

AMBA & BGA Employer Survey 2024

Navigating the skills conundrum:

An employer's appraisal
of business graduates and the
evolving employment horizon







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Introduction

The job market is ever evolving and changing, with business schools having to not only keep up with the current skills needed from the job market but also looking into the future skills needed by industry and society in general.

In this survey we aim to explore how employers rate the graduates they recruit into their companies.

It is the third of four reports drawn from one survey that categorised AMBA & BGA's members into the distinct groups of students, graduates and employers to produce a dedicated analysis of each of these three groups. The fourth and final report will then review our findings and draw comparisons between these groups in relation to the metaverse. Part one, which focused on students' results and Part two, which focuses on graduates, can be read on the AMBA & BGA website. We extend our gratitude to the 1,120 students and graduates who participated in this survey and congratulate the three respondents who were randomly selected to receive a \$100 voucher for their valuable contributions.

Special thanks go to Colette Doyle, Head of Editorial at AMBA & BGA, for her work on the final report, as well as to Veronica Kallenbach for her impressive input on the design.

We hope you find the insights in this report both interesting and useful.

Ellen Buchan
Insight, Content and PR Manager
AMBA & BGA



Executive summary

Recruitment sectors:

- The survey reveals that a significant portion of employers recruit in consultancy (25 per cent), IT (23 per cent), banking/financial services (21 per cent), technology (21 per cent), and engineering (18 per cent).
- Less popular sectors include insurance (4 per cent), travel and tourism (3 per cent), gambling (2 per cent), and beauty and fitness (2 per cent).

General perceptions of business graduates:

- Employers express positive sentiments, with 81 per cent believing that business graduates can thrive in their organisations, and 83 per cent affirming their potential to become senior leaders.

Skills assessments:

- 82 per cent of employers believed that business graduates have the skills that meet the needs of their organisation, with 29 per cent of employers strongly agreeing. Employers also felt that the business graduates were good problem solvers, with 77 per cent either strongly or tending to agree with this statement.
- Notably, big data is considered the most proficiently handled technology, with 12 per cent believing graduates can use it very well.

Skills rating:

- Time management skills receive the highest praise, with 35 per cent rating them a nine or 10.
- Computer programming skills receive lower ratings, with 41 per cent giving a score of under five.

Skills gaps and future trends:

- The perceived major issue in the employment market currently is the lack of skills (39 per cent); the anticipated skills gap in the next decade centres around adaptability (44 per cent), resilience (42 per cent), and innovation (41 per cent).

Factors influencing future recruitment:

- Employers prioritise the type of programme completed (63 per cent), accreditation of the programme (62 per cent), and accreditation of the business school (58 per cent) in future graduate recruitment.
- Factors such as university ranking (37 per cent) and prestige (37 per cent) are considered less important.

Methodology

Between April and June 2023, AMBA & BGA conducted its most extensive online survey to date, reaching out to its diverse membership of 76,600 AMBA (Association of MBAs) and BGA (Business Graduates Association) student and graduate members across more than 150 countries. The survey received responses from a total of 1,120 students and graduates affiliated with AMBA & BGA institutions.

These students and graduates were asked: "Are you a decision maker in the recruitment of business graduates at the organisation in which you currently work?" and those who answered yes were classed as employers in this survey.

A total of 354 students and graduates also defined themselves as employers; these respondents will be what this survey focuses on.

Regarding the gender distribution of the students and graduates, 69 per cent of the participants were male, 30 per cent were female and one per cent preferred not to disclose their gender.

The students and graduates who participated in the survey represented an impressive 94 different countries. The United Kingdom constituted the largest proportion at 22 per cent, followed by South Africa with six per cent, the United States at four per cent and Germany at three per cent.

Please note that in cases where figures do not add up to 100 per cent, or combine to a whole number, this discrepancy is attributed to rounding.

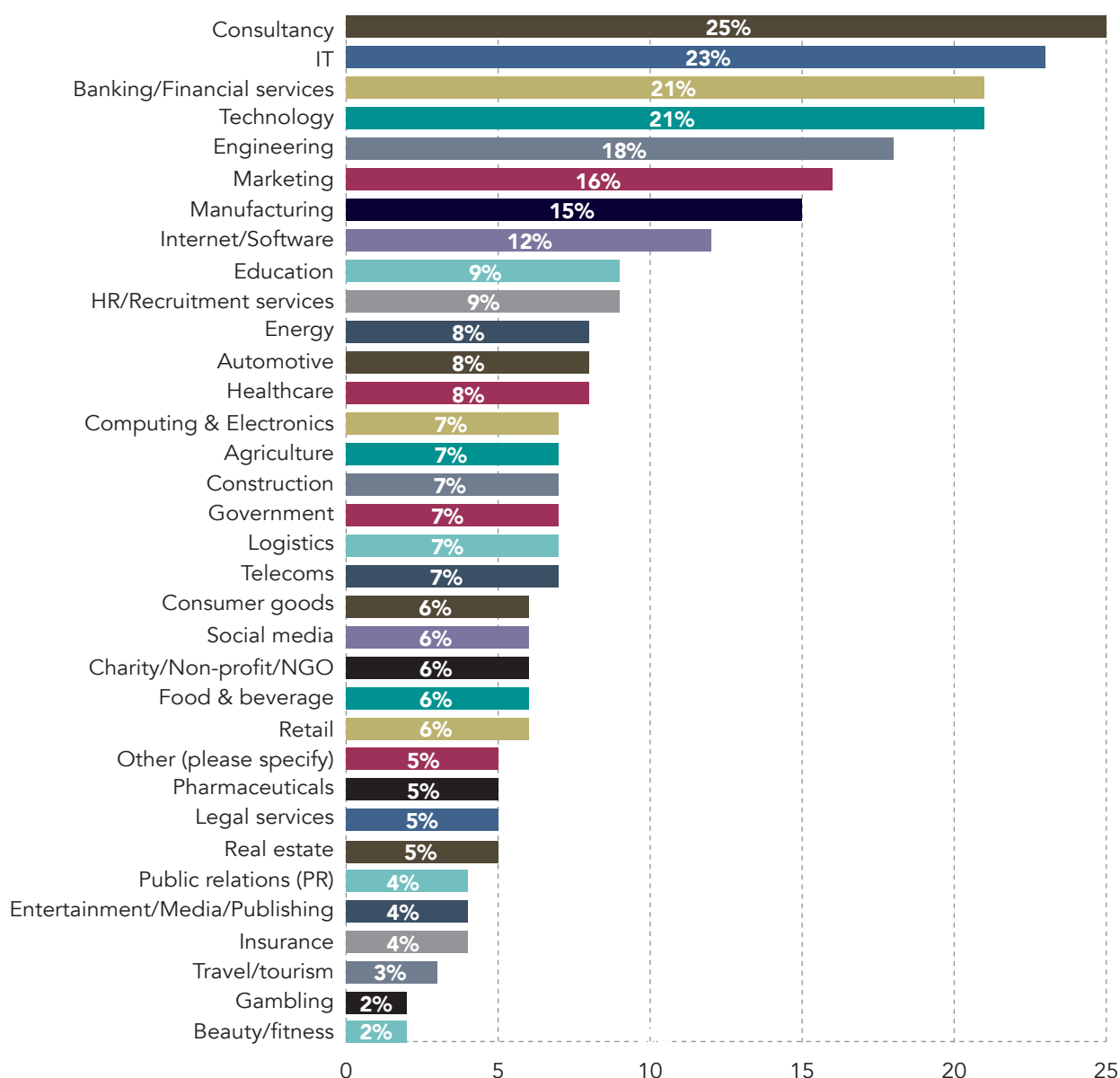


Part one: Reflecting on business graduates skills

To set the scene regarding employers, we first asked them about the sectors where they were recruiting. A quarter of those who mentioned employing candidates did so in the consultancy sector. Other popular sectors included IT (23 per cent), banking and financial services (21 per cent), technology (21 per cent), and engineering (18 per cent).

Less popular sectors of the economy included insurance (four per cent), travel and tourism (three per cent), gambling (two per cent), and beauty and fitness (two per cent).

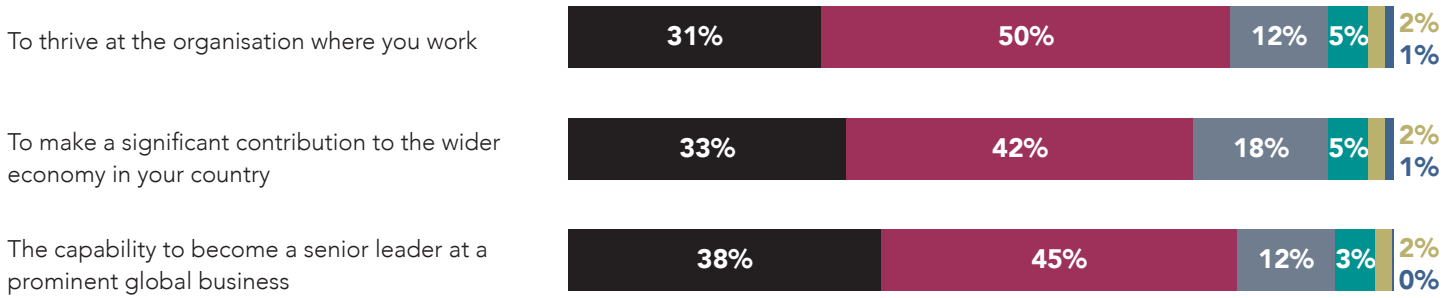
FIGURE 1: IN WHICH SECTORS OF THE ECONOMY DO YOU RECRUIT CANDIDATES?



The report then went on to ask employers if they thought that the graduates they were employing had the right skills for their organisations and society in general.

FIGURE 2: DO YOU AGREE OR DISAGREE THAT BUSINESS GRADUATES HAVE RELEVANT SKILLS FOR THE FOLLOWING?

Strongly agree Tend to agree Neither agree nor disagree Tend to disagree Strongly disagree Don't know



The feedback from employers regarding business graduates' skills was notably positive.

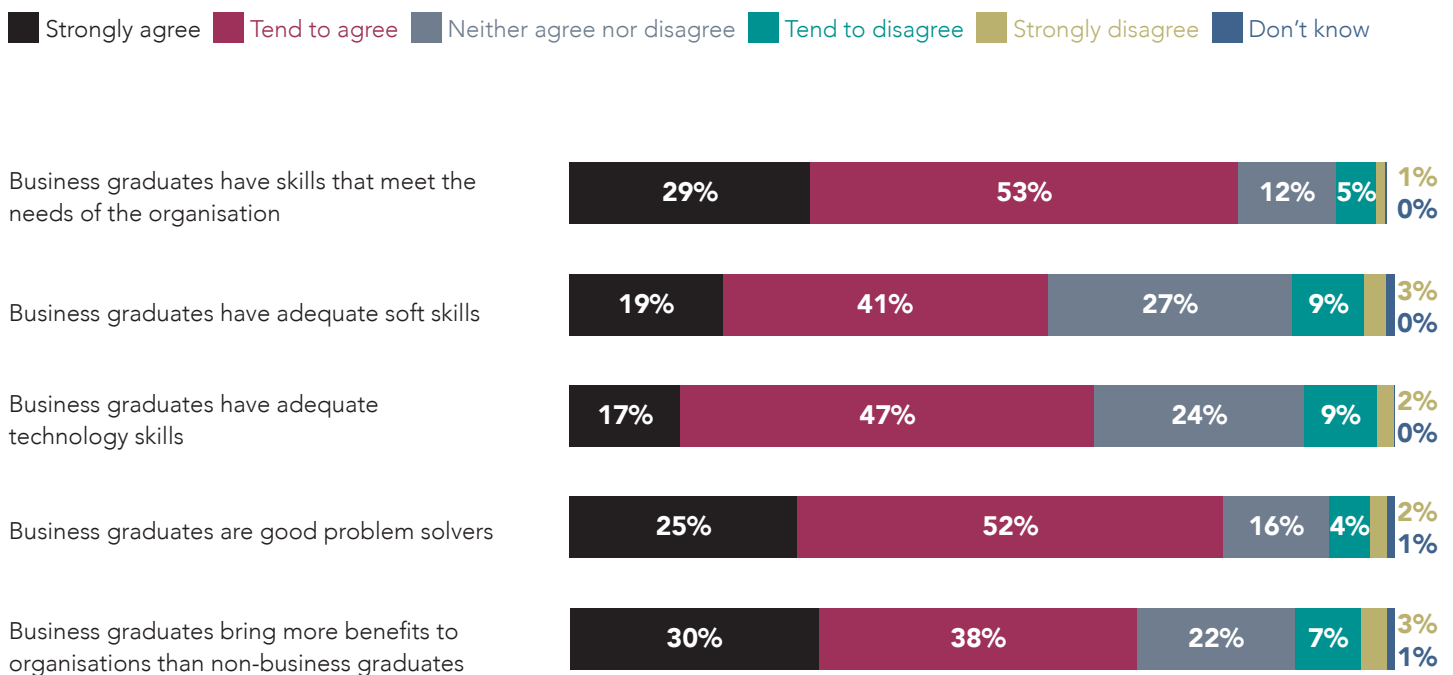
Employers were most positive about employees' capabilities to become senior leaders at a prominent global business. Here, a total of 83 per cent of employers either strongly agreed or tended to agree with this statement.

Additionally, employers expressed confidence in the adaptability and success of business graduates within their organisations. A significant 81 per cent either strongly agreed or tended to agree with this positive outlook.

Similarly, three quarters of employers said that they agreed that business graduates were able to make a significant contribution to the wider economy in their country.

The high level of agreement across these key areas indicates alignment between the skills students gain at business school and employers' expectations. Business schools should feel confident that they have produced graduates who fit well into organisations and are able to make an impact on a broad economic landscape.

FIGURE 3: TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH EACH OF THE FOLLOWING STATEMENTS ABOUT BUSINESS GRADUATES?



The survey then went onto ask more in-depth questions about the employer's views towards the business graduates that they had hired, revealing once again a positive sentiment in terms of their skills and knowledge.

Overall, 82 per cent of employers believed that business graduates possess the skills that meet the needs of the organisation, with 29 per cent of employers strongly agreeing. Employers were also confident about the fact

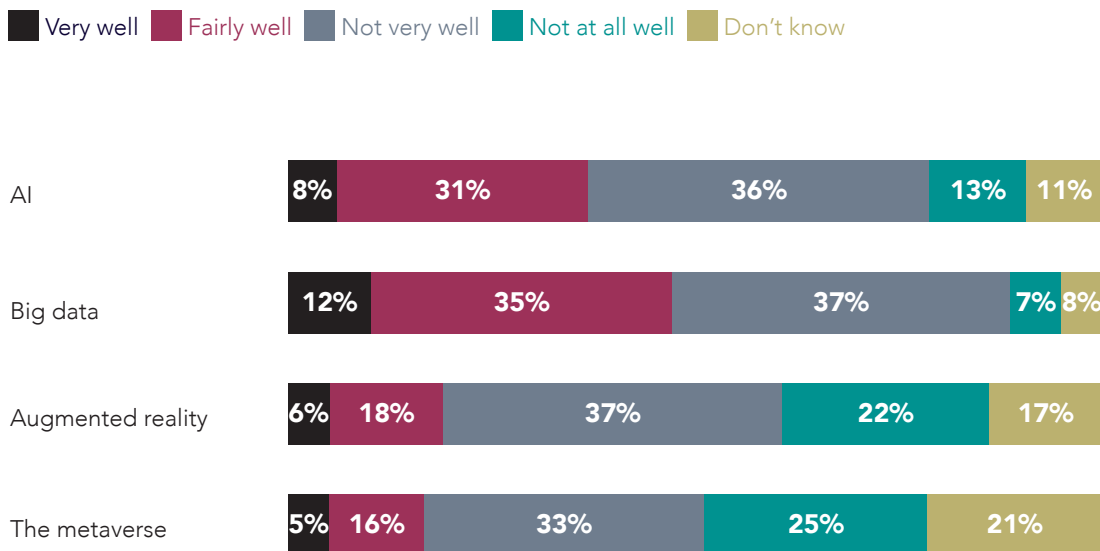
that business graduates are good problem solvers, with 77 per cent either strongly agreeing or tending to agree.

Employers were less certain that the business graduates had adequate soft skills: only 19 per cent agreed strongly that business graduates have soft skills and just over a quarter (27 per cent) neither agreed nor disagreed. A notable 12 per cent disagreed that graduates have sufficient soft skills.

Employers were also slightly less confident in graduates having adequate technology skills. While 64 per cent either strongly agreed or tended to agree with that statement, just under a quarter (24 per cent) were

unsure if they agreed or disagreed and another 12 per cent disagreed completely that they possessed these skills.

FIGURE 4: HOW STRONGLY DO YOU BELIEVE THAT BUSINESS GRADUATES ARE GOOD AT UTILISING THE FOLLOWING TECHNOLOGIES IN YOUR BUSINESS?



Delving deeper into the theme of technology, employers were asked how well they believed business graduates were able to use technology in the business. The survey looked at some of the most pressing technological advancements of the current business age.

The employers surveyed were not particularly impressed with the business graduates' ability to utilise technology in their organisations. The highest score in terms of the graduates being able to use any of the technologies was in big data – where 12 per cent of employers believed that their graduates could use this very well.

Remarkably, big data was the only technology for which employers gave a relatively high score regarding the graduates' ability to use the technology.

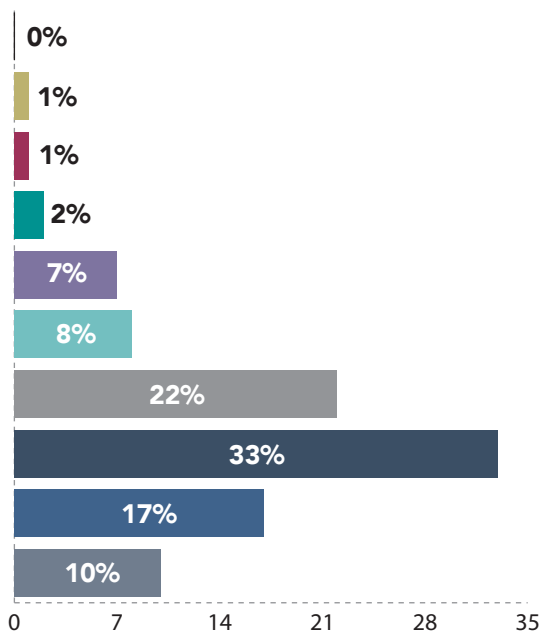
The majority of employers, well over half, did not believe that business graduates were adept at utilising modern technologies in their business. A total of 59 per

cent of employers did not believe that graduates could use augmented reality in their organisation.

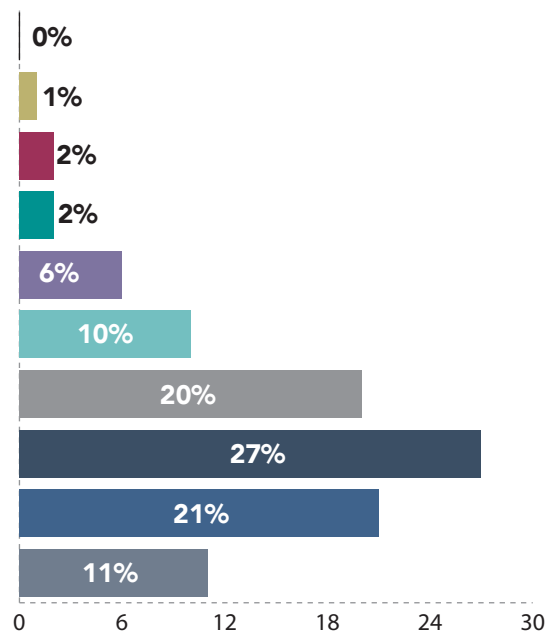
FIGURE 5: HOW WOULD YOU RATE BUSINESS GRADUATE APPLICANTS AT YOUR PLACE OF EMPLOYMENT ON A SCALE OF 0-10 FOR EACH OF THE FOLLOWING? ON THE SCALE 0 = NO SKILLS AND 10 = HIGHLY SKILLED.



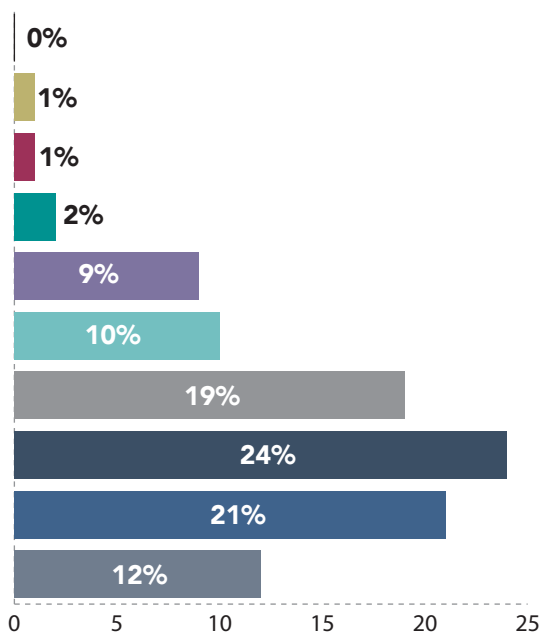
Communication skills



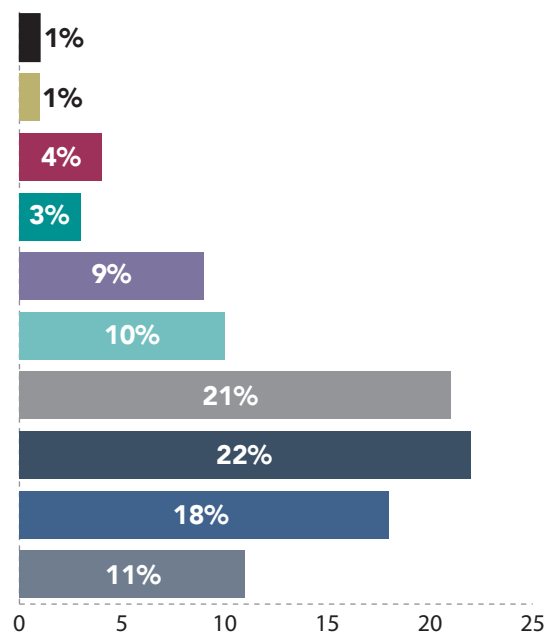
Problem solving



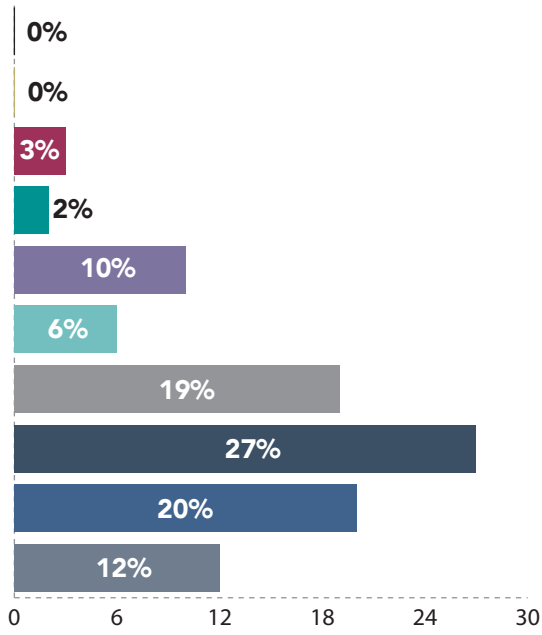
Work ethic



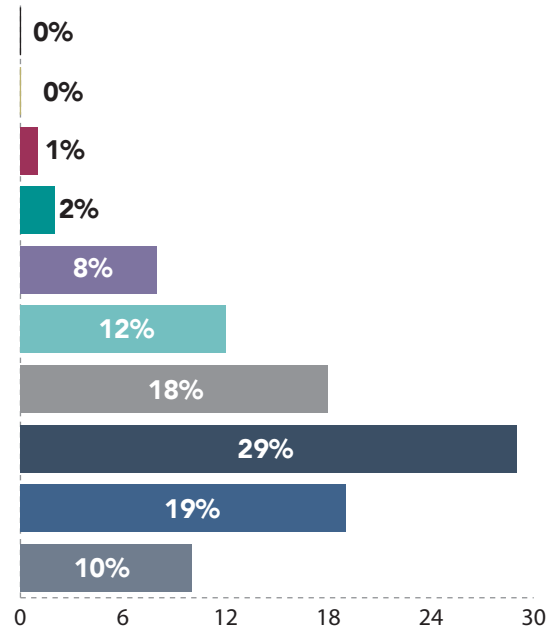
Flexibility



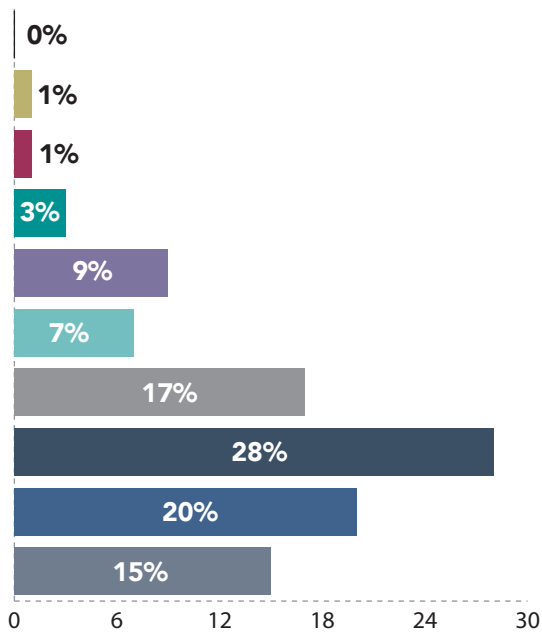
Language skills



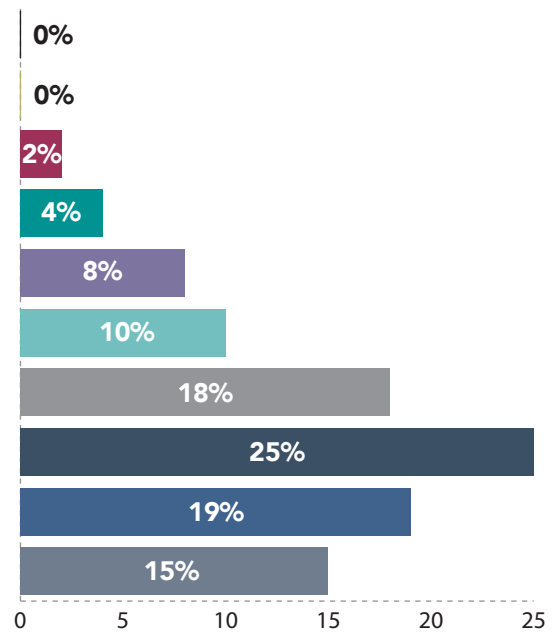
Time management



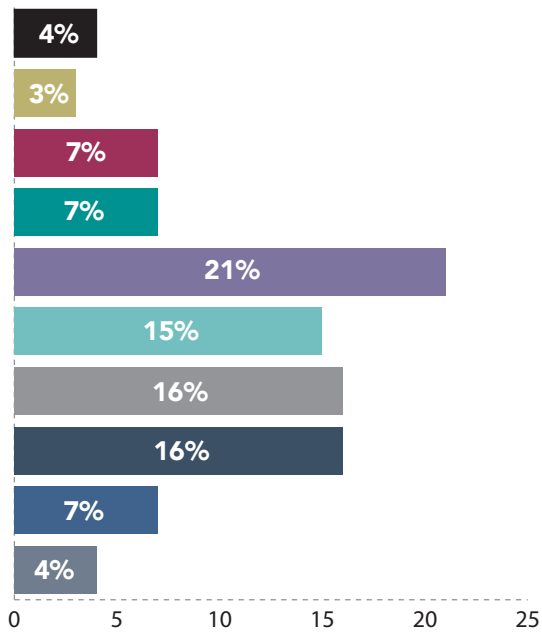
Teamwork



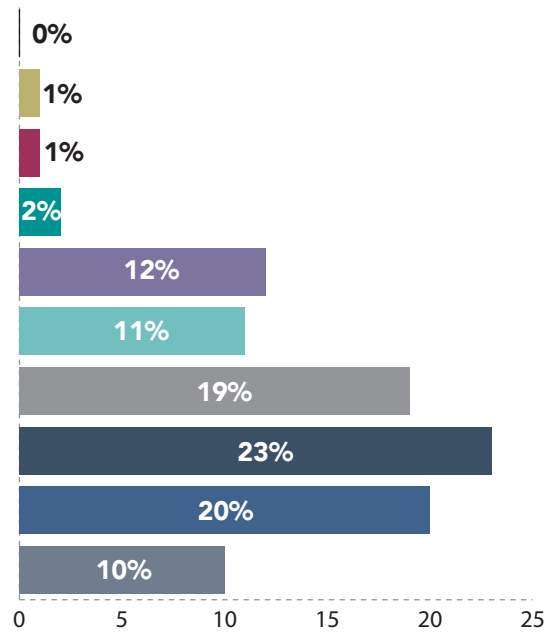
Leadership traits



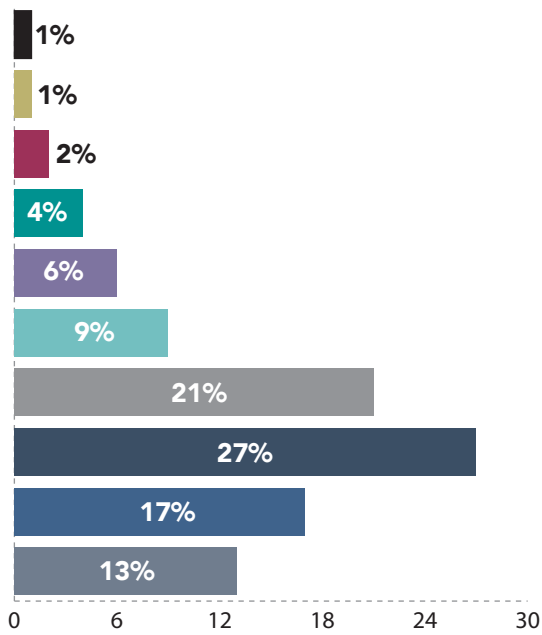
Computer programming



Use of technology



Management knowhow



Finally, in this part of the survey, employers were asked to rate the business graduates they had hired on certain skills.

The employers were most positive about the time management skills of business graduates at their places of work – with 35 per cent of rating them either a nine or 10 for this.

Other skills that employers were positive about concerned the business graduates' leadership skills, with 34 per cent rating this either a nine or 10, alongside their work effort (33 per cent), problem solving (32 per cent) and language skills (32 per cent).

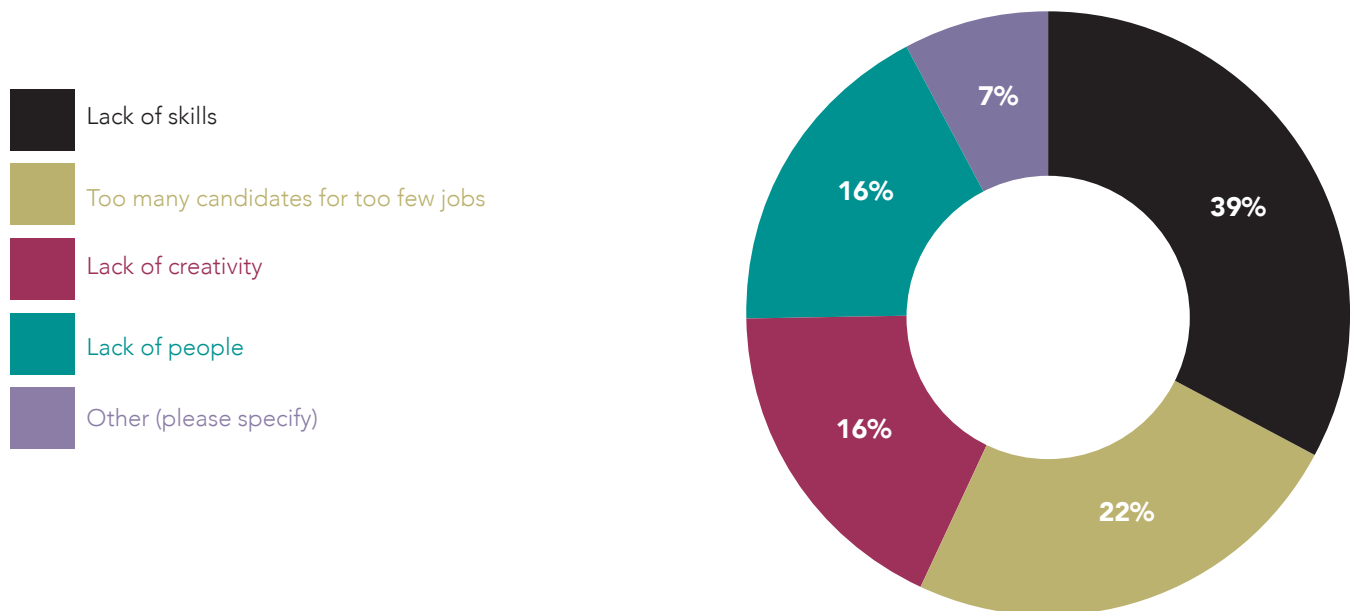
Employers did not rate the business graduates highly when it came to their computer programming skills, with 41 per cent of employers giving a score of under five for this skill. Only 12 per cent of employers gave this skill a nine or a 10.



Part two: Skills gaps

The survey moved on to examine the employers' understanding and thoughts on the current employment market.

FIGURE 6: WHAT DO YOU THINK ARE THE MAIN ISSUES FACING THE EMPLOYMENT MARKET AT THE MOMENT?



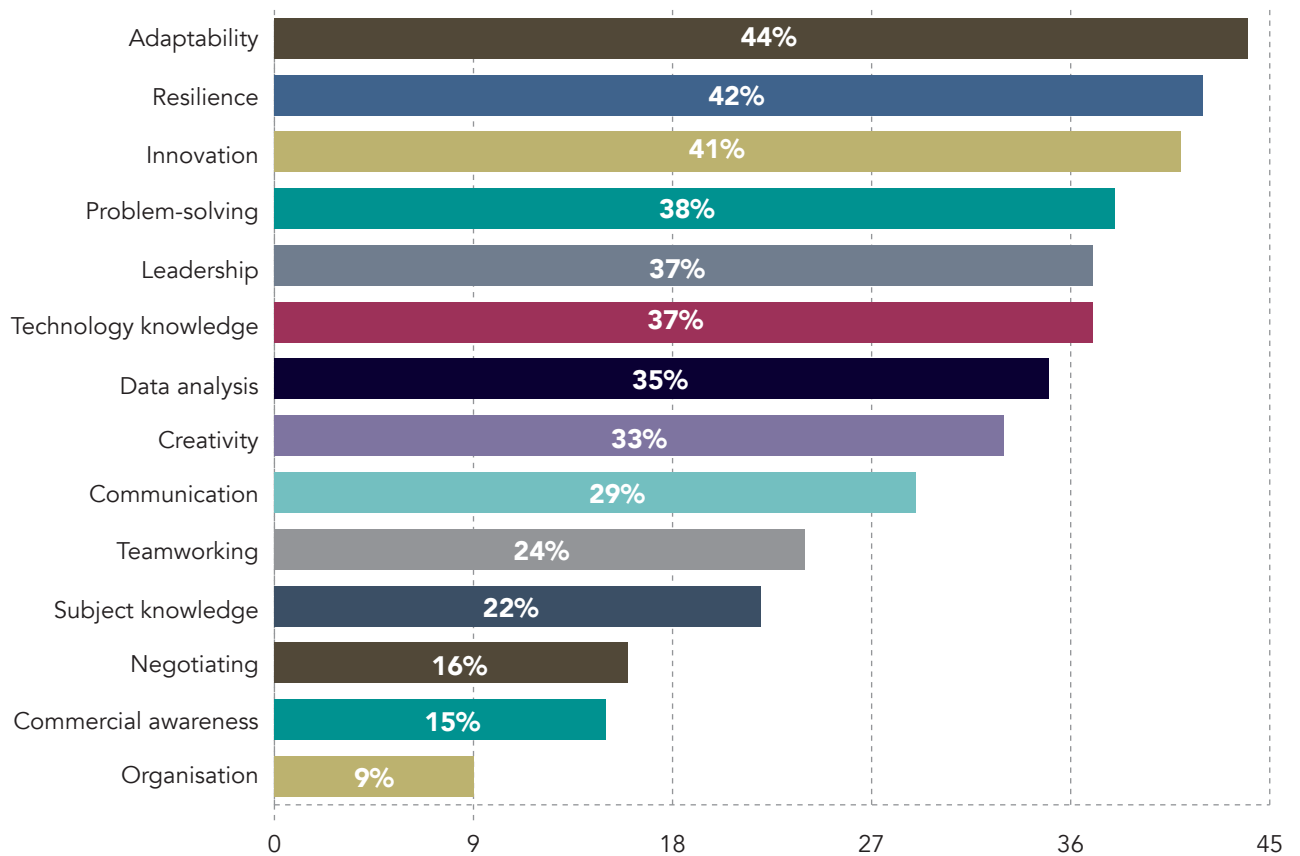
Employers believe that the biggest issue in the employment market at present is the lack of skills, with 39 per cent marking this their main concern.

The responses of those who replied 'other' and gave a more detailed answer include the following –

- Lack of knowledge in specific sectors
- Quick employee turnover from the younger generation
- Risk-adverse individuals.
- Lack of people skills

Looking to the future, the survey asked employers what they saw as being the main skills gap that will emerge over the next 10 years.

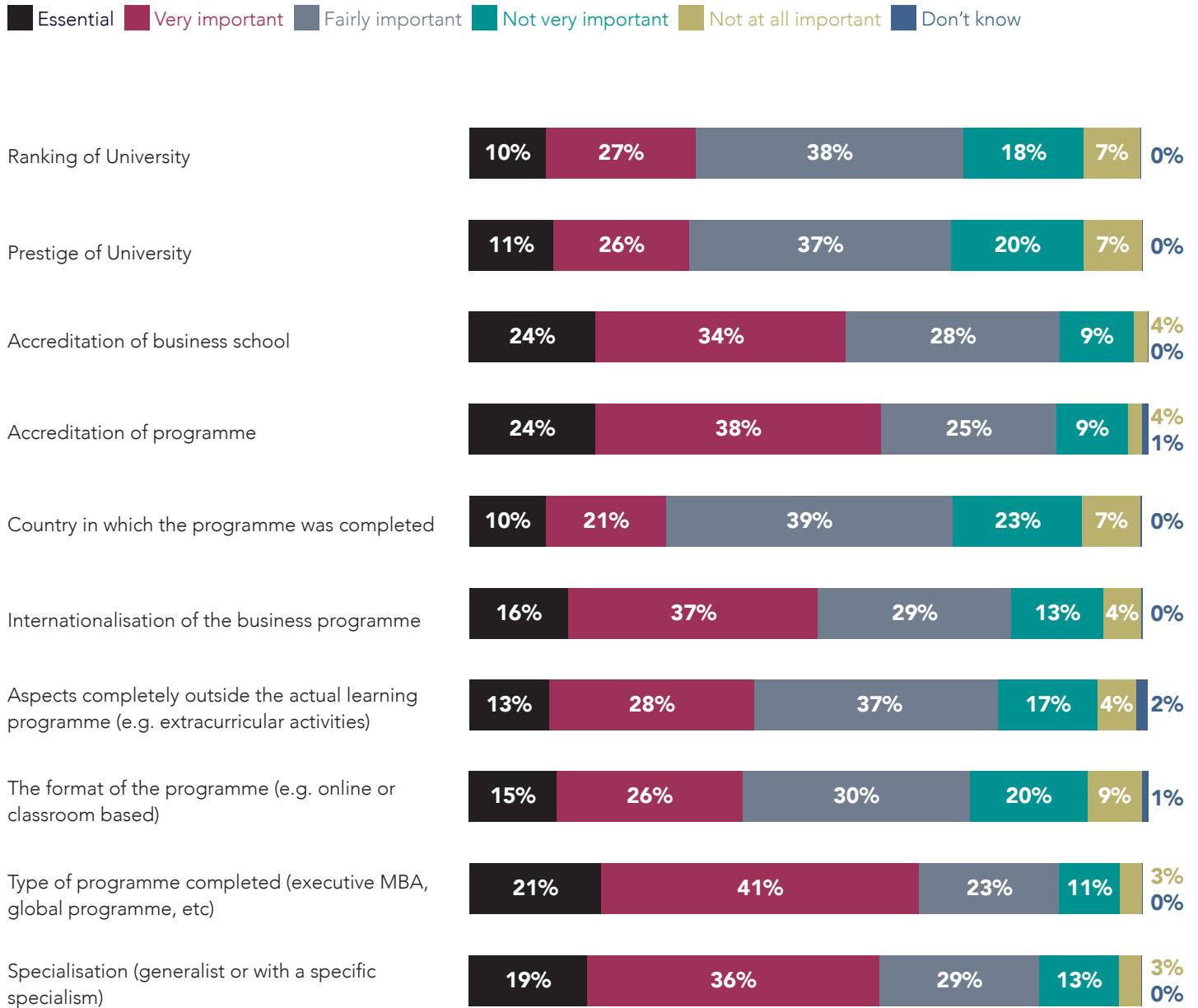
FIGURE 7: WHERE DO YOU THINK THE MAIN SKILLS GAP WILL EMERGE IN THE LABOUR MARKET IN THE NEXT 10 YEARS?



The biggest skills gap that employers see emerging is adaptability, with nearly half of respondents (44 per cent) choosing this option. Other skills gaps that employers foresaw are resilience (42 per cent) and innovation (41 per cent).

Employers were less concerned about the skills gaps emerging in negotiation (16 per cent), commercial awareness (15 per cent) and organisation (nine per cent).

FIGURE 8: WHEN YOU RECRUIT BUSINESS GRADUATES IN THE FUTURE HOW IMPORTANT WILL EACH OF THE FOLLOWING FACTORS BE FOR YOU?



We asked employers what the important factors were when they thought about recruiting graduates in the future. A total of 63 per cent thought that the type of programme completed (e.g. executive MBA, global programme, etc) was the most important factor in recruiting graduates.

Accreditation of the programme and the school were both seen as important. A total of 62 per cent of employers rated the accreditation of the programme as essential or very important. Another 58 per cent of employers described the accreditation of the business school as essential or very important.

Factors that were seen to be less important were the country where the programme was completed, only seen as essential or very important by 31 per cent of employers. The prestige of the university also did not rank highly in importance to employers. Only 37 per cent said that this was essential or very important.

Conclusion

In the interplay between business education and industry demands, employers have generally expressed a positive outlook on the skills and capabilities of business graduates.

The survey shows that their strengths include problem solving, time management and leadership traits – proof of business schools’ ability to instil these crucial traits in their students.

However, there are some areas where skills fall short of what is expected, especially in areas such as technology.

Perhaps there needs to be more dialogue and alignment between business schools and industry to bridge these skills gaps, thereby ensuring that business graduates not only meet but exceed the expectations of today’s dynamic and competitive work landscape.





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