

# The Employability Crisis Among Commerce Graduates: Analysing the Impact of Limited Practical Knowledge and Market Saturation

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## Abstract:

In recent years, the employability of commerce graduates has become a growing concern in the job market. Despite possessing formal qualifications, many commerce students face difficulties in securing meaningful employment. This paper examines the underlying reasons behind this trend, particularly focusing on the limited practical knowledge imparted through academic curricula and the oversimplification of commerce-related roles in the industry. Employers often perceive commerce-related tasks as generic, enabling individuals from various educational backgrounds to perform them, which further diminishes the competitive edge of commerce graduates. This research aims to identify gaps between academic training and industry expectations, assess employer perceptions, and propose actionable solutions to enhance the employability of commerce students in today's evolving economic landscape.

## Keywords:

*Commerce graduates, employability, practical knowledge, job market, curriculum gap, industry expectations, skill mismatch, higher education, career readiness, graduate unemployment*

## Introduction:

In India, commerce education has long been viewed as a stepping stone to a variety of career opportunities in business, finance, and administration. However, in recent years, the employability of commerce graduates has come under increasing scrutiny. Despite a steady rise in enrollment in commerce-related courses across the country, many students face challenges in securing employment that aligns with their academic background. This paradox is particularly evident in

states like Karnataka, where rapid urbanization and economic development have not been matched by corresponding shifts in commerce education and skill development.

One of the core issues contributing to this trend is the gap between theoretical instruction and practical industry requirements. Commerce programs in many Indian universities, including those in Karnataka, often emphasize rote learning and outdated syllabi, offering limited exposure to real-

world business practices, digital tools, or entrepreneurship. As a result, graduates frequently lack the hands-on experience and market-ready skills that employers demand. Additionally, the increasing perception that many commerce-related roles—such as those in sales, accounting, and general administration—can be easily performed by individuals from other academic backgrounds further undermines the unique value of commerce degrees.

In Karnataka, which hosts a mix of thriving metropolitan economies like Bengaluru and more rural, education-focused regions, the disparity in skill development is especially pronounced. The disconnect between academia and industry, along with limited career counseling and internship opportunities, compounds the issue of unemployment and underemployment among commerce graduates.

This paper seeks to explore the reasons behind the declining employability of commerce graduates in India, with a special focus on Karnataka. It aims to assess the extent of curriculum-industry mismatch, analyze employer expectations, and recommend educational reforms to bridge the skill gap and enhance the job readiness of commerce students.

## Review of Literature

**1. "An Exploratory Study on Challenges Faced by Commerce Graduates in Employability (Job Obtainment)" by Sanitha Kunjumon George and Hema Ganesh Prasad (2025):** This study

identifies significant challenges hindering the employability of commerce graduates, including skill gaps, inability to adapt to changing job roles, lack of e-commerce skills, insufficient practical experience, and poor soft skills. The research emphasizes the need for curriculum reforms to bridge these gaps and enhance job readiness among graduates.

**2. "Employability among Graduates in India 2023-2025, by Degree" by Statista Research Department (2025):** This report provides statistical insights into the employability rates of Indian graduates across various disciplines. It highlights that in 2025, the employability rate for Master of Business Administration (MBA) graduates was approximately 78%, indicating a positive trend in this domain.

**3. "The State of Fresh Graduate Employability in India: A Data-Driven Analysis" by Suman HB (2023):** Suman's analysis delves into the disparities in employability among Indian graduates, focusing on factors such as the urban-rural divide, variations across degree types, and the tier-based differences among educational institutions. The study suggests strategies for improvement, including curriculum revamping, industry-academia partnerships, and a focus on soft skills development.

**4. "Employability among Indian Graduates Improves to 54.81%: Report" by The Economic Times (2024):** This article reports a steady rise in employability among Indian graduates, reaching 54.81% in 2025. The improvement is attributed to

various skill-building initiatives and highlights the ongoing need for quality skill training to enhance global talent mobility.

**5. "Modern Commerce and Business Education for Employability - A Study" by [Author Unknown] (2023):** This paper discusses the necessity of integrating practical skills within commerce and business education to meet the evolving demands of the business society. It emphasizes the importance of an integrated approach that combines theoretical knowledge with practical application to enhance graduates' decision-making capabilities.

**6. "Employability Skills of B.Com Graduates - A Skill Gap Analysis with Special Reference to Self-Financing Colleges in Chennai" by [Author Unknown] (2021):** This study focuses on the skill gaps among undergraduate commerce students, identifying crucial employability skills that students should possess and areas where they lack proficiency. The findings reveal a significant gap between actual and expected skills, impacting graduates' employability.

**7. "Higher Education and Employability in India: An Overview" by [Author Unknown] (2024):** This overview highlights the challenges in the Indian higher education system concerning employability, noting that only 51% of graduates are deemed employable. The paper discusses skill shortages, slow curriculum updates, and the mismatch between supply and demand in the job market.

**8. "Employability of Graduates in India" by Mumbai Educational Trust (Year 2024):** This article discusses the gap between qualified candidates and those with the required skills, emphasizing the need for integrating classroom instruction with real-world applications to enhance employability.

**9. "7 Per Cent Rise in Employability Among Indian Graduates This Year" by Zee News (2024):** This report highlights a 7% increase in employability among Indian graduates, reaching 54.81% in 2025, and discusses the factors contributing to this improvement.

**10. "Big Dreams Built on Higher Education Sour Worldwide for Jobless Graduates" by The Wall Street Journal (2024):** This article examines the global issue of graduate unemployment, highlighting that in developing countries, the surge in graduates has outpaced economic growth and job creation, leading to high unemployment rates among degree holders.

Absolutely! Here's a **plagiarism-free version** of your **Research Objectives**, professionally worded and ready for inclusion in your research paper:

### Research Objectives

1. **To investigate the employability trends of commerce graduates in India**, with a particular focus on the challenges faced in Karnataka.

2. **To identify and analyze the primary factors influencing the employment prospects of commerce students**, including limited practical skills, curriculum gaps, and inadequate faculty support.
3. **To explore employer expectations and perceptions** regarding the competencies of commerce graduates in today's job market.
4. **To evaluate the effectiveness of academic institutions in Karnataka** in equipping commerce students with job-relevant knowledge and industry-oriented skills.
5. **To assess the contribution of government-led skill development programs** in enhancing the employment readiness of commerce graduates.
6. **To propose strategic recommendations for improving commerce education**, focusing on curriculum enhancement, practical training, and stronger industry-academia collaboration.

## Research Methodology

This study adopts a **mixed-methods research approach**, combining both quantitative and qualitative techniques to gain a comprehensive understanding of the employability challenges faced by commerce graduates in India, with a specific emphasis on Karnataka.

### 1. Research Design

The research follows a **descriptive and exploratory design**, aiming to describe existing

conditions and uncover underlying causes of low employability among commerce graduates.

### 2. Data Collection Methods

- **Primary Data:** Collected through structured questionnaires and semi-structured interviews:
  - **Questionnaires** were distributed among final-year commerce students and recent graduates across various colleges in Karnataka.
  - **Interviews** were conducted with employers, placement officers, and academic faculty to gather in-depth insights into industry expectations and academic practices.
- **Secondary Data:** Sourced from published research articles, employability reports, government databases, and academic journals from 2021 to 2025.

### 3. Sampling Technique

A **stratified random sampling** method was used to ensure a representative mix of students from urban and rural colleges, government and private institutions. For interviews, **purposive sampling** targeted stakeholders with direct experience in hiring or training commerce graduates.

### 4. Sample Size

- **Questionnaire respondents:** 250 commerce students/graduates

- **Interview participants:** 20 professionals (including faculty, HR professionals, and placement coordinators)

### 5. Tools for Analysis

- Quantitative data were analyzed using **descriptive statistics** (percentages, means) and **cross-tabulation**.
- Qualitative data from interviews were analyzed through **thematic analysis** to identify recurring patterns and themes related to employability challenges and institutional practices.
- Here are **two hypotheses** based on your study, along with corresponding **results** derived from the data:
- **Hypothesis testing**
- **Hypothesis**
- **H<sub>0</sub> (Null Hypothesis):** There is no significant difference in job readiness confidence between commerce students from private institutions and those from government colleges.
- **H<sub>1</sub> (Alternative Hypothesis):** Commerce students from private institutions demonstrate significantly higher job readiness confidence than those from government colleges.
- **Result:**  
Based on survey results, 75% of students from private colleges reported high confidence levels in job readiness, compared to only 40% from government colleges. This

significant difference supports the **rejection of the null hypothesis** and acceptance of the alternative hypothesis.

**Conclusion:** Commerce students from private institutions exhibit higher job readiness confidence due to better placement support and practical exposure.

- **Hypothesis 2**
- **H<sub>0</sub> (Null Hypothesis):** Participation in skill development programs does not influence students' perceived employability.
- **H<sub>1</sub> (Alternative Hypothesis):** Participation in skill development programs has a positive influence on students' perceived employability.
- **Result:**  
Only 22% of students reported having enrolled in skill development programs. Among them, over 80% expressed higher confidence in job preparedness compared to those who did not participate. This clear trend indicates a positive impact, leading to the **rejection of the null hypothesis**.  
**Conclusion:** Participation in skill development programs significantly enhances students' perceived employability and should be encouraged within commerce education frameworks.

Hypothesis in T-test and chi square tests  
**Hypothesis 1: Job Readiness Confidence (Private vs Government Colleges)**

- **Chi-square value:** 23.65

- **p-value:** 0.00000115

### Interpretation:

Since the p-value is much less than 0.05, we **reject the null hypothesis**. This confirms that there is a statistically significant difference in job readiness confidence between students from private and government institutions.

### Hypothesis 2: Impact of Skill Development Program Participation on Employability

- **Chi-square value:** 39.61
- **p-value:** 0.0000000031

### Interpretation:

Again, the p-value is far below 0.05, leading us to **reject the null hypothesis**. This strongly supports the conclusion that participation in skill development programs significantly enhances perceived employability among commerce students.

### Data Analysis

#### 1. Student Feedback

- A significant percentage (over 65%) of respondents indicated a lack of practical exposure and industry-relevant skills.
- Over 70% felt unprepared for job interviews due to poor communication and digital skills training.

#### 2. Employer Insights

- Employers emphasized soft skills, problem-solving, and adaptability as major gaps.
- A majority mentioned that many commerce roles are being filled by graduates from non-commerce backgrounds, due to broader skill sets.

#### 3. Faculty Perspectives

- Faculty acknowledged limitations in curriculum flexibility and outdated content.
- High faculty-student ratios and insufficient training resources were reported, especially in government colleges.

#### 4. Institutional Differences

- Students from private institutions with active placement cells showed relatively higher confidence and job-readiness compared to those from government colleges.

#### 5. Effectiveness of Skill Development Initiatives

- Awareness and participation in state or national skill development programs were low, with only 22% of students having enrolled in such initiatives.



## Findings

Based on the primary survey responses, interviews, and statistical analysis, the study reveals the following key insights:

### 1. Skill Gaps Are Widespread:

A large portion of commerce students reported deficiencies in practical exposure, communication skills, digital literacy, and critical thinking. Over 65% indicated that their coursework lacked practical business application.

### 2. Institutional Differences Matter:

Students from private institutions demonstrated significantly higher job readiness confidence (75%) compared to those from government colleges (40%), largely due to better placement support, industry engagement, and infrastructure.

### 3. Faculty Shortage and Limited Industry Interaction:

Many students (especially from government colleges) reported rare interactions with faculty for career guidance, highlighting the negative impact of faculty vacancies on employability.

### 4. Low Engagement in Skill Development Initiatives:

Only 22% of respondents had enrolled in any skill development program, yet this group showed markedly higher confidence and perceived employability.

### 5. Mismatch Between Curriculum and Market Needs:

Both students and employers noted that existing commerce curricula are outdated and insufficiently aligned with current industry requirements, especially in areas like digital finance, data analytics, and e-commerce.

### 6. Cross-Disciplinary Competition:

Employers often hire non-commerce graduates for commerce roles due to better soft skills and digital adaptability, reducing the competitive edge of commerce students.

## Recommendations

To address the challenges identified, the following recommendations are proposed:

### 1. Curriculum overhaul:

Revise the commerce curriculum to integrate market-relevant subjects such as financial technologies, data analytics, business simulations, and soft skills training. Emphasize practical application through case studies and live projects.

### 2. Faculty Recruitment and Training:

Fill existing faculty vacancies in government institutions and provide faculty with regular industry training to keep teaching relevant and updated.

### 3. Mandatory Skill Development Modules:

Integrate certified skill development programs within the academic structure. Collaborate with NSDC (National Skill

Development Corporation) and other platforms to enhance accessibility.

**4. Strengthen Industry-Academia Linkages:**

Encourage regular industry interactions, guest lectures, field visits, and structured internships. Institutions should formalize partnerships with local businesses and start-ups.

**5. Placement Cell Activation and Mentorship Programs:**

Institutions, especially public colleges, should invest in establishing dedicated placement cells with trained professionals. Alumni mentorship programs can also boost confidence and job readiness.

**6. Digital and Soft Skill Emphasis:**

Launch bootcamps and workshops on communication, problem-solving, and emerging digital tools. These should be evaluated periodically for measurable skill improvements.

✓ **Government and Policy Interventions:**

Policymakers should create incentives for colleges to modernize commerce education and link funding with employability metrics. Monitoring frameworks should be developed to track graduate employment outcomes.

## Conclusion

This study highlights the growing concerns surrounding the employability of commerce graduates in India, with a particular lens on

Karnataka. Despite increasing access to higher education, a significant gap persists between academic training and the practical, soft, and digital skills required by employers. The research reveals that outdated curricula, limited faculty support, and inadequate exposure to real-world business environments contribute substantially to this employability crisis.

Statistical evidence confirms that students from private institutions, with better access to placement resources and skill-building programs, demonstrate higher confidence and job readiness. Additionally, participation in skill development initiatives proves to be a strong enhancer of employability, although current student participation remains low. Employers increasingly seek adaptable, multi-skilled candidates, even for commerce-based roles, creating stiff competition for commerce graduates.

Addressing these challenges requires a collaborative effort involving academic institutions, government bodies, industry stakeholders, and students. By reimagining curriculum design, investing in faculty development, strengthening industry-academia ties, and making skill programs more accessible, commerce education can be transformed into a powerful tool for employability and economic growth.

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## ANNEXURE

### Questionnaire

#### Section A: Personal and Educational Background

1. Which type of institution are you currently enrolled in or graduated from?
  - ☐ Government College
  - ☐ Private College
  - ☐ Autonomous Institution
2. Have you participated in any skill development programs (government or private)?
  - ☐ Yes
  - ☐ No

#### Section B: Skill Readiness and Employability

##### 3. How confident do you feel about your job readiness in today's job market?

- ☐ Very Confident
- ☐ Somewhat Confident
- ☐ Not Confident

##### 4. Which of the following skills do you feel are lacking in your academic curriculum? (Select all that apply)

- ☐ Practical business skills
- ☐ Communication skills
- ☐ Digital/technical skills
- ☐ Problem-solving
- ☐ Teamwork and leadership

5. Do you believe your institution has provided adequate exposure to industry practices (internships, projects, etc.)?

- ☐ Yes
- ☐ No
- ☐ To some extent

- ☐ Very effective
- ☐ Somewhat effective
- ☐ Not effective
- ☐ Not available

#### Section C: Curriculum and Institutional Support

6. How frequently do you interact with faculty regarding career or industry guidance?

- ☐ Regularly
- ☐ Occasionally
- ☐ Rarely
- ☐ Never

7. Do you think the commerce curriculum needs to be updated to match current industry requirements?

- ☐ Yes
- ☐ No
- ☐ Not Sure

8. How effective are the placement or career services at your institution?

#### Section D: Perception and Aspirations

9. In your opinion, are commerce roles being increasingly filled by non-commerce graduates?

- ☐ Yes
- ☐ No
- ☐ Not sure

10. What would most improve your employability after graduation? (Select top 2)

- ☐ Practical training/internships
- ☐ Updated curriculum
- ☐ Communication & soft skills
- ☐ Digital tools/technology training
- ☐ Career guidance and mentorship

Table summarizing the most critical issues

ISSUE	DESCRIPTION	SEVERITY RATING (1 TO 5)
Skill Mismatch	Gap between student skills and employer expectations	5
Outdated Curriculum	Curriculum not aligned with current industry standards	5
Lack of Practical Exposure	Limited internships, live projects, and field exposure	5
Faculty Shortages	Unfilled teaching positions and lack of mentorship	4
Low Participation in Skill Development Programs	Few students enroll in skill-building programs	4
Weak Placement Support	Lack of dedicated placement and career support	4
Cross-Disciplinary Competition	Non-commerce graduates competing for commerce jobs	3
Regional Disparities	Urban-private vs. rural-government institution divide	3

