RECRUITERS' PRIORITIES IN PLACING MBA FRESHER: AN EMPIRICAL ANALYSIS

Miss Sangeeta   Mohanty

Assistant Professor,

Academy of Business Administration,

Angaragadia, Balasore, Orissa, India

ABSTRACT

Recruitment is of the most vital roles of the human resource professionals. The performance of an organization depends on the effectiveness of the recruited people and its recruitment function. International competition, the rapidly growing size and the complexities of organizations, the changing values all these have made the traditional approach to personnel management obsolete. The current trend demands a more comprehensive approach to recruit and utilize the valuable resources .MBA talent is in demand even at the time of recession. Inspite of this growing demand, MBA freshers are facing deadly competition amongst them. The purpose of this paper is to provide a more comprehensive statistical analysis of evaluating and appraising recruiters' priorities in regard to place the MBA fresher in the right place.

_____

Introduction

Recruitment and selection is a vital function of HR in the organization. In the long run, these people would be a liability to their organization. The role of HR is very crucial in selecting and recruiting the right kind of people who can be asset for the organization. Instead of following a blind elimination process the focus should be on selecting people based on the skills and competencies required for the job. The most difficult and important job of the recruiters is to pool the best talent for the selection at the right place. Recruitment strategies need to be reformulated according to the corporate objectives and policies.

With the increase in employment opportunities particularly for IT and Diploma students, has restricted the opportunities for MBA graduates. The priorities of the recruiters' are also changing in that way. The recruiters' have become choosy in selecting a fresh MBA graduate. Though MBA talent is in demand, getting a good job has been the challenging part of their life. Employers hire MBA graduates because of the communication, managing skill and analytical ability to handle all types of situational problems. Employers give priorities to MBA graduates and also offer higher salaries compared to other graduates. There is always a better chance for MBA graduates to be absorbed at higher levels in the organization. The number of colleges offering MBA courses has increased remarkably during last five years. All the colleges could not maintain the desired level of quality education. Most of the business school graduates failed to acquire the skill as suited to the companies resulting low rate of hiring the students by the companies. MBA graduate hiring in 2008-2010 was also affected a little due to the recession in the United States. The number of companies hiring MBA was 64% in 2007, 58% in 2008 and expected 9 percent decline in 2009 (Corporate Recruiters' survey, 2009). Thus the rate of hiring MBA and more specifically fresh MBA graduates dropped drastically in 2009 and early 2010. In

that way the average starting salaries also declined by 4% to 6% as compared with 2008 salaries.

Table-1: Average Number of Job Offers

Job Offers	2008	2009
Full-time two year MBA	2.3	1.9
Full-time one year MBA	2.4	2
Part-time MBA	2.4	2
Executive MBA	2.6	2.3
Other master's	2.7	2.5

Source: Global Management Graduate survey, 2009

There was a 14 percent decline in the average number of offers received in 2009 compared with those received in 2008. The companies participated in Corporate Recruiters' survey, 2009, hired 55% MBA freshers in 2008. Though, 10 to 20 percent annual increases were expected in 2009 and 2010, but 10 to 50 percent decline was marked in the number of new business graduate hires.

Table-2: Graduate Business Hires

Graduate Business Hires	2007	2008	2009
MBA graduates	11.6	22.6	20.5
Masters in Management graduates	12	4.7	9.4
Specialized master's in business graduates	5.8	2.9	8.7

Source: Corporate Recruiters' survey, 2009

Organizations have developed recruitment strategies to hire the best MBA talent for their organization and to utilize their resources optimally. A successful recruitment strategy should be well planned and practical to attract more and good talent in the organization. The particular research is an attempt to focus the recruiters' priorities in regard to place the MBA fresher and to find out the most desired skills of MBA graduates to be well placed.

Objective of the study

The study is aimed at evaluating and appraising recruiters' priorities in regard to place the right MBA fresher in the right place. In order to examine this, the paper has the following objectives before it:

1. To analyze whether the domain knowledge in each area is equally important or not.
2. To find out the basic skills required for the freshers' of MBA to get the job.
3. To find out the most attractive skills amongst the freshers' of MBA.
4. To find out the Skills that should be improved by the freshers' of MBA.
5. To identify the agreement of the recruiters' in assuming the freshers' of MBAs inaccurately in different fields.
6. To ascertain the most required personality among the freshers' of MBA.
7. To find the weightage of the different institutes in getting the job.
8. To find out the agreement of the recruiters in identifying the body language normally observed among the MBA freshers'.
9. To know the effect of Sense of responsibility, acceptance of accountability and spontaneity of reaction to action on the fresher in getting job.
10. To compare the domain Knowledge with that of the communication skill.
11. To analyze whether the male and female are equally likely to get the job or not.

Collection of Data

In order to achieve the identified objective, a sample of 100 recruiters' was selected from different areas of the city **Mumbai, Maharastra** through different consultancy. A pre-tested questionnaire was administered to the recruiters and in some cases telephonic interviews were conducted according to the availability of the recruiters. Besides, personal observation was done where necessarily applicable. A pilot survey was conducted in the cities and the questionnaire was improved in that light. A structured questionnaire was used as a data collection tool, and the statistical judgment sampling was resorted to for the purpose of the study. The survey was conducted during February, March 2009.

Tools and techniques used

The statistical techniques used are,

- Percentage method – it shows the trend of the variable.
- Chi-square test – it is used to test the goodness of fitting of observed data with those of expected data.
- Ranking method-its basic property is to arrange a number of attributes in a particular order.
- Spearman's rank Correlation –It is used to find out the relationship in between the ranking.
- Kendall's concordance test –It is used to test the agreement of the ranking.
- Large sample test (Z-test) – it is used to test the equality of two-population proportion.
- Multiple Regression – It is used to find out the dependence relationship of a group of variables on one variable.
- Small sample test (t-test) - it is used to test the significance of correlation coefficient.

Analysis and Interpretation

1) **Domain knowledge Analysis.**

The knowledge in finance, marketing and human resources are of prime importance in getting a job for the fresher's of MBA. We have performed one-way ANOVA in order to analyze whether the domain knowledge in each area is equally important or not.

The following hypotheses have been formulated to analyze the data using **one-way ANOVA**

Null Hypothesis:

H_0: There is no significant difference in the domain knowledge in getting job.

Table-3: ANOVA

Sources of variation	d. f.	Sum of	Mean Sum of	F
Domain knowledge	2	127	63.5	5.83
Error	9	98	10.88	
Total	11			

Tab. Val of $F_{(0.05)}$ at (2,9) d.f is 4.26

As, $F_{cal} > F_{tab}$, H_0 is rejected and H_1 is accepted

Interpretation: It is inferred that, there exists significant differences in the domain knowledge in getting job.

2) Analysis of the Skills required.

Recruitment strategies, policies and the methods need to be evaluated continuously to ensure their alignment with corporate objectives and policies .The effectiveness and efficiency of the recruitment process mostly depends on the skills of the persons to be recruited. For that reason we have divided the skills into three partitions such as:

2(a) The Basic skills

_____

The data have been collected on 5-point likert type scale in all five attributes. The statements were measurable on a Likert scale of 1-5; where 5 indicates strongly disagree and 1 indicates strongly agree.

Table-4: Rank

Skill	1	2	3	4	5	Total Rank	Weighted	Rank
Communication Skill	80	30	9	4	5	128	1.28	1
Business	50	22	14	10	4	196	1.96	2
Conceptual Skill	13	15	20	25	27	338	3.38	5
Problem Solving Skill	65	27	4	4	0	211	2.11	3
Soft Skill	20	26	30	9	15	293	2.93	4

From the above analysis we observed that two skills **communication skill** and the **business management skill** have the lowest rank sum. So, we conclude that the **communication skill** and the **business management skill** are the most important basic skill required for the entry level jobs where as the least preference goes to **conceptual skill** and **soft skill**.

2(b) The most attractive MBA Skills

The data have been collected on 5-point likert type scale in all five attributes. The statements were measurable on a Likert scale of 1-5; where 5 indicates strongly disagree and 1 indicates strongly agree.

Table-5: Attractive Skill

Skill	1	2	3	4	5	Total	Weighted	Rank
Ability to think	36	68	30	60	20	214	2.14	4
Ability to think	49	52	60	16	5	182	1.82	3
Quantitative skills	2	18	60	108	210	398	3.98	5
Oral communication	54	60	12	32	20	178	1.78	2
People management	70	40	21	8	5	144	1.44	1

From the above analysis we observed that two skills people management skills and the oral communication skills **have** the lowest rank sum. So, we conclude that the people management skills and the oral communication skills **skill** are the most required attractive skill for the entry level jobs where as the least preference goes to quantitative skills   and leadership skills.

2© Skills that should be improved

The data have been collected on 5-point likert type scale in all five attributes. The statements were measurable on a Likert scale of 1-5; where 5 indicates strongly disagree and 1 indicates strongly agree.

Table-6: Skills to be improved

Skill	1	2	3	4	5	Total	Weighted	Rank
Leadership skills	36	44	36	40	100	256	2.56	5
Skills to make decisions.	71	18	24	20	35	168	1.68	1
Interpersonal skills	53	40	27	12	75	254	2.54	4
Written communication skill	62	46	9	28	25	170	1.70	2
Teamwork skills	42	44	24	64	60	234	2.34	3

From the above analysis we observed that two skills, **Skills to make decisions and Written communication skill** have the lowest rank sum. So, we conclude that the **Skills to make decisions and Written communication skill** are the most required attractive skill for the entry level jobs where as the least preference goes to quantitative skills   and leadership skills.

   3) Inaccurate assumptions of MBAs

Now a day's most of the companies are hesitating to hire MBA graduates for inaccurate assumption of MBAs. The top five barriers the recruiters cite have to do with the inaccurate assumptions of MBAs are unrealistic salary expectations, unrealistic job

expectations, unrealistic view of advancement opportunities, over confidence and extra ambitious nature.

The following table is constructed on the basis of the majority of the decision furnished by the respondents.

Table -7: Barriers

Barriers / Field	Unrealistic salary expectations	unrealistic job expectations	unrealistic view of advancement opportunities	Over confidence	Extra Ambitious
HR(x)	2	3	1	4	5
Marketing(y)	3	1	2	4	5
Finance(z)	1	4	3	2	5

In order to know the relation in between x, y, z, we have worked out Spearman's Correlation coefficient (Rank correlation coefficient) pair wise.

R_{xy} = 1-(6$\sum$D^2/ N^3-N) = 0.9, Rxz = 1- (6$\sum$D^2/ N^3-N) = 0.886, Ryz = 1- (6$\sum$D^2/ N^3-N) = 0.833

R_{xy} = the correlation coefficient between HR(x) and Finance (z) (0.9) is maximum; it shows a very high degree of positive correlation in between the said variables.

Now, the significance of the coefficient of rank correlation can be tested by using small sample ('t') test.

H$_0$: Two variables are not associated. (r = 0)

Test statistic

t =   r $\sqrt{}$ {(n-2) / 1-r^2} = 0.9 $\sqrt{}$ {(4-2) / 1-0.9^2} = 2.91

Calculated value of 't' is 2.91 and the tabulated value of 't' with (n-2 =2) d.f is 2.353

Cal. value > Tab. Value, So, H_0 is rejected and H_1 is accepted.

Interpretation: All the correlation coefficients are more than 0.50, so the variables are highly positively correlated. In other words the recruiters HR, Marketing, Finance have the agreement with the fact that Unrealistic salary expectations, unrealistic job expectations unrealistic view of advancement opportunities and over confidence are the barriers for the fresher to get the job. At the same time, HR and Finance recruiters have the strong association with this fact.

6) The most required personality.

The job of the recruiters is to place the right person in the right place suiting to the personality. We have constructed the following table on the basis of the information supplied on the most desirable personality required in different fields such as finance, marketing and HR.

The recruiters were asked to rank the personality according to their choice ranging from one to seven

Table-8: Personality

Personality	Rank sum(SR)	Rank sum(SR)2
Competence	250	62500
Assertiveness	570	324900
Creativity	520	270400
Self-confidence	320	102400
Flexibility/adaptability	150	22500
Motivation	390	152100
Strong work ethic	660	435600
Total	2860	1370400

Now by Kendall's' coefficient we could estimate the relationship and test whether the different respondents are in agreement or not, as given below.

H_0: The respondents have disagreement in ranking.

Test statistic

Kendall's coefficient of concordance is given by the following rule

$$W = \frac{S}{\frac{1}{12}k^2(n^3 - n)}$$, n = no. of attributes ranked=7, k =the no. of respondents=100.

Where, $S = \sum(SR)^2 - n(\overline{SR})^2$ = 201885.716, $W = \frac{S}{\frac{1}{12}k^2(n^3 - n)}$ = 0.721

Kendall's Coefficient of Concordance approximately follows χ^2 = k (n-1) W= 100*6*0.721= 432.6 with (n-1) d.f

χ^2 (cal) = 2893.2 > χ^2 (tab with 6 d.f and at 5% level of significance) =12.592

So, H_0 is rejected and H_1 is accepted.

Interpretation: It is interpreted that the recruiters' have the nearest approach to the same ranking with respect to the choice of the personality

4) **Weightage of the different Institutes**.

Let us test whether the brand of the college helps in getting the job or not and for this purpose we have used chi-square test to test the goodness of fitting of the data.

Null hypothesis H_0: There are no significant differences between the different institutes.

Statistical test: Chi square test is the most appropriate test for this purpose.

Table-9

Observed Frequency (O)	Expected frequency (E)
5	20
17	20
24	20
25	20
29	20

Test statistic:

x^2 (Chi-square) = $\sum [(O-E)^2/E]$ = 17.8

Tab. Val of $x^2_{(0.05)}$ at 3 d.f is 9.488

As, $x^2_{cal} > x^2_{tab}$, H_1 is accepted and H_0 is rejected

Interpretation: So, H_1 is accepted and H_0 is rejected. In other words, different institutes have the different weightage in getting the job.

5) The body language that normally observed in a MBA graduate.

Body language is a form of non-verbal communication involving the use of stylized gestures, postures. Here we have tried to collect the views of the recruiters about the body language normally observed in a MBA graduates.

The following table is constructed on the basis of the majority of the decision furnished by the respondents.

Table-10: Body language

Body language	Confidence	Attitude	Open to learn	Aggressive

Responses				
Finance(x)	1	2	3	4
Marketing(y)	2	1	3	4
HR(z)	4	1	3	2

In order to know the relation in between x, y, z, we have worked out Spearman's Correlation coefficient (Rank correlation coefficient) pair wise.

$R_{xy} = 1-(6\sum D^2/ N^3-N) = 0.8$, $R_{xz} = 1- (6\sum D^2/ N^3-N) = -0.4$, $R_{yz} = 1- (6\sum D^2/ N^3-N) = 0.2$

R_{xy} = the correlation coefficient between Finance (x) and Marketing (y) (0.8) is maximum; it shows a very high degree of positive correlation in between the said variables.

Now, the significance of the coefficient of rank correlation can be tested by using small sample ('t') test.

H_0: Two variables are not associated. ($r = 0$)

Test statistic

$t = r \sqrt{\{(n-2) / 1-r^2\}} = 0.8 \sqrt{\{(4-2) / 1-0.8^2\}} = 1.88$

Calculated value of 't' is 1.88 and the tabulated value of 't' with (n-2 =2) d.f is 4.30

Cal. value < Tab. Value, So, H_0 is accepted and H_1 is rejected.

Interpretation: The recruiters do not have the strong association in ranking system with respect to normally observed body language.

8) The effect of Sense of responsibility, Acceptance of accountability and Spontaneity of Reaction to Action on the fresher in getting job.

Multiple regressions

The chance of getting the job is correlated with Sense of responsibility, Acceptance of accountability and Spontaneity of Reaction to   Action of the fresher. Here the basic interest is to find out the weightage of the independent variables (Sense of responsibility, Acceptance of accountability and Spontaneity of Reaction to   Action) on the predictor, the chance of getting the job by using the Multiple Regression technique.

Let Y be the dependent variable = the chances of getting job

B = the coefficient of determinant (a constant value)

X_1 =Sense of responsibility

X_2 = Acceptance of accountability

X_3 = Spontaneity of Reaction to   Action

$Y = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3$

Step-by-Step Multiple Regression

Table- 11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.733	.537	.450	1.92380

Adjusted R Square value tells us that our model accounts for 97.8% of variance in the frequency of visits and it signifies that it is a very good model.

Table-12: Correlations

	Y	X1	X2	X3
Y	1.000	.629	.558	-.026
X1	.629	1.000	.416	.000
X2	.558	.416	1.000	.392
X3	-.026	.000	.392	1.000

** Correlation is significant at the 0.01 level (2-tailed).**

This table gives details of the correlation between each pair of variables. There is a very good correlation between the criterion and the predictor variables. The values here are acceptable.

Table-13: Coefficient

Model		Unstandardized		Standardized	t	Sig.
		B	Std.	Beta		
	(Constant)	-1.593	4.730		-.337	.741
	X1	.815	.354	.440	2.306	.035
	X2	.797	.363	.456	2.197	.043
	X3	-.345	.318	-.205	-1.087	.293

a Dependent Variable: Y

The Standardized Beta Coefficients give a measure of the contribution of each variable to the model. A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable. The t and Sig (p) values give a rough indication of the impact of each predictor variable – a big absolute t value and small p value suggests that a predictor variables having a large impact on the criterion variable.

Sense of responsibility has the highest beta value (0.815), Acceptance of accountability and the Spontaneity of Reaction to   Action have the values of (0.797) and (-0.345).Error variance is explained by constant by (4.730), followed by Sense of responsibility (0.354), Acceptance of accountability (0.363), Spontaneity of Reaction to   Action (0.318).Sample t-test correlates positively for Sense of responsibility (2.306) , Acceptance of accountability (2.197)and negatively(-1.087)with the chance of of getting the job.

$$Y = -1.593 + 0.815X_1 + 0.797X_2 - 0.345X_3$$

9) Comparison of Domain Knowledge and Communication skill.

To test this we have compared the average number of the recruiters' (in terms of percentage) in favour of the domain knowledge and the communication skill by using the large sample test of mean.

Null Hypothesis:

H_0: The average number of recruiters' in favour of the domain knowledge is equal that of average number of the recruiters' in favour of the communication skill.

Alternative Hypothesis:

H_1: The average number of recruiters' in favour of the domain knowledge is more than that of average number of the recruiters' in favour of the communication skill.(one-tailed test)

Level of significance: Desired level of significance is 5% = 0.05

Test statistic

$\overline{X}_1$ (Average number of recruiters' in favour of the domain knowledge) = 68 and

$\overline{X}_2$ (Average number of the recruiters' in favour of the communication skill) = 32

n_1 = the total number of recruiters surveyed in southern region= 40

n_2= the total number of recruiters surveyed in northern region =60

$$S^2 = [\textstyle\sum(X_1 - \overline{X}_1)^2 + \sum(X_2 - \overline{X}_2)^2] / [n_1+n_2] = 363, \quad Z = (\overline{X}_1 - \overline{X}_2) \div \sqrt{\{S^2 (1/n_1 + 1/n_2)\}} = 9.35$$

Cal. Value of Z = 9.35, Table Value of Z = $Z_{0.05}$ = 1.645

Interpretation: H_0 is rejected and H_1 is accepted. Hence, the average number of recruiters' in favour of the domain knowledge is more than that of average number of the recruiters' in favour of the communication skill.

10) **Gender Wise Analysis**

For gender wise analysis, we have performed the large sample test **(Z)** in order to know whether the proportion of male fresher getting the job is more than that of female.

Null hypothesis: $H_0: P_1 = P_2$**, Alternative hypothesis**: $H_1: P_1 > P_2$ (right tailed test)

Test statistic

$Z_{CAL} = P_1 - P_2 / \sqrt{\{PQ (1/n_1 + 1/n_2)\}}$

P_1 = Population Proportion of male, P_2 = Population Proportion of female.

n_1 = total no. of male fresher applicants in the sample. = 120, n2 = total no. of female fresher applicants in the sample = 80

Calculation: $Z_{CAL} = P_1 - P_2 / \sqrt{\{PQ (1/n_1 + 1/n_2)\}}$
Where, **$P = (n_1 p_1 + n_2 p_2) / (n_1 + n_2)$, Q = 1- P**

p_1 = Sample proportion of male getting the job = (100/120) = 0.833

p_1 = Sample proportion of female getting the job = (70/80) = 0.875

P = (120* 0.833) + (80*0.875)/200 =0.8498, Q = 1-P = 0.1502

Z_{CAL} = 0.833 − 0.875/$\sqrt{}$ {0.8498* 0.1502 (1/ 60 + 1/ 40)} = 0.588

Z_{TAB} =1.96 at 5% level of significance. As, **Z_{CAL} < Z_{TAB}** H_0 is accepted.

Interpretation: The proportion of male and female getting the job is equal.

Findings and Conclusion

Recruitment is a function that requires ability to find and match the best potential candidate for the organization. The HR professionals – handling the recruitment function of the organization are constantly facing new challenges. The biggest challenge for such professionals is to recruit

the best people for the organization and how to make use of present human power in an effective and potential manner. Any organization can predict its success if it has placed his right person on the right job. Hence, recruitment plays an important role and no organization would like to take any chances in selecting the wrong person. The researchers have tried to focus on these issues and the findings are listed below.

1. It is inferred that, there exists significant differences in the domain knowledge in getting job.

2. The communication skill and the business management skill are the most important basic skills required for the entry level jobs.

3. The people management skills and the oral communication skills are the most required attractive skills for the entry level jobs.

4. The Skills to make decisions and Written communication skill are the most required attractive skill for the entry level jobs.

5. The recruiters HR, Marketing, Finance have the agreement with the fact that Unrealistic salary expectations, unrealistic job expectations unrealistic view of advancement opportunities and over confidence are the barriers for the fresher to get the job. At the same time, HR and Finance recruiters have the strong association with this fact.

6. It is interpreted that the recruiters' have the nearest approach to the same ranking with respect to the choice of the personality.

7. The different institutes have the different weightage in getting the job. Welingar institute has got the highest weightage in this direction and IIM; ICFAI institutes have got the second and third position respectively.

8. The recruiters do not have the strong association in ranking system with respect to the normally observed body language.

9. The chance of getting the job is positively correlated with the Sense of responsibility and acceptance of accountability.

10. The average number of recruiters' in favour of the domain knowledge is more than the average number of the recruiters' in favour of the communication skill.

---

11. The proportion of male and female getting the job is equal.

References

[1] MBA survey,2007

[2] ESSEC MBA, 2007, Alumni Survey

[3] Global MBA Graduate Survey 2007, General Data Report

[4] Recruiters survey, 2007

[5] Application trend survey, 2008

[6] Recruiters survey, 2008

[7] Corporate Recruiters' survey, 2009

[8] Global Management Graduate survey, 2009

[9] mba.com Registrants Survey,2009-2010

[10]   "MBA applications get mixed response in 2010: Survey", Business standard, Wednesday, Jan 05, 2011