



## Comparative Study of Recruitment Process from Education Sector in Madhya Pradesh

**Dr. Aarathi Mudaliar**

B 136, Alkapuri, Bhopal, (MP), INDIA

(Corresponding author: Aarathi Mudaliar)

(Received 01 November, 2014, Accepted 25 November, 2014)

(Published by Research Trend, Website: [www.researchtrend.net](http://www.researchtrend.net))

**ABSTRACT:** In today's globalized world, manpower development through higher education has become a crucial and necessary activity for almost all countries. Skilled and professional manpower is therefore becoming a very valuable asset that countries are struggling to acquire. With the advent of new technology, the emphasis has shifted to brain power, which is now in short supply. India continues to generate educated manpower which is not always ready to absorb, resulting in better career opportunities abroad and hindering national development [1].

The number of higher education institutions has increased and a shortage of faculty was being felt, looking at the possibility of the return of trained manpower from abroad. The purpose of this study is to determine the significance factors that influence unemployment among graduates in Madhya Pradesh. The variables consists job mismatch, English proficiency and employability skills [7].

A better approach to retaliate the shortage during the economic downturn will be to lean towards the fluctuations, target for a job security, improve the professional skills in existing environment, rather than looking for our demands and rights at this juncture [5]. It is recommended as Lean Management, to increase significantly the training on project management and strategy management, leadership behavior, delivery management, organization and environment etc., to provide adequate professional training during the graduation studies [6].

Employers, while taking recruitment process, are concerned about the ability of graduates to work in a modern organisation. It is the integration of new graduates into an organisation and the speed at which they can contribute effectively has become a critical factor [9].

A reformation is necessary in order for the Universities to minimize further drop in future in various engineering streams given that the industry clearly desires graduates who have a greater understanding of the business of engineering. And that future professionals' training is not the academia's exclusive responsibility as it requires the active participation and contribution of universities, industry and professional bodies [7].

### I. INTRODUCTION

Engineering education is a process of developing techno human resources, which are to be used later as input to industry which in turn produces goods and services for the societal use. Having considered the current situation of the engineering educational system and the quality of all its individual components it can be noticed that the awareness of the importance of education as a foundation for the growth and development of the country, such as India, is not strong enough. Engineering graduates passing out from educational institutions have to fulfill modern and high standard requirements that are needed by industry [12]. Recession in jobs availability and companies leads to downsizing in the existing available staff and cutting down of the perks and salary corrections. Globally the financial sector sacking the existing base of employees in high numbers in US – the major example being CITI Group, some still followed by others in hospitality industry, Jet and Kingfisher Airlines too. The cut in salary of the pilots being 90 % anyone can imagine such a huge cut in salary.

In the globalized market scenario, the impact of recession at one place/ industry/ sector speculate down to all the linked industries and this can be truly interpreted from the current market situation which is faced by the world since approx 2 month and still the situation is not in control in spite of various measures taken to fight back the recession in the market. The badly hit sector at present is being the financial sector, and major issue being the "LIQUIDITY CRISIS" in the market.

In total the recession have turned down the growth process and have set the minds of economists and others for finding out the real solution to sustain the economic growth and stability of the market which is desired for the smooth running of the economy. Complete business/ industry is in haphazard situation and if persists for a longer duration will create the small business to vanish as they have lower stability and to run smoothly require continuous flow of liquidity which is derived from the market.

The ministries of education and technical universities endorsed massive studies in engineering fields. Old schools expanded and new schools were created, having numerous students. Due to the high professional prestige and remuneration, the schools attracted high quality students. The increase in the volume of projects and the scientific and technological developments led to strong specialization, both in studies and profession. Trying to put order in the professional rights, different solutions were adopted in the various countries, ranging from a unified university diploma and a general professional permit to a wide spectrum of specialization of both. The issue became critical also in many other sectors. International professional unions of experts and bodies, stemming from national ones, were established; after examination, they certify not only the new comers to the profession, but also the experts' progress through time. Though in many cases these certifications have no State acceptance, they are appreciated and recognized worldwide [6].

Professional education in India attracts large number of applicants/ aspirants. The Indian Software Industry has created a niche to the engineers to keep pace with the demands of other countries collaboration. Many educational institutions in India like IITs and IIMs have set up a technical collaboration with the most industrialized countries of the time [10].

Ultimately, innovation is what allows an economy to grow quickly and create new jobs as old ones obsolesce and disappear. Typically, one salutary side effect of recessions is that they eventually spur booms in innovation. Some laid-off employees become entrepreneurs, working on ideas that have been ignored by corporate bureaucracies, while sclerotic firms in declining industries fail, making way for nimbler enterprises [11].

## **II. LITERATURE REVIEW**

Numerous researches unanimously support that most of the academic programmes fail to efficiently address the needs of construction industry professionals in management and administration and therefore, civil engineering curricula must broaden to adequately prepare students in many areas and enable them to respond to the challenges of the contemporary changing business environment. In fact, the growing complexity of the construction industry requires greater attention to construction project management courses. This makes imperative that the exposure of students to a broader base of knowledge in the management and economics domain is necessary [7].

From one of the surveys, Don Peck has cited on unemployment as below:

"Many of today's young adults seem temperamentally unprepared for the circumstances in which they now find themselves. ... has carefully compared the attitudes of today's young adults to those of previous generations when they were the same age. Using national survey data, she's found that to an unprecedented degree, people who graduated from high school in the 2000s dislike the idea of work for work's sake, and expect jobs and career to be tailored to their interests and lifestyle..." [11].

In this citation, the author has portrayed an immature attitude of graduates but the scenario has changed in which they are much aware of the market fluctuations and are prepared for their job offers.

Several studies have provided lists of the advantages of employing graduates including such things as graduates demonstrating flexibility, ambition, logical thinking, quick learning, high levels of motivated, good communication skills, creativity, maturity, specialist knowledge, analytic skills, initiative, and so on [9].

## **III. MATERIAL AND METHODOLOGY**

Since the study is positioned as an exploratory study, in-depth open-ended interviewing was primary source of data collection. The data was collected from the following sources:

1. Variable and situational Interviews and questionnaires from the passing-out engineering graduates across the state,
2. Variable and situational Interviews from SMEs (Small and Medium Enterprises) in selected areas, and
3. Group Discussions from the companies taking recruiters through campus placement cell and job fair, in various technical institutions.

In addition, data was collected from secondary sources such as published reports and Internet. This report is only an interim report and does not claim to be exhaustive in its listing of all the initiatives being taken by different software organisations, national institutes and other agencies.

Various multiple-choice questions and the structured questions were listed to the fresh job aspirants. The researcher provides a choice of answers and respondents are asked to select one or more of the alternative given. In this study, there are several statistical techniques that are used to analyze collected data such as frequency analysis, reliability

test, descriptive statistics, correlation test and regression. For data analysis, all data collected from respondent were analyzed using Statistical Package for Social Science (SPSS) [7].

Two sets of questionnaires were prepared to test the model: one for the employees and the other for the employers. With regard to employment, the questionnaires for employees contained items focusing on "continuous service" and "job change."

Questionnaires for employers also contained eight items focusing on "lifetime employment" and "mid-career hiring" (from other firms). Regarding personnel management, questionnaires for employees contained eight items concerning the "promotion and wage increases" and "passing seniors in promotion by juniors." Questionnaires for employers also contained eight items concerning the "personnel assessment" and "passing seniors in promotion by juniors." The response alternatives for all 16 items were: 1 = "agree", 2 = "agree a little", 3 = "neither", 4 = "disagree a little" and 5 = "disagree." [8]. Based on the proportionate response, the result is derived in percentage.

As a conclusion for this chapter, it is focus on the research methodology which is the exploratory, descriptive and causal research design. It also includes the information of the sampling technique and data collection method as well as the data analysis that has been used in this study [7].

#### IV. OBSERVATIONS/ FINDINGS

Interestingly, more up-to-date economy wide estimates of unemployment are consistent with the job losses showing decline to 7 per cent as compared to 8.8 per cent per annum during the last five years [2]. But with India's growth expected to plunge to 5 per cent next year, the incidence of joblessness will be more severe than before.

There are tons of Indians working in countries like the United States of America, United Kingdom, United Arab Emirates and many more countries. The global recession has led to layoffs. Layoffs will be affecting the foreigners working in different country. The first to be fired will be the foreigners working in a country because every country would not want to keep their citizens jobless and employ a foreigner.

Same is the case in UK and other European countries, lots of Indians will be losing their jobs and coming back to India where the situation is more or less the same. Every country has this problem and some solution needs to be worked out to stop the situation to get more worsened.

The global economic recession is not only affecting the finance and market but is also leaving a sharp impact on the health of employees. The corporate sectors are taking several measures to cope up with the economic recession. Several companies have reduced the number of employees on board, whereas, several others took the route of cost-cutting, which has resulted into lack of the office-keeping facilities, no overtime while working overtime, etc.

At the same time, the costly day-to-day consumption goods are draining money out of the employees at a faster pace. This state of employees along with stress of saving job, is leading to many diseases, such as depression, severe headache, obesity, spondylitis and hypertension, an Associated Chambers of Commerce and Industry of India (ASSOCHAM) study said.

However, there is certainly a deep recession as far as jobs for the highly educated are concerned. Ironically, this may be the first time in India's history when it is more difficult for the professional graduates to find employment or appropriate employment, compared to the less educated millions [2].

In the present scenario, the output of engineering graduates is increasing due to which the unemployment rate has also been increasing. The quality of education has also become more important during the recession. Many students are hesitating to join in the engineering courses as the employment rate for engineers has been decreased. [12].

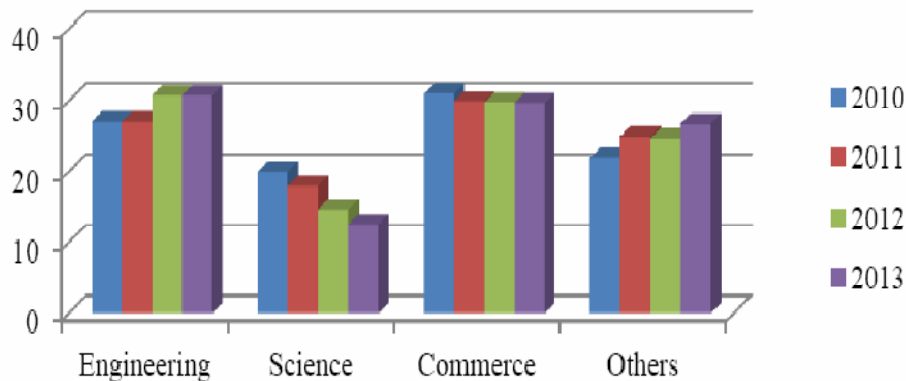


Fig. 1. Percentage of students admitted in different streams (Source: CSR-GHRDC B-School survey 2013).

The gap between the technical knowledge and practical knowledge may also lead to unemployment in these present situations. They are looking towards other subjects like science, management & chartered accountant courses, etc.,. The respondents were from many industries that periodically recruits freshers for outsourcing needs, internal management and marketing needs. The finding showed that job mismatch, English proficiency and employability skills have influence on unemployment among graduates in Madhya Pradesh. All variables show positive relationship towards the unemployment among graduates. This study refers to primary data and also secondary data for supporting the sampling technique. Meanwhile, the researcher use questionnaire as the method to collect all the data from sample respondents in accomplishing the research objectives. The data for this study was analyzed using multiple statistical procedures: mean point value, standard deviation, and correlation analysis. The result of the study presented in this research agrees that job mismatch; English proficiency and employability skills influenced unemployment among graduates [7].

**Table 1: Beta and T-test.**

	<b>Beta</b>	<b>T-test</b>	<b>Significance</b>
H <sub>1</sub> There is a significant relationship between job mismatch and unemployment among graduates.	0.293	6.153	0.000
H <sub>2</sub> There is a significant relationship between English proficiency and unemployment among graduates.	0.423	6.025	0.000
H <sub>3</sub> There is a relationship between employability skills and unemployment among graduates.	0.349	4.795	0.000

From the table above, it show that all hypotheses is accepted as the significant value is below 0.05 which H<sub>1</sub>, H<sub>2</sub> and H<sub>3</sub> are the hypotheses accepted. This shows that job mismatch, English proficiency and employability skills have significant relationship with unemployment among graduates. The most influential factor that influences unemployment among graduates is English proficiency, as the value of Beta is 0.423 which is the highest figure. Thus, this shows English proficiency is prudent for graduates to be employed [7].

With respect to the periodic recruitment process carried out in various industries, the Employment Scenario is presented in a tabular form as mentioned here, in which the stability and working culture of the different industries are exhibited.

*A. Employment Scenario*

**Table 2. Employment Scenario.**

<b>Type of Employment</b>	<b>Life-Time Employment</b>	<b>Mid-Career Hiring</b>	<b>Assessment</b>	<b>Passing in Promotion</b>
Traditional	70%	8%	12%	10%
Normative (as per the turnover)	65%	15%	10%	10%
Mobility Type (as per market trend)	50%	23%	15%	12%
Institutionalization Type (change requirement)	35%	40%	17%	8%

Employer's Survey:

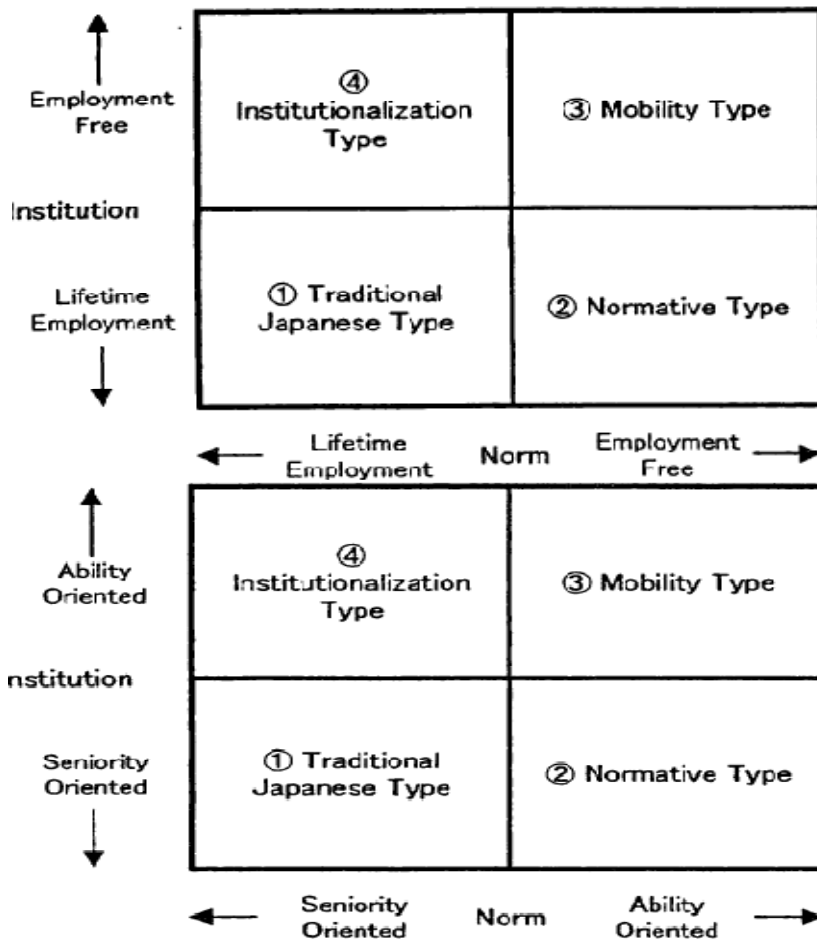
The practice of keeping employees:

- keep workers until their retirement.
- negative idea to employ those who worked somewhere else as aregular employee, and not employ them.
- still appropriate to assess employee's abilities based on his/ her age

- assessing employees based on the length of service,
- shall not apply exceptional promotion, and not do it.

**V. RESULTS**

1. The recession strokes badly to employment and the health of employees also in all over the world. Salary corrections & lay-offs are major products of recession in employment sector in the world.
2. Most Indian people either they are working in India or elsewhere in world had lost their jobs especially in IT & BPO industry.
3. New employment generation was stopped for one year approx. So, fresh graduates from the various well known institutions are become jobless.
4. Investment, public spending, household incomes, business profits & inflation rates fall while recession period.
5. In all these conditions, some other important sectors in India like Railways, Health Care, Telecom, Education and Entertainment did not endured any ordeal.



*A. For the Employer's Survey*

Demographic Factors: Entrepreneur's age, Years since establishment and Size (number of employees), Industry, Firm location, Rate of non-regular employees, Average age of regular employees.

Attitude Factors: (1) Management conditions-Feeling of surplus or shortage of employment (for each age group and type of job) and Business conditions. (2) Philosophy of management- Style of decision making, Practice of employee assessment, View of management and Opinion about new business policies [8].

Respondents in a study by Gordon (1983), mainly from large organisations, noted that graduates 'bring a fresh, creative mind to a job', 'are quick to learn, tend to question assumptions and are therefore, more able to cope with change' and 'bring a level of specific technological knowledge'. The earlier QHE study also suggested that

employers are looking for more than just competent graduates who can do a job, what they really want are graduates 'who can make an impression' on the way an organisation functions (Harvey, Burrows and Green, 1992a). Johnson, Pere-Vergé and Hanage (1993, p. 92-4) found that half the small employers they interviewed 'confessed to a lack of awareness of what graduates might offer and said that, quite simply, they had never even considered employing a graduate'. However, despite some employers having a 'highly pejorative' view of the intelligence of graduates, SMEs who did employ them appreciated the alternative perspective that graduates offered. 'A graduate will come with an outsider's view, not one which has been coloured by experience of working here. So they don't start off with preconceptions of what the answers might be'. Over a quarter of the SMEs in their study saw graduates as 'potential generators of new and fresh ideas' [9]. The empirical material reported in the following chapters reaffirms the thesis that, irrespective of size, organisations that recruit graduates are looking for transformative potential.

## **VI. DISCUSSION**

The advantage of obtaining a high-wage job at entry vanishes when the worker is dismissed or quits due to exogenous reasons such as marriage and childbirth. Therefore, the effect of entering the labor market during a recession will be more persistent for people who are more likely to stay in the labor force without being dismissed [3].

Even though, the rate of unemployment in India is varying throughout the year, the number of unemployed engineering and management graduates is increasing. Unemployment among graduates is not a new hot issue. However, this case should not be taken lightly. According to the survey, for the past 20 years, the higher education grows rapidly produced a high number graduates in multi disciplines. There was only 7 public universities in 1990s and currently there are 20 public universities, 24 polytechnics, 37 public community colleges, 33 private universities, 4 foreign university branch campuses and about 500 private colleges by 2007 (Ministry of Higher Education, 2007). The number of students enrolled into the universities significantly decreased from 576,439 in 2002 to 748,797 in 2012-2014. Greater attention need to be provided in monitoring the labour market as the expansion of the higher education since there could imbalance of supply of graduates with the demand in labour market [7].

During the recession the company's hire the engineering graduates who are having extra ordinary skills, creativity and good communication skills. Due to heavy competition the engineering education has become the minimum qualification for the students. Engineering colleges play a vital role in developing the knowledge and skills of the graduates at all levels. Employment structure of an economy is the normal instrument that can cause a change in inequality either way, *i.e.* an increase or a decrease in the inequality. Provision of increasing employment opportunities both in urban and rural areas to solve the problem of unemployment has been recognized as an important objective of economic planning in India [12].

Globalization has had many obvious effects on educational technology and communication systems change the way education is delivered as well as roles played by both teachers and students. The development of this technology is facilitating the transition from an industrial based society to an information-based one.

Recession has threatened the corporate to hire in bulk and have wide bench strength. It has also tightened the measures for human resource management in all organisations. At the time of recession and post recession, the things become complicated for corporations. However the challenges of human resource management differ from industry to industry and firm to firm. The recession is the temporary economic climate of the business world. The recession is a good opportunity for engineering graduates to introduce the changes to the organization. In order to respond to globalisation and expand vertically, the engineering colleges should touch the global boundaries by offering quality technical education. Future is engineers' only.

## **VII. RECOMMENDATIONS**

Keeping the engineering students unemployed is not good either for their families or for the nation. Basically, no country will be developed without the support of engineers. So, steps should be taken to remove this position and give a bright future to the engineering aspirants. Following steps will to a large extent help to remove this dreadful situation and boost up the engineering education:

1. It is important for those who are in the job market today to understand that India's economy is spread across India and not confined to the top eight or nine cities only. Hence, jobs are also spread across the entire urban and even rural India and, therefore, the employees must be willing to work from there.
2. Indian Government should conduct the special campus interviews for the students studying in well known management & engineering institutes, so these students can get the secured job a Govt. will also procure good employees in less effort.
3. New job seekers should try to get the job in Food industry, Railways, Education field, Entertainment because these industries were not disturbed by the economic slowdown.

4. It is better to get a low amount as salary than losing the job. So, employees should talk about that with their companies and reduce their salaries for recession time. When recession will go to end, they can demand their old remunerations.
5. Like other countries, Indian companies should lay-off foreigner employees first. So, there is escaping chance for Indian employees to save their job [2].
6. [9] Employers want graduates who not only add value but are likely to take the organisation forward in the face of continuous and rapid change. Five broad areas of graduate attributes emerge from the research as a major importance to employers:
  - knowledge;
  - intellectual ability;
  - ability to work in a modern organisation;
  - interpersonal skills;
  - communication.
7. [12] Importance should be given to the quality based education.
8. Job guarantee should be given to every engineering student.
9. Stipend should be given to the unemployed engineering graduates.
10. Confidence should be created for those who are seeking admissions in the engineering colleges.
11. Right job to the right branch should be encouraged, so that they will feel happy because they have selected a right group.
12. Encourage fresh engineers to research work, so that they can have bright future.
13. Make a stream of engineering very strong, so that the students, the parents and the society will get a strong belief in engineering education.
14. Importance should be given to the engineering education, so that the difference between other education and engineering education will be recognized.
15. In order to respond to the globalisation, the engineering studies should touch the global boundaries and should not confine to national boundaries only.
16. Give importance to practical field of engineering, so that the fresh graduates may get employment easily or they themselves take self-employment.

## REFERENCES

- Innovation in Business Education in Emerging Markets, by IlanAlon, Victoria Jones& John R. McIntyre, Palgrave Macmillan.
- Global Economic Slowdown: It's Impact On Employment In India, S.S. Shimpale, A.S. Kadam, *Indian Streams Research Journal*, Vol. 2, Issue.IV/May 2012 pp.1-4, ISSN: 2230-7850.
- Differential Effects Of Graduating During A Recession Across Race And Gender, Ayako Kondo, Iserp Working Paper 07-05, May 2007.
- Unemployed Graduates: Pre and Post 1997 Crisis, Nazaria Baharudin.
- The Lean Years, by David Brooks, Feb 2010.
- Reforming civil engineering studies in recession times, SergiosLambropoulosa, John-Paris Pantouvakisb, Marina Marinellc, *Procedia - Social and Behavioral Sciences*, 119 ( 2014 ) 776 - 785, from Science Direct.
- Factors Influencing Unemployment among Graduates in Malaysia - An Overview, Mohamad Idham Md Razak, Asliza Mohd Yusof, Wan Nor Syazana, Wan Effa,JaafarAdi Hakim Talib, *Journal of Economics and Sustainable Development*, ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online), Vol. 5, No.11, 2014.
- Employment Practices in Small-and Medium-sized Firms in Japan: Are They Different from Large Enterprises?, Norihiko TAKEUCHI and Mitsuru WAKABAYASHI, *Japanese Journal of Administrative Science*, Volume 12, No. 1, 1998, 13 - 29.
- A Quality Graduate, Lee Harvey and Selena Mason, Unpublished Paper.
- India's Software Industry, Technology, Adaptations and Exports: How Some Developing Countries Got it Right?, Vandana Chandra and Subhash Bhatnagar, World Bank, 2006, pp 95 - 124.
- How a New Jobless Era Will TransformAmerica, Don Peck, the Atlantic, March 2010.
- Impact of Unemployment on Engineering Graduates in Recession, Chandra Sekhar Patro, B. Lohit, *IOSR Journal of Business and Management (IOSR-JBM)* e-ISSN: 2278-487X, p-ISSN: 2319-7668. Vol. 16, Issue 2. Ver. III (Feb. 2014), PP 01-06