise, Chia, & Rudner, 1990) certain skills from their employees, and that they were not interested in what courses graduates took in college to acquire the skills. They also found that employers did not communicate to educators what skills students require for entering the organisations and do their job effectively, or advance their careers (SCANS, 1991). Therefore, it was difficult to determine if students received an understanding of employability skills at colleges (Bok, 2006; Richens, 1999).

Individual states and school districts in the United States have also undertaken their own research for identifying the required skills to achieve success at workplace. *Michigan Employability Skills Task Force* established by the Michigan Legislature in 1987 surveyed 7,500 employers. Findings from the survey indicated that personal management skills and teamwork skills included integrity, no substance abuse, honesty, attendance, punctuality, following instructions and respect for others. These skills were more important than basic academic skills including mathematics, social and natural sciences, computer technology, and foreign languages (Sandia National Laboratories, 1993).

**Fundamental Confronts of Management Education System in India**

The performance of business management education in last decade is not usual. Business management education got success to attract attention of policy makers, decision makers, academicians and researchers. Private education system becomes so helpful to provide educations at various locations and allowed large number of students to get educated at the same time.
A study (Trivedi & Sinha, 2014) has referred education system, education policies and education culture from 1990 to 2013. Though they were not able to represent a solid reason for unsuccessful outcomes of business management educations, and there are series of reasons for that.

Nevertheless, all reasons started with one reason, they call it basic or fundamental reason. It is called today ‘resource person’, which is western system to recognize a teacher. This research has made a concerted effort to examine the turbulence in business education’s operations, delivery, policy and placements. Outcome of this study is helpful to suggest a straight point to key problem areas and presents series of remedial changes.

A report was (Nirmala, 2014) prepared to analyse the deficits of the current management education and thereby to suggest alternatives to get ahead in the race.

A significant study (Conference Board of Canada, 2000), was published as Employability 2000+. The report described the skills needed to enter, remain, and progress in the workforce. These skills were 1) Basic Fundamental Skills – numeric ability, communicating ability, solving problems and managing information; 2) Individual Management Skills – responsiveness, continues learning ability, ability to show positive attitude, working safely and adaptability; and 3) Group Work – working with others and involving in tasks.

Considering the global perspective, the (Organization for Economic Co-Operation Development (OECD), 2005) published The Definition and Selection of Key Competencies (2005). The report was based on a review of related research, input from experts and scholars, and reports from OECD member countries including the United States. The report recognized that individuals need more complex but less specialist knowledge, skills, and abilities. This framework described key competencies in three categories: 1) skills to use tool and techniques,
OECD found these skills and competencies to be important in the context of diversity and interconnectedness for 21st century global economy. Within these three categories, the OECD identified nine competencies. These skills and competencies are ability to: 1) reading, writing, speaking and computing; 2) finding, locating, using, evaluating and arranging information and knowledge; 3) accessing and using technology beyond basic skills; 4) initiate, maintain, and manage personal relationships and to exhibit empathy and emotion while respecting and appreciating the values, beliefs, and cultures in a multicultural environment; 5) work in teams, and present ideas and listen to other opinions, and negotiate and make decisions that allow alternative opinions; 6) handle and solve conflicts; 7) resolving problems and taking good decisions; 8) making individual identity and give meaning to one's life and to have a future orientation and awareness for the environment; and 9) understand systems and the direct and indirect consequences of one's actions and to be able to choose between alternatives in relation to individuals and shared norms. Central to these competencies is the underlining understanding that learning is a lifelong process that transcends structured education.

After the study (Occupational Information Network (0*Net online)., 2014), compiled surveys of knowledge, skills, and abilities for a broad range of occupations (Eldredge, 2006). These skills and abilities fell into six categories: 1) Generic Skills, 2) Problem Solving Skills, 3) Social Skills, 4) Managing Resources, 5) System Thinking Skills and 6) Technical Skills.

It is mentioned that (National Center on Education and the Economy, 2007) higher education administrators understand the importance of humanities studies in preparing students
to be valuable members of society and to have a career. Basic academic courses in literacy, numeracy, science, literature, and history form the foundation for entry into the workforce, job performance, and career advancement.

Another researcher (Bok, 2006) observed that education administrators considered that the purpose of higher education was to develop a broad base of skills including the ability to communicate, think critically and engage in moral reasoning; to be informed and active citizens; to live with diversity and in a global society; to have a breadth of interests; and to be prepared for work.

Ajeet (Singh, 2012) discussed about the education system that is to be uplifted to a definite standard where in the students get the opportunity to discover their inner self and develop as good entrepreneurs bringing laurels for the country and upgrading the economy of the country. This study focuses on making education system a bit stronger and also incorporates innovation and entrepreneurship at work place in organisations. Further, he said that, training benefits the employee by increasing job satisfaction and recognition, encouraging then for self-development and building confidence, helps employee achieve personal goals, become an effective problem solver and finally to become productive and worthy of the salary.

A research (Gupta & Amir, 2012) has shown the relationship between business education, employability and entrepreneurship. While an employee has no value unless and until he meets with a perfect match for his skill and ready to pay proportionate money (Salary/Commission). So he needs an entrepreneur for job (Salary) as well as business education provider for becoming competent so that he fulfills the entrepreneur’s need. Finally, business education needs market for the consumption of its product. The consumption in the form of entrepreneur and these entrepreneurs consume others as their employee. These institutions
upgrade their products’ quality as per the feedback of the market. They properly watch which types of candidates get better placement and which type of students become a successful entrepreneur.

In a study (Patil, 2012) discussed that management education is of the major contributor of economic development. Its potentiality is subject to the influence of employability factor. This factor can be improved by changing teaching pedagogy, curriculum, relation with corporate world and learning directions. For increasing contribution to society and economy, it is essential to customize management education for making employability as essential.

Dr Gandhi also emphasized on management teachers’ need to address the skill development orientation while teaching their respective courses, giving assignments to students so that the entire learning process creates skill development, It is important to realise that skill development is not an overnight ask and not a pill oriented method that a specific course taken will develop these skills in the student.

**Competency Learning in Higher Education**

For developing professional competence and professional expertise, it is very important to recognize combination of practice and theory. Roughly speaking, current competency learning in higher education can be divided into three major approaches: higher education institution-based learning, work-based learning, and competency or performance-based education.

**School-Based Learning**

According to the U.S. Congress, higher education institution of learning, “should comprehend classroom teaching which is linked with workplace experience and also provide critical information about skills needed in graduates for making them ready for good career.” (as
cited by Joyce & Neumark, 2001, p. 38). The effectiveness of education institution-based learning may vary depending on the given programs and range from directly applying general material knowledge or completely enterprise-specific practices (Collin & Tynjala, 2003).

**Work-Based Learning**

A study (Foster & Stephenson, 1998; Tynjala, Valimaa, & Saga, 2003; Boud & Solomon, 2001) stated that work based learning is considered as an essential part of school-based learning.

Work-based learning may either involve incidental, unintentional, and implicit learning as a side effect of work (Eraut, 2000; Marsick & Watkins, 1990), or intentional, goal-directed, and explicit learning as a development process of expertise (Collin & Tynjala, 2003). The latter can be either formal or informal and often involves on-the-job learning (Collin & Tynjala, 2003). Recent studies on professional development have emphasized that an integration of school- and work-based learning is of fundamental importance (Bereiter & Seardamalia, 1993; Collin & Tynjala, 2003). Work-based learning may enable learners to continually produce work-process knowledge, which is generated when theoretical knowledge is integrated with experiences and practices acquired in the course of problem solving at work (Boreham). Hence, there is a need to construct links between theoretical knowledge and practical experience in both educational and work contexts, combining all formal and informal features of contemporary education (Collin & Tynjala, 2003).

**Performance Based Education/ Competency Based Education**

The term Competency based Education (CBE) originally originally derived from two perceived needs in American society: accountability and personalization (Houston W. R., 1974). According to Houston, the force of accountability derives from the commercial and industrial sector of society, which emphasizes an individual achievement related to the goals of a society.
The force of personalization, however, derives from the needs of a fast-changing society, which increasingly pays attention to the human spirit and requires more opportunities for real interaction and interdependence among people. Both of these forces have shaped contemporary educational directions preparing students for industrial life.

(Houston W. R., 1974) The objective of competency-based education includes following objectives: i) performance based, ii) cognitive, iii) affective, iv) consequence based, v) exploratory and affective. According to Houston, cognitive-based objectives expect learners to demonstrate knowledge and intellectual abilities and skills. Performance-based objectives emphasize learners’ observable actions. Consequence-based objectives require learners to bring about change in others, change that is examined by their instructors. Affective objectives resist the specific expectations of the first three types. Finally, exploratory objectives define desired outcomes in learners.

In competency-based education, great emphasis is placed on performance and consequence-based objectives. Performance-based education (PBE) has many similarities with competency-based education (CBE). The former is used as a framework of a learning system that seeks to assess whether or not a learner has achieved a given competency or set of competencies (Voorhees, 2001). The difference is that CBE emphasizes objectives and PBE emphasizes criteria (Houston W. R., 1974).

The most widely accepted definition of CBE/PBE, provided by (Elam, 1971), involves three levels of descriptors: (a) essential elements, including competencies, assessment criteria, competency assessment, rate of progress, and instructional evaluation; (b) implied characteristics, including individual, personalized, and modularized instruction, feedback of learning experience, and learners’ accountability; and (c) related or desirable characteristics,
including field-centered learners’ and instructors’ participation in program design, continuous career preparation, and role integration.

(Johnson, 1972) The characteristics of general education program with a CBE program, suggested that CBE is a creative effort for preparing learners for work life. Johnson concluded that general education programs pay more attention to students’ subject area knowledge and have specified time and field limits. Entrance requirements are critical concerns for students in general education programs while of little concern for those in CBE programs. CBE programs emphasize students’ ability to perform, on-the-job experiences, and field-centered practices. There are no fixed rules and scheduling of learning activities in consideration of individual differences among students. The criterion of success is used to determine how well students perform.

Higher education management institutions should also develop an entrepreneurial based dynamic curriculum to meet industry needs (Kavitha & Thomas, 2014). Findings of the study were three fold:-

**Expectations from Management Institutions**

The intention and focus of management education should shift from passing exams to building skills, knowledge, developing right values and attitudes. B-schools offering management education are expected to provide and help students in

- Enhance Entrepreneurial Skills by developing information management skills to execute tasks.
- Decision making process in a dynamic environment.
- Development of human resource management skills.
- Developing creativity / innovation to become more professional in their business dealings.
Improvising time management skills as 'Time lost is money lost'. 'Customer is the king of the businesses’ and ‘Customer is God'.

Expectations from Business Management Teachers

A lot of expectations have fallen on the business management teachers too. The quality of Ph.Ds in management is very less in number. Teaching and research professions are the least preferences for fresh management graduates. There is an inverse correlation between the employment market and the Ph.D registration. It is to understand and realize that management PhDs do not get a pay package for their higher qualifications in the learning and teaching market. The quality improvement program is a highly successful program originally administered by MHRD, with the objective of upgrading the in-service faculty qualifications, short-term courses for updating faculty knowledge and skills and curriculum development. Faculties in management department are expected to have appropriate industry exposure to provide skill based subject knowledge.

Expectations and Learning from the Corporate Sector

There are many perspectives to be understood and learned for the educational sector from the corporate sector in handling management talents. There are two principle classes of activities in educational institutions:

- Academic activities include teaching, academic research, research sponsored by UGC, industry and other agencies, continuing education and service activities.
- Non-academic activities such as library services, seminars, conferences, workshops and labs and administration.

The former are unique to the educational institutions while the latter have analogy in the corporate sector. This is also the reason why educational institutions are assessed through
accreditation. Management educational institutes must be in alignment with common activities of the corporate sector where the corporate sector is assessed through ISO and other similar systems.

The academia and the corporate sector represent two unique cultures, both essential for national development. The practices and theories of one sector cannot be directly translated into the other. The stakeholders of the two sectors are quite different and demand different things. But nevertheless, the experiences and case studies of the two sectors may be studied. Efforts must be put to analyse, for deriving important lessons and insights and bridging the gap through campus connect programs.

Institutional Models of Key Competencies in Different Countries

The debates about the essential skills required of graduates have been animated globally in recent years. Many countries have developed their own list of essential skills for local institutions. (Fallows & Steven, 2000) The institutions differed in skills agendas because of local matters including the nature of the student population, management and organizational arrangements, diversity of courses offered, financial status of the institution, location of the institution, and particular national priorities.

By reviewing the institutional models of key skills required of students and graduates in different countries, (Tien, C. J.; Ven, J. H.; Chou, S. L., 2003) research has revealed that each country has developed its own essential competency model from different perspectives:

1. ASTD/DOL Skills of the United States (ASTD & DOL, 1998). This model includes a series of skills and competencies in seven dimensions: learning to learn, academic basics, communication, adaptability, personal development, group effectiveness, and
influential skills. It also suggests that those skills should be integrated components of school education and be continually learned throughout the student’s life.

2. *SCANS of the United States* (SCANS, 2000). This model includes three foundation skills: basic, thinking, and personal qualities. It also includes five competencies: resources, interpersonal, information, system, and technology.

3. *Key Skills of United Kingdom*. This model was issued in 1990 and includes improving learning and performance, communication, working with others, application of numbers, problem solving, and information technology (http://www.dfes.gov.uk/key/, February 01, 2002).

4. *Mayer Key Competencies of Australia*. This model includes seven competencies suggested by the Mayer Committee (Mayer, 1992a; 1992b): collecting, analyzing, and organizing information; communicating ideas and information; planning and organizing activities; working with others and in teams; using mathematical ideas and techniques; solving problems; and using technology.

5. *Employability Skills 2000+ of Canada*. The model suggests essential skills that individuals need to possess in the workplace or when self-employed. The model consists of skills in communication and problem solving, positive attitudes and behaviors, adaptability, working with others, science, technology, and mathematics (Employability skills 2000+, 2001).

6. *Ten Basic Competencies of 1-9 Integral Curriculum of Taiwan*. This model has been implemented since 2001. It ensures a consistency of national compulsory education and aims at developing students’ basic skills. The model refers to learners’ daily living experience and arranges learning activities around it. Students are expected to connect
their subject area knowledge with the real world. In this new curriculum, students are guided to move into the seven domains of learning, including language and literature, health and physical education, social studies, arts and humanities, mathematics, nature and technology, and integrated activities. The 10 basic competencies related to those domains of learning are self-understanding and potential development; appreciation, expression and innovation; career planning and lifelong learning; presentation, communication and sharing; esteem, concern and teamwork; cultural learning and international understanding; planning, organizing and practicing; applying technology and information; active exploration and research; and independent thinking and problem solving (Tien, C. J.; Ven, J. H.; Chou, S. L., 2003).

In sum, there are some similarities among these models and a universal acceptance of a need for students and graduates to develop communication skills, information management skills, skills in using modern communications and information technologies, interpersonal skills, and personal skills. Governments have a responsibility to provide students with a well-grounded education in a chosen discipline. Today’s fast-changing environments demand the aforementioned skills and abilities. To ignore these would be a failure on the part of higher education (Fallows & Steven, 2000).

In an intense study Meenakshi (Gandhi, 2013) has drawn from business managers’ experiences and highlighted the skill sets needed by MBA students in the current market scenario which shall be even applicable in the next decade to come. 10 major skill areas have been identified and in them the important ones that need to be addressed are effective communication both oral and written, problem identification and problem solving, time management, numerical
competency, data analysis, flexibility and adaptability. Complete list and details of necessary competency identified by Meenakshi Gandhi are mentioned below:-

A. Employability Skills

1. Effective Communication
2. Problem Solving
3. Numeracy
4. Self-Motivation
5. Organisational Skills
6. Leadership & Management
7. Flexibility & Adaptability
8. Team Working
9. Negotiation Skills
10. Diversity/ Sensitivity

B. Personal Attributes

1. Professional but friendly behaviour
2. Good time keeping
3. Excellent communication
4. Personal grooming and etiquette
5. Adaptable
6. Resourceful
7. Self-confidence (not over confidence)
8. Thinking and reasoning
9. Commercial awareness
10. Self-motivation
11. Integrity, trustworthiness
12. Proactive nature
13. Negotiation skill
14. Goal orientation
15. Willingness to learn
16. Creativity & innovativeness
17. Social concern
18. Conflict management
19. Flexibility

C. Management Tasks that Aid Employability Skill Development

1. Writing skills
2. Speaking skills
3. Adaptability skills
4. Operating skills
5. Analysing skills
6. Initiative taking skill
7. Planning and organising skills
8. Leadership skills
9. Negotiating skills
10. Persuading skills
11. Networking skills
12. Investigating skills
13. Listening skills
14. Learning new skills
15. Making skills
16. Numeracy skills
17. Commercial awareness

The above mentioned skill set will be more effective if management teachers address these skills development orientation while teaching their respective courses, giving assignments to students so that the entire learning process creates the skill development. It is important to realise that skill development is not an overnight ask and not a pill oriented method that a specific course taken will develop these skills in the student.

A study (Saxena & Bhatia, 2014) shows that there are certain skills which need to be acquired by the individual (all stakeholder to the business). These skills can be generic in nature which are compulsory for all to perform and some others skills are conceptual, technical, cognitive and analytical in nature.

This research also provides a progressive viewpoint on a much researched, but still poorly understood area of skill development, and explains why the anticipated “skill enhancement” in today’s world has become a pivotal point of discussion. The importance of competency development for business world marked by networking, collaboration, flexibility, cut throat competition in the face of increasingly volatile markets and global change has been discussed in the paper.
Nikita (Sarpal, 2012) focuses upon the challenges faced by graduates for employability which are mapped by observation and interviews conducted. Findings of this study were the result of observation and interviews by exploring the secondary information available. The study also helps to devise a survival plan for graduates by analyzing the explored information. This exploratory research recommended that business graduates can also dazzle if they shine with right skills and competencies.

Recent study (Poonam, 2012) emphasised on management student’s employability in terms of getting placement. It is mentioned in various studies that employers are not getting right candidate. Certain researches revealed that only 25 percent MBA students are employable. Even admission criteria are flawed as it has no link to the course curriculum. These B-schools have artificially created capacity scarcity. When the B-school graduates get the jobs, these negative connotations move into the workplace.

Based on above problem Poonam proposed some solutions. Firstly, management institutions should provide complete knowledge of core areas to students by linking education curriculum with industry requirements. Second, employers should translate the ES into valid selection criteria. Third, students must acquire varied skill sets in view of changing needs. They need to become culture sensitive, possess positive attitude and energy, have commitment to job, update themselves on global work issues, and engage themselves in lifelong learning, if they truly want to become global managers.

A study conducted by Ritika (Mahajan, Nangia, & Sharma, 2012) describes the rise of management education in India, relevance and significance, different issues and challenges faced by B-schools in India and strategies to improve with emphasis on faculty retention, faculty
development, functional literacy and academic excellence. Present research paper, on the whole, documented and analyzed management education system in select emerging economies in the backdrop of its role and significance in these countries.

Sujoy Kumar (Dhar, 2012) tried to study the correlation of education pedagogy/curriculum and employability of MBA students in India. The management institute should be able to contribute positive value addition to the life of the students. It is not important whether the business school is scoring top ranks by different business school rating agencies. It does not matter whether the Business school has the approval of the Governmental regulatory bodies such as University Grant Commission (UGC) and All India Council for Technical Education (AICTE). It also becomes immaterial whether the organizations are providing degree, diploma or certificate program in management. Ultimately it matters whether the business school is able to change the dimension of learning by its up-to-date course curriculum, innovative teaching pedagogy as well as andragogy. If students are really benefitted after studying the MBA course, even if they are not getting placement from the campus, they will be able to join in a branded organization through the process of out of-campus placement. If the alumni members of the institutions are successfully placed in different reputed organization including blue chip companies as well as multi-national corporations and they are working either as middle level or senior level managers, their words of mouth will fetch more and more students for the institution. The goodwill of the institution will become an asset for all the students who will pass out from that institute and they need not run after the jobs. On the contrary, the companies will come and recruit in bulk from the campus as they have generated brand preference as well as brand conviction towards the business school as outputs or the finished products of the management institute are already tested by them.
In a study (Vyakarnam, 1987) it was reported that in a country like India where the majority of the population is outside the mainstream of modern industrial life, there are arguments that freedom to make a profit should be accompanied by social responsibility because this form of behavior helps to link modern industry with the wider social goals of a country.

A study (Rao, 2004) revealed that employers, faculty and students should judge management institutions on the basis of number of students getting jobs it also depend on how many offers one student gets and the amount of offered salary. Many professors lament that, over the years, the students have developed a strange and callous attitude towards learning, as they tend to look upon the stay in the campus more as a stepping to a lucrative career in the corporate sector and not as an opportunity to learn.

A study (Ray & Sinha, 2005) stated that the real contradiction lies in the fact that in achieving excellence, business/management schools will look for the best students. The best students want the best jobs. And in an open dynamic economy like India, the best jobs will be the best paid ones too. Social relevance and high pay usually do not go together.

Summary

This chapter reviewed the theoretical bases of competency and examined the empirical and scholarly literature related to the present study. The chapter examined seven areas: (a) interdisciplinary definition of competency, (b) competency models, (c) studies of specific competencies, (d) competency learning in higher education, and (e) institutional models of key competencies required of students and graduates in different countries. All these areas seek to reflect on the issues that surround the perceived importance of skills and competencies for workers, something that has been debated for a long time in the education and business worlds.
Review of literature (Burgoyne, 1993) illustrates that a variety of stakeholders in diverse fields from social science to management use the term *competency*. These stakeholders have attempted to define the term more specifically based upon their own work environment and achieved little consensus. The term has become more associated with education and human resource development contexts.

Many researchers have attempted to make a distinction between competency and competence. In general, competence has been viewed as skill-related performance in the area of work. It often involves the standards or focuses required in employment (i.e., skills that people should be able to do to perform a job well). Competency is seen as behavior- or person-related performance. The emphasis is placed on how people display their behavior to perform the tasks with competence. Researcher (Hoffmann, 1999) suggested that the meanings of competency and competence differ in their purposes as they relate to human performance.

In their study (Spencer & Spencer, 1993) they introduced two models of competency in their work. The Iceberg Model of Competency suggests that surface knowledge and skill competencies are easy to train and that the motive and trait competencies at the base of the personality iceberg are the most difficult to assess and develop. The Competency Causal Flow Model involves a causally related process in which personal traits and characteristics predict behavior actions toward specific outcomes.

The Conceptual Learning Model of Competency was developed by the U.S. Department of Education. It depicts hierarchical relationships between key elements contributing to successful performance.
A research (Stephenson, 1998) conducted on related capability to competency. He viewed capability as a holistic concept of competency which drives people to effectively adapt to change in the future.

Researcher (Rudman, 1995) argued that individuals may not be capable of performing the tasks until they gained practical experiences. Individual capability should be fostered through the application of competencies in a variety of contexts (Bowden, J.; Marton, F., 1998; Rainsbury, Hodges, Burchell, & Lay, 2002).

Resources that define competencies arise from extensive research studies conducted in recent years. Some of the research is specific to workforce development and technical programs while other studies focus on the development of lifelong-learning competencies. Global system level skills provided workers with a new global view on related system-level skills. SCANS identified a three-part foundation and five competencies U.S. workers must have to succeed in the work force. Workplace basics determined seven essential skills groups that employers want. MTM skills addressed four base competencies, related to cognitive and affective domains, needed by college graduates entering the workplace. Five common domains of competence in the workplace are relevant to individual competence development in today’s business environments. Soft skills and hard skills are viewed as complementary skills for an individual to be intellectually and emotionally effective in performing tasks in the workplace.

Current competency learning in higher education can be divided into several approaches. One approach involves school-based learning that ranges from directly applying general knowledge to completely enterprise-specific practices. Another approach involves work-based learning, which is an integral part of school-based learning by linking the work contexts to school curricula. Yet another approach involves competency-based learning and performance-
based learning. This approach provides modularized instructions and feedback of learning experience and emphasizes students’ ability to perform, on-the-job experiences, field-centered practices, and accountability for meeting the given criteria.

The final section reviewed the institutional models of key competencies required of students and graduates in different countries. These include ASTD/DOL skills and SCANS of the United States, Mayer key competencies of Australia, employability skills 2000+ of Canada, and the 10 basic competencies of 1-9 integral curriculum of Taiwan. Most of these have some similarities on what the competency items should include. A consensus among those countries for determining students’ work skills and competencies include communication skills, information management skills, skills in using modern communications and information technologies, interpersonal skills, and personal skills.

These topics provide a variety of theoretical concepts and discussions of key terms related to competency and competence. The results of this study can help establish a basis for fostering and facilitating school-to-work training in higher education to benefit the entire public, not just employers or educators.

Chapter 3 will describe in detail the methodology of the present study.