

Factors Influencing Graduate Employability in Nepal

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Abstract

This study examines four factors influencing graduate employability: University Curricula, Teamwork and Problem-Solving Skills, Practical Training, and Personality Traits.

A quantitative, descriptive–correlational design was used, with data collected from 384 bachelor’s and master’s students from diverse academic backgrounds. Findings show that all four variables are positively related to employability, but their influence differs. Teamwork and Problem-Solving Skills ($\beta = 0.401$) and Practical Training ($\beta = 0.276$) are the strongest predictors, followed by University Curricula ($\beta = 0.193$). Personality Traits were significant in correlation but not in regression, indicating a weaker predictive role when stronger variables are considered together. The model explained 47% of the variance in employability, with all constructs showing high reliability (Cronbach’s Alpha > 0.70).

In conclusion, bridging Nepal’s skills gap requires a holistic approach combining academic reform, practical training, and soft skills development to produce adaptable and competitive graduates.

Keywords: Graduate Employability, Skills Gap, University Curricula, Practical Training, Teamwork, Personality

Introduction

Graduate employability is a topic of increasing urgency across both developed and developing nations, but its stakes are particularly high in Nepal, where economic transformation hinges on the effective utilization of human capital. In broad terms, employability refers to a graduate’s ability to obtain, sustain, and advance in suitable employment aligned with their education, skills, and career aspirations (Yorke, 2006). In Nepal, the landscape of graduate employability is paradoxical. On one hand, enrollment in higher education has surged, reflecting aspirations among Nepali youth for upward social mobility and economic security (MoEST, 2022).

Curriculum relevance is a significant factor contributing to skill mismatch. Studies suggest that many Nepali universities operate with outdated curricula that have not kept pace with technological advances or evolving industry practices (UNESCO, 2021). For example, graduates from fields like business management, IT, and engineering often report learning content that lacks practical application, leaving them ill-prepared for the workplace (Paudel & Adhikari, 2021). The emphasis remains heavily on theoretical knowledge, with minimal integration of case studies, simulations, or industry-driven projects (Subedi & Devkota, 2019).

Limited practical training opportunities exacerbate this gap. Internships, apprenticeships, and industry placements remain the exception rather than the norm in Nepali higher education. Without hands-on experiences, students struggle to develop the technical competencies, professional networks, and workplace readiness that employers demand (Karki & Bhattarai, 2020). Additionally, soft skills development is notably neglected in many institutions. Despite widespread recognition that communication skills, teamwork, problem-solving, and adaptability are critical for employability, such skills are rarely embedded systematically in curricula (British Council, 2020).

Taken together, these gaps highlight the need for comprehensive research that systematically examines the multiple, interrelated factors contributing to skill mismatch and how these factors influence graduate employability in Nepal. Addressing this issue is essential not only for individual career success but also for Nepal's broader economic development, given the crucial role that skilled human resources play in driving productivity and innovation (World Bank, 2021; ADB, 2021).

This study tries to address the following research questions:

- i. How does the relevance and quality of university curricula influence graduate employability in Nepal?
- ii. What is the impact of teamwork and problem-solving skills on the employability of Nepali graduates?
- iii. To what extent does practical training during higher education enhance the employability of graduates in Nepal?
- iv. How do personality traits affect graduates' ability to secure and maintain employment in Nepal?

Review

Research exploring graduate employability and the skills gap has expanded significantly worldwide, highlighting the complex relationship between higher education systems and labor market demands. Studies in diverse contexts consistently emphasize the misalignment between the competencies graduates possess and the skills employers expect. For example, Jackson (2016) in Australia found that although graduates generally possessed strong technical knowledge, many lacked essential soft skills, including problem-solving, communication, and teamwork, all of which employers ranked as critical for employability. Similarly, Tymon (2013) in the UK reported that employers perceive graduates as technically competent but deficient in practical work experience and personal attributes such as resilience and adaptability. These findings indicate that employability is not solely dependent on academic qualifications but involves a broader combination of skills, attitudes, and practical exposure.

Within the context of Nepal, several studies have begun to address the pressing issue of graduate employability and skills mismatch. Paudel and Koirala (2020) examined Nepalese graduates and found that while universities are expanding rapidly, curricula often remain outdated and poorly aligned with industry needs. Employers reported that graduates lacked practical exposure and essential employability skills, including problem-solving, communication, and adaptability.

Table 1:*Review of Nepalese literatures*

S.N	Authors (Year)	Title	Methodology	Key Findings
1	Karmacharya, Tiwari, Gyanwali (2025)	Employability Skills and Organizational Performance: The Mediating Role of Employee Performance	Quantitative; employer survey in Pokhara; CFA, SEM	Employability skills significantly enhance both employee and organizational performance, with employee performance acting as a strong mediator.
2	Ghimire, Dahal, Sharma, Karki, Joshi (2025)	Analyzing Psychological Factors of Job Search Behavior among Nepalese Graduates	Quantitative; 387 graduates surveyed in Kathmandu; SEM	Goal-setting and self-regulation had strong positive effects; self- efficacy was negatively associated, indicating risks of overconfidence.
3	Bishnu, Pokharel, Guragain (2024)	Determinants of Youth Unemployment in Nepal: A Time-Series Analysis	Quantitative; time series (1993–2023); ARDL model	GDP growth aids labor participation, but FDI, remittances, urbanization, and trade openness exacerbate unemployment.
4	Gurung, Paudel, Koirala (2023)	Perceptions of Employability of Undergraduate Business Graduates	Qualitative; interviews with 38 graduates from Pokhara University	Graduates emphasized soft skills and practical experience gaps. Curricula seen as overly theoretical; need for internship and industry exposure.
5	Khatttri (2023)	Education-to- Employment Gap in Nepal's Financial Sector	Qualitative; 12 interviews with graduates & HR professionals	Found horizontal skills mismatch; recommended stronger industry- academia collaboration and practical training integration.
S.N	Authors (Year)	Title	Methodology	Key Findings
6	British Council (2020)	The Future of Work: Skills Demand in South Asia – Nepal Report	Mixed methods; employer survey & labor data analysis	Highlighted lack of soft skills and work-readiness; recommended industry-aligned curricula and experiential learning opportunities

Although the topic of graduate employability has been widely studied in global and regional contexts, there remains a notable gap in comprehensive empirical research focused specifically on Nepal. Existing studies within Nepal (Karki & Bhattarai, 2020; Paudel & Adhikari, 2021; Subedi & Devkota, 2019) tend to examine isolated factors such as outdated university curricula or the lack of practical training without exploring how these elements interact to affect employment outcomes. As a result, the multidimensional nature of employability, shaped by both educational practices and personal attributes, remains under-researched in the Nepali context. There is limited understanding of how variables such as curriculum quality, practical training, teamwork and problem-solving skills, and personality traits jointly influence employability.

Moreover, most of the studies conducted in Nepal have relied on qualitative approaches or descriptive surveys, with few employing rigorous statistical models to determine the strength and direction of relationships between key variables (Gurung et al., 2023; Khattri, 2023). This methodological gap restricts the ability to draw evidence-based conclusions regarding which factors have the strongest predictive power for employment success. While international research in countries like Bangladesh, China, and Sri Lanka has employed regression analysis and structural equation modeling to investigate similar themes (Hossain & Arefin, 2025; Jiang, Chen & Lei, 2023; Rathnayake & Karunathilake, 2024), these findings cannot be directly applied to Nepal due to distinct differences in economic structure, higher education governance, and labor market conditions (ADB, 2021; UNESCO, 2021).

Another critical research gap lies in the underexplored role of soft skills and personality traits in influencing graduate employability in Nepal. While employers increasingly seek graduates who are adaptable, communicative, and team-oriented (British Council, 2020; ILO, 2022), most academic programs in Nepal continue to emphasize theoretical content over behavioral competencies.

Additionally, there is a lack of studies that capture graduates' own perceptions of employability, skill preparedness, and challenges encountered during the school-to-work transition. These subjective perspectives are essential to understanding how young professionals experience and navigate the Nepali job market (Ghimire et al., 2025).

In response to these gaps, the present study aims to adopt a more integrated and empirical approach by analyzing the combined effects of university curricula, practical training, soft skills (teamwork

and problem-solving), and personality traits on graduate employability in Nepal. Using a quantitative design and a statistically representative sample, this study will contribute context-specific, data-driven insights to inform curriculum reforms, institutional strategies, and national policy interventions that address Nepal's persistent education-to-employment mismatch.

Research Framework

The research framework is informed by Human Capital Theory, Employability Theory, and Skills Mismatch Theory. The hypothesized relationships are:

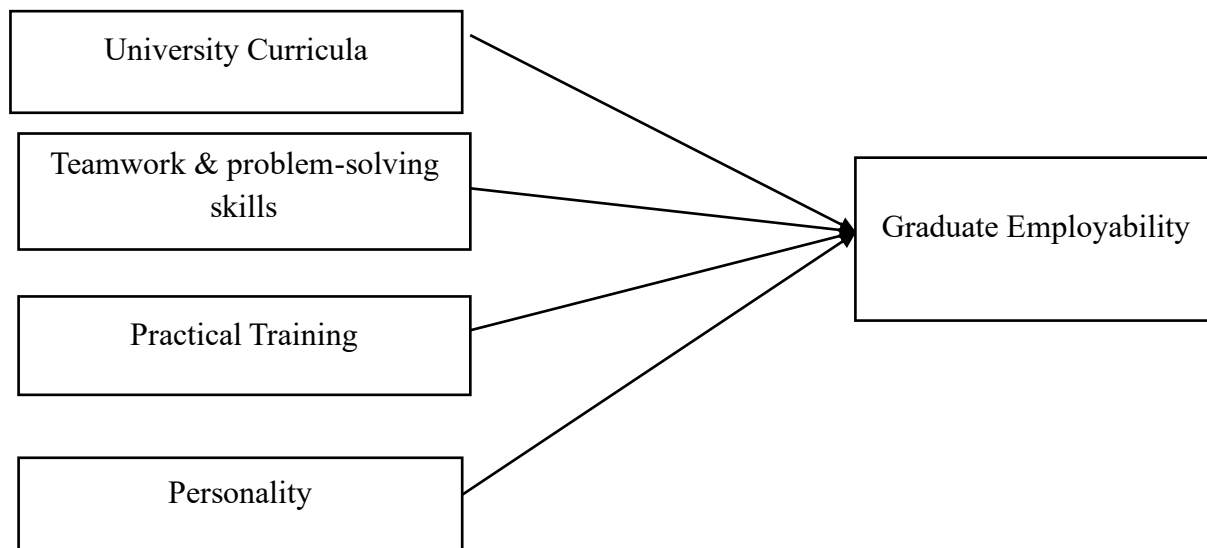


Figure 1 Conceptual Framework

Source: Hossain & Arefin (2025), Hosain, Mustafi & Parvin (2023)

Method

A quantitative, descriptive–correlational design was used, with data collected from 384 bachelor’s and master’s students from diverse academic backgrounds. Using SPSS, the analysis included descriptive statistics, Pearson’s correlation, reliability testing, and multiple regression to measure the significance and strength of each factor. The target population of this study consists of university-level students enrolled in undergraduate and postgraduate programs (e.g., BBA, BBM, MBA, MBS) across multiple universities and affiliated colleges in the Kathmandu Valley. This study utilized a stratified purposive sampling technique to select respondents. Stratification was applied based on institution type (public vs. private) and geographic region, specifically focusing on universities and colleges within the Kathmandu Valley.

Results

Descriptive Statistics of Variables

Table 2

Descriptive Statistics of University Curricula

Statement	Mean	Std. Deviation
University curricula are aligned with industry needs	3.05	1.049
Universities provide adequate exposure to industry tools and technologies	2.81	1.021
University programs incorporate current market demands and technological trends	2.97	1.029
Course content emphasizes the development of critical and analytical thinking skills	3.25	1.019
Universities revise and update curriculum regularly in response to employer feedback	2.76	1.191

These results suggest that while universities are somewhat successful in developing intellectual capabilities, there is room for significant improvement in keeping curricula current and aligned with evolving market needs.

Table 3*Descriptive Statistics of Teamwork and Problem-Solving Skills*

Statement	Mea n	Std. Deviation
Teamwork and problem solving are two very essential skills to be hired	4.06	1.051
Employer strongly seek candidates with better teamwork and problem-solving capabilities	3.98	0.982
Candidates and problem-solving skills are tested through brainstorming and real problem-solving tests	3.72	1.047
Problem-solving and teamwork skills help graduates sustain long-term employment	4.01	0.978
Teamwork and problem-solving skills are critical for adapting to organizational challenges	4.10	0.965

The data suggests that students place a high value on teamwork and problem-solving skills and view them as vital not just for gaining employment, but also for career longevity and adaptability in professional settings.

Table 4*Descriptive Statistics of Practical Training*

Statement	Mea n	Std. Deviation
Practical training opportunities (e.g., internships) are sufficient	2.82	1.101
Graduates feel prepared for the job market after completing their degree	2.55	1.202
My university has strong collaboration with industries to offer practical training opportunities	2.84	1.254
Internships and project-based learning were a regular part of my academic experience	3.36	1.143
I had opportunities to apply classroom knowledge in real-world work settings during my studies	3.23	1.143
Average Mean	2.96	

The average mean of 2.96 reinforces that while some elements of practical training are present, they are not extensive or systematic enough to fully prepare graduates for employment. This suggests the need for stronger and more structured collaboration between universities and industry, as well as the expansion of internship and project-based learning opportunities.

Table 5*Descriptive Statistics of Personality*

Statement	Mean	Std. Deviation
A candidate with a strong personality has better commitment to his/her job	3.43	1.074
A candidate with a strong personality has the leadership qualities	3.51	1.057
Personality is a factor that influences engagement and employability	3.89	0.836
Agreeableness, conscientiousness, and openness to experience enhance a graduate's employability	3.87	0.941
Candidates with strong emotional stability are better suited for the workplace	3.82	0.975

The relatively high average mean supports the idea that employability is not solely determined by technical or academic skills, but also by the personal qualities a graduate brings to the workplace.

4.2.5 Descriptive Statistics of Graduate Employability

Table 6*Descriptive Statistics of Graduate Employability*

Statement	Mean	Std. Deviation
Local Nepalese graduates are competitive in the job market	3.28	1.086
Graduates feel confident in their ability to secure meaningful employment	2.95	1.127
Employers are satisfied with the performance of local graduates	3.14	0.976
Local graduates contribute effectively to organizational goals	3.47	0.943
Graduates have the skills required to meet employer expectations	3.31	1.018
Average Mean	3.23	

The findings suggest that while graduates are viewed as moderately employable, the relatively low scores in confidence and employer satisfaction signal the presence of a skills gap. Addressing this gap through targeted skill development, stronger industry-academia collaboration, and enhanced career readiness programs could significantly improve graduate employability in Nepal.

Correlation Between Independent and Dependent Variables.

Table 7

Correlation Between Independent and Dependent Variables.

Variables	University Curricula	Teamwork and Problem-Solving Skills	Personal Training	Personality	Graduate Employability
University Curricula	1				
Teamwork and Problem-Solving Skills	.335**	1			
Personal Training	.660**	.270**	1		
Personality	.232**	.548**	.316**	1	
Graduate Employability	.559**	.393**	.629**	.343**	1

** . Correlation is significant at the 0.01 level (2-tailed).

These results support all four hypotheses of the study:

- H₁: University Curricula has a significant relationship with Graduate Employability ($r = 0.559$, $p < 0.01$).
- H₂: Teamwork and Problem-Solving Skills has a significant relationship with Graduate Employability ($r = 0.393$, $p < 0.01$).
- H₃: Practical Training has a significant relationship with Graduate Employability ($r = 0.629$, $p < 0.01$).
- H₄: Personality has a significant relationship with Graduate Employability ($r = 0.343$, $p < 0.01$).

Overall, the findings emphasize that bridging the skills gap in Nepal requires a multi-dimensional approach strengthening practical training and curriculum relevance while fostering teamwork, problem-solving abilities, and strong personality traits.

Table 8*Hypotheses Test*

Hypothesis Statement	P-value	Result
H1: University curricula have a significant effect on graduate employability in Nepal.	0.0001	Accepted
H2: Teamwork and problem-solving skills have a significant effect on graduate employability in Nepal.	0.0002	Accepted
H3: Practical training has a significant effect on graduate employability in Nepal.	0.0000	Accepted
H4: Personality traits have a significant effect on graduate employability in Nepal.	0.1472	Rejected

However, H₄ (Personality) presents a unique case. While correlation analysis showed a significant relationship between personality and graduate employability ($p < 0.01$), the regression analysis produced a non-significant result ($p = 0.1472$). This indicates that although personality traits are individually correlated with graduate employability, they do not make a statistically significant contribution when all other variables; university curricula, teamwork and problem-solving skills, and practical training; are considered together in the regression model. This difference may be explained by shared variance among predictors (multicollinearity) or the stronger influence of other variables in determining employability outcomes.

Therefore, H₄ is accepted based on correlation analysis but rejected based on regression analysis. This distinction is clearly presented in the hypothesis summary table to ensure clarity and accurately reflect the findings from both statistical approaches.

Discussion and conclusion

This study examined the factors influencing graduate employability in Nepal, focusing on University Curricula, Teamwork & Problem-Solving Skills, Practical Training, and Personality Traits. The multiple regression analysis identified three significant predictors; University Curricula, Teamwork & Problem-Solving Skills, and Practical Training while Personality Traits did not show a significant effect in the regression model. These results provide important insights into the skills gap and the priorities for higher education reform in Nepal.

University Curricula

The significant positive effect of University Curricula on graduate employability aligns with Human Capital Theory (Becker, 1964), which asserts that education is an investment that enhances productivity and job outcomes. Similar to Paudel & Adhikari (2021), this study found that industry-linked, updated curricula improve graduate success in the labor market. In contrast, British Council (2020) identified outdated and theory-heavy curricula as a major contributor to the skills gap in Nepal. The present results confirm that relevant, practical, and employer-informed curricula are critical for improving employment readiness.

Teamwork & Problem-Solving Skills

Teamwork and problem-solving emerged as the strongest predictor of employability in this study. This finding is consistent with British Council (2020) and ILO (2022), which emphasized collaboration, adaptability, and critical thinking as essential workplace skills in both national and global contexts. In Nepal's increasingly project-based work environments, the ability to collaborate in multidisciplinary teams and address complex problems is crucial. This supports the recommendation that universities embed teamwork and problem-solving training within academic modules, group projects, and co-curricular activities.

Practical Training

The strong, significant effect of Practical Training is in line with Subedi & Devkota (2019) and World Bank (2021), who stressed that internships, fieldwork, and industry exposure narrow the gap between theoretical knowledge and workplace demands. Given that many Nepali universities still lack mandatory internship programs, the findings underscore the importance of integrating applied learning experiences into degree structures. Practical training not only develops technical competencies but also enhances workplace familiarity and confidence among graduates.

Personality Traits

While Personality Traits were significantly correlated with employability, they were not a significant predictor in the regression model. This suggests that their influence is overshadowed when stronger factors; such as teamwork, problem-solving, and practical training—are considered together. Previous studies, such as Fawehinmi et al. (2020) and Kim et al. (2016), have highlighted adaptability, resilience, and proactiveness as valued by employers, particularly in competitive

markets. However, in Nepal's context, employers may prioritize tangible skills, hands-on experience, and collaborative capabilities over personality characteristics during recruitment decisions.

This research successfully integrated academic, experiential, and personal perspectives on graduate employability within the context of Nepal's higher education system. It provided empirical validation for several well-established frameworks, including Human Capital Theory and Employability Theory, while also revealing contextual insights unique to the Nepalese graduate population. The research journey progressed from identifying the persistent skills gap, designing measurement instruments aligned with the study's objectives, collecting primary data from graduates, and finally interpreting the findings in light of both national and international literature.

The conclusions drawn from this study reinforce the importance of aligning university curricula with market demands, embedding teamwork and problem-solving skill development into academic programs, ensuring access to practical training opportunities, and fostering personality traits that enhance adaptability and resilience. Together, these factors create a comprehensive foundation for improving graduate employability in Nepal.

The results also underscore that employability is not a static attribute conferred by a degree alone; it is a dynamic outcome shaped by the interplay of formal education, skill acquisition, and personal growth. Universities, employers, and policymakers must therefore work collaboratively to design learning environments and career pathways that equip graduates with both the hard and soft skills required in an evolving labor market.

Overall, the study contributes valuable evidence to the discourse on graduate employability, offering both theoretical contributions and practical guidance for addressing the skills gap. It also provides a strong empirical basis for future research aimed at refining employability frameworks and evaluating the long-term impact of targeted educational reforms in Nepal.

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