

## Are Pakistani Business Schools Fulfilling the Requirements of Pakistan's Growing IT Industry?

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### Abstract

Nation-wide surveys often specify that businesses are facing difficulties in finding employees with the required skills. Distress related to the alignment amid skills supply and demand offers significant drivers both for the development of employability and for the reform in higher education. IT industry in Pakistan with its expanding nature, has been neglected. This study intends to develop our understanding by examining the required employability skills by IT industry and whether business schools are fulfilling the employability skill gap? To address this knowledge gap, we conducted a qualitative research design of semi-structured interviews of 15 HR managers (n=15) from the top IT firms of Pakistan, based on a purposive sampling method during the time frame of July to September 2019. Thematic analysis was used to generate themes. Consistent with the research questions, our results show those high-ranked business schools of Pakistan are satisfying the need of the industry and the students have an edge over foreign qualified students. Our data further established that interpersonal communication skills and lifelong learning skills are the most significant skills for employability. To the best of the researchers' knowledge, this research has been one of the first attempts to examine the employability requirements of IT industry and are the Business schools fulfilling the requirements and offer numerous theoretical and managerial implications besides future prospects for research scholars.

**Keywords:** *business schools; communication skills; employability; human resource man agent; lifelong learning skills; IT industry; job market*

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### 1 Introduction

The technological experiences and practices have led societies to become global and multicultural, changing the world of employment dramatically. The main goal of education systems has now become to inculcate employability skills in its graduates. In this challenging and dynamic environment, the responsibility of higher education institutions is not only to produce graduates with an explicit area of specialization, but importantly there is a need to develop graduate employability skills that match the industry requirements (Sarkar et al. 2020; Clagett, 1997; De Vos, Dewettinck, & Buyens, 2008; Schlinger, 2015). This puts business schools under extreme pressure from all stakeholders, especially industry, to equip graduates not only with the academic skills but also with skills that go beyond academics (Gunagle et al. 2020; Little, 2011). This concern has been investigated by researchers, in which the ineffectiveness of the present educational system to equip business school graduates with relevant

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employability skills has been highlighted (Gilal et al., 2019; Zaharim et al., 2009; Nauman & Nasreen, 2017; Saad & Majid, 2014). Business school students are studying in more advanced countries in order to embrace the challenges of the competitive knowledge-based economy; (Ayala et al. 2020; De Vos, Dewettinck, & Buyens, 2008) therefore, it becomes necessary to train and educate students to develop global skills to decipher into the transferability of qualifications such that, skills which are obtained in one country should be able to host another country.

Today's employees must possess non-technical or soft skills along with technical skills (Clagett, 1997; Schlinger, 2015) as a workforce with only technical skills will not be able to function effectively in today's globalized economy which consequently will lead to skills gap (Shah & Burke, 2005). Soft skills comprise of communication skills, interpersonal skills, creativity, leadership skills, ability to work in a team, and problem-solving skills (Joseph, Chang & Slaughter, 2010; Imel, 1999). According to Helmlinger (2007), "90% of job failure is to be traced to a disparity of soft skills/personality, motivators/attitudes, and work habits" (p.4).

The case of business school graduates is different from that of other discipline graduates because business schools must host all industries; this implies that business school graduates must possess skills that are generic in nature and are required across industries. Amongst these industries, IT industry is one of the most rapidly growing industries of Pakistan which is highly technical in nature but also in need of business school graduates for departments such as marketing, sales, and human resource. During 2016-17, Pakistan's IT exports were \$3.3 billion, which increased to \$5 billion in 2017-18 and are expected to rise to \$6 billion in 2018-2019 (Hanif, 2018).

The IT industry in Pakistan requires business graduates for its public and global dealing therefore, these graduates must have strong communication and soft skills. Even with its expanding nature, IT industry in Pakistan has been neglected by the researchers and no research has been conducted to understand the needs of this industry with regards to the required employability skills in business school graduates.

It has been observed that developed countries' policymakers are encouraging closer university-business collaboration which has also been endorsed by HEC and NBEAC, this will be providing a promising solution for skill deficits. The key stakeholders such as curriculum developers, policymakers, business educators, graduates, and HEIs can use this research study in their pursuit of augmenting employability. This research makes both managerial and theoretical contributions. The managerial involvement comes from the data collected from the HR managers of the IT industry that provided a deeper understanding of the most needed skills, business schools readiness, and the biases towards Pakistani business schools and low ranked business schools which was previously neglected. The theoretical contribution is towards the employability with business school literature, but the findings are also relevant to a vast graduate employability arena (Ayala et al. 2020). There should be a strategy-led curriculum that gives business graduates hands-on experiences that enhances their lifelong learning skills. The government should provide subsidy mechanism to carry out intensive research. Employability skills should be a universities strategic vision and incorporated

in their strategic planning of the curricula. Enhancement of communication skills, lifelong learning skills that can be termed as employability skills should be incorporated in HEIs strategic level planning. HEC should intervene in the curriculum development of low-ranked universities and need to identify the areas that need to be reworked in order to give an advantage to the students who have graduated from these universities. Selective perception of the employers should be enhanced by creating a transparent curriculum that can be beneficial for both privileged and underprivileged graduates. Faculty should be encouraged that the above-stated objectives are agreed with broader life skills and supportive academic capacity (Sarkar et al.2020). There should be transparent and honest communication amid employers and university representatives to update their curricula with the contemporary insights from employers on constant basis to integrate the essential changes required.

The study provides an interesting avenue to understand and gauge the requirement of employers towards Pakistani business school graduates' employability skills, in the Pakistani IT industry. This research study answered the following two research questions:

1. To what extent are the Pakistani business schools satisfying the needs of the Pakistani IT industry?
2. What employability skills are required by the IT industry in the Pakistan?

## **2 Literature Review**

### **2.1 Provision of employability skills by business school**

Today's job market is more complex than it was ever before as there is very little conformity in the working of various organizations which leads to divergent practices and accelerated change in today's market (Araya & McGowan, 2016) therefore, companies are looking for managers who can embrace diversity and work in and with diverse environments (Gardiner & Lacy, 2005). Even though such a flux creates a problem for educational institutes as it becomes difficult for them to keep abreast with the latest trends and practices; nevertheless, there should be a strengthened connection of higher education with industry to make sure that graduates understand the job market condition and develop employability skills needed by the employer (Connor & Shaw, 2008). There is a prevalent complex relationship among graduates, institutions and employers which is reliant on how engaged graduates are with opportunities for enhancing their employability (Harvey, 2005) as employers rely on business schools for recruitment because business school graduates are promised to have certain skills that the recruiters are looking for (David & David, 2011). Hence, higher education systems should provide guidance to their graduates by developing significant workplace attitudes, knowledge, and skills that employers cherish (Gunagle et al. 2020).

It has become a common trend in Pakistan that students go to advanced countries for their higher education in hope to receive better academic, technical, and skill-related knowledge. The problem with foreign qualified MBA's is that first, they do not want to come back to Pakistan after obtaining their degree, and second, many MBA's who have stayed abroad for a long duration are not in sync with the typical Pakistani market

problems and environment (Bokhari, 2014). The graduate's readiness to contribute pragmatic knowledge to the industry by understanding its attitude and skills is necessary (Zahid, Hooley & Neary, 2020; Araya, & McGowan, 2016; Litecky, Arnett, & Prabhakar, 2004).

The world has seen a major shift from product industries towards service industries which have necessitated various changes in the requirement of employability skills (Mcquaid & Lindsay, 2005). Career patterns in developed countries are becoming less traditional as individuals have taken increased responsibility to self-manage their careers (Clarke, 2009). Soft skills like interpersonal and leadership skills and personal attributes are important for employment along with technical and formal vocational skills (Gilal et al., 2019) but Pakistani business school graduates are found to be deficient of these skills (Nauman & Hussain, 2017). The responsibility of having and sustaining up to date workforce does not only lie with the educational institutes but also with various organizations and with the employees themselves as well. However dynamic the job market may be, business schools are expected to fulfill its requirements, "Through continuous interaction with the service industry the business schools are able to introduce new courses and revamp the old ones. This needs to be a continuously ongoing process," (Nauman & Hussain, 2017, p. 2).

## **2.2 Employability skills required by IT industry**

Education is viewed as the primary means of developing skills and knowledge; therefore, education is an important element of the human capital (Crocker, 2006). The higher education is responsible to yield human capital by training such a labor force that is skilled and responds to the ever-changing needs of the labor market (Lauder & Mayhew, 2020). In fact, Crocker (2006), states that education can also be seen as a screening device that employers use to select employees that have the required abilities; therefore, education helps students to be employable. The IT industry requires human capital that is nurtured in a competitive education system that is well prepared for creative work environments (Agolla, 2018). Thus, a higher education system can only be called effective if it gives equal importance to all factors that add to human capital (scholars, higher education managers, educators, academics, students, etc.) whereas the overall effectiveness of an education system is based on the human competencies that it develops in potential IT industry employees (Agolla, 2018). One way to generate the required human capital is to link HEIs with industry together for students' project-based learning or internships as it not only provides knowledge that is relevant but also the practical skills needed for employment and (Budrin et al., 2020; Garcia-Alvarez-Coque, et al., 2021).

Pakistan's IT sector is growing exponentially with yearly 20% growth (Hanif, 2017). There are around 10,000 IT graduates who annually enter the Pakistani IT job market, (Hanif, 2018) yet; there are no censuses that tell us the number of business graduates entering the IT industry. The IT industry is no different than any other as there is a wide range of empirical evidence indicating that employers in the IT industry are also looking to hire graduates that have technical and non-generic skills (DiDomenico &

Pueblo, 2010; Litecky, Arnett & Prabhakar, 2004; Saad & Majid, 2014). Thus, even though technical skills are highly required among graduates working in IT industry, the employers also demand soft skills from their employees (Ayala et al.2020; Saad & Majid, 2014) that would help their company to market and sell items created by the technically strong individuals.

The IT industry, like other industries, worldwide is need of individuals that possess both the technical and the soft skills; yet, it becomes difficult to find such individuals as the technical higher educational institutes mainly focus upon the technical knowledge of the graduates, leaving a gap in the area of soft skills (Litecky, Arnett & Prabhakar, 2004). Ideally, the curriculum should create opportunities for students to become exposed to self-directed learning philosophies, attributes, and skills (Sarkar et al.2020; Saad & Majid, 2014) but it is a matter of fact that due to this gap in the technical higher educational institutes, the IT industry for its public and global dealing cannot rely upon their technical team and needs business school graduates to conduct business locally and globally.

### **3 Research Method**

#### **3.1 Research Design**

To understand how business schools are fulfilling the requirements of the Pakistani IT industry, a qualitative research design of semi-structured interviews was used. Interviews help researchers to understand and discover the viewpoints and perceptions of the interviewee, keeping in mind the experience of the interviewee with the topic at hand (Frost, 2011; Hollway & Jefferson, 2000; Ritchie & Lewis, 2003) and thus many new areas of investigation emerge from these interviews (Bryman, 2012; Jackson & Trochim, 2002). Keeping in mind the benefits of semi-structured interviews a semi-structured interview questionnaire was developed with open-ended questions.

#### **3.2 Procedure**

After the participants were identified and their consent to give an interview was obtained, semi-structured interviews were conducted which consisted of a duration of 30-40 minutes each. The data was collected through audio recordings were first transcribed and then manually coded in order to generate themes (Hammond & Wellington, 2013). The codes that originate from coding were then used by the researchers to make connections between them, developing a certain pattern (Smith & Osborn, 2015), in this manner theme statements were developed.

#### **3.3 Participants**

Purposive sampling was conducted in order to fulfill the research purpose where the researcher locates such people who can give him/her the required information (Frost, 2011; Johnson & Christensen, 2004; Tongco, 2007). Purposive sampling is used in a qualitative research to reach respondents who have the knowledge to address the phenomenon that the researcher is looking into. The researchers contacted 18 HR managers and 15 showed their willingness to be interviewed, whereas three excused themselves due to the workload at their organization.

### **3.4 Context**

To understand the real-world problems, qualitative researchers consider the natural contexts in which individuals or groups function (Korstjens, & Moser, 2017). In this study, the contexts were IT firms that were recruiting business school graduates to market their products or manage their financial and HR departments. The HR departments of these firms were reached and their HR managers were asked to give interviews keeping in view that they are responsible for recruiting candidates.

## **4 Results**

The IT firms recruited individuals using the following steps: a) initial scan of the CV; b) a written test to gauge candidate's basic knowledge and IQ; 3) face-to-face interviews. It was noted that all IT firm HR managers had similar viewpoints regarding the employability skills needed at an IT firm and the data collected could be divided into four themes: Communication skills; lifelong learning skills; the difference between foreign and local business schools and improvements needed in Pakistani business schools.

### **4.1 Communication skills**

Communication skills were one of the most valued skills by the IT firm HR managers, it seemed that their core focus was upon how well the business graduates could communicate. Some of the statements of the IT firm HR managers are given below:

“For our company, the interpersonal communication skills are very important because we know we can work smoothly if these communication skills of our employees are at their best.”

“Communication skills are very important for hiring as well as for promotion in our company.”

“Communication skills are at the top of the list of attributes that we are looking for in fresh graduates.” She continued to say, “The Company has a rating system in place which measures the performance of the employees regarding their communication skills, human skills, and creativity.”

“Communication skills are a must in our organization because and it is also the need of the hour for every other organization in the country and especially in our company because business graduates in our organization are continuously in business of communication with our customers.”

“Sometimes we get candidates that are good in technical skills but lack communication skills, we hire them for the technical side but for our marketing and HR side, communication skills cannot be ignored.”

The IT firm HR managers considered that communication skills were important for all their employees but these were more important for BBA's and MBA's as they were directly involved with people inside and outside the organization, as one IT firm HR

manager elaborated that “there is networking involved at all levels,” therefore it becomes incumbent for business school graduates to be good at interpersonal communication skills.

#### **4.2 Lifelong learning skills**

Even though the IT firm HR managers never used the word lifelong learning, yet the attributes that they wanted in their young employees were directed towards the employees having lifelong learning skills. These attributes included self-learning, self-development, self-motivation, flexibility, and adaptability. All these attributes are a part and parcel of lifelong learning skills. Thus, statements like the following were heard:

“They need to be adaptable, flexible, and eager to learn and put in some extra hours in their learning.”

“Graduates should be more adaptable and work efficiently in diverse environments.”

“A person’s adaptability and ability to learn are the attributes that any organization be it a local organization or an MNC, look forward to when they are hiring graduates.”

“What we want in business graduates is that they are adaptable and are able to implement change.”

“They should possess the ability to think ahead; the futuristic approach is very important because they will be given teams to lead as they progress in their career.”

“An ideal candidate is one who is academically well-rounded, self-driven and ambitious; they should have an eagerness to learn and grow from their learning.”

There were different ways through which these trainings were conducted as explained in some of the statements below:

“We hire interns and during their internship and we give them trainings where they understand how our company works.”

“We hire management trainees but not for a specific department; instead the individual is made to switch between all departments, regardless of their major. When the training period is over, the individual is asked to choose the department one wants to work in. If we have a vacancy in that department, we put them there, and if not then they have to go to the department that has the vacancy.”

“We hire management trainees and then give them training for three months in which we also evaluate if the person is capable of taking initiative and becoming a leader or not. We put extra effort to train them according to our requirements.”

“We have to work with the interns very closely so that they can easily assume responsibility once their internship period or you can say training period is over.”

#### **4.3 Difference between foreign and local business schools**

Even though Grant Thornton Consulting (2016) report elaborated that most of the organizations in Pakistan like to hire foreign educated employees due to a lack of quality

human resource in Pakistan, it was surprising to note that IT firms HR managers did not see much difference between the candidates of foreign business schools and high ranking Pakistani business schools. They elaborated that the communication and lifelong learning skills were better in graduates qualified from both the foreign schools and high ranking Pakistani business schools but the students from Pakistani business schools had an edge over the foreign qualified students as they were well aware of the Pakistani business culture and had better knowledge of the Pakistani market.

“Communication is an important factor. Most of the graduates if we compare them to international or local in terms of general attributes, they are equal but they (those from foreign qualified and high ranking Pakistani business schools) are better at communication and how they present themselves. These graduates really stand out mainly because of the fact that they are very good at presenting themselves which the foreign business schools are also focused at. What is the main thing that an MNC needs? It needs its workers to be really polished in their way of speaking and presenting.”

“Some of the top business school graduates have good analytical skills and their understanding of our local culture and market knowledge makes them better than foreign graduates, which acts as a strong point against those who are graduated from foreign business schools.”

“There is a difference in pay in international and graduates from highly ranked universities and other university candidates is that these candidates do not know the application of theory and international candidates’ and candidates from good universities’ interaction with the practical world is more and they know how to apply their knowledge.”

There were also IT firms that did not consider the ranking of a business school while inducting an employee and were more focused upon the candidate. This policy gave equal chance to all business school graduates irrespective of their academic institution.

“We are not university bias, we provide equal opportunity to everyone as far as they have what is required for the job, even though we have seen that graduates from high ranking business schools have good communication skills and their personality makes them stand out from the rest.”

Ironically, the IT firm HR manager on one side claimed that the firm is not university bias and on the other hand could not stop herself from saying that graduates from high ranking universities have good communication skills and personality. It may seem like a paradox but it seems that she has explained the company policy in first half of her sentence and in the second half she has explained her own observation.

“We have a strict no discrimination hiring policy which means that we go to great lengths to ensure that applicants are hired on the basis of merit rather than the university they hail from.”

“You might have degree from whatever institution but you must have your feet firmly fixed to the ground.”



“Both internationally ranked and locally ranked graduates are given the same remuneration according to the position that they are hired for.”

But the overall discussion reflect a discontent of IT firm HR managers with the graduates from Pakistani low ranking schools as they felt that even if these graduates were hard working, they lacked in communication and lifelong learning skills considerably and their basic knowledge was lacking due to which they needed to be more supervised and took considerable amount of time to polish or develop the required skills. There was one IT firm HR manager who said that their firm did not induct anyone from low ranking business school because they did not have the skillset required by their company.

IT firm HR managers also said that the basic difference between those graduated from foreign and high ranking institutes of Pakistan and those from low ranking business schools of Pakistan is that the former are well equipped with research skills which comes in domain of lifelong learning skills, whereas the later are in want of these skills. Another IT firm HR manager added that their firm prefers MBA's rather than BBA's because the MBA students study through a curriculum that is more research based as compared to the BBA students. While talking about the upgradation of Pakistani business schools, seven of the IT firm HR managers were of the opinion that there should be modules that involve research.

#### **4.4 Improvements needed in Pakistani business schools**

Like elsewhere in the world, in Pakistan also IT firm HR managers felt that currently there was disconnect between the business schools and the industry. They felt that the business schools only focused upon delivering the bookish knowledge to the students. Hence, statements like the ones given below were heard during the interviews:

“There is a gap between the industry and what is being taught at the universities.”

“Their studies should be related to the practice as studying a theory in isolation is different and to see it come to life is different as there may be many factors playing their part.”

“Curriculum has use of international books that is the main reason why the students cannot relate their learning with the industry.”

“They should make them more familiarized with the local practices rather than making them read books.”

“A more holistic approach should be adopted by the universities....for example those students who need to do their major in marketing should not be blind towards concepts of finance and HR.”

According to the IT firm HR managers the major difference between high ranking universities and low ranking universities is in the communication skills of their graduates. Thus an IT firm HR manager remarked:

“We prefer students from high ranking universities mainly due to their interpersonal communication skills.”

Another IT firm HR manager was of the view that “because they (graduates from low ranking business schools) lack in interpersonal communication skills, it may seem at times that they are not interested in their work”

They were also of the view that if Pakistani business schools want to compete with the international business schools then they must make sure that their students are good in interpersonal communication skills. The IT firm HR managers wanted the business schools to offer their students learning which was beyond the bookish knowledge. They wanted the business schools to teach skills that would help their graduates to adapt to latest trends in business and be able to absorb any new useful knowledge that they come across.

Secondly, they add that the business schools teach various subjects in isolation and as if they were independent of one another. The reality is that all these fields are inter-related in an organization and a mess caused by one directly affects the other. Thus, the students are unable to link together the various disciplines that they have studied in silos.

## 5 Discussion

Interpersonal communication skills are the lifeline of an organization and a must have skill as managers spend 60 % to 80% of their on-job time communicating at all levels (Raina, 2010). Communication skills are transferable skills, skills that you can use in any specialty and are useful in all business arenas therefore, like other industries, that IT industry also valued interpersonal communication skills (Brooks, 2013). Even at companies with highly technologically advanced environment social skills are of utmost importance mainly because computers cannot stimulate human interaction which involves reading other peoples’ minds and responding appropriately and team productions where workers use one another’s strengths and adapt according to the requirements of the circumstances (Sarkar et al. 2020; Brooks, 2013; Deming, 2015). Considering the digital marketing, the most vital skills that are required are the digital marketing skills and communication skills for business success (Royle & Laing, 2014).

It came out as an important suggestion that if Pakistani business schools want to improve themselves then they must focus upon the communication skills of their graduates. Lolli (2013) highlights the fact that the academia does not give same importance to the communication skills as they are given by the industry; whereas, in the market, workers with higher social skills earn relatively higher wage (Deming, 2015). First, these skills are not taught to the students effectively as much focus is on descriptive written answers and second, there is a lack in general consensus about how these skills should be taught (Gilal et al.2020). Same dilemma exists in Pakistan where teachers approach business communication, which is a practical subject, in a theoretical manner - such that teachers are found teaching the history of business communication rather than its practical use (Ayala et al.2020; Fatima, 2010). Saleem (2011) cited the success of teaching through experiential learning in a Pakistani business school

whereas, Saldivar (2015) has proposed team-based learning as an effective pedagogy to boost interpersonal skills in students as they have to convey their ideas, persuade others and make fruitful debates in order to work in a team. Non-stop authoritative monologue by a teacher hardly helps a teacher in achieving his/her aim (Gunagle et al.2020; Abdulaziz, Shah, Mahmood, & Fazl-e-Haq, 2012; Fatima, 2010; Saleem, 2011). It is high time that the academia realizes the importance of communication skills and report best practices through which best results regarding teaching and learning of communication skills can be achieved.

According to Saad and Majid (2014) the Pakistani IT industry is looking for individuals that have lifelong learning skills as these skills help organizations to grow. Since lifelong learning skills have been neglected in the technical institutes (DiDomenico & Pueblo, 2010) therefore, IT companies are now looking towards business schools to fulfil this requirement. But unfortunately, there is a discontent in the Pakistani leading thinkers and business men regarding the business education provided by the business schools of the country (Aziz et al., 2014; Abbasi, 2016; Hoodbhoy, 2016) who believe that the HEC marking scheme misses out upon the deliverance of employability skills by business schools but ironically, there is no input from the industry (Sarkar et al. 2020; Abbasi, 2016; Hoodbhoy, 2016). The companies gave trainings to the new inductees in order for them to overcome the gap that existed in their knowledge and the industry requirement. Even though the employers blame business schools for the lack of employability skills in the business graduates, yet it must be kept in mind that it is the responsibility of the employers to improve the transferable skills through on-going training programs (Selvadurai, Choy, & Maros, 2012). In this study, it seemed that the on-going trainings were very technical in nature and were only suitable for IT graduates whereas employees who were business school graduates were only given the initial trainings and not on-going trainings.

When making comparisons between the various business schools, it must be kept in mind that the high ranking Ivy League business schools are usually the first ones to make a certain change in their curriculum and then the rest of the schools follow (Marques, 2013); these changes in curriculum are first adopted by high ranking and then by low ranking business schools of Pakistan. Also, finances are said to be one of the major contributors in making an improvement in the higher education system (Bhanbhro, 2015); yet, the government budget for education in 2017 is Rs 90.5 billion which is very low (Yamin, 2017) especially for a country low in human development. With such low expenditure on education there will not be uniformity across educational institutions with regards to making and delivering of the curriculum.

It is a fact that Pakistan as a nation has its own set of problems which may be psycho-social, medical, environmental or business that need to be resolved through the research done in Pakistan (Gilal et al.2020; Sabzwari, Kauser, & Khuwaja, 2009) as is the case in more developed countries where research is conducted to solve not only the local and national issues but also, for the improvement of economic competitiveness to the region through the transfer of knowledge to local businesses (Ayala et al. 2020; Hoodbhoy, 2009; Tarar, 2006). This can be achieved through applied research projects that would

help resolve local and national problems by establishing a more sustainable link with the industry (Grant Thornton Consulting, 2016).

Despite the documented need of a gap in business school studies and the industry, the lack of a framework to bridge the gap between theory and practice continues to be felt. Mitroff, Alpaslan, and O'Connor (2015) believe that the business schools of today have outgrown their foundation and they are now working in a much more complex world than what it was when they initially started their practice. They point out that this is responsible for the existing gap in the employability skills that are required by the industry and what the business schools are providing to them. Business school faculty is becoming increasingly disjointed from the industry; hence, unlike faculties of law schools, medicine, and engineering, they seldom practice what they teach (Ayala et al. 2020; Dostaler & Tomberlin, 2013; Mitroff, Alpaslan & O'Connor, 2015). Business schools when hire scientists from their specialized fields take the business school away from reality (Mitroff, Alpaslan, & O'Connor, 2015). Thus, Dostaler and Tomberlin, (2013) propose that just like in other professional universities, the business school teachers should be given time between their teaching practices and use sabbaticals as opportunities to assume roles in business organizations, this would give academic practitioners not only practical knowledge of the industry but also help them conduct researches in areas that are needed by the industry.

Mitroff, Alpaslan, and O'Connor, (2015) are of the view that business schools should start focusing upon crisis management as a subject as a part of their curriculum. They explain that organizations that prepare themselves for a crisis experience fewer crises and are able to come out of them more rapidly. On the other hand, keeping in mind the Pakistani scenario, Nauman and Hussain (2017) suggest that business schools are currently are working in isolation, they, through continuous feedback from the industry need to re-vamp their courses according to the needs of the industry. There will remain a level of dissatisfaction in the IT industry with the employability skills provided by the Pakistani business schools until and unless these business schools realize the importance of taking into consideration the needs of industries that they cater to.

### **5.1 Theoretical implications**

It can be said that the HEIs of Pakistan are generally producing the human capital required for the IT sector; nevertheless, it was interesting to note that the inefficiency to generate the required human capital by the low ranking HEIs was highlighted by the HR managers. Since it is crucial to link industry with the HEIs for the generation of human capital; we see the same thought running in this study. The HR managers preferred graduates from high-ranking HEIs as compared to the graduates from developed countries as they felt that graduates from Pakistan better understood the industry environment as they had been a part of the system.

### **5.2 Practical Implication**

Deliberations regarding the skill shortage complaints from the employer has been witnessed for years and had been highlighted in the literature review section. In the existing times, it has been observed that policymakers in the industrialized countries are

encouraging close collaboration amid universities and businesses and this can likely be a solution for skill deficiencies. Conversely, employer criticism persists. Without having a complete understanding of the stakeholder's viewpoint, we can't establish a concrete viewpoint. The employers should play an active role and should provide added work experience prospects which is a significant factor for the enhancement of skills, they need to initiate this as it will benefit all the stakeholders. It can be suggested to the employers to ascertain ineffectual employment practices that are causing interference in the way of business graduates to showcase their required skills. HEIs and employers need to promote and expand opportunities with the facility of placements, work-based learning, and internship prospects of a substantial period. These experiential learning projects will significantly impact the business graduate's perception of required skills, awareness about the employer's culture, and knowledge of work. This will also be a sustainable and equitable partnership between HEIs and employers.

## **6 Conclusions and recommendations**

It can be concluded that the most important and sought-after employability skills by IT firm HR managers are interpersonal communication skills and lifelong learning skills. It was surprising to note that even though IT firms realized the high standard of foreign universities they felt that graduates from high-ranking Pakistani universities were a better option for them as they understood the dynamics of the Pakistani market. Even though all firms were dissatisfied by low-ranking business schools, there were still those that gave equal opportunity to all business school graduates and gauged them in isolation regardless of their business school.

This criticism led Pakistan's Higher Education Commission to publish the Employers Perception Survey 2016 conducted by an independent body, Grant Thornton Consulting. The reason for conducting this survey was "to determine their (employers') perceptions of the quality and capability of graduate employees that have been added in the workforce from various HEIs in Pakistan" (Grant Thornton Consulting, 2016, p.2). The report elaborated that most of the organizations in Pakistan like to hire foreign-educated employees due to a lack of quality human resources in Pakistan.

The report also highlighted that one of the most wanting skills in the graduates was business communication skills amongst analytical and critical thinking skills. It is further elaborated that communication skills were mostly required by employers of business school graduates than any other graduates. Employers felt need to increase collaboration with Higher Education Institutes; thus the report proposed, "A proactive and collaborative effort will be required by employers, HEIs and HEC to make progress on these fronts" (Grant Thornton Consulting, 2016, p.4).

Key recommendations of this study include the need for Pakistani HEIs to improve their assessment methods to more practical and hands-on assessment, which can actually test the competence and capacity of the student in addition to theoretical knowledge. This approach will also inculcate the habit of research and inquisitiveness in students who would focus more on the next phase, which is the application of knowledge. This will also address the issue raised by a majority of employers regarding their lack of satisfaction in some graduate skills that are important for them such as critical thinking,

analytical approach, self-initiative, and effective interpersonal communication. On the other hand, Ahmed (2012) holds the view that the instructors of business communication should not mimic the rest of the world rather they shall adopt and contextualize the published material.

Nauman and Hussain (2017) stress that organizations feel that they are not being provided with the human resource required to run their businesses thus creating a gap between needs and the demands. One way this can be done through deploying faculty for some period in an organization on a particular post where they can interact with the employers and the employees to understand what employability skills are needed by the industry.

Business schools worldwide follow some Performance Management System (PMS). Some systems are international such as EQUIS (The European Quality Improvement System); AACSB (The Association to Advance Collegiate Schools of Business); and ABEST21 (The Alliance on Business Education and Scholarship for Tomorrow a 21st-century organization); whereas there are systems that cater to national needs such as Indonesia's BAN-PT (Badan Akreditasi Nasional Perguruan Tinggi) (Azis, Simatupang, Wibisono, & Basri, 2014) and Pakistan's FRUCE (Faculty, Research, Use of Technology, Corporate Office, and Extracurricular Activities) model (Kolachi & Mohammad, 2013). PMS are essential steps that help business schools define their goals, select a strategy to attain them, and also help them to measure the outcome of their performance (Azis, Simatupang, Wibisono, & Basri, 2014).

Bhanbhro (2015) is of the view that Pakistan's quality assurance for higher education is only gauging such components that are relatively easy to determine. The indicator for quality should be students' quality of learning which should be evaluated through the goals that have been achieved by the students (Bhanbhro, 2015; Parvez, Anjum, & Khawaja, 2014). Thus Parvez, Anjum, and Khawaja (2014) propose that, "The simple argument is that HEC should come up with creative measures to evaluate the universities particularly the teaching and learning environment of the universities so that the low standard universities have guidelines to grow in certain directions (p.114).

The success of high-ranking business schools in Pakistan is a ray of hope and provides guidelines for business schools with lesser ranking. Better employability of foreign school business graduates is no more valid as the Pakistani IT industry seems to be interested in hiring the right candidate rather than a foreign qualified candidate; this right candidate may be a graduate from a Pakistani or a foreign business school. With the recommendations proposed above, the Pakistani business schools have the potential to be amongst the top-ranking business schools of the world. Nevertheless, it will be interesting to note whether the same case is valid with reference to the technical knowledge of IT Pakistani graduates when compared with foreign graduates.

### **6.1 Limitation and Future Research Avenues**

There are at least three limitations with the findings of this research. Firstly, this study examined the employability skills of business graduates in IT industry. The findings may not be generalizable in other educational settings. Thus, further research needs to

be done amid private universities and public sector universities. Further, research needs to be done to institute that are similar skills needed in different industries of Pakistan? Though this study has positively established that the significant skills that are required by the Pakistani IT industry, an issue that was not addressed in the present study were that the data should have been collected from different service sector industries and a comparison of skills could have been done. Secondly, while taking the perspective of employers, students' perspective of the required skills should have been taken to provide a holistic view. To broaden our horizon further we could have also taken an academician perspective. There was a lack of pertinent literature available from Pakistan. These explicit limitations to the gathering and investigation of the data, identified the area for a forthcoming research study. This study wants to enhance the existing understanding of this viewpoint within an environment, there is much scope to further develop work in this area for the progress of future research. Firstly, besides from the employer's perspective, all the stakeholders' perspectives of required skills needed for the IT industry should have been taken as the perspective of graduates and academicians. There could have been longitudinal study taken in this regard keeping the present pandemic in mind. There could have been a research done by analyzing the existing economic climate and its impact on the hiring of graduates in the IT industry and a comparison could have been done whether it's the same skills that are still required by IT industry or due to pandemic, there is another skill requirement. Economic conditions are not stagnant, mainly long-term, henceforth the situations of the labor market are contingent to transform continuously. Consequently, continuous research in this area is vital to be abreast of the existing progress.

#### **Author Contributions:**

Sarwat Nauman developed the idea, formulated research questions and wrote the introduction, the methodology and the result sections

Shugufta Ghauri collected the data, wrote the introduction and the discussion sections.

#### **Data Availability Statement:**

The data is with the authors and they do not wish to make it public

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There is no any conflict of interest

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