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Modeling Graduate Employability in Sri Lanka Using Binary Logistic Regression

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Abstract

The aim of this study was to identify the determinants of employability of new graduates in Sri Lanka. A wide-ranging review of literature on graduate employability was followed by an analysis of the country situation, using descriptive statistics and Binary Logistic regression. Primary data, being the main source of data, was collected through a questionnaire survey conducted to identify the employability characteristics of the graduates. The study found that the degree type, soft skills and social capital, efforts made by graduates in applying for jobs, and especially, the additional professional qualifications that students earned during the university career were the significant determinants of graduate employability in Sri Lanka. This research provides policy implications for the development of higher education in Sri Lanka.

Keywords: Graduate employability, hard skills, soft skills, social capital, higher education

1. Introduction

1.1 Background

Unemployment of graduates produced by the Higher Educational Institutions (HEIs) in developing countries has been a major issue in the political economy of higher education. This has been exaggerated with the decline of the role of government in the provision of employment as a national responsibility. Expansion of the private sector with the simultaneous contraction of the public sector has strengthened the market forces in the labor market. As a result, the graduates produced by the university system have to find jobs competitively in the labor market due to this trend though the government involves in this process to a limited extent. Meanwhile, the problem of unemployment among graduates has been continuously exaggerating.

Sri Lanka annually produces nearly 25,000 graduates in bachelor's degree from all HEIs of the country in different fields of study. This number is being increased annually due to the increase in the annual student intake to higher education from those who are qualified from the General Certificate of Education Advanced Level (GCE A/L) Examination. The strength of the remaining higher education system is such that both the public and private sector HEIs are not capable of absorbing even a quarter of the annually qualified students. However, the economy is still not capable of absorbing these graduates as employees either through the mechanism of market forces or the direct involvement of the Government. The problem of unemployment could have been more severe if at least the majority of qualified students were annually recruited to the HEIs.

The status quo of the graduate unemployment in Sri Lanka shows that the seriousness of the problem varies between the field of study, individual qualities of graduates, etc. Graduates from the faculties of Medicine are still recruited to the public health system of the country leaving no possibility for unemployment. They can also earn an additional income from private practice after the government duty hours. Graduates from the fields of Engineering and Management so do not face a big problem in the labor market. However, while all other graduates have to face competitive conditions in the labor market, the problem is severe for the graduates from humanities and social sciences.

Due to the remaining situation of graduate unemployment, HEIs are highly criticized for their inability to produce employable graduates. Especially, politicians and employers are the main critics of the HEIs with the academic staff being subjected to criticism for their lack of ability to produce 'employable' graduates. However, no systematic investigations have been adequately carried out in order to unveil the factors behind the unemployment of graduates in the context of Sri Lanka. Therefore, the focus of this study is to contribute to identify the causes of the problem.

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2. Literature Review

2.1 A brief review of higher education in Sri Lanka

The supply of higher education in Sri Lanka is under the monopoly of the public sector since its inception. The number of universities increased from one (01) in 1948 to 17 by 2014. The recruitment of students to these universities is handled by the University Grants Commission (UGC) based on the principle of filling enrollment spaces according to the ascending order of qualifications obtained by the students at their G.C.E. Advanced Level (A/L) Examination with some concerns on districts with low level education facilities. However, during the last two decades there is a trend of establishing higher education institutes affiliated to foreign universities. Majority of students who enroll in such institutions are those who could not obtain sufficiently high marks at the G.C.E. A/L Examination to enter the public sector universities.

The distribution of universities in Sri Lanka is fairly good even if the concentration is somewhat high in the Colombo district. There is no tuition fee that is charged from the students in any of the public sector universities for their undergraduates (Bachelor’s degrees) in any field of study. However, a very low rate of tuition fee is charged from the students at postgraduate diploma and degree levels.

Conceptually, it is difficult to define the ‘market for education’ in contrast to other markets. In other markets all who make an effective demand are provided with goods or services. On the contrary, only the qualified students are provided with supply. The demand for higher education can be defined as the number students who enroll in higher education. The supply of higher education is defined as the total number of enrollment spaces or vacancies available within the entire higher education system of a country (Chandrakumara, 2012) [8].

In Sri Lanka, the supply of higher education has been continuously increased since independence in 1948. The free education act enacted in 1947 and implemented since 1948 largely enhanced the demand for education in the country. This process was strongly backed by the compulsory education law enacted for the children under the age ranging from 5 to 16 years. Increased enrollments in primary and secondary education produced qualified students who can demand for higher education. The expansion of the enrolment spaces of the country in higher education, which is on par with the admitted number of students, is shown in comparison to the qualified number of students in recent years in Table 1.

Table 1: Expansion of enrolment spaces in higher education

Stream	2008 (2008/2009)		2009 (2009/2010)		2010 (2010/2011)		2011 (2011/2012)	
	Qualified	Admitted	Qualified	Admitted	Qualified	Admitted	Qualified	Admitted
Arts	65,235	6,693 (10.26)	62,676	6,841 (10.91)	72,800	7,064 (9.70)	75,838	10,297 (13.58)
Commerce	36,707	4,337 (11.82)	33,202	4,583 (13.80)	35,581	4,876 (13.70)	30,913	5,742 (18.57)
Physical science	10,408	4,493 (43.17)	10,164	4467 (43.95)	12,657	4,455 (35.20)	13,340	5,581 (41.84)
Biological science	17,886	53,23 (29.76)	19,242	5656 (29.39)	21,478	5,621 (26.17)	20,889	7,244 (34.68)
Other	n.a	n.a.	-	-	-	-	431	44 (10.21)
Total	130,236	20,846 (16.01)	125,284	21,547 (17.20)	142,516	22,016 (15.45)	141,411	28,908 (20.44)

Note: Percentages are given in brackets.

Source: University Grants Commission, 2014.

The demand for higher education has been confined to the total number of vacancies available in the universities even if

there are a large number of students who qualify for university admissions as shown in Figure 1.

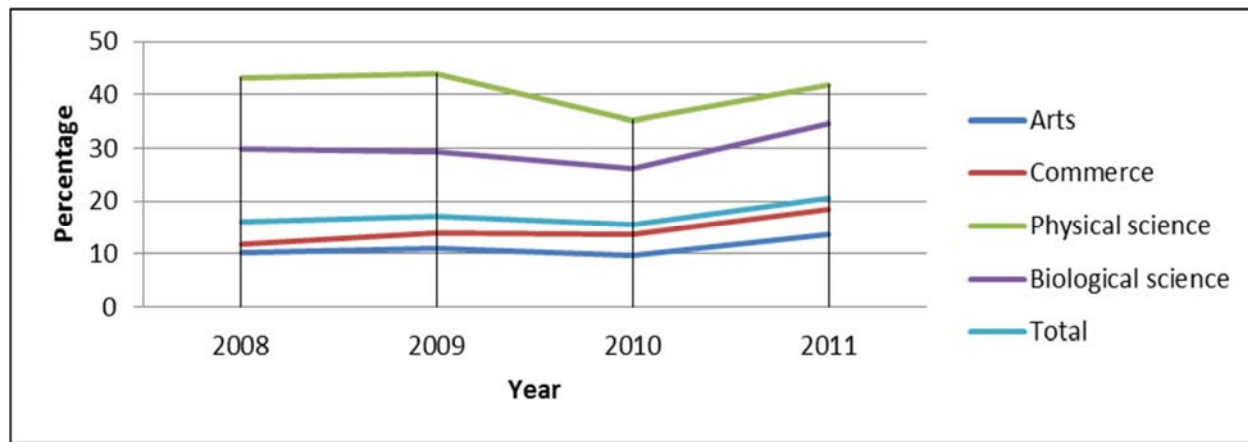


Fig. 1: Expansion in university admissions

Source: Author constructed.

2.2 A review of previous studies on graduate employability

Employability can be defined as having a set of skills, knowledge and personal attributes that make a person more likely to choose and secure occupations. The set of these elements mainly constitutes career development learning, experience, subject knowledge, generic skills and emotional intelligence. These elements along with the self-esteem

attributable to self-efficacy and self-confidence determine the employability (Pool and Sewell, 2007 cited in Pool & Sewell, 2009). The quality of graduates is currently and mostly determined based on these skills and attributes as perceived by the employers.

However, many researchers in developing countries have identified that the quality of graduates was low in the

employer point of view. For example, Raza and Naqvi (2011)^[27], in their article on quality of Pakistani university graduates as perceived by employers, reveal that the employers were not fully satisfied with the quality of Pakistani university graduates in intellectual development skills, personal development skills, professional development skills, and social development skills was not at a satisfactory level. Although, the graduates were relatively high in some skills, they were very low in other skills so that employers cannot be satisfied with their suitability to employee in their businesses. As such, they suggested developing the curricula, instructions, and professional competencies of university teachers so as to improve the quality of graduates that they produce in universities.

Similarly, Technical education and skills development authority (2012)^[30] conducted a survey on employer satisfaction particularly aiming to determine the satisfaction level of the employers on the competencies and performance of employed technical vocational education graduates in Metro Manila, Philippines. They came to the conclusion that the right workers who possessed the competencies required for a particular job was of utmost importance in employer point of view. As such, in the report, it was recommended to address the requirements of the industry. This means that especially the students who are trained for professional jobs should be offered with skills needed for that particular profession.

Griesel and Parker (2009)^[18] also conducted a study on the quality of South African graduates regarding the perception of employers. The purpose of the survey was to take the views and expectations of employers and their evaluation of the quality of graduates produced by the higher education institutions. The study found that the employers had a much wider role of higher education than higher education offers. Moreover, the study identified the need of building a dialogue and understanding and more collaborative endeavors between the two communities. They added, "...the role of higher education cannot be treated in isolation and must take its rightful place in producing thinking, responsive and intellectually well-grounded individuals who are flexible and can readily adapt to new demands and challenges" (p. 20).

Most of the researchers are of the consensus that skills of university students should be improved (Abduwani, 2012; Archer and Davison, 2008; Barraclough *et al.*, 2009; European Commission, 2010; Fan *et al.*, 2005; Lowden *et al.*, 2011)^[1, 4, 6, 14, 16, 24]. Then, the main problem is, since skills are in a wider range, which skills of students should be improved or should be given priority in improving. This problem also has been answered by some researchers. By and large, skills can be divided into two as hard skills and soft skills. Hard skills are the skills related to the main subject discipline of a student. For example, for a student who is reading for degree in Economics, hard skill is skill that he possess on his subject, Economics. Soft skills are the skills that the students possess in addition his hard skills on Economics. As such, for a successful future, it is essential to be rich in both forms of skills. Blades *et al.* (2012)^[26] summarized a brief review of literature in order to assess the potential for developing a new tool to support the evaluation of community and voluntary sector projects aiming to enhance young people's employability skills. In their review, they categorize and define soft employability skills on the basis of previous reviews. They divide soft employability skills into four main categories viz., 'personal', 'interpersonal', 'self-management' and 'initiative and delivery'. The skills, which fall under

'Personal' category, are 'confidence', 'self-esteem', 'motivation' and 'self-efficacy'. Interpersonal category envelops 'social/interpersonal skills', 'communication skills', 'teamwork' and 'assertiveness'. Self-management includes 'self-control', 'reliability', 'positive attitude' and 'presentation'. Finally, initiative and delivery consist of 'planning', 'problem-solving' and 'prioritizing'. The way that this study collates and classifies different kinds of soft skills is meaningful and useful for the present study also.

Ariyawansa (2008)^[5] also, reviewing the determinants of graduates' employability of Sri Lankan universities, found that availability of jobs in the Sri Lankan labor market varies among the field of study of graduates. He found that even if there are many jobs for engineering/science and management graduates in the current job market, the opportunities available for graduates in humanities and social sciences were fewer. However, he mentions that, as far as the quality of degree programs is concerned, humanities and social sciences degrees remain in a very high level. He used, evaluation results issued by the Sri Lanka Quality Assurance Council along with other primary and secondary data to come up with this conclusion. He also found that training/experience, proficiency in English, IT skills, leadership qualities, analytical ability, team work, interpersonal relations, etc. as significant determinants of demand for graduates. This idea is further confirmed with the findings of Tan and French-Arnold (2012) who reveals that according to Malaysian data in 2008, graduates of technical studies and ICT were more likely to be employed.

Meanwhile, some researchers point out that soft skills and employability are determined on the field of study and the social class. Fan *et al.* (2005)^[16], through their study on soft skills, hard skills and black/white earning gap, examined the impacts of job skill types, cognitive or hard skills and non-cognitive or soft skills, on the black/white pay differentials and occupational choices. They mention that recent developments in research on discrimination have led to a semi-consensus that racial gap in skills is the main source of racial gap in earnings. The regression analysis based on the National Longitudinal Survey of Youth data revealed that the black/white pay differentials tend to be smaller for hard skill jobs than for non-hard skill jobs, and also smaller for non-soft skill jobs than for soft skill jobs. Furthermore, it revealed that black white-collar workers do tend to select themselves into hard skill jobs or non-soft skill jobs. Persico and Silverman (2001) reveal that an individual from disadvantaged group may acquire less soft skills due to his lower self-esteem and less participation in main-stream social activities in the periods of social development. These findings emphasize that racial (black or white) and family backgrounds as well as marginal groups in any society will lack soft skills particularly due to issues like backwardness that they may experience in the formative years of their life. Therefore, this study turns one's attention on socio-economic factors of employability in addition to the skill development factor.

On the whole, the review of literature shows that in order to improve the employability of graduates, the soft skills of university students should be improved. At the same time, there are evidence that shows that the field of study and the social class of graduates have a relationship with the employability. However, there is no systematic investigation carried out to analyze the problem with regard to the Sri Lankan situation. Therefore, this review of literature, identifying the gap, helps set the aim and direction of the study.

2.3 Objectives

The main objective of the study is to identify the determinants of the employability of new graduates in Sri Lanka. In order to serve the main objective, the study sets the following three specific objectives

1. To distinguish between the degree types - Arts, Management and Science - in the determination of employability of new graduates.
2. To identify the significance of soft skills and social capital in comparison to hard skills in the determination of employability of new graduates.
3. To identify the significance of professional qualifications earned by graduates in employing them in the labor market.

3. Methodology

3.1 Analytical Methods

The theory says that embedding skills in individuals increase the demand for them in the competitive labor market (Daming, 2015) [10]. The empirical strategy was to answer the question ‘what are the determinants of the employability of new graduates of Sri Lanka?’ At this attempt, the study used only quantitative methods with non-experimental observations for the analytical purpose. Binary Logistic regression was the main analytical method used for attaining at the main objective.

In order to determine the level of soft skills embedded in graduates at the time of getting their first job, their skills were measured using 53 skill indicators, which come under nine (9) main skill areas, as shown in Table 2.

Table 2: The sets of main and indicator skills

Main skills	Indicator Skills	Main skills	Indicator Skills	
Subject specific knowledge	Subject knowledge	Caring	Concern for others	
	Sector specific knowledge		Empathy	
	Ability to apply subject knowledge		Volunteering	
Management	Decision-making skills		Contributions to group efforts	
	Resiliency		Working	Sharing
	Keeping records			Teamwork
	Wise use of resources	Self-motivation		
	Planning and organizing	Responsible		
	Goal setting	Efficient		
	Risk taking	Work under pressure		
	Personal (own) management	Leadership	Independence	
Thinking	Time management	Communication skills	Confidence	
	Learning from the service		Commitment	
	Ability to accept and learn from criticism		Motivating others	
	Analytical and problem solving skills		Protecting others	
	Positive attitudes		Integrity	
	Creativity		Sinhala spoken	
	Innovation		Sinhala writing	
Relations	Good with numbers		Sinhala presentation	
	Nurturing relationships		Tamil spoken	
	Cooperation		Tamil writing	
	Accepting differences	Tamil presentation		
	Conflict resolution	English spoken		
	Adaptability/flexibility	English written		
	Social character	English presentation		
		Technical ability (e.g. using equipment, etc.)		
		IT skills		
		Technology	Knowledge on latest techniques, software, etc.	

Source: Author constructed.

The skill level for each of the indicator was taken from the graduates and the answers to be expected were structured in five levels of a likert scale, 1 Very Low, 2 Low, 3 Average, 4 High and 5 Very High. Finally, ‘mode’ for each answer was taken as the skill level of each respondent. Moreover, ‘average’ and the figures below ‘average’ were considered as

low in soft skills while the figures above average were considered as high in soft skills.

Social capital embedded in graduates at the time of employment in their first satisfactory job was measured in a similar way using the following social capital indicators.

Table 3: Social capital indicator

	Indicators		Indicators
1	Number of letters received per week	11	Number of family members in the executive or above jobs
2	Number of letter sent per week	12	Number of government party politicians with whom you had contacts
3	Number of telephone calls received per week	13	Number of local friends you had in foreign countries
4	Number of telephone calls taken to others per week	14	Number of foreign friends you had
5	Number of emails sent per week	15	Number of societies that you joined during the university career
6	Number of emails received per week	16	Contacts with other ethnic communities
7	Number of visitors that visited (you) per week	17	Whether neighbors visited you while you were sick
8	Number of persons you visited per week	18	Whether you visited them while they were sick
9	Number of international calls you received per week	19	Whether you exchanged money with others during the university career
10	Number of international calls you took per week	20	Whether you exchanged books during the university career.

Source: Author constructed.

The respondents were coded into two groups as ‘Low’ and ‘High’ in social capital depending on their answers.

3.2 Variables

Dependent variable: Dependent variable was dichotomous with ‘1’ for employed (graduates) and ‘0’ for unemployed (graduates).

Explanatory variables: Explanatory variables, which were considered at the initial point of analysis, are given in Table 4.

Table 4: Explanatory variables

	Variable	Level
DEG	Degree type (with three levels)	1. Arts 2. Commerce and Management 3. Science (including applied sciences, agriculture and Engineering)
HSK	Hard skills (with three levels)	1. Normal pass 2. Second class 3. First class
PRQ	Professional qualifications (two levels)	1. No 2. Yes
EXI	Type of studentship (two levels)	1. External 2. Internal
SSK	Soft skills (two levels)	1. Low 2. High
SCA	Social capital (two levels)	1. Low 2. High
INT	Internship (two levels)	1. No 2. Yes
GEN	Gender (two levels)	1. Female 2. Male
NAP	Number of applications	Continuous variable

Source: Author constructed.

3.3 Data and collection methods

The study mainly used primary data for the analytical purpose. The secondary data used mainly for identification of the research problem and planning the research process. Quantitative data was collected using a questionnaire for both employed and unemployed graduates who passed out from the universities of Sri Lanka during the last five years by the end of 2013. The questionnaire consists of four main sections such as A, B, C and D. Section A comprises the questions designed for obtaining the basic information regarding the informants. Section B consists the questions that aimed to measure the soft skills of graduates at the time they were awarded the degree. This section includes two lists of skills that a graduate can possess. The list-1 comprised of nine (9) main skill areas and 54 skill indicators with a likert scale of five levels. This question was to reveal the levels of importance of skills according to the view of the respondent (1 Unimportant, 2 of little importance, 3 Moderately important, 4 Important and 5 Very important). The list-2 presented the levels of skills that the respondents possessed at the time of graduation, according to their view under five levels of the likert scale (1 Very low, 2 Low, 3 Average, 4 High, 5 Very high). Section C is related to the information on family, social relationships and contacts of the respondent were included in this section. Finally, Section D presented the questions which aimed to obtain the information on respondents’ effort to explore the opportunities in the labor market.

A questionnaire survey was conducted for 184 randomly selected employed and unemployed graduates in the Colombo district in order to obtain their information (Table 5). The sample was selected only from Arts (Social Sciences and Humanities), Commerce and Science (excluding Engineering and Medicine) graduates who were passed out at least before one year. However, when determining ‘employed graduates’,

those who got a job competitively in the free market with no support from the government placement scheme were taken into consideration. Those who have not still been employed even after one year of their graduation or still under government placement training were considered as unemployed.

Table 5: Distribution of sampling units

Category of respondents	No.
Employed graduates	92
Unemployed graduates	92
Total	184

Although this is a small-scale sample, it is expected that with the expansion of the sample size, the results can be extrapolated to the entire country. Since the convenience list was prepared based of the contacts of the researcher and his colleagues with the possible respondents, the number of none or weak responses could be minimized. Even if the sample was small, the validity and the extrapolation of the results can be maintained at a higher level since both employed and unemployed graduates from different universities and different areas of the country were represented in the sample.

4. Results and Discussion

4.1 Results: Binary Logistic Analysis and Results

For the logistic regression, the level of employability was recorded into either employed or not employed, since binary response was required. At the first step, nine (9) explanatory variables were incorporated in the analysis to test whether there was a relationship with the dependent variable. It found that three variables, ‘Gender’ and ‘Sector (SEC)’ had no relationship with the dependent variable when it was tested with the Spearman correlation test and while analyzing

through other descriptive methods. The remaining six (6) variables, namely, 'Degree type (DEG)', 'Professional qualifications (PRQ)', 'Number of applications (NAP)', 'Hard skills (HSK)', 'Soft skills (SSK)', and 'Internship (INT)' were brought forward for developing the model.

At the second step, the problem of multi-co linearity was identified through correlation test and accordingly two variables, 'Social capital (SCA)' and 'Profession of father (PRF)' were removed since both of those variables were

represented by 'Soft skills (SSK)'. At the third step, the remaining six predictive variables were brought forward for the analysis using Binary Logistic regression method and variables were added in a forward stepwise method, known as the Wald method. A variable had to be significant at the 0.05 level to enter into the model, while it had to be significant at the 0.10 to remain in the model. Finally, the model in the step 5 of the analysis given in Table 6 helps identify the determinants of employability.

Table 6: Results of the binary logistic results

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Professional Qualifications(Low)	-2.276	.965	5.559	1	.018	.103
Soft Skills (Low)	-4.539	1.117	16.521	1	.000	.011
No. of Applications	1.293	.366	12.517	1	.000	3.645
Degree			11.914	3	.008	
DEG(Arts)	.708	1.002	.498	1	.480	2.029
DEG(Mgt. and Com.)	3.773	1.512	6.225	1	.013	43.498
DEG(Sciences)	4.283	1.413	9.189	1	.002	72.489

Note: Variable(s) entered on step 4: PRQ.

Exp (B) representing odds ratio, measures the extent to which the odds in favour of a positive response are raised when the level of the associated explanatory variable is raised from the reference level to the level specified in the table of results. This study measures the extent to which the odds in favour of being employed are raised when the levels of each explanatory variable is raised from the reference level (low) to the highest level (high). Thus, it shows that being a science graduate (DEG 3) is the strongest determinant of being employed, having 5 per cent confidence for Exp (B) of 72.49. Being a management graduate (DEG 2) is the second

strongest determinant since the Exp (B) accounts for 43.5. However, being an arts graduate (DEG 1) has not been significant to include in the model as a determinant of being employed. Furthermore, the position of not having professional qualifications negatively affects being employed and its odds ratio is.103. Similarly, the position of not having soft skills also negatively affects being employed with Exp (B) of. 01. Third important factor that positively affects to reach the status of being employed is the number of applications (NAP) of graduates for jobs in the labor market.

Table 7: Model summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square	Hosmer and Lemeshow Test		
				Chi-square	df	Sig.
5	43.354 ^a	.665	.887	1.296	7	.989

Note: Estimation terminated at iteration number 8 because parameter estimates changed by less than. 001.

In general, -2Log Likelihood (-2LL) is a measure of badness-of-fit, illustrating error remaining in the model after accounting for all independent variables. The -2LL of 43.354 indicates that there is no significant error remaining in the model. The Nagelkerke R square shows that about 89 per cent of the variation in the outcome variable (probability to be employed) is explained by the model in step 5. A larger p-value of the Hosmer-Lemeshow test indicates a better match to claim that the model fits the data adequately. Accordingly, the model is best at the fifth step.

4.2 Discussion

The study has achieved its main objective of identifying the determinants of the employability of new graduates in Sri Lanka. Somewhat similar to the other developing countries which were considered in the literature review, it reveals that different kinds of soft skills are important in determining the employability of new graduates in the Sri Lankan context also. It also shows that there is a difference between the degree types in determining the employability in the job market in Sri Lanka. Management and Science graduates, who include physical, bio, agriculture and Engineering, have a higher probability of being employed contrary to Arts graduates. In addition, this study reveals that soft skills and social capital are equally and in correlation to each other determine graduate employability. It implies that it is not only

the improvement of soft skills, developing social capital among the undergraduates is equally important for getting a job. Finally, professional qualifications were identified as an important determinant of employability, since data suggests that undergraduates who followed a professional course like CIMA, Chartered Accountancy, Information Technology, etc. have a higher probability of obtaining a job in the competitive job market. Furthermore, the number of applications for jobs submitted by a graduate that indicates the effort of obtaining a job is a finding that could not be seen in the selected literature. Data suggests that the gender and the type of studentship (internal or external) were not important in obtaining a job. This means that if the graduates are equipped with necessary attributes, factors like gender, type of studentship become negligible in determining the employability of graduates. Furthermore, data does not suggest that internship and uplift the probability of employability of graduates even if the reasoning for this has not been covered by the current study. However, the findings of this study do not suggest that having a management or science degree with professional qualifications and soft skills alone with the effort of graduates to obtain jobs, necessarily fulfill the availability of a job. When considering the theory and the practice as well, even if having these attributes increases the competitiveness of graduates in the labor market, the economy should be strong enough to absorb them to its different sectors. This is why

employment collapses in some countries during times of severe recession, and not due to a decline of skills and other attributes of workers. Hence, the way of determining the employability of graduates in the job market can be summarized as shown in Figure -5. Therefore, the policy makers not only within the education system, but also in the entire economy should be aware of the broader role that they have to play. Especially, as pointed out in the literature review by some researchers, the students should be trained not only for employers' needs but also for societal needs. Even if the employment will collapse with the collapse of employers, the work related to societal needs remains so long as the society remains.

5. Conclusions

Literature revealed that there are important soft skills which should be improved for increasing the employability of graduates though the types of skills identified in different studies are not completely equal. In the case of the graduate job market in Sri Lanka, it seems that Arts graduates still face a problem in obtaining a job. Employability of Science and Management graduates who possess professional qualifications and good soft skills, social capital and are high in the enthusiasm and effort to obtain a job remain satisfactorily high. This implies that the student intakes for different degree programs or domains of disciplines should be adjusted according to the availability of jobs. This further suggests that the employability problem can be minimized so far as the students are diverted to more professional courses. Furthermore, data suggests that the gender, type of studentship (internal or external), internship, hard skills measured by the level of passing (e.g. with first class, second class, etc.) were not significant factors in obtaining a job although the reasoning for such a possibility was not covered by this study.

However, even though the improving the soft skills, professional qualifications etc. of students is important in raising their competitiveness in the labor market, it does not provide a solution to the problem of graduate unemployment of the country. The sectors of the economy should be adjusted in such a way to absorb not only graduates but also the entire labor force of the country. This is what the policy makers, who are responsible in this regard, should understand.

6. Implications for Policy Development

Based on the results of the country study and the points obtained from previous studies which have been conducted in different countries, the following implications for policy development can be drawn:

Rethinking on university intakes from different fields of study: University intakes from different fields of study should undergo changes taking into consideration the needs of the country. However, this adjustment should simultaneously be accompanied by parallel process of diverting a part of students from academically oriented study programs to more professional kinds of programs before students in the path of formal education.

Professional qualifications: Students should be encouraged to obtain professional qualifications in addition to the degree. Especially, the trainings that reinforce the quality of the degree would be more advantageous for the students and the country as well.

Hard skills, soft skills and social capital: Hard skills (including the field of study) are not equally important for all jobs. For professions like medical, engineering and

accountancy, possessing of hard skill is essential for obtaining a job in that field. Even if they are less in soft skills, there is no problem in getting a job in the labor market which requires high levels of hard skills. However, the students who are trained for non-professional jobs should improve soft skills and social capital, since hard skills is not the main determinant of employability for such graduates.

Enthusiasm: Enthusiasm or effort of students (graduates) is also important since hard skills and all life skills are largely determined by these. The result revealed that the number of applications for jobs was a determinant of employability, which implies that students should be trained with positive attitudes in order to be able to face challenges.

The kind of training: Currently, in Sri Lanka, the students are trained aiming at the needs of the employers. However, it is a strong requirement that students should be trained aiming at the needs of the society since the employers are just a one category of stakeholders. In addition to the internship trainings provided through employers, the graduates can be trained to do what the society needs.

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