

Theory and practice: the experience of marketing graduates

Abstract

Purpose – This paper explores the experience of graduates in the workplace. The aim is to study how these experiences differ from the expectations of the graduates and the aspirations of their academics.

Design Methodology – The research involved two phases: firstly, a survey was conducted of marketing academics. This survey examined how the academics conceived the relevance of their teaching strategies to the work environment in SMEs. Secondly, marketing graduates who are employed by SMEs were interviewed. The interviews explored the experience of graduates in the SME workplace environment.

Findings - The findings from this research indicate that a graduate's perception of the skills and competencies they will use in the workplace are different to the reality of working in an SME.

Practical implications – Graduates need to be cognisant that although academic theory and principles have value in the planning of workplace activities their employers will focus appraisal on the outcomes/outputs of their actions rather than the theoretical basis for these actions. Furthermore, the reality of the workplace is that the application of theory and subject specific knowledge is only one element of the activities required by SMEs.

Originality/value - The paper focuses on research that seeks to enhance the understanding of the experience of graduates in the workplace.

Keywords Business theory, SMEs, graduates, labour market

Paper type Research paper

1. Introduction

The continued expansion of Irish higher education has increased substantially the supply of graduates entering the Irish labour market. Authors such as (Rae, 2007; Pool and Sewell, 2007) have studied the implications of mass higher education for employability. Stewart and Knowles (1999) studied the implications for career development and Love *et al.* (2001) studied the implications from the employers' viewpoint. However, Spee and Jarzabkowski (2009) explain using the example of strategy that although academic subjects have an array of tools and competencies which are used extensively in teaching, we have few insights on how these tools and competencies are used in practice. Therefore, in this paper we explore two issues: first, how higher education academics approach and conceive their teaching and the learning of their students. Second, we explore the experience of graduates in the workplace. Our findings indicate that graduates enter the workplace with a perception based on their experience in higher education. However, the short-term pressure conditions which dominate in SMEs affect the graduate's experience. The data presented in this paper indicates that graduates experience: shock; stress; disappointment and are frustrated with the reality of the workplace when compared to the approach taken by their academic institutions.

2. Applying theory in SMEs

Tate and Thompson (1994) highlight the continued discussion concerning the relationship between theory and practice which co-exist with the development of professional education and training in higher education. With the emergence of mass higher education the higher education curriculum has been transformed and now encapsulates skills and

abilities which transcend discipline boundaries. In an Irish context the creation of the Expert Group on Future Skills Needs in the Republic of Ireland and the Northern Ireland Skills Expert Groups (see, www.skillsireland.ie) resulted in the needs of the labour market and economic and industrial concerns entered much more explicitly into higher education course design, development and funding.

Gherardi (1998, p. 273) explains that our society is now dominated by a view of learning, education and training as an endeavor of knowledge delivery based on a notion of learning as a process of information delivery from a knowledgeable source (either a teacher or a text book) to a target lacking that information. This information has academic value. Academics use case studies to provide evidence that the theories, concepts and models of their discipline provide value when analysing real world situations. However, this provides the learner with a misplaced view of the reality of the workplace. Although theory can be used to describe workplace activities and inform these activities the position of theory in relation to these activities is not clear. To what extent is the role of theory driving these activities? Is it the case that theory drives actions and subsequently provides a lens to describe the outcomes? We take the view that this is not the case. Theory is useful in describing workplace activities but the actors are often oblivious to the role theory plays in their actions.

Ghoshal (2005) highlighted a substantial problem with much of modern business research. Far too often Ghoshal identifies examples of how theory bears little relation to the reality of the workplace. The reason is that in many cases ethics and morality have

been excluded from theory building despite the obvious impact on management practices. Jarzabkowski and Wilson (2006, p. 349) explain that theories themselves are no more than approximations. They represent the interim struggle of social scientists as they strive for a bigger theory with a wider scope. Theory is thus not a static concept in a dichotomous relation with practice, but is a continuum ranging from guesses to frameworks and general principles. Research by Ardley (2008) Van De Ven and Johnson (2006) and Bennis and O'Toole (2005) indicates that the gap between theory and practice is increasing. Furthermore, Ardley (2008) notes that the inconsistent definition of academic principles often results in inconsistencies in their application and a misunderstanding by companies of the purpose, process and benefits of academic techniques. Another problem is that business theories are devised for large organisations and not obviously applicable in SMEs. For this reason it is important that academics actively translate theory to an extent that its application(s) can be seen by SMEs. Linked to this idea Hill *et al.* (1998) note that in a bid to bridge the reported gap in theory and practice, business educators have constructed programmes aimed at developing desirable competencies. Furthermore, Hill *et al.* (1998) note that the literature has many instances of operational difficulties during the implementation of business techniques. Ardley (2008) believes that business theories do not have a universal application. Furthermore, McDonald (1992) highlighted that practitioners who engaged in business activities, as prescribed by the literature did not experience the promised benefits.

Chaston and Mangles (2002) explain that an inherent problem facing most SMEs is that of limited human resources and minimal experience in specialised business activities.

Therefore, SMEs often have insufficient capability to identify and respond to events in their business environment. A primary issue in relation to the practices of SMEs is that they have historically been assessed in the context of existing models based on large firm practices (Coviello *et al.*, 2000). This is the main reason why SME activities have been criticised as non-traditional, informal, short-term and non-strategic (Anderson *et al.*, 2004). It is increasingly accepted that many traditional business theories are not applicable to SMEs due to the unique characteristics exhibited by these firms (Brooksbank *et al.*, 1992, Carson *et al.*, 1995; Hill and Wright, 2001). However, SME owner-managers do engage in business activities but the form these activities take is not fully understood (Hill and Wright, 2001; Blankson and Stokes, 2002). Stokes and Blackburn (1999) contend that while traditional business activities are conceived of as a deliberate planned process which proceeds from a careful identification of needs. Carson *et al.*, (2001) explain that activity in SMEs involves informal, unplanned, activity that relies on the intuition and the energy of an individual to make things happen.

3. Methodology

The literature offers a number of insights into why academic theory fails to capture the reality of the SME workplace. This research examines the impact this failure has on the experience of graduates as they enter the SME workplace. In this study we use the academic area of marketing as a case study to explore the experience of graduates in the SME work environment.

In Ireland higher education programmes are designed and developed based on the National Framework of Qualifications (NFQ). The Qualifications Education and Training Act (1999) require Higher Education Training Awards Council to determine standards of knowledge, skills and competences to be acquired. Graduates can exit higher education at level 6 higher certificate; level 7 ordinary degree; level 8 honours degree; level 9 masters and/or level 10 doctorates. After completing each level, business graduates are expected to possess a certain mix of skills and competencies which increase in value and number along with the study level completed. According to FORFÁS (Ireland's national policy advisory body for enterprise and science www.forfas.ie) almost fifty percent of secondary students were exposed to sales and marketing concepts, and there was an output of over 1,500 marketing third level graduates each year with 5,600 having marketing as a minor element. However, FORFÁS (2004) concluded that the higher education programmes being provided were not sufficiently aligned to the needs of SMEs. FORFÁS found that graduates lacked practical business skills. This finding is in line with (Stephens and Onofrei 2009). FORFÁS recommended the closer alignment of third level business curricula with the needs of SMEs. The following three actions were recommended: firstly, the incorporation into the third level marketing and sales curricula of modules that focus on the practical capabilities required by SMEs. Secondly, the introduction of industry placements as an essential part of marketing and sales programmes. Thirdly, improved networking between third level institutions and SMEs. Furthermore, it was recognised that the graduates needed better management and business knowledge to understand their role in the work-place. Such a change would help

to revise their often unrealistic expectations about the type of work that they will be involved (evidence of which is provided in this study).

For this study we collected data in two phases: firstly, a questionnaire was circulated to explore the experiences of marketing academics at one higher education institution and the heads of Business Schools/Department/Faculty at twenty one higher education institutions in Ireland. The academics surveyed at the site of inquiry are characterised as follows: their teaching experience ranged from 4-38 years; and all the academics cited experience of either working in the private sector and/or of undertaking consultancy roles with SMEs. A response rate of fifty percent was obtained. A mix of multiple choice questions, rank-order rating scales and dichotomous questions were used. Where dichotomous questions were used, respondents were asked to explain their answer. The questionnaire examined four key issues: course design and provision, trends in teaching delivery; graduate experience and future programme development strategies. As appropriate narrative structuring (Kvale, 1996) was used to analyse the qualitative answers from the questionnaire. Secondly, depth interviews were conducted to explore the experiences of graduates in the workplace. The interviews were conducted with eight graduates employed by SMEs from the following sectors: retail; logistics; food and beverages; construction; tourism; consultancy; finance and ICT. The interviews explored the graduates' experiences; during their studies and of working in an SME. The interviews were taped, transcribed, and non essential material removed to assist the analysis. Narrative structuring was used to create a coherent story of the interviewee's experience(s) of applying their academic skills to the needs of SMEs.

4. Applying academic principles to the needs of SMEs

In this section evidence from the two phases of data collection is presented. Firstly, we present the results of the survey of academics. Secondly, we present evidence from the interviews with the graduates. In the survey the academics were asked to identify three key skills that they try to pass on to learners. The academics cited the ability to apply marketing theory in a logical manner and the ability to select the correct target audience. Seventy two percent of respondents identified a marketing plan as a key skill to pass on to learners. Fifty seven percent identified the marketing audit as a key skill. Other responses identified market research competencies and persuasive communication skills as essential. Sixty four percent of the academics identified presentation and communication skills. This is in line with the core skills suggested by Binks (1996) who identified communication as an essential skill set for graduates to possess prior to entering the labour market. Unique individual responses related to the skills of Internet marketing, finance for marketers, brand development, time management and the ability to be flexible and dynamic. The unique graduate response of flexibility was noted by Binks (1996) who stated that flexibility is a prerequisite of success in the labour market.

The academics were then asked to select three theories/models/concepts, which are relevant to SMEs. The academic suggested segmentation, positioning, competitive analysis and Ansoff's matrix., 4Ps, Porter's 5 forces model, strategic analysis, services theories, the marketing plan and customer relationship management. That the academics highlighted so many elements of their syllabi indicates that the academics view their academic material as relevant to the workplace. When asked to comment on the key

skills/competencies that are important for graduates the academics noted the ability to apply marketing theory in context/practice. The academics noted presentation and communication skills as essential in the field of marketing. The academics were then asked to rank the practical relevance of three marketing theories to SMEs. The three theories were selected at random from a list of eight compiled during a survey of syllabi used at the site of inquiry. The first was Ansoff's matrix. Seventy two percent indicated that Ansoff's matrix had practical relevance. The second theory was Porter's generic options. Sixty three percent indicated that the theory was essential. The final theory was the Boston growth-share matrix. Fifty eight percent indicated that the theory was essential in contrast to Baker (2000) and Ardley (2008) who discounted the BCG matrix stating that it was too complex to apply in an SME. In the final section of the questionnaire the academics were asked about their aspirations for the delivery of their marketing modules. The academics highlighted a desire to present marketing in a logical and coherent manner. Furthermore, the academics indicated that their teaching was consistent with the skills and competencies required for employment. These findings indicate that teaching theoretical marketing is a core activity for the academics and that this approach is viewed as suitable for potential employees of SMEs. In this context we interviewed the graduates about their experience of working with SMEs.

From the graduates' perspective the perfect job was imagined as strictly marketing related. Once they graduated, the graduates started to look for marketing jobs, with the idea that a higher level qualification would help them find employment easily. However,

they discovered that the reality was different. The main obstacle to finding a job was a lack of experience in a relevant marketing role:

[When] I was looking for marketing jobs the advertisements wanted other skills like event and project management...at that time it was quite depressing because I wanted to work on marketing.

(Graduate E)

I did go for what appeared to be marketing jobs but they were actually more sales jobs and that wasn't really what I wanted to get into.

(Graduate B)

These quotes indicate that the challenges of trying to get a marketing (only) job is that SMEs require employees with a range of skills and that SMEs do not place value in having a marketing only employee. The search for marketing jobs turned out to be disappointing for most of the graduates. The majority of the marketing roles included sales related activities which were not initially of interest to the marketing graduates. Some of the marketing graduates returned to education to undertake programmes which had a placement hoping that this would help them gain experience of the reality of marketing for SMEs. Those who completed a work placement viewed it as invaluable.

Why?

The only way really to learn properly is practical experience. During the placement I learned about real time delivery of a marketing plan. I learned to emphasise the impact my ideas would have. Only Caroline [the owner] wanted to know why I had come up with this plan.

(Graduate E)

The graduates indicated that a marketing role in an SME is very challenging, time consuming and that SME marketers need to be self motivated:

[the] pressure of targets and sales became so intense...marketing can be very difficult to switch off from especially if you know you have the pressure of going back in the next day to deal with targets.

(Graduate A)

This quote reflects the often intense work environment that characterizes SMEs. The graduates indicated that they were surprised by the workload that accompanied their job. The primary reason cited was the need for the graduates to engage in a range of activities and not just in the area of their academic expertise. Furthermore, the interviewees all mentioned the importance of communication skills in the workplace. The following quotes indicate that presentations in front of audiences, group work and reporting are key elements of work in an SME:

I hadn't expected to have to report my activities so much. Every other day I was preparing a report of what I had done or giving a presentation to sell and idea I had for the company clients.

(Graduate C)

The graduates had expected to consider options based on theoretical principles rather than the potential outcomes of their activities. The following quotes help to show how academic principles relate to the activities of an SME:

Nobody cared about Porter or those guys so I just explained the process and sequence of what I was doing and then we would talk about the outcomes and the benefits.

(Graduate F)

I did a presentation for one our clients and tried to use Ansoff's matrix...everyone was so bored looking. Now I just focus on the benefits of the marketing and never mention the things from the textbooks.

(Graduate B)

These quotes indicate that although the graduates apply the theories and models from their academic studies they don't necessarily have to translate this knowledge to their employers or customers. Finally, we asked the graduate to reflect on the difference between the reality of working for an SME and how they perceived the workplace upon graduation. The following quotes provide an indication that the perception of an SME workplace and the activities of a marketing graduate did not match reality.

even the workspace was messy; we all seem to be working on the same things. I thought I would be in my own space working on marketing planning and strategy ... but that is impossible because you can't concentrate on your own work you have to help with everything...

(Graduate A)

and

its frustrating when you don't get to work on your marketing ideas at all in a week because you have to meet customers or hassle people for money

(Graduate G)

The evidence collected in this research indicates that academics view theory as central to their teaching, this is not surprising. However, the academics we surveyed also viewed these theories as relevant to the needs of SMEs. As a consequence graduates enter the workplace with a misconception of how they will work. The graduates we interviewed were frustrated and disappointed by the limited time they spent working on activities

which are specific to their area of expertise (marketing in this case). Furthermore, the graduates felt that their academic knowledge was devalued by an emphasis on outcomes rather than planning and design when they and their activities were being evaluated.

5. Conclusions and implications

It is important for SMEs and industry in general to have access to an adaptable and flexible pool of higher education graduates. Graduates must be capable of acquiring new skills as required by their employers. The findings from this research indicate that graduates need to be aware that opportunities to work in specialised jobs are limited. This is because industry especially SMEs do not have sufficient resources to merit employing an individual marketing manager, operations manager or personnel manager. Instead SMEs recruit graduates who have acquired specialised academic knowledge and are able to fulfill a variety of roles. Higher education, specifically, academics continue to introduce learners to theories, concepts and models that; firstly, have academic standing and secondly, are applicable in the workplace. The evidence collected in this study indicates that there is a need to refine and develop higher education programmes so that the skills and competencies that are sought by employers can be transferred to graduates. This is a well documented challenge in higher education delivery (Wright 1990; Atkins 1999; Yorke 2000; Karns 2005). A consequence of the current teaching and learning environment in higher education is that a graduate's perception of the skills and competencies they will use in the workplace are different to the reality of working in an SME. Graduates need to be cognisant that although academic theory and principles have value in their planning of workplace activities their employers will focus appraisal on the

outcomes/outputs of their actions rather than the theoretical basis for these actions. Furthermore, the reality of the workplace is that the application of theory and subject specific knowledge is only one element of the activities required by SMEs.

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