

## **Tracer Study on the Employability of Business Administration Graduates (2017-2019) of Pangasinan State University Lingayen Campus**

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**Abstract** – This tracer study is conducted to assess the employment status of the graduates of the program from 2017 to 2019. A total of 782 individuals have graduated from the BS Business Administration program. 62 of them participated in the tracer study. The study employs the descriptive-exploratory correlational research design. 69.35% of the graduates are female and 93.33% if them come from low income and poor socioeconomic class. 87.10% of the graduates can be considered as employed, either formally or informally. The graduates rated program outcomes relating to integrity, excellent communication skills, and shared responsibility as the most relevant to their current/prospective employment. On the other hand, program outcomes relating to promotion of Filipino culture, application of ICT skills, and discussion of latest developments in the field of practice were rated as less relevant and important than other program outcomes. The average starting salary of the graduates is at 13,786.20 while their current salary is at 16,657.30. The graduates spent an average of 180 days before landing their first job after graduation. Currently, they have spent on average 484.40 days in their current employer. It was also found that graduates who received an academic award are more likely to get a job less than the number of days it takes for non-academic award receivers. Academic award receivers are also more likely to stay with their current employer longer than those who did not receive any awards. However, such difference does not exist in terms of starting salary or current salary. The researcher recommends that the BSBA program should integrate into its curriculum theories, concepts and practical application of information and communications technology, innovation and systems thinking in the field of Business Administration, to prepare the graduates equip them with skills necessary for the industry 4.0 workplace.

## Introduction

The Pangasinan State University was founded in 1979 through the signing of Presidential Decree No. 1497, although its origins trace back to the 1920s. [1][2] It is mandated to provide advanced instruction in the arts, agricultural and natural sciences as well as in technological and professional fields. Its main campus is located in Lingayen, Pangasinan. [2] One of the programs offered in the university is Bachelor of Science in Business Administration. The Business Administration program is offered across six of the nine campuses of the University namely Alaminos, Lingayen, Bayambang, San Carlos, Asingan, and just recently, Infanta. The Business Administration program in Lingayen Campus was offered first as BS Business Management in the year 2003 upon the approval of Board Resolution No. 25 s. 2003. [3] Eventually, the program was renamed into BS Business Administration in the year 2013. Since its inception, the BSBA program in Lingayen Campus has produced over 2,500 graduates.

Business Administration program covers the integrated approach and interrelationship among the functional areas of business as well as sensitivity to the economic, social technological, legal and international environment in which businesses must operate. The objective of the program is not to simply impart basic business knowledge, but to instill and nurture important qualities, and skills in our students that are essential for future business leadership and organizational success. [4]

The Business Administration program offered in Lingayen Campus majors in Operations Management which aims to prepare students for the acquisition of competencies and skills needed as managers in manufacturing and service-oriented businesses. It focuses on managing the processes to produce and distribute products and services. It covers all operations within the organization and related activities including managing purchases, inventory control, quality control, storage, logistics, and evaluation. A great deal of focus is on efficiency and effectiveness of processes. This often includes substantial measurement and analysis of internal processes. The objectives of the program are to : (1) equip the students with concepts, principles and the theories of operations management; (2) prepare the students in organizing and managing activities in manufacturing and service related industries; (3) develop in the students competencies and skills as entrepreneurs and managers; and (4) prepare the students to pursue a teaching

career or graduate studies in business. [4]

In 2016, the CHED prescribed additional electives on service management for business process outsourcing, recognizing the Philippine BPO industry as a sunshine industry generating \$8.9 billion in revenues as of 2010. In 2012, the Commission on Higher Education adopted a competency-based learning standards and outcomes-based education [5] The minimum standards for business administration program are expressed in a minimum set of learning outcomes outlined in CMO No. 17 s. 2017.

In order to assess the effectiveness of the program in meeting its commitment to the University's mission to "develop highly principled, morally upright, innovative and globally competent individuals capable of meeting the needs of industry, public service and civil society", [6] a tracer study is conducted to explore what happens to its alumni right after graduating from the University. A tracer study or graduate survey is a standardized survey (in written or oral form) of graduates from education institutions, which takes place sometime after graduation or the end of the training. The subjects of a tracer study can be manifold, but common topics include questions on study progress, the transition to work, work entrance, job career, use of learned competencies, current occupation and bonds to the. [7] The concept of tracing the employability rate of the PSU is to determine how programs and curriculum are implemented that serves as a program indicator to determine the quality of education being offered. Furthermore, CHED requires every HEIs to conduct a tracer study for it is being needed by higher education accrediting body such as the Accrediting Agency of Chartered Colleges and Universities in the Philippines (AACCUP), Inc. [8]

### **Objectives of the Study**

The purpose of this study is to assess the employability of graduates of the Business Administration program from 2017 to 2019.

Specifically, the study has the following objectives:

- What is the profile of the graduates in terms of age, sex, civil status, year graduated, academic award received, leadership experience, higher education pursued, employment status?
- What is the profile of the employed graduates in terms of location of employer, type of employer, starting salary, current salary, time to first

- employment, and time spent in current employment?
- What is the perceived level of importance of the program outcomes required of the Business Administration program as perceived by the graduates to their prospective/current employment?
  - Is there a significant difference among employed graduates in terms of starting salary, current salary, time to first employment, and time spent in current employment along their profile?

### **Research Methodology**

This tracer study employs the correlational research design making use of both descriptive and exploratory research methods to describe a certain phenomenon and people who experience it and to determine whether a relationship exists among several variables. [9]

The survey questionnaire was constructed by the researcher. Program outcomes were taken from the CHED Memorandum Order No. 17, s. 2017 which contains the Revised Policies, Standards and Guidelines for Bachelor of Science in Business Administration. [5] The questionnaire is divided into three sections, the first part asks for their profile along age, sex, civil status, year graduated, academic award received, leadership experience, and higher education pursued. The second part asks for their perceived level of importance of the different program outcomes or competencies of the BSBA program, and the third part extracts details on their current employment status. The form is uploaded into Google Forms and sent through social media channels and key focal person coming from each batch of graduates included in the study.

Table 1 show the percentage of graduates who have responded to the survey per school year. Data from the registrar shows that there has been a total of 782 graduates from SY 2016-2017 to the present. The data does not include the recent graduates whose ceremony has been delayed due to the CoVID-19 pandemic. A total of sixty-two (62) alumni or 7.93% have responded to the survey. A response rate of less than 25% among the graduates is expected as per standards. [7] Upon the culmination of the survey, the data collected was exported from Google Forms into Microsoft Excel for data cleaning. Duplicate entries were removed and considered the initial responses of the graduate who made such entries, similarly invalid data inputs for some of the responses were also removed and corrected for

analysis. Upon cleaning the data, it was imported into IBM SPSS for analysis. To describe the profile of the graduates and employed alumni, frequency counts, percentages, and descriptive statistics were employed. In order to measure the perceived level of importance of the program outcomes to the employment of the graduates, a Likert-scale rating was constructed and the average weighted mean, descriptive ratings, and ranking were used to present the results of the data. Table 2 below presents the Likert-scale and the descriptive ratings used to analyze the responses. In order to determine whether there is a difference in terms of employment metrics of current salary, starting salary, time spent to get a job, and time spent in current job along the profile of the employed graduates, independent samples t-test and One-Way ANOVA were used. The hypothesis was tested at the 0.05 significance level

**Results and Discussion**

The profile of the graduates along year graduated, age, gender, civil status, income group, academic award received, leadership experience, higher education, and employment status are presented in Table 3.

The results indicate that fifteen (15) or 24.19% of the respondents graduated in the year 2017, twenty (20) or 32.26% of the respondents graduated in the year 2018, and twenty-seven (27) or 43.55% graduated in the year 2019. The mean age for the graduates was 23.37 (SD=2.24). Forty-four (44) or 70.97% of the respondents fall below the mean age, while the rest are above (29.03%). Forty-three (43) or 69.35% of them are female which is a lopsided majority of the BSBA students compared to only eighteen (18) or 30.65% male BSBA graduate respondents. This reflects the proportion of BSBA students of PSU Lingayen. Only three (3) or 4.84% of the respondents are married and the rest remains to be single. Majority (53.33%) of the BSBA graduates fall under the less than 10,500 income group. A sizable group (40.00%) belongs to the low-income socioeconomic class which earns 10,500-21,000 in a month. A small group (6.67%) belongs to the lower middle-income class which earns 21,000-42,000 a month. Fourteen (14) or 22.95% of the respondents graduated with an academic award and twelve (12) were involved in various school and youth organizations during their time as students. Two of the graduates pursued higher education.

The current employment status indicates that fifty-one of the graduates are currently employed (82.26%). Three of them (4.84%) are currently self-employed.

That means that 87.10% of the graduates fall under the definition of employed.

This employment is at the same level as that of the other programs in the campus, the BS Hospitality management which has 84% of its graduates employed [2] and Bachelor of Secondary Education which has 87% [8]. This is well within the indicator set by the Commission on Higher Education SUC Leveling instrument which provides maximum allocation point for achieving 80% and above employment for its graduates two years after graduation [10] Five (5) or 8.06% of the graduates are currently unemployed while three (3) or 4.84% of them were never employed. Half of the unemployed graduates which includes those who are currently unemployed and never employed cited the pandemic for being laid off or inability to apply for a job, two cited personal reasons of health and family problems, while one of the currently unemployed blamed workplace conflict for departure while one declared resignation as reason without specifying the reason.

The average starting salary for the employed graduates was found to be at PhP 13,786.20 (SD=10,115.43). The average current salary of the employed graduates was at PhP 16,657.30 (SD=12,120.79). This means that from the time they were first employed to the present day, the employed graduates as a group has gained over 20.83%. From the time of their graduation, an average BSBA graduate has spent 180 days or six months before they were able to get a job. At the moment, the batch of graduates who are employed have spent over 480.40 days at their current employment which roughly translates to 1 year and 3 months.

There are fifty-four graduates who can be considered to be employed which includes those who currently have formal employment and those who are self-employed. Based on the survey conducted, 51 out of 54 or 94.44% of those who are employed are employed locally, while three or 5.56% have found employment abroad. Fifty (50) or 92.59% of the graduates are employed in private or commercial establishments, while the rest (7.41%) are employed in government agencies.

Based on their initial salary, twenty-nine, (29) or 61.70% of the graduates are earning a monthly income of less than the average of PhP 13,786.20 while eighteen (18) or 38.30% are earning above the mean starting salary. Fifteen (15) or 31.25% of the employed graduates have current salaries that are above the mean of PhP 16,657.30, while thirty-three (33) or 68.75% of them are earning below the mean salary. Thirty-three (33) of the employed graduates or 66% of them have found employment less than the average of 180 days.

Seventeen (17) of them or 34% have found a job after six months. Thirty-three (33) or 61.11% of the graduates have spent time at their current job for less than the average of 480.4 days. 38.89% of the graduates have stayed in their current job for longer than the average. Table 6 presents the results of the level of importance of program outcomes as perceived by the graduates in their employment. The results indicate that all of the program outcomes were rated as "very important" by the graduates ranging from 3.92 to 4.24. Further it shows that among the program outcomes, it was found that "Exercise high personal moral and ethical standards", "Effectively communicate orally and in writing using both English and Filipino.", and "Act in recognition of professional, social, and ethical responsibility." Each incurring an average weighted mean of 4.24, 4.18, and 4.18 respectively.

This indicates that graduates should possess integrity, excellent communication skills, and shared responsibility in order to become competent in their employment. On the other hand, the graduates did not find the program outcomes of "Preserve and promote "Filipino historical and cultural heritage.", "Apply information and communication technology (ICT) skills as required by the business environment.", and "Articulate and discuss the latest developments in the specific field of practice" with average weighted mean of 3.92, 3.95, and 3.97. the first program outcome on preserving and promoting Filipino historical and cultural heritage may probably indicate a desire among the graduates to be employed abroad but to gain experience first in the local industry. The following program outcomes are geared towards innovation and development.

It can probably indicate that most of the graduates are employed in firms which do not place particular importance on innovation particularly in the field of information and communications technology. The results reflect that of the study conducted by Cervantes, et. al. which also found similar regard for all competencies, giving high marks for oral and written communication while placing ICT skills among competencies that are not as important. [11] Table 7 presents the results of the independent samples t-test and One-Way ANOVA to determine whether there is a difference in starting salary among employed graduates along age, gender, civil status, monthly income, academic awards received and leadership experience. Based on the results it was found that none of the mentioned variables have exhibited significant difference in terms of the

graduates' starting salary with p-values all exceeding 0.05.

Table 8 presents the results of the independent samples t-test and One-Way ANOVA to determine whether there is a difference in current salary among employed graduates along age, gender, civil status, monthly income, academic awards received and leadership experience. Based on the results, it was found that none of the mentioned variables have exhibited significant difference in terms of the graduates' current salary with p-values all exceeding 0.05.

Table 9 presents the results of the independent samples t-test and One-Way ANOVA to determine whether there is a difference in the time to get first job among employed graduates along age, gender, civil status, monthly income, academic awards received and leadership experience. Based on the results, it was found that difference in days to find job among graduates who received an academic award and who did not was statistically significant with p-value of 0.01. This means that graduates who received an academic award upon graduation are more likely to be immediately hired than those who did not. Table 10 presents the results of the independent samples t-test and One-Way ANOVA to determine whether there is a difference in the time to get first job among employed graduates along age, gender, civil status, monthly income, academic awards received and leadership experience. Based on the results, it was found that difference in days spent in current job among graduates who received an academic award and who did not was statistically significant with p-value of 0.04. This means that graduates who received an academic award upon graduation are more likely to be retained and permanently employed upon graduation.

## **Conclusion and Recommendations**

The conduct of the tracer study yielded a 7.93% response rate among BSBA graduates from 2017 to 2019. The respondents reflect the gender distribution of the program with majority (69.33%) of the graduates being female. 93.33% of the graduates belong to the poor or low-income group which are families earning less than 21,000 in monthly income. 82.26% of the graduates are currently employed. Three (3) of them are self-employed and fifty-one (51) are formally employed. An overwhelming majority of the graduates (92.59%) are employed in private/commercial establishments, while 7.41% are in government agencies. The impact of CoVID-19 pandemic is very evident among the graduates with half of



those who are unemployed citing the pandemic as the reason for being laid off or inability to apply for a job.

Based on the importance of program outcomes, the graduates rated each of them as Very Important. The graduates put particular importance on integrity, communication skills, and shared responsibility in terms of the program outcomes of BSBA that are relevant to their employment. This means that BSBA graduates put so much importance on values and work ethic more than anything else in order to excel in one's job. On the other hand, program outcomes on promoting Filipino culture, ICT skills required, and knowing and articulating latest developments in fields of business are not given that much of an importance as the other outcomes. It could be possible that this can be attributed to the desire of the graduates to work abroad for better pay and merely earn experience locally. The reason for low importance placed on ICT skills and knowing the latest trends in fields of study could be attributed to the attitude of their employers towards ICT and innovation and development in particular.

The average salary of the BSBA graduate upon being hired is PhP 13,786.20. Currently, the salary of the BSBA graduates is at PhP 16,657.30. It was found that on average it takes 180 days or approximately 6 months before a graduate gets employed. Further, the graduates have stayed an average of 480.40 days in their current employer. It was also found that a significant difference exists in terms of employment metrics among the graduates who received and did not receive an academic award. Graduates who have received an academic award are more likely to be employed immediately than those that did not receive an award. Further, these graduates tend to have stayed longer in their current employer. Despite this, receiving an academic award does not guarantee the graduate of a higher pay upon hiring.

The researcher recommends that the BSBA program should integrate into its curriculum theories, concepts and practical application of information and communications technology, innovation and systems thinking in the field of Business Administration, as it is a multidisciplinary field and the industry is undergoing a paradigm shift with the emergence of technologies brought about by the fourth industrial revolution. This could prepare graduates of the program and equip them with skills necessary for the industry 4.0 workplace. Further, particular focus should be given on student development, training students who

excel academically to engage themselves in leadership positions and extracurricular activities in order to make them more immediately viable for supervisory and managerial positions.

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