



Survey for the Indian Banking, Financial Services, and Insurance Sector

Do new MBA graduates of India's institutes and universities meet the expectations of their first employers? To date, no systematic study of the issue has been undertaken. The Higher Education Forum (HEF) initiated the Skills Gap Survey to study this issue. This first such survey looks at recently hired MBAs in the Indian Banking, Financial Services, and Insurance (BFSI) sector. In addition to addressing the lack of accurate information on the topic, the survey hopes to help education institutes prepare MBA graduates to meet the expectations of their prospective employers. Westat India Social Sciences (Westat) and 1SOS cosponsored this survey with HEF.

Survey Methodology

This first Skills Gap Survey, which focuses on whether there are gaps between the expectations of employers and the performance of newly hired MBAs in the BFSI sector, was conducted between late November 2009 and January 2010. The core topics covered by the Skills Gap Survey are the Knowledge, Skills, and Attitudes employers expect of these new MBAs, and their performance compared to these expectations. A purposive sample was compiled starting with members of HEF and moving outward from there. In total, data were collected from 113 individuals from 74 organisations in the BFSI sector. This included one Human Resources (HR) representative from each of the organisations involved in the study and 39 senior executives who directly supervise newly hired MBAs from these 74 organisations.

All respondents completed a short, web-based survey. In addition, a small sample of respondents also took part in a supplemental in-depth telephone interview. This interview covered many of the same topics as the web-based survey, thus providing an opportunity to more fully understand the data collected in the web survey. Where the web-based survey provided breadth, the in-depth interviews provided depth, helping develop a more complete picture of the potential gaps in expectation and performance of newly hired MBAs.



Survey Findings

The Skills Gap Survey provides objective data to show that there are, in fact, gaps between industry expectation and the performance of newly hired MBAs. The survey provides insight into exactly where these gaps are, why these gaps exist, and what can be done by industry, education institutes, and even the new MBAs themselves to reduce these gaps.

The survey found that industry has the highest expectations for newly hired MBAs in the area of Attitudes, followed by Skills, and finally by Knowledge. The consensus view, as shared by one respondent, was clear:

“We hire people for attitude and train them for the skills”.

The Skills Gap Survey found the following areas were most important to industry:

- Industry expects new MBAs to come to the corporate world with the proper attitude.
- MBAs must be committed, dedicated, self-disciplined, self-motivated, and show an aptitude and willingness to learn.
- MBAs must possess strong analytic, listening, and communication skills, and they must be able to work in a team and collaborate.
- Finally, MBAs must come in with at least a basic knowledge of the organisation and processes within the organisation, and an understanding of products, solutions, and services – including those of competitors – as well as consumer behaviour.

Respondents reported that newly hired MBAs did, in fact, perform well on two important attributes: aptitude and willingness learn (Attitude attribute), and analytic skills (Skill attribute). On the other attributes considered important, the new MBAs did not perform at their best.

Prominent Themes

This research revealed two prominent themes. First, there are differences in Knowledge, Skills, and Attitudes based on the school new MBAs attended. Eighty percent of those surveyed felt that the school mattered. Second, industry is generally concerned with the unrealistic expectations of newly hired MBAs in terms of salary, position, and corporate mobility.

All respondents believed educational institutes need to focus more on practical education, based in strong, relevant case studies and market-driven curriculum. Corporates, on the other hand, were viewed as having to assist with imparting practical knowledge by reinvesting and refocusing their summer internships to make them more effective.

The Skills Gap Survey found that to limit gaps, manage expectations, and ultimately improve MBA education and the quality of MBA candidates in India, educational institutions and corporations must interact meaningfully and work together.

29459.0210.101000

For more information:

SkillsGapSurvey@westat.in