

Employer (Dis)Satisfaction With Australian Marketing Graduates: The Development Of A Research Framework

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Abstract

The gap between the skills and competencies of graduates on finishing their degrees and those required by employers is well documented in the literature with the development of educational curricula in business, and particularly marketing, being the subject of much research and debate over the past two decades. Nevertheless no comprehensive model appears to have been developed or tested within the Australian education sector to ensure the provision of adequate information on which to base decisions in this field. This paper attempts to contribute to this research area by presenting preliminary investigations into the needs of Australian businesses mainly in relation to marketing skills of graduates. Using a mail survey to collect data from 194 Australian businesses, a Wilcoxon signed-rank test was used to investigate the significant differences between the importance and satisfaction levels placed by employers on various graduate attributes. Findings of this research show that marketing skills appear to be valued at a lower level than general graduate attribute skills and that marketing programs may need to focus on basic marketing skills, more general skills and personal attributes rather than the higher level marketing skills that we currently teach at Australian universities.

Introduction

The gap between the skills and competencies of graduates on finishing their degrees and those required by employers is well documented in the literature (Crebert, *et al.*, 2004; Deckinger, *et al.*, 1989; Evans, *et al.*, 2002; Hawkins and Winter, 1995; McLarty, 2000). Indeed, in Australia, the level of employer satisfaction has been so low in recent years that it has prompted the Australian Education Minister to suggest linking graduate skills testing with university funding (Maiden, 2004). Australian universities could stand to lose much needed funding if this performance measure is employed unless they are able to develop educational curriculum that may better meet industry needs.

However, while the solution of developing effective marketing educational curriculum may sound straightforward, its application appears not to be. That is, the development of an educational curriculum in business, and particularly marketing, has been the subject of much research and debate over the past two decades (BTEC, 1996; Hawkins and Winter, 1995; McLarty, 2000; Scott and Frontczak, 1996). Nevertheless, the issue seems to remain unresolved particularly within the Australian education system where limited research has been devoted to developing a comprehensive framework to highlight and resolve all issues of concern. Therefore, the aim of this paper is to contribute to this field by developing and testing a framework involving a set of marketing skills (drawn from the literature) to commence this investigation and contextualise the research within the Australian tertiary

education system. This paper contributes to the literature and practice by highlighting areas that require further research in order to make curriculum-based decisions.

The literature

One of the main issues in developing a marketing education curriculum involves deciding 'what to teach'. Various authors have developed categorisations of educational needs. For example, some authors have noted that *personal characteristics* such as self awareness, action planning and self promotion may be important graduate attributes (Hawkins and Winter, 1995; McLarty, 2000). Some have focused more on *general competency skills* such as numeracy, learning and studying, and information processing as possible important graduate skills (BTEC, 1996). Yet others have taken a more comprehensive approach to skill development and have noted both *personal* and *competency based* skills as important (Harvey, Moon and Geall, 1997). At the most sophisticated level, authors have identified three sets of skills/knowledge: *underpinning basics*; *occupational specific skills*; and, *overarching capabilities* (Gordon, Parsons and Walsh, 1997). Although these works provide important insights there is no consensus about which categorisation should be focused on.

Additionally, research has identified the suggestions of academics, graduates and business professionals as to how the effectiveness of new graduates may be improved. Professionals have recommended student internships as the best way of improving job prospects (Scott and Frontczak, 1996). From an academic perspective, close personal contact with practicing marketing executives may provide improved student approaches to learning (Urban, 1993). Further, graduates themselves suggest that more sales, planning, research, strategy, teamwork and management skills need to be gleaned during their studies. Although enlightening, some of the suggested strategies are based on mere opinion rather than research and so, despite these ideas, and in some cases despite the putting into practice of some of these ideas, businesses are still complaining because they feel they have little input into the educational curriculum of university degrees (Scott and Frontczak, 1996).

Given the findings of the literature, the present study developed a comprehensive (but not exhaustive) list of marketing specific skills, general skills and personal attributes and used it to investigate the importance and satisfaction levels placed by Queensland businesses on these skills/attributes. However, while the marketing attributes will be discussed in depth, general skills and personal attributes will be only briefly touched on due to the length restrictions of this paper.

Methodology

This research was based on the realism paradigm (Brown, 1997; Easterby-Smith and Thorpe, 2002; Guba and Lincoln, 1994; Hastings, 2000; Healy and Perry, 1998) and entailed the use of the survey technique (Yin, 1994). A comprehensive sample was taken from a list of 2000 Queensland businesses where each business was mailed the questionnaire. A total of 196 of the 2000 posted questionnaires were returned. Given these determinations, the onus was to ensure the instrument was valid and reliable. To this end, each question was trialled and tested to ensure the instrument was as robust as possible and all scale development was taken from the literature to ensure internal validity while the pilot of 30 respondent ensured the external

validity for data capturing purposes. This process identified the issues needing consideration for the reliability and validity for the gathering of the data.

Although many differing analytical techniques can be used on this rich data set, the main aim was to present findings in relation to the response from the interviewees. Accordingly, descriptive and simple bivariate testing was conducted to provide meaningful information for this paper. The findings of this research are discussed next.

Findings

This section summarises statistics for both importance and satisfaction levels for each of the three types of skills/attributes. Both importance and satisfaction levels were measured on a five point scale with 1 being not at all important/not at all satisfied to 5 being very important/very satisfied. A “not applicable” (N/A) category was also included in the questionnaire for each skill/attribute question to exclude responses from those who did not think that skill/attribute was relevant to their business activities. Data in table 1 is ranked according to the number of respondents who felt that the skills were relevant to their business (this relevance is indicated by the V/N [valid number] in the first column of Table 1). A Wilcoxon signed-rank test (the non-parametric alternative to a paired t-test) was also used to investigate whether significant differences existed between the importance and satisfaction levels placed on each attribute. A non-parametric test was used because the data was not normal.

Although a total of 194 businesses who hire graduates responded to this survey, only those who hired *business graduates* were included in the analysis (102 businesses or 52.6%). These businesses operated in a range of industries including marketing (that is, 37.6% of respondents worked in retail, wholesaler, advertising/promotion, marketing research, manufacturing, logistics), tourism (7.9%) and other business areas (54.5% of respondents worked in human resources management, accounting, business administration, law, IT, government, economics, finance, arts, engineering).

Results show that some marketing skills were applicable to some employers but not others (see N/A column in Table 1). For example, analysing data and understanding statistics, conducting a situation analysis, and applying consumer behaviour knowledge were applicable to between 71 (70%) and 81 (79%) of respondents. Other factors such as segmenting markets, determining strategies for targeting/positioning, implementing a marketing plan, designing research methodology and promotion and events management were applicable to two thirds of employees, while the remaining strategies were applicable to approximately half of employer respondents.

The average importance level for the aggregated marketing skills was somewhat high with a mean of 3.8 with some skills being distributed above this average. For example, skills with importance levels above the aggregated average were (in consecutive order): analysing data and understanding statistics (4.3); conducting a situation analysis (4.2); implementing a marketing plan (4.1); developing strategies for targeting/positioning (4.0); preparing a marketing plan (3.9), managing marketing budgets (3.9), segmenting markets (3.9); and promotions and event management (3.9). Other skills fell on or below the average importance levels. Interestingly, the factors with the lowest importance levels were: distribution (3.4); pricing (3.5); and, international marketing strategies (2.9).

Table 1: Levels of importance placed by employers on graduate marketing skills and satisfaction levels with graduate

Marketing skills – Ability to:	Importance				Satisfaction			
	V/N	N/A	μ	σ	V/N	μ	σ	Sig
Analyse data/ understand statistics	81	20	4.3	.76	69	3.2	1.0	Sig**
Conduct situation analysis	76	25	4.2	.9	68	3.1	.8	Sig**
Apply consumer behaviour knowledge	72	29	3.8	.9	62	3.1	.9	Sig**
Segment markets	66	35	3.9	1.0	56	3.1	.9	Sig**
Determine strategies for targeting/ positioning	65	35	4.0	1.0	57	3.0	.9	Sig**
Ability to implement a marketing plan	64	37	4.1	1.0	54	3.1	1.0	Sig**
Design research methodology	63	38	3.6	1.1	53	3.2	1.1	Sig**
Do promotion and events mgt	63	38	3.9	1.1	55	3.3	1.0	Sig**
Conduct interviews	60	41	3.5	1.1	48	3.0	1.0	Sig*
Prepare a marketing plan	59	42	4.0	1.2	52	3.1	1	Sig**
Manage product/service plan	59	42	3.7	1.0	50	3.1	.9	Sig**
Prepare advertising program	58	43	3.8	1.1	48	3.1	1.0	Sig**
Develop distribution strategies	55	44	3.4	1.1	46	2.8	1.0	Sig**
Manage marketing budgets	57	44	3.9	1.2	49	3.0	1.0	Sig**
Use marketing forecasting skills	56	45	3.6	1.0	46	2.9	1.0	Sig**
Use marketing pricing skills	48	51	3.5	1.2	40	2.7	.7	Sig**
Devise marketing strategies for international markets	41	59	2.9	1.2	33	2.7	.9	NS

Note: Sig* = significant at alpha = .05; Sig** = significant at .01 level.

Source: Data collected in this study

In contrast to importance levels, the average satisfaction levels for all marketing skills were low with a mean of 3.0 with the highest satisfaction level being 3.3. A Wilcoxon signed-rank test was also conducted and showed that significant differences existed between importance and satisfaction level for almost all skills except one (devise marketing strategies for international markets). That is, satisfaction levels were significantly lower than the importance levels for almost all skills regardless of their importance levels. Surprisingly, only two of the important factors (managing marketing budgets and determining strategies for targeting/positioning) had satisfaction levels below 3; the remaining of these important factors (and therefore satisfaction levels) had means above 3.

Furthermore, the average importance and satisfaction levels for marketing skills were compared to the overall importance (4.1) and satisfaction (3.3) means of the aggregated skills, that is, marketing skills, general skills (these included the skills communication, team work, problem solving, technology, initiative and planning) and personal attributes (these attributes include, among others, commitment and self esteem). It was found that both importance and satisfaction levels of marketing skills were lower. Finally, businesses preferred ($\mu = 3.9$) graduates with work experience and felt that universities were not preparing graduates for the workforce ($\mu = 2.8$).

Implications for Marketing Education

The first and most predominant finding from this research is that marketing skills appear to be valued at a level lower than general graduates attribute skills. This finding must be of concern

to marketing educators and could be due to one of several factors. On the one hand, recruiters of business graduates do not truly understand marketing and its core competencies, thus making marketing attributes an aspect of applicants that recruiters do not rely on. On the other hand, recruiters may understand marketing graduate attributes yet still not consider them as relevant as general graduate attribute skills for an applicant. If this is the case, then it questions the emphasis and development of marketing specialisation courses and indeed marketing programs. That is, the emphasis delivered in the marketing courses and programs are not specifically relevant to employers to be considered as valuable as general graduate attributes.

The second finding from this research suggests that marketing graduate attributes should focus on basic marketing skills such as number crunching, environment scanning, segmentation, and the ability to put into effect marketing activities. Once again, this suggests that the skills need to be well developed to ensure a higher level of satisfaction. This conclusion tends to reinforce the implication identified in the paragraph above - that the material covered in current courses may not be targeted to the needs of employers and therefore not considered in the core skill set for marketing graduate positions.

Limitations and future research

Four main limitations were present in this study which could guide further research. Firstly, this research asked respondents about their satisfaction levels with the skills/attributes of their graduates and as such, some respondents may have based their conclusions on a negative/positive experience rather than the overall experience with graduates. This issue may need to be addressed in future research by asking all respondents to base their answers on the last graduate they recruited. Secondly, this study was delimited to Queensland businesses and a more comprehensive national study may be needed to generalise the result to the Australian workforce. Finally, further research is required to test whether differences exist in needs and perceptions depending on the size of business and the type of business, for example, a marketing research business compared to an advertising business or an accounting business.

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