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# Service sector: with special reference to new era of Higher Education

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#### Abstract

The service sector, often called the tertiary sector, plays a crucial role in modern economies. Unlike the primary sector (agriculture, raw material extraction) and the secondary sector (manufacturing), the service sector provides intangible goods and expertise. This vast category includes everything from healthcare, finance, and tourism to information technology and education. In today's globalized and knowledge-driven world, the service sector has become the dominant economic driver in many nations, generating a significant portion of GDP and employment. Its continued expansion demands a highly skilled workforce, directly linking its growth to the quality and adaptability of higher education. Higher education, encompassing universities, colleges, and vocational institutions, is increasingly recognized as a vital part of the service sector. It delivers a service – education, knowledge, and skill development – that has profound impacts on individuals and society. In the "new era" of higher education, this service delivery is undergoing significant transformations. One of the most prominent shifts is the digitalization of learning. Online platforms, virtual classrooms, and educational technologies (EdTech) have made education more accessible and flexible, allowing students to learn remotely and at their own pace. This trend, accelerated by recent global events, has reshaped traditional teaching methodologies and expanded the reach of educational institutions beyond physical campuses.

## **Keywords:**

Service, Sector, Higher, Education

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Introduction

The new era of higher education is characterized by a growing emphasis on skill-based

learning and workforce readiness. As industries evolve rapidly, there's a heightened demand

for graduates with practical, immediately applicable skills. This has led to the development

of more specialized programs, certifications, and partnerships between academic institutions

and industries. (Rajagopalan, 2020)

The value of a degree is increasingly questioned in terms of its ability to lead to a good job,

pushing institutions to focus on career-oriented outcomes. This shift also encourages a move

towards lifelong learning, where individuals continually update their skills to remain relevant

in a dynamic job market. Higher education institutions are becoming providers of continuous

professional development, offering modular courses and flexible pathways for adult learners

and those seeking to reskill or upskill.

The changing demographics of students also define this new era. There's an increase in adult

learners, part-time students, and a greater focus on diversity and inclusion. Institutions are

adapting their curricula and services to cater to these varied needs, offering flexible

schedules and personalized learning experiences. This responsiveness makes higher

education a more dynamic and customer-centric service, similar to other sectors that

customize offerings to meet diverse consumer demands.

Higher education has historically focused on imparting broad theoretical knowledge, often

preparing students for a diverse range of intellectual pursuits. However, in an increasingly

dynamic global economy, there's a growing recognition that this model needs to evolve.

Skill-based learning, an approach that prioritizes the acquisition and mastery of practical,

directly applicable competencies, is rapidly gaining traction as a crucial component of

modern higher education. This shift is driven by the urgent need to bridge the gap between

academic learning and the demands of the contemporary workforce, ultimately enhancing

graduate employability and fostering lifelong learning. (Sheikh, 2022)

One of the primary advantages of integrating skill-based learning into higher education is its

profound impact on student employability. Traditional degrees, while valuable, sometimes

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leave graduates lacking the specific, hands-on abilities that employers actively seek. Skill-

based curricula, conversely, are designed with industry relevance at their core, equipping

students with technical proficiencies (like coding, data analytics, or digital marketing) and

essential soft skills (such as critical thinking, communication, collaboration, and adaptability).

By emphasizing practical application through projects, internships, and simulations, this

approach ensures that graduates are not just knowledgeable but also "job-ready," capable of

contributing effectively from day one. This directly addresses the "employability gap" where

many graduates find themselves underemployed due to a mismatch between their academic

qualifications and market demands.

Furthermore, skill-based learning serves as a vital response to the evolving demands of the

job market. Industries are undergoing rapid technological transformations, with automation

and artificial intelligence reshaping roles and creating entirely new ones. A rigid, theory-

heavy curriculum can quickly become outdated.

Skill-based education, with its focus on adaptability and continuous learning, prepares

individuals to navigate these changes by fostering a mindset of lifelong upskilling and

reskilling. Institutions are increasingly collaborating with industry partners to design curricula

that reflect current and future skill requirements, ensuring that educational offerings remain

relevant and responsive to real-world needs. This symbiotic relationship between academia

and industry is critical for producing a workforce that can innovate and drive economic

growth.

Despite its clear benefits, the widespread adoption of skill-based learning within traditional

higher education presents several challenges. One significant hurdle is the design and

integration of curricula. Moving from a knowledge-centric to a skill-centric model requires a

fundamental rethinking of course structures, assessment methods, and pedagogical

approaches. (Rani, 2021)

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**Literature Review** 

Ramakrishna et al. (2020): Institutions must find ways to seamlessly blend theoretical

foundations with practical application, often requiring new infrastructure like skill

laboratories and simulation centers. Additionally, faculty training and development are

crucial, as many educators may need to adapt their teaching styles to facilitate experiential

learning.

Kandampully et al. (2022): The recognition and standardization of skills remains an ongoing

challenge; without widely accepted frameworks for assessing and certifying skills, their value

in the labor market might be inconsistently perceived.

Joshi et al. (2021): Skill-based learning represents a transformative imperative for higher

education. By prioritizing practical competencies, fostering adaptability, and aligning

curricula with industry needs, it holds the key to enhancing graduate employability and

preparing individuals for success in an ever-changing world. While challenges in

implementation persist, the benefits of cultivating a skilled, agile, and lifelong learning-

oriented workforce make this a vital evolution for universities globally.

Amaral et al. (2022): The landscape of education, particularly in higher learning institutions,

has been irrevocably reshaped by the pervasive influence of digitalization. Once

characterized by traditional lecture halls and physical textbooks, learning has evolved into a

dynamic, interconnected, and often personalized experience, driven by technological

advancements. This shift, accelerated by global events such as the recent pandemic,

presents both profound opportunities and significant challenges for students, educators, and

institutions alike.

Kumaravelu et al. (2021): One of the most significant benefits of digitalization in higher

education is its enhanced accessibility. Online learning platforms and digital resources have

broken down geographical barriers, allowing individuals from diverse backgrounds to pursue

higher education regardless of their location. This flexibility extends to learning pace, with

many digital courses offering asynchronous options, enabling students to engage with

material at times that suit their individual schedules.

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**Findings and Discussion** 

Digital tools facilitate personalized learning, adapting to individual student needs and

providing tailored feedback through data analytics and Al-powered tutors. This

individualized approach can significantly improve student engagement and retention by

addressing varied learning styles and paces. Digital libraries, multimedia content, and

collaborative online tools also enrich the learning experience, making complex subjects more

digestible and interactive.

Digitalization has undeniably transformed higher education, offering unparalleled

opportunities for accessibility, personalization, and innovative pedagogical practices. While

challenges such as the digital divide, the need for self-discipline, and technical hurdles

persist, the ongoing evolution of technology promises a future where learning is more

flexible, engaging, and tailored to individual needs. Navigating this evolving landscape

requires continuous adaptation, strategic investment, and a commitment to ensuring

equitable access and high-quality educational experiences for all.

Student employability is more than just securing a job after graduation; it encompasses the

skills, attributes, and understanding that enable individuals to thrive in a dynamic global

workforce. In today's competitive landscape, employers seek candidates who possess a

blend of academic knowledge and practical abilities, making the development of

employability skills a crucial aspect of modern education.

One of the primary factors influencing student employability is the acquisition of

transferable or "soft" skills. These are universal abilities applicable across various roles and

industries, such as communication, critical thinking, problem-solving, teamwork, and

adaptability. For instance, effective communication—both written and verbal—is essential

for collaborating with colleagues, presenting ideas, and interacting with clients.

Similarly, critical thinking allows students to analyze complex situations and develop

innovative solutions, highly valued traits in any professional setting. Universities and

educational institutions are increasingly integrating these skills into their curricula through

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project-based learning, group assignments, and presentations, moving beyond rote

memorization to foster practical application.

Beyond soft skills, practical experience and industry exposure significantly enhance a

student's employability. Internships, co-op programs, and volunteer work provide invaluable

real-world experience, allowing students to apply theoretical knowledge in professional

environments. These opportunities help bridge the gap between academia and industry,

giving students a clearer understanding of workplace demands and expectations.

Furthermore, involvement in extracurricular activities, student organizations, and leadership

roles demonstrates initiative, commitment, and the ability to manage responsibilities, all of

which are attractive to potential employers. Networking, through career fairs, alumni events,

and professional platforms like LinkedIn, also plays a vital role in opening doors to job

opportunities and mentorship.

Ultimately, student employability is a multifaceted concept that requires a proactive

approach from both students and educational institutions. While a strong academic

foundation remains important, cultivating a robust set of soft skills, gaining practical

experience, and actively building professional networks are equally vital for navigating the

complexities of the modern job market. By focusing on these areas, students can not only

secure their first job but also build a foundation for continuous career growth and success.

The growth of the service sector has presented both opportunities and significant challenges

for higher education. As economies shift from manufacturing-based models to service-based

ones, the demands on the workforce have changed, putting pressure on universities to

adapt their curricula, teaching methods, and overall mission.

One of the most pressing challenges is the skills mismatch between what graduates learn

and what the service industry needs. While traditional academic programs often emphasize

theoretical knowledge, the service sector requires a blend of technical skills and "soft skills"

like communication, critical thinking, problem-solving, and adaptability.

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Many graduates, particularly in developing economies, find themselves unemployed or

underemployed because their qualifications don't align with the demands of modern service

jobs. This gap is particularly evident in fields like IT, finance, and healthcare, where a lack of

practical, industry-relevant skills and experience is a major barrier to employment. Higher

education institutions often struggle to update their curricula fast enough to keep pace with

the rapid technological and market changes in the service sector.

The rise of the service sector has also led to the commodification of higher education. As

students and their families increasingly view a university degree as a product or a service

that guarantees a specific career outcome, institutions are pressured to market themselves

based on employability rates and salary statistics. This shift in perception can lead to a

narrow focus on vocational training at the expense of a broader, more holistic education

that fosters intellectual curiosity and personal growth.

Universities, as a result, face the challenge of balancing their traditional role as centers of

knowledge and research with the market demands for job-ready graduates. This can also

lead to a "credential inflation," where degrees become a minimum requirement for jobs that

may not necessarily need such extensive education.

Higher education institutions, especially in developing countries, often grapple with

infrastructure bottlenecks and regulatory complexities. Inadequate physical and digital

infrastructure—such as outdated classrooms, labs, and unreliable internet connectivity—can

hinder the adoption of modern teaching methods and the delivery of online education. The

digital divide is a significant challenge, as it limits access to quality education for students in

rural or low-income areas.

Furthermore, the higher education sector is often subject to complex government

regulations and policies that can stifle innovation, deter private investment, and create

inconsistencies in educational standards. This makes it difficult for universities to quickly

pivot and align their offerings with the dynamic needs of the service sector.

A major contributing factor to these challenges is the weak collaboration between higher

education institutions and the service industry. Universities often operate in silos, with little

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input from employers on curriculum design. This disconnect perpetuates the skills gap and

limits opportunities for students to gain practical experience through internships, co-op

programs, and industry projects.

While there have been efforts to bridge this gap, establishing and maintaining robust

partnerships requires significant resources and a fundamental shift in mindset from both

sides. Fostering a symbiotic relationship where industry leaders inform academic programs

and universities serve as research and innovation hubs for the service sector is essential for

both parties to thrive.

However, the rapid adoption of digital learning is not without its hurdles. A primary

challenge is the digital divide, where disparities in access to reliable internet and appropriate

technology can exclude a significant portion of the student population. This issue

exacerbates existing inequalities, as students from disadvantaged backgrounds may struggle

to participate effectively in online environments.

Furthermore, digital learning often demands greater self-discipline and time management

skills from students, as the structured environment of a traditional classroom is replaced by

more independent study. Technical difficulties, such as unstable internet connections or

unfamiliar software, can also disrupt the learning process.

For educators, adapting pedagogical approaches to effectively leverage digital tools and

maintain student engagement in virtual settings requires continuous training and support.

The lack of in-person social interaction in purely online models can also lead to feelings of

isolation among students, impacting their overall university experience and sense of

community.

The future of digital higher education appears to be a blend of innovation and integration.

The market for online education is projected to continue its substantial growth, driven by an

increasing demand for flexible and customized learning experiences. Emerging technologies

like Artificial Intelligence (AI), Virtual Reality (VR), and Augmented Reality (AR) are poised to

further revolutionize pedagogical approaches, offering immersive learning environments and

intelligent adaptive systems.

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The focus will likely shift towards HyFlex learning models, which combine in-person, synchronous online, and asynchronous online components, offering maximum flexibility. Universities will need to continue investing in robust digital infrastructure and faculty development to harness these technologies effectively. Ultimately, the successful digitalization of learning will depend on institutions' ability to leverage technology not just for convenience, but to genuinely enhance educational outcomes, foster critical thinking, and prepare students for a rapidly evolving digital workforce.

## Conclusion

The service sector's growth and evolving demands have directly impacted higher education, transforming it into a more adaptable, technology-driven, and skill-focused service industry. The new era requires higher education institutions to embrace innovation, prioritize student outcomes, and continuously adapt to the changing needs of the global workforce.

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