

The Role of Soft Skills in Enhancing the Employability of Management Graduates: A Study in the Indian Context

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Abstract

Education is a fundamental necessity, following food, shelter, and clothing, and serves as a vital instrument for social transformation and economic empowerment. Studies suggest that by 2025, India will have one of the youngest populations in the world, positioning its youth as the driving force behind national economic growth. The prosperity of any nation is closely linked to the productivity of its workforce. In today's knowledge-driven global economy, the demand for skilled professionals has intensified. Recognizing this need, the Government of India established a dedicated Ministry of Skill Development and Entrepreneurship. Additionally, the National Education Policy (NEP) 2020 highlights the growing importance of skill enhancement.

Skills are broadly categorized into hard skills and soft skills. Hard skills are technical competencies acquired through formal education and training, whereas soft skills encompass behavioral, communication, and interpersonal abilities. Beyond technical expertise, soft skills play a crucial role in enhancing workplace efficiency, fostering teamwork, managing complex challenges, and driving innovation. Industry reports indicate that communication, teamwork, problem-solving, stress management, and creative thinking are among the most sought-after competencies in India.

This study explores the impact of soft skill development on the employability prospects of management graduates in India, with a specific focus on students in higher education institutions. By addressing the existing skill gap, this research underscores the significance of integrating soft skills into academic curricula to enhance career readiness and workforce preparedness.

Keywords: Higher Education, Soft Skills, Employability, Management Graduates, National Education Policy 2020

Introduction

Education serves as a powerful catalyst for social transformation and economic advancement. Research suggests that by 2025, India will have one of the largest young populations globally, positioning its youth as the key drivers of economic progress. The prosperity and future of any nation are directly influenced by the productivity of its workforce. In an era where the global economy is increasingly knowledge-driven and interconnected, the demand for skilled professionals has reached unprecedented levels.

Recognizing this need, the Government of India has established a dedicated Ministry of Skill Development and Entrepreneurship to address future workforce requirements. Additionally, the National Education Policy (NEP) 2020 underscores the importance of skill development in shaping a competent workforce. Skills can broadly be classified into two categories: hard skills and soft skills. Hard skills refer to technical expertise acquired through formal education and training, whereas soft skills encompass interpersonal, communication, and behavioral attributes.

Soft skills are not only valuable for businesses but also play a crucial role in enhancing customer relations, improving organizational efficiency, fostering teamwork, solving complex challenges, and nurturing a culture of creativity and innovation in the workplace (Tilak, 2020). Various industry reports highlight that communication skills, teamwork, problem-solving, stress management, and creative thinking are among the most in-demand competencies in India. This study aims to explore how the development of soft skills can enhance the employability prospects of college and university students, ultimately bridging the existing skill gap in the Indian job market.

Most college students complete their graduation with the aspiration of securing their dream jobs. However, the concept of graduate employability has evolved over time, with scholars examining it from various perspectives. While this paper does not aim to provide a comprehensive historical overview of employability, a brief discussion is necessary. In the 20th century, employability was primarily viewed as the relationship between education and labor markets. However, in the 21st century, the focus has shifted toward personal skills, knowledge, and the overall likelihood of securing employment (Rowe & Zegwaard, 2017).

Organizations today have transitioned from being solely business-centric to adopting a more holistic approach that prioritizes both products and people. People include customers, employees, retailers, wholesalers, and other stakeholders—each possessing unique emotions, thoughts, and behavioral patterns. Understanding their mindset, motivations, and preferences is essential for organizational success. Employees, as the most dynamic assets of any organization, are influenced by multiple factors, making it crucial to sustain their motivation, performance, and engagement. However, this remains a challenge due to differences in perceptions, needs, and expectations.

To address this, organizations emphasize the importance of soft skills training, including assertive thinking, problem-solving, analytical reasoning, teamwork, stress management, and effective communication. Multinational companies (MNCs), in particular, operate with a diverse workforce comprising individuals from various cultural and professional backgrounds, necessitating strong interpersonal and communication skills for seamless collaboration (Malykhin, Aristova & Dybkova, 2019).

This study aims to identify the most critical soft skills required in the workplace and their impact on organizational efficiency, employee performance, and corporate branding. Additionally, the research highlights the role of intrapersonal, interpersonal, and communication skills in contributing to sustainable development.

Scope and Significance of the Study

Humans are inherently social beings, and their thoughts, behaviors, and decision-making processes are influenced by their interactions with others. Both intrapersonal and interpersonal skills play a crucial role in shaping an individual's career, personality, and ability to contribute effectively to organizational teams (Dewiyani, 2015). In the corporate sector, soft skills are essential for employees to carry out various tasks and managerial responsibilities efficiently.

Research suggests that soft skills can be developed through targeted training programs. The impact of such training on employees is often assessed using Kirkpatrick's Model of Training Evaluation, which helps determine whether soft skills training can influence employee behavior and enhance workplace performance. Furthermore, the development of competencies through university–industry collaborations, improved quality assurance mechanisms, and the alignment of higher education with national development goals are all

critical factors in strengthening an individual's employability.

Objectives of the Study

The study aims to achieve the following objectives:

1. To assess the current state of higher education in India.
2. To identify the most essential soft skills from a business perspective.
3. To analyze the role of soft skills in enhancing students' employability and career growth within organizations. attractive to potential employers. Additionally, social capital—the value derived from professional and personal networks—greatly influences an individual's employability prospects.

Skills can be categorized into two types: technical (hard skills) and non-technical (soft skills). Soft skills, being multidisciplinary, are essential across various industries, including sales, negotiations, and customer service. Modern organizations seek professionals who can communicate effectively, handle challenges with composure, negotiate successfully, demonstrate cultural awareness, and deliver impactful presentations (Gibert, Tozer & Westoby, 2017). Given the high costs and time constraints associated with training employees in these competencies, companies now expect graduates to enter the workforce with well-developed soft skills. This growing demand has led to the emergence of specialized soft skills training programs for individuals, teams, and corporations. While India has a vast talent pool, a lack of soft skills remains a significant barrier to employability.

Literature Review

The government, higher education institutions, and students must shift their focus from merely acquiring degrees to actively developing industry-relevant skills. Emphasizing skill-building in alignment with market demands can significantly enhance employability. A strong professional identity is shaped by an individual's knowledge, skills, abilities, and personal attributes, all of which contribute to better career opportunities. Adaptability plays a key role in this process, as individuals who are willing to refine their education, skills, attitudes, and behavior to meet evolving industry requirements tend to be more employable (Ergün & Şeşen, 2021). Flexibility not only enhances workplace effectiveness but also makes employees more According to the Organization for Economic Co- operation and Development (OECD, 2019), soft skills are indispensable across all industries in the 21st-century job market. However, employers frequently report that new hires lack essential soft

skills, particularly in communication. Effective communication is integral to success in various domains, including business, politics, education, sports, and finance. It is a fundamental requirement for professionals in both public and private sectors to interact with colleagues, address the media, and present ideas effectively.

A survey conducted by LinkedIn (2020) among 2,000 business leaders identified leadership, communication, collaboration, and time management as the top four in-demand soft skills in the corporate world. These competencies were found to have a direct impact on employee performance, company profitability, and long-term sustainability. Soft skills not only contribute to individual success but also play a vital role in organizational growth and competitiveness.

Emotional intelligence (EI) is another crucial aspect of workplace success. Employees with high EI exhibit self-awareness, emotional expression, creativity, tolerance, trust, and integrity, all of which enhance their interpersonal relationships and overall performance (Ross, Staples, & Udall, 2011). Strategic leaders in organizations are often distinguished by their emotional intelligence, as it fosters productivity, strengthens trust, and improves collaboration within teams. EI is essential for self-management, managing others, social awareness, and relationship-building, making it a key factor in workplace efficiency and leadership effectiveness.

Large corporations consistently seek highly skilled leaders capable of handling complex challenges, making strategic decisions, and driving organizational success. Effective leadership requires not only technical expertise but also strong soft skills, including emotional intelligence, communication, and interpersonal abilities. These competencies enable leaders to mentor teams, foster productive workplace relationships, and engage with diverse stakeholders (McGunagle & Zizka, 2020). In today's digital world, networking has become a key driver of success. Strategies such as word-of-mouth marketing and referral programs play a crucial role in business development, branding, and promotion, allowing organizations and their leaders to reach broader audiences in a shorter time.

Numerous studies highlight the significance of soft skills in enhancing employability among graduates. These skills help bridge the gap between industry demands and workforce capabilities. Essential soft skills such as communication, teamwork, leadership, motivation, and problem-solving are critical in fields like marketing, sales, human resources, and

performance management. They contribute to efficient communication, coordination, managerial effectiveness, and relationship- building. By strengthening the value chain, these competencies enhance both customer satisfaction and organizational success (Gaikwad, 2016).

For individuals to build a successful career in any field, they must develop both technical (hard) and non-technical (soft) skills. Management simulations focusing on communication and technology have proven to be effective in developing teamwork and communication skills. Additionally, simulations centered on human relations help students enhance active listening, cultural awareness, and the ability to collaborate with diverse teams (Kaushik & Bansal, 2015).

Many universities offer training programs aimed at improving students' soft skills. However, these programs are often short-term and conducted in group settings, limiting their long-term impact. Research suggests that context-based learning is one of the most effective ways to develop soft skills. By engaging in real-world scenarios, students gain practical experience in interpersonal communication, teamwork, and problem-solving, which are essential for career success.

Problem Statement

Unemployment remains a critical challenge for developing economies like India. Each year, millions of graduates enter the job market; however, many struggle to secure suitable employment. Factors such as inflation, the COVID-19 pandemic, and intense market competition have further exacerbated the issue. The rising unemployment rate among young professionals' highlights gaps in the education system and a growing mismatch between industry demands and workforce skills. Addressing this issue requires a strong focus on skill development initiatives.

As the demand for soft skills continues to grow and customer expectations evolve, it becomes essential for educational institutions and businesses to identify, develop, and integrate these skills effectively. Soft skills play a vital role in enhancing employability and workplace performance. This study aims to examine the most critical soft skills that can improve the employability of graduates in India, providing insights into how these skills can bridge the existing skill gap and meet industry expectations (Cinque, 2016).

Discussion and Analysis

The National Education Policy (NEP) 2020 places significant emphasis on Outcome-Based Education (OBE), aiming to align academic learning with industry requirements. A primary motivation for pursuing higher education is securing employment in public and private sectors to achieve financial stability and a better quality of life. However, a noticeable gap exists between the quality of education imparted and the employability of graduates upon course completion.

Recent data suggests that engineering and business administration graduates have relatively higher employability rates in India, at 55.15% and 55.09%, respectively. In contrast, students graduating from polytechnic institutions face a major employability crisis, with only 21.43% securing jobs. Apart from B.E., B.Tech., and MBA programs, all other degree courses report employability rates below 50%, highlighting a significant skill gap in the Indian education system. This disparity underscores the urgent need for curriculum reforms,

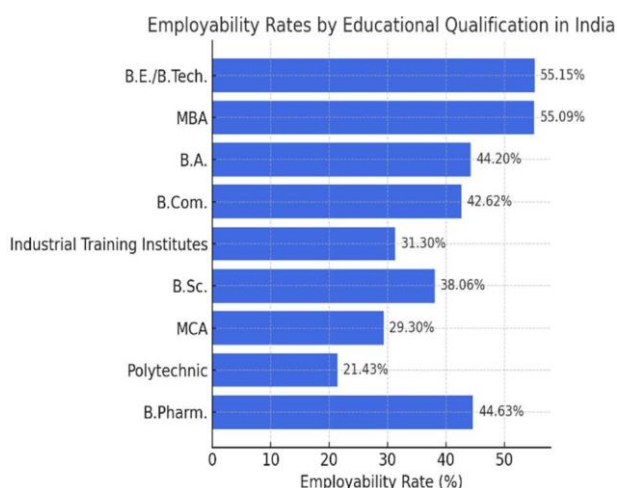


Figure 1. Employability of Graduates in India (Source: Statista, 2022)

industry- academia collaborations, and focused skill development initiatives to enhance students' job readiness and bridge the employability gap. Strengthening soft skills, in addition to technical expertise, can play a crucial role in making graduates more competitive in the job market.

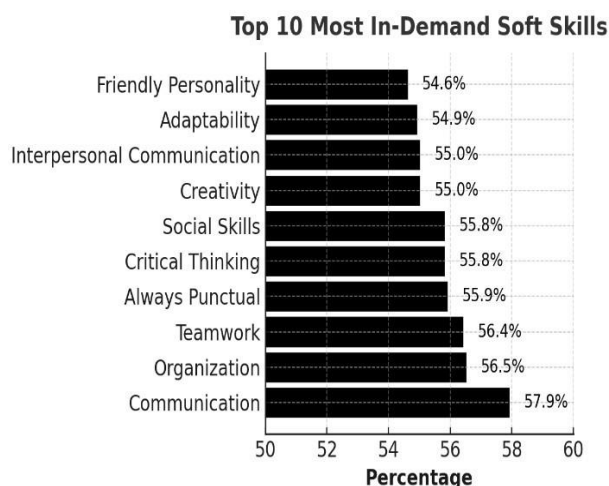


Figure 2. Top 10 Most In-Demand Soft Skills (Source: Linked-In Survey, 2021)

LinkedIn, a global leader in market research, talent acquisition, staffing solutions, and recruitment outsourcing, conducted an exclusive survey in 2021 to identify the most essential soft skills in the workplace. The findings revealed that communication skills—including listening, speaking, reading, and writing—continue to be the most sought-after. Organizational skills and teamwork ranked second and third, respectively, emphasizing their importance in professional settings. While a friendly personality ranked lowest on the list, skills such as creativity and punctuality have gained momentum as key indicators of professionalism in the corporate world.

Findings

Skill-based education is essential for improving the employability of college graduates. Communication skills, including attentive listening, fluent speaking, effective writing, reading comprehension, and presentation abilities, remain the most in-demand soft skills in India. Graduates equipped with strong soft skills have better job prospects in both public and private sectors. The growing demand for these skills highlights the need for businesses to adapt to changing market and customer expectations. Various studies suggest that emotional intelligence, leadership, and teamwork play a crucial role in enhancing corporate performance and profitability. Given India's diverse and heterogeneous marketplace, employees with emotional intelligence can better understand and cater to the needs of customers from different linguistic, religious, and cultural backgrounds, thereby improving customer acquisition, retention, and satisfaction. Moreover, soft skills contribute significantly

to fostering healthy professional relationships, strengthening connections between employees and employers, businesses and customers, and among key stakeholders.

Conclusions

Enhancing the quality of higher education through skill development is vital for improving graduate employability. Unemployment remains a major challenge in densely populated economies like India, where lakhs of graduates enter the job market each year, yet many struggle to secure employment.

Despite investing years in education, numerous graduates remain jobless, leading to wasted resources and socio-economic imbalances. Integrating soft skills training with academic programs can significantly improve employment prospects. Collaboration between universities, industries, and the government is essential to equip students with the skills necessary to achieve their career aspirations and bridge the existing skill gap.

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