



Perceived employability of business graduates: The effect of academic performance and extracurricular activities

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ABSTRACT

This study examines whether the academic performance and the participation in extracurricular activities affect the perceived employability of business graduates using an experimental between-subjects factorial design. Eight fictitious résumés of business graduates varying in terms of academic performance, participation in extracurricular activities and gender were rated by 349 Portuguese working adults. The results showed that a high academic performance combined with the participation in extracurricular activities resulted in higher perceived employability, whereas the participation in extracurricular activities combined with a modest academic performance resulted in lower job suitability but nearly identical high ratings of personal organization and time management, and learning skills. These inferences were unaffected by either applicant gender or respondent's characteristics. The findings highlight the prominence of academic performance that combined with extracurricular activities can be a valuable distinctiveness approach to ease the entrance in the labour market of business graduates.

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The number of Higher Education (HE) students has grown significantly over the years (OECD, 2015) and graduates are becoming increasingly aware that academic credentials are not enough to find a suitable job (Brown, Hesketh, & Williams, 2003; Tomlinson, 2008). Therefore, these new entrants are feeling the need to become distinctive in terms of employability (Brown & Hesketh, 2004) and are adopting multiple strategies, such as acquiring work experience and engaging in extracurricular activities (Roulin & Bangerter, 2013a, 2013b). While extensive research has been carried out on the predictors and outcomes of academic performance and the motivations to participate in extracurricular activities, the evidence of the effects of these strategies to raise employability remains scarce (for an exception see Chia, 2005; and Cole, Rubin, Feild, & Giles, 2007). What remains unclear is the extent to which academic performance, in terms of grade point average (GPA), combined with the participation in extracurricular activities (ECAs) can raise the perceived employability of graduates and, in particular, whether ECAs may overcome or compensate for a poor academic performance.

Because business studies represent almost 30% of all HE studies among the OECD countries and stands for >30% of the total HE offer in Portugal (OECD, 2015), this issue is of greater relevance for business graduates entering the labour market (Wilton, 2008). Given the importance of understanding the factors that might ease this career transition, this research examines the separated and interactive effects of academic performance (GPA) and extracurricular activities (ECAs) on the perceived employability of business graduates. For this purpose, this study employs an experimental between-subjects

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factorial design in that eight fictitious résumés of young business graduates operationalize the following conditions: (a) having a high versus a low academic performance (GPA); (b) having extra-curricular activities (ECAs) versus not having such participation; (c) being a female or a male graduate. Because most entry-level candidates have limited prior work experience (Kinicki & Lockwood, 1985) employers are more likely to value academic performance and extracurricular activities in the selection for these positions than later in the selection for more experienced jobs. For this reason, and to control for potential job effects, all résumés were target to the same business/management entry-level position and did not contain information on earlier work experience. In addition, and because the diversity among résumés' reviewers and organizations would strengthen the generalizability of the study results, we sought the participation of Portuguese working adults from diverse organizations.

This paper contributes to the literature in several ways. First, and drawing on the perceived employability theory (Vanhercke, Cuyper, Peeters, & Witte, 2014), this study investigates whether employability depends on *how* a job applicant is perceived and stands out relative to others (Brown et al., 2003). Understanding whether résumé contents predict the perceived employability is critical because résumés frequently are used by employers to screen and reject applicants (Cole, Feild, Giles, & Harris, 2009).

Second, this research examines *how* GPA and ECAs, separately and combined, affect the assessment of résumés of business graduates in terms of job suitability and other employability skills. Whereas earlier research used actual applicants' résumés (e.g. Cole et al., 2007) which are not strictly comparable, and employed cross-sectional designs thus being subject to common method variance, this study adopts a between-subjects experimental design to test the separate and joint effect of the independent variables. In particular, this study examines whether the participation in ECAs can compensate for the influence of a poor academic performance (GPA) in terms of graduates' perceived employability. Given that recruiters are subject to judgmental biases and that even non experts in interpersonal assessment are capable of accurately judging others (e.g. Schmid Mast, Bangerter, Bulliard, & Aerni, 2011) we targeted working adults instead of experienced recruiters' so that the findings provide a broader understanding of how GPA and ECAs contribute to form and initial and wider impression of the employability of business graduates.

Finally, this study examines whether résumé assessment and thereafter perceived employability are influenced by the rater's characteristics. While earlier research has shown that résumé content is used to form impressions and infer applicants' employability (Cole et al., 2007; Cole et al., 2009), the potential interaction of these assessments with the characteristics of the rater has been largely overlooked. Following the social identity theory (Ashforth & Mael, 1989) and the attribution theory (Fiske & Taylor, 1991), it is likely that the factual information provided in the résumés will be used to form an impression of the graduates' employability and that this initial impression correlate with the comparable characteristics of the rater. Therefore, this study controls for the possibility that perceptions of the candidate will vary as a function of the interaction between respondent and candidate characteristics (gender, earlier academic performance and engagement in extracurricular activities), which further extends the understanding of the employability inference process from the practice of screening résumés. Because résumés are widely used, are hardly checked for accuracy, are used to infer applicants adequacy in terms of education, experience and dispositional traits (Cole et al., 2009) and serve as a pre-selection tool, knowing more about which résumé information is relevant and how it is combined to influence earlier selection decisions is particularly important.

1. Employability

The term employability was coined in the beginning of the twentieth century to describe the probability of being employed. Despite the lack of a commonly accepted definition, the multidimensionality of the concept is mostly recognized (Pool, Qualter, & Peter, 2014; Tomlinson, 2012). According to Fugate, Kinicki, and Ashforth (2004), employability is a "psychological construct that embodies individual characteristics that (...) enhance the individual-work interface" (p. 15), while Hillage, Pollard, and Britain (1998) argue that employability refers to the ability to find early employment, to keep it or to obtain a new employment, which depends on: (a) the range of competencies obtained; (b) the approach to use them and show the acquired competencies to the employers; and (c) the context in which these competencies are employed. Knight and Yorke (2002) also highlight the individual characteristics of employability arguing that it is mostly related to several accomplishments in terms of skills and abilities that enable occupational success. Conceived this way, Fugate and Kinicki (2008) coined the construct of dispositional employability as "a perpetual readiness for change" (p. 20), a characteristic of the individuals who proactively look for learning and occupational opportunities. More recently, Vanhercke et al. (2014) emphasized the inherent subjectivity of the concept defining perceived employability as one's perception regarding the "possibilities of obtaining and maintaining employment" (p. 593).

All these definitions accentuate that individuals continually strive for employment in an era when organizational careers are not guaranteed (Tomlinson, 2012). One particular consequence of such definitions is the assumption that personal competencies are key to benefit the individuals, the organizations and the society (Brown et al., 2003). While not all employability skills are equally important, their relevance vary with the opinion of multiple stakeholders. For instance, Raybould and Sheedy (2005) showed that the competencies valued by the employers depended on the role, while Tymon (2013) found that graduates mainly valued the development of personal attributes, such as flexibility, adaptability, commitment and dedication. Core skills, also named generic skills (Bridgstock, 2009) or employability skills (Harvey, 2001), are generally accepted

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