

# Psychological capital, career identity and graduate employability in Uganda: the mediating role of social capital

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*This paper seeks to evaluate the relationship between psychological capital, career identity, social capital and graduate employability. We also seek to evaluate the mediating role of social capital on the relationships between psychological capital, career identity and graduate employability in Uganda. A population of 480 unemployed young people undertaking a skills development and training program by Compassion International was surveyed providing a sample of 215 respondents. Statistics revealed a significant positive relationship between career identity and graduate employability, social capital and graduate employability and psychological capital and graduate employability. The hierarchical regression result showed that about 15 per cent of the variation in graduate employability is explained by psychological capital, social capital and career identity. Mediation results confirmed that social capital fully mediates the relationship between career identity, psychological capital and graduate employability. Therefore, the psychological capital, social capital and career identity of graduates will help in counteracting the employability challenges in Uganda.*

## Introduction

The Ugandan economy has seen the consolidation of macro-economic stability and a recovery of economic activity with estimates putting an annual gross domestic product (GDP) growth at 5.2 per cent, up from 2.8 per cent in 2012 (ADB, 2013). Despite this growth, a significant number of the population remains marginalized in the labour

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market, leaving a significant number of graduates unemployable (Allen & Seaman, 2008).

Employability remains a concern for higher education institutions in the twenty-first century (Higher Education Academy, 2014). While higher institutions of learning have passed out a sizable number of university graduates to join the job market, there are few adequate structures to absorb them besides there being a general mismatch between employers' and employees' expectations. Generally, for most graduates in Uganda, the Baccalaureate is the diploma aiding them to look for their first 'decent' work. But often, they are faced with a rough terrain when employers would rely less on the diploma but more on the applicants' competence and other intrinsic skills like communication, relational capital, self-drive, and other interpersonal skills. In the face of these requirements, many, if not all young Baccalaureate holders often find themselves in situations of underemployment, temporary employment, or in precarious informal sector jobs. Internationally, the Ugandan diploma is the equivalent of ISCED level 4 which is a post-secondary non-tertiary education providing learning experiences building on secondary education, preparing for labour market entry as well as tertiary education. It aims at the individual acquisition of knowledge, skills and competencies lower than the level of complexity characteristic of tertiary education (UNESCO, 2012). Despite the global growth in higher education in Europe, the Bologna process and associated curriculum reforms aiming to make higher education more transparent, are still major problems in the match between labour market needs and the skills of higher education graduates. The report titled 'Employment in Europe 2010' (European Commission, 2010a) points out that young new labour market entrants have borne the brunt of the economic crisis, increasing the risk of long-term unemployment for significant numbers of new entrants. The report makes a case for more effective labour market inclusion by, among other things, raising the skill base of young people through improved access to training, life-long learning and career guidance for all employees as set out in the flagship initiative 'Agenda for new skills and jobs' (European Commission, 2010b). The latest version of 'Employment and Social Developments in Europe 2012' (European Commission, 2013) shows that unemployment rates have reached new peaks with a growing divergence between North and South. Especially in the South the match between skills and jobs has worsened and countries are urged to invest more in education and training, active labour market policies and the creation of high-skilled jobs in growth sectors of the economy. These developments in education and labour market policies across the globe have resulted in universities being placed under increasing pressure to produce employable graduates. In fact, universities have been criticized time and again because the kind of graduates produced cannot cope with current job market demands (World Bank, 2014). There is a general lack of career identity and poor relationship-building skills as well as inadequate psychological drive to make things happen. Employability is a critical requirement, both for organizations that need to survive in a volatile competitive environment and the uncertain labour market for individuals who aim for career success (Rwakoma, 2013).

In Uganda, for example, research by Action Aid International (2013) put youth unemployment at 62 per cent while the African Development Bank suggests that it could be as high as 83 per cent. It is further observed that those aged 12–30 constitute over 80 per cent of Uganda's 33 million population. By inference, healthy, properly educated young graduates, if able to find productive employment, could boost the country's economy and reinvigorate it politically. The reality, however, is rather ominous. Despite being the majority of the population and the bedrock of the labour force, the optimal contribution of young people to the development of the country is hampered by unemployment, low skill level, limited opportunities and vulnerability to ill-health. A recent study conducted by the Uganda Employers Association found that 30 per cent of the unemployed people had worked before but failed to get another job, 60 per cent of the unemployed were fresh graduates who had spent over 5 years looking for employment, while 10 per cent of the unemployed could not easily switch from one employment to another due to the inadequacy of their skills. This is largely attributed to universities' failure to pass on the appropriate employability skills through students'

career training, insufficient social networking orientation and exposure at local, regional and international levels as well as the general lack of psychological preparedness of the graduates to take on challenges with hope, optimism and resilience.

Survival in this turbulent career environment requires workers to continually manage change in themselves and their contexts. It should be noted that pursuing a career will expose someone to a number of networks – local, regional and international – in anticipation of future returns in the workplace (Dess & Shaw, 2001). A combination of career identity with social capital will provide confidence – self-efficacy – to take on challenging tasks and put in the effort necessary to succeed in them; give optimism about succeeding now and in the future; and at the same time encourage perseverance toward goals and, when necessary, redirect paths to new goals in order to succeed (Luthans *et al.*, 2007).

## Research problem

Training and development activities in Africa still operate within the colonial structures that were left behind a few decades ago (Lebby & Lutz, 1982). It should, however, be noted that these structures were to cater for small numbers of graduates who could easily be absorbed within the colonial administration of the time. Currently, universities in Uganda release close to 400,000 graduates annually into the job market (NCHE, 2010). With only 90,000 graduates able to find jobs, this leaves 310,000 unemployed (UBOS Statistical Abstract, 2013). Even those that can find jobs often do not measure up to the task and cannot easily manoeuvre from one employment to another (Federation of Uganda Employers, 2013), and become unemployable. Given this scenario, new models of the training and development of graduates should be adopted to capture the individual capabilities of each graduate by developing their psychological capital, social capital and defining their career identities. These will perhaps create both protean and boundary-less careers among graduates, hence increasing their employability levels.

## Literature review

### Psychological capital and social capital

Psychological capital with components of hope, self-efficacy, optimism and resilience has recently emerged as a core construct in taking positive psychology to the workplace. A distinguishing feature is that it is 'state-like' and thus open to development. In an experiment carried out to analyse whether such psychological capital can be developed through a highly focused, web-based training intervention, Luthans *et al.* (2008) found that psychological capital can be developed by training and development interventions. They further urge that in order to develop the psychological capital of graduate students, highly focused training sessions should be conducted to equip the participants with the requisite knowledge and heightened sense of will power to adapt to and succeed in a volatile job environment. Research by Jackson *et al.* (2007) found that in the process of heightening the psychological capital of individuals through focused training and development sessions, individuals easily get attached to and associate themselves with social networks. These act as springboards to launch their career opportunities and increase their employability chances, unlike the position of those who never get any focused training opportunity to develop their psychological capital.

Wood and Wood (1996) further observed that emotionally stable people who are calm, even-tempered, easy going and relaxed are easy to relate to and in most cases find themselves in many social relationships. This helps them to build their social capital compared with those who are moody, irritable, nervous, anxious, excitable, easily distressed and prone to worry. People with high hope, optimism, self-efficacy and resilience have higher potential to learn and focus their efforts towards a common goal. It should be noted that the character of self-confidence, relaxation, calmness, easy disposition and self-control is a function of vigorous training, development and

exposure. Formal education and in-depth academic grounding shapes the intrinsic behaviour of people which makes them see the environment around them differently. Clusters and social groupings will be very important in their lives because career progression lies in the power of social networks. Wood and Wood (1996) further stress the fact that locus of control is also part of psychological capital. It is a concept used to explain how people account for what happens in their lives. In agreement, Goldsmith *et al.* (1997) emphasized that people with an internal locus of control see themselves as primarily in control of their behaviour and its consequences; people whose psychological capital has been developed through combinations of training sessions will have a total control of their future career growth and that whatever happens to their decisions, they will have no one to blame while people with an external locus of control perceive what happens to be in the hands of fate, luck, or chance and if a bad thing happens, the blame will be apportioned to someone else. Such people do not make efforts to network with others in order to get connections. People with an internal locus of control have a greater perception of their self-work – higher self-esteem – than individuals with an external locus of control. This enables them to easily relate with others hence expanding their social capital.

Snyder (2000), Snyder *et al.* (1991), Snyder *et al.* (1996) have widely studied the evolving capability of hope as a construct of psychological capital. For example, in clinical applications, there is evidence that hope can be learned through an intentional focus on solution-based training interventions (Snyder, 1994), and more recently, Snyder (2000, 2002) has demonstrated the developmental nature of hope across multiple studies using a goal-based framework. Luthans *et al.* (2007) also emphasized that high hope individuals are independent thinkers. Snyder (2002) in addition also revealed that high hope individuals take risks and look for alternative pathways when old ones are blocked. They are strategic in that they realize that if their current networks will not help them achieve their goals they must build other networks, thereby expanding their social capital.

Luthans *et al.* (2007) emphasized that optimistic individuals appraise daily hassles in a positive way by expecting gain or growth from such events. When things are working out well in their current social relationships, they continue to build social networks with others and this gives them good social capital. In addition, Fredrickson (2004) observed that optimistic individuals are humorous and elicit positive emotions in themselves as well as in others. This helps them to have strong social relationships.

Bandura and Locke (2003) emphasized that the resilient belief that one has what it takes to succeed provides the necessary staying power in the face of repeated failures, setbacks or social relations that are naturally discouraging. This enables resilient individuals to maintain their networks thereby strengthening their social capital. In addition, Coutu (2002) observed that during highly changing and uncertain situations, resilience helps individuals to become flexible and adaptable, which helps them to have and fit in more than one social network. Block and Kremen (1996) and Klohn *et al.* (1996) also found that resilient individuals are optimistic, energetic towards life, curious and open to new experiences. Having a failed social relationship does not stop them from building a new one which helps to expand their social network. Individuals with high psychological capital are more likely to persist in their network relationships because they believe they have the ability and desire to meet their colleagues' expectations which helps to strengthen their social capital. As this dynamic learning process of resilience focuses on positive adaptation, developmental interventions should serve to maximize assets or resources and minimize risk factors (Masten, 2001; Masten & Reed, 2002).

According to the theory and research by Bandura (1998), self-efficacy makes a difference to how people think, feel, and act and it also affects how individuals interpret events. This points to the role it plays in the subjective evaluation of the surrounding events of the person and the networks in which they operate. In agreement, Stajkovic and Luthans (1998) observed that the concept of self-efficacy increases a person's conviction of confidence about his or her abilities to mobilize the motivation, cognitive resources or courses of action needed to successfully execute a specific task within a

given network. Based on Bandura (1998)'s self-efficacy theory, Solberg *et al.* (1998) noted that individuals with high self-efficacy actively collect information which is beneficial to their choice of career, build networks and improve their self-capabilities, thereby increasing their chances of employability. Based on this literature we can therefore suggest that:

*Hypothesis 1.* Psychological capital is related to social capital.

### Career identity and social capital

Career identity is simply defined as the way people define themselves in the career context, acting as a cognitive compass used to navigate career opportunities (Fugate *et al.*, 2004). It includes a series of competencies identified by Defillippi and Arthur (1994) which include the knowledge, knowing-why competencies (why do we do a job); knowing-how competencies (how do we do a job); and knowing-whom competencies (with whom do we work). Johnson and Neary (2015) found out that postgraduate professional development generated a perceived enhancement in professional identity through exposure to theory, policy and opportunities for reflection, thus contributing to more confident and empowered practitioners. The study also revealed that engagement with study facilitated development of confident, empowered practitioners with a strengthened sense of professional self that has the ability to confidently network with the rest for their career growth and development.

Shaffer and Zhang (2002) found out that career identity is important in determining one's self-esteem during unemployment. People who know what they are in terms of strength, interests, talents and competencies, what they want to achieve and who have a sense of direction are normally focused with a high self-esteem. These individuals find it easy to interact with others so as to get ideas about how they can attain their goals. This helps them to build and expand their social capital. In addition, Ibarra *et al.* (2005) observed that our career identities are created in social interactions. People in the same career path tend to associate together thereby sharing ideas on how to develop their careers which helps to build their social relationships.

It has been suggested that only a limited portion of a child's success in life are attributable to school activities (Hirsch, 2007). The majority of factors are linked to social contexts and family engagements (West-Burnham *et al.*, 2007). Mechanisms to promote community engagement and empowerment that reach beyond the traditional school model are therefore needed in order to address the educational inequality that is prevalent in our society today. The term 'public value' has been used to describe this shift in the concept of how schools engage with their communities not only to provide services but also to create social outcomes that are valued by the community (Leadbeater & Mongon, 2008). The public value of schools is related to the degree to which they actively engage with their communities and reach out to social networks outside of the school. These are also key processes that will generate social capital.

For the case of Sub-Saharan Africa, the perception is that graduates who excel in classroom/academic activities are the most successful in real life. Therefore, universities tend to emphasize academic grades in their curriculum which are never considered by employers during employment. Most current models of school reform focus on teacher accountability for student performance measured via standardized tests, 'improved' curricula, and what economists label 'human capital' – e.g., factors such as teacher experience, subject knowledge and pedagogical skills (Applied Educational Research Scheme, 2006). This has produced graduates whose careers cannot connect with the public demand and are totally detached from their social communities. However, research over many years in several large school districts suggests that if students are to show real and sustained learning, schools must also foster what sociologists label 'social capital' – the value embedded in relations among teachers, students, administrators and the community. Social capital is the glue that holds a school together. It complements teacher skill, it enhances teachers' individual classroom efforts and it enables collective commitment to bring about school-wide change (Catts & Ozga, 2005). The

NCHE report (2010) confirm Catts and Ozga's (2005) study that higher learning institutions have got limited pedagogical activities that would directly offer opportunities outside the university/college environment. It further indicates that the few universities that have got programs to connect their students to the outside world have generally not been successful largely due to financial pressures and to some extent attitudes from both parents and students. Kagaari (2007) also found that during the industrial training period, some students are identified and recommended for permanent employment on completion of their training program by their work supervisors. Employers may recruit directly from colleges or through consultancies and employment bureaus. This shows the importance of having big social network. Where individuals are embedded within networks of family, friends, community and institutional ties that support the normative aspects of work, these are likely to reinforce the value of work for that individual, thereby acting to increase a person's likelihood of being employed.

Career success occupies a very distinctive place in social capital theory. In line with Loury (1977) and Coleman and Fararo (1992), mentoring, job partnering and mutual support have been found to have a positive connection to success in education. Relationships in social networks, including professional ties, constitute an important facet of social capital (Bozionelos, 2003; Seibert *et al.*, 2001). While social capital is seen as the outcome or product of connections between nodes in a network, access to resources is what makes a relationship significant to an individual. These resources comprise job or professional information, power influence and professional solidarity (Adler & Kwon, 2002; Coleman and Fararo, 1992), and would not be accessible to an individual who is not a member of the social network. Earlier research (Lin, 1999) shows the contribution of social capital to career success through priority access to information on a job opening which an individual can obtain through connections. Other nodes in a network can favorably influence a promotion decision.

*Hypothesis 2.* Career identity is related to social capital.

### Social capital and graduate employability

According to Fugate *et al.* (2004) and Seibert *et al.* (2001), social capital provides individuals with access to career related networks and informational resources during the job search process. Job seekers get to know information about the hiring companies which helps them to succeed when called upon for the interviews. Burt (1997a, 1997b), Bozionelos (2006) and Seibert *et al.* (2001) also observed that good networks providing a high level of social capital are helpful in obtaining jobs, getting promoted and having a successful career in general.

Social capital theory has received increased attention as a way of thinking about the importance of networking, trust and norms in the education of young people with the ultimate view of ensuring employment and employability. The concept has developed considerably since Coleman (1988) asserted that the amount and quality of family based social capital had an impact on the levels of academic achievement generated amongst students and that this ensured reliable and trusted social connections which can be used for employability purposes. Its application in education and learning has since been widened and used to examine the relationship between social capital and issues such as academic achievement (Morgan & Sørensen, 1999; Stanton-Salazar & Dornbusch, 1995); dropout rates (Croninger & Lee, 2001); aspirations (Israel, 2001); and lifelong learning (Field, 2009). Stanton-Salazar and Dornbusch's study of young Mexican immigrants also highlighted that the formation of ties to significant others, such as teachers and guidance staff, was as important as socio-economic status in student achievement suggesting that the presence of a role model and engaging with that role model, was significant in shaping identity and employability of young graduates. This finding has been confirmed by Catts (2009) who, when examining the role of social capital in the lives of young people, suggested that the presence of significant others

was an important factor in shaping young people's identity in the transition to the workplace and in stabilizing the employability of individuals.

Thomas and Jones (2007) explored the potential for higher education to impact positively on social capital and employability. She suggested a number of ways in which building social capital could improve student success in the labour market. These included the development of friendships, work experience, student union activities and participation in governance. She raised concerns that institutions often ignored the value of social capital and that the socialization of 'non-traditional' students was often seen as unimportant, with a lack of opportunities for students with nontraditional tastes. Besides 'tastes', lack of experience, confidence and indeed a different cultural capital also prevent or discourage students from participating in such activities and more effort has to be made to both encourage students in a way that captures their interests and enables them to see the relevance of developing the skills of 'getting on' and working towards future employment.

The above study indicates that social capital as a concept is increasingly used in examining not only how confidence and aspirations are influenced by our immediate communities, but also the conditions under which people make connections with others, within and outside their immediate environment and in recognizing the benefits and drawbacks associated with it.

*Hypothesis 3.* Social capital is related to employability of graduate students.

### **The mediating role of social capital on career identity and graduate employability**

Social capital is the goodwill inherent in social networks. It contributes an overtly social and interpersonal element to employability and it confers information and influence to the 'holder' via the networks (Adler & Kwon, 2002). In the context of work, information and influence provide individuals with access to career opportunities (Burt, 1997a, 1997b; Portes, 2000) and are critical elements for achieving occupational aspirations. Similarly, an employee's ability to realize opportunities in the marketplace is greatly influenced by his or her human capital. Human capital refers to a host of factors that influence a person's career advancement, such as age and education (Wanberg *et al.*, 1996), work experience and training (Becker, 1975), job performance and organization tenure (Forbes & Piercy, 1991) – and the knowledge, skills, abilities and opportunities these confer (Becker, 1975; Malos & Campion, 1995).

Human capital is the familiar notion that knowledge and skills, derived from education, training and experience, represent some of our most valuable resources which, when well-managed, will lead to social capital (OECD, 2014). Through education and targeted training sessions, individual careers will be boosted in a way which is likely to positively change people's thinking about their career as well as their inner selves (psychological capital), hence creating a network of resources around them which can be used for employability. African graduates have been socially excluded from employment, education, housing, health or welfare provision, democratic or legal processes and a range of other factors because of the inheritance and promotion of the pre-colonial education and training systems which aimed at clerical knowledge and practice. Few universities have ventured into the social connectedness of their graduates with the outside world during the post-colonial period either due to resource constraints or inadequate conceptualization of social network advantages.

Graduates may leave universities or colleges with enough academic knowledge but it is not enough to help them tackle the employability problem since they are totally disconnected from their social environment. Therefore collaboration between universities and industry is recommended to enhance the student experiences, ensuring time at university not only equips students with knowledge and skills in their subject areas but also prepares them for entry into the workplace.

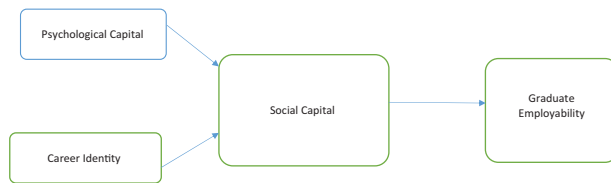


Figure 1: Conceptual model.  
Source: Modified from Fugate *et al.* (2004).

*Hypothesis 4.* Social capital mediates the relationship between career identity and graduate employability.

## The conceptual framework

This conceptual framework (see Figure 1) has been developed in terms of both the theoretical background that informs it and the specific hypotheses that it entails, using graduate employability as the criterion variable. Career identity and psychological capital are the explanatory variables while social capital is the mediator. Subsequently the methods used to test this framework are discussed, and the results of the empirical and future research implications that arise from the research along with an assessment of the research limitations are presented.

## Methods

Using a cross-sectional survey design, the study utilized 215 responses from a population of 480 unemployed young people undertaking a skills training course by Compassion International. In an attempt to measure the opinions or attitudes of respondents (Burns & Grove, 2010), a five point Likert scale was used to obtain self-reported information on career identity, social capital, psychological capital and graduate employability. The sample size was determined based on Krejcie and Morgan's formula for sample size determination (Krejcie & Morgan, 1970). The representative sample lowered the costs and made the process of data collection faster and more convenient (Krejcie & Morgan, 1970). The background formed the first part of the questionnaire and it contained six questions about the respondents' gender, age, education levels, employment status, reasons for losing a job and marital status.

The findings showed that of the respondents: 52.6 per cent were female and 47.4 per cent were male. In terms of age 66.2 per cent were between 26 and 30 years, 14.3 per cent were between 21 and 25 years, 10.5 per cent were between 31 and 35 years, 7.6 per cent were between 36 and 40 years and finally 1.4 per cent were 40+. In terms of education levels 96.7 per cent had a bachelor's degree and 77.8 per cent had obtained a master's degree. In terms of employment status 41.2 per cent never had a job in their life time while 58.8 per cent had ever had jobs but lost them. For marital status, 15.4 per cent were married while 75.2 per cent were single. Divorced and widowed constituted 0.5 per cent each while others were 6.5 per cent.

Psychological capital consisted of 24 items. The item scales for psychological capital were developed consistent with Luthans *et al.* (2007) and each respondent was asked to give his opinion on each of the items in the questionnaire (e.g., 'I always manage to solve difficult problems if I try hard enough'). Career identity had 36 items and was measured using the Vocational Identity Scale (VIS). This tool measures the possession of a clear and stable picture of one's goals, interests and talents. Social capital had 17 items and was measured using items derived from Kibanja and Munene (2011). Employability had eight items and was measured using instruments from self-perceived employability scale by Rothwell and Arnold (2007).

Table 1: Correlation coefficients

	Mean	S.D	Min	Max	1	2	3	4
1. Career identity	5.37	0.708	1.00	6.00	1.00	–		
2. Social capital	4.79	0.535	1.00	6.00	0.286**	1.00	–	
3. Psychological capital	4.08	0.647	1.00	6.00	–0.007	0.255**	1.00	–
4. Employability	4.13	0.722	1.00	6.00	–0.022	0.341**	0.180**	

\*\* Correlation is significant at the 0.001 level (2-tailed).

Table 2: Hierarchical regression results

	Model 1		Model 2		Model 3	
	Beta	Sig.	Beta	Sig.	Beta	Sig.
Career identity	0.100	0.065	0.045	0.000	0.128	0.001
Social capital			0.0201	0.000	0.328	0.000
Psychological capital					0.213	0.001
<i>F</i>	2.150		14.655		14.014	
Sig. <i>F</i>	0.144		0.000		0.000	
<i>R</i>	0%		34.9%		40.8%	
<i>R</i> <sup>2</sup>	0%		12.1%		16.6%	
<i>R</i> <sup>2</sup> change	0%		12.1%		4.5%	
Adjusted <i>R</i> <sup>2</sup>	0%		11.3%		15.4%	

## Results

Table 1 indicates a significant positive relationship between psychological capital and social capital ( $r = 0.255^{**}$ ,  $P$ -value  $< 0.001$ ), implying that a positive change in psychological capital is likely to result in a positive change in social capital, partially supporting hypothesis 1. There was also a significant positive relationship between career identity and social capital ( $r = 0.286^{**}$ ,  $P$ -value  $< 0.001$ ), implying that a positive change in career identity is likely to result in a positive change in social capital, rendering partial support for hypothesis 2.

The results in Table 1 further revealed a positive significant relationship between psychological capital and employability ( $r = 0.180^{**}$ ,  $P$ -value is  $< 0.001$ ). This implies that when psychological capital (say, hope, optimism, resilience goes up) of an individual improves, the level of employability improves. The results also showed that there was no significant relationship between career identity and employability ( $r = 0.022$ ,  $P$ -value is  $> 0.05$ ). This implies that a change in career identity does not necessarily result in a change in the level of graduate employability.

The results indicated a positive significant relationship between social capital and employability ( $r = 0.341^{**}$ ,  $P$ -value is  $< 0.01$ ). This implies that when the level and quality of interaction with different people in different social settings improves, the level of graduate employability will improve, giving partial support for hypothesis 3.

## Regression analysis

In order to determine the effect of career identity, psychological capital and social capital on graduate employability, we performed the hierarchical regression analysis. We created three models to explain the variation in graduate employability. The results of hierarchical regression are shown in Table 2.

In model 1 we entered career identity, and the results indicate career identity was not a significant predictor of graduate employability ( $P > 0.05$ ,  $F = 2.150$ ). The  $F$ -value was also not significant.

When social capital was added in model 2, it turned out to be a significant predictor of graduate employability. The  $R^2$  increased to 12.1 per cent. Thus social capital accounts for 12.1 per cent increase in the variation in graduate employability. Model 2 is statistically significant (sig. = 0.000,  $P < 0.01$ ,  $F = 14.655$ ). This finding gives further support for hypothesis 3. It is also worth noting that when social capital is introduced, career identity then shows to be a significant predictor of graduate employability in model 2, suggesting a mediation effect of social capital. The detailed test for mediation is however tested in Figure 2.

In model 3 psychological capital was added, and it also turned out to be a significant predictor of graduate employability. The  $R^2$  in model 3 increased to 16.6 per cent, implying that psychological capital accounts for 4.5 per cent increase in the variation in graduate employability. Model 3 is also significant (sig. = 0.001,  $P < 0.05$ ,  $F = 14.014$ ). Thus overall the three constructs (career identity, psychological capital and social capital) explain about 17 per cent of the variation in graduate employability. Social capital indicated to be the most significant predictor of graduate employability (beta = 0.328) followed by psychological capital (beta = 0.213). Career identity becomes a significant predictor of graduate employability in model 2 only when social capital is introduced.

### Testing for mediation

Tests to determine how the intervening variable (mediator) transmits the effect of an independent variable to a dependent variable were performed. To avoid Type I and Type II errors in testing our mediating effect, joint significance of the two effects comprising the intervening variable effect and independent variable were adopted as stipulated by MacKinnon *et al.* (2002). To test for mediation effects, procedures outlined by Baron and Kenny (1976) and MacKinnon *et al.* (2007) were adopted. The Baron and Kenny model requires that the results conform to four patterns. First, independent variables (career identity, psychological capital, social capital) must be associated with the dependent variable (graduate employability).

It can be seen from Figure 2 that the coefficient for career identity on employability dropped significantly from 0.161 to 0.102 when social capital is introduced as a mediator, suggesting that social capital may be exerting a full mediating effect. Therefore, from our mediation analysis, it is confirmed that social capital fully mediates the relationship between career identity and employability (Sobel  $Z$ -Value = 2.360917; sig. = 0.01823). This result supports hypothesis 4 of this study.

### Discussion and conclusions

This study sought to demonstrate the necessity for universities, education policy makers and other tertiary institutions to pay attention to social capital, psychological capital and career identity in training of students to increase their hope, optimism and resilience in order to increase their employability. As the present research has shown, university pedagogy alone may not help much in solving the employability gaps of graduates. Rather, a systematic emphasis in orienting graduates into building social networks will be necessary.

The study derived four hypotheses from the reviewed literature and tested all of them. The first one stated that psychological capital positively correlated with social capital. This was tested and confirmed. As noted, this accords with the findings of Wood and Wood (1996) who observed that emotionally stable people who are calm, even tempered, easy going and relaxed are easy to relate with and in most cases find themselves in many social relationships. This helps to build their social capital compared to those who are moody, irritable, nervous, anxious, excitable, easily distressed and prone to worry. People with high hope, optimism, self-efficacy and resilience have higher potential to learn and focus their efforts towards a common goal. Therefore; the

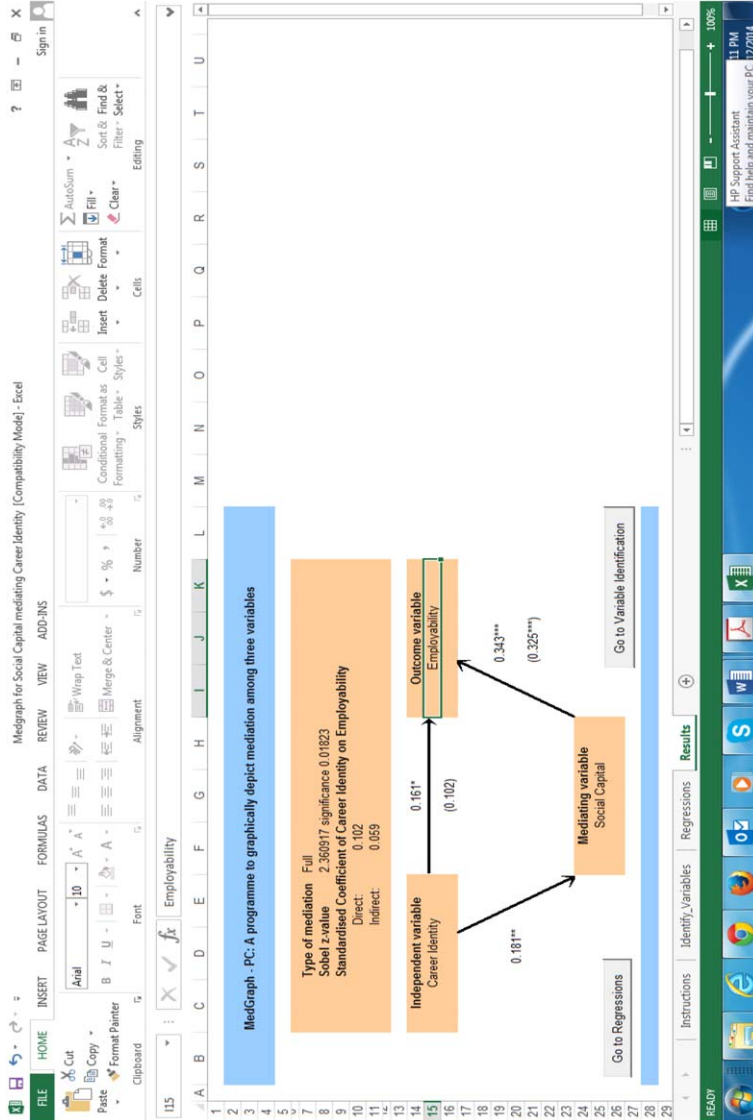


Figure 2: Mediation analysis to confirm that social capital mediates the relationship.

strong positive relationship between psychological capital and employability means that improving one's hope may be a critical component of the enhancement of employability. In practical terms, this can be achieved through a number of interventions which includes; administering the hope scale, discussing the baseline score and hope theory's relevance to the employability process; identifying important career goals and outlining pathways and specific agency thoughts related to each career goal; visualizing and verbalizing each career goal; and creating a check-in process between the individual and the career professional in order to talk about the progress in reaching each career goal (Lopez & Snyder, 2009).

Hypothesis 2 stated that career identity positively related to social capital. The results supported the hypothesis and confirmed that through the process of career identity and career progression, people create social networks through schools, universities, clubs and other social interactions. This is in line with Ibarra *et al.* (2005) observed that our career identities are created in social interactions. People in the same career path tend to associate together thereby sharing ideas on how to develop their careers which helps to build their social relationships. It is the social interactions that help individuals to build their careers through advice, mentoring, learning and brain-storming in a social setting. In a meta analytical study conducted by Kirby *et al.* (2010) found out that individuals weak on social interactions had slimmer chances of career identities and that their employability was difficult to predict.

Hypothesis 3 stated that social capital positively predicted employability of graduate students, and the results confirmed this hypothesis. The finding is in support of earlier findings by Catts (2009) who, when examining the role of social capital and youths, suggested that the presence of significant others was an important factor in shaping young people's identity in the transition to the workplace and stabilizing employability of individuals. Thomas and Jones (2007) suggested a number of ways in which building social capital could improve student success in the labour market. These included the development of friendships, work experience, student union activities and participation in governance. World Bank (2014) indicates that Universities in Sub-Saharan African have ignored the social/network interaction engagement with their graduates which has made them consistently produce people who are disjoined from the social places where they live and work. This has created 'loners' who cannot rely on anyone to secure employment.

Finally, the study established a mediation effect (hypothesis 4) in which social capital mediated the relationship between career identities, psychological capital on graduate employability. While Career identity alone can lead to employability, tests indicated that the level or the degree at which career identity alone contributes to employability is weaker compared to when it is mediated by social capital.

### Implications for policy and practice

Policy makers around the world strongly advocate that the way to economic development is through skill formation to fight unemployment. Populations are then more employable as well as being more productive. Therefore, policy agenda should include various skills supply-side initiatives including investments in higher education and subsidized, accredited company training. Our findings suggest that graduates should be encouraged to take responsibility for their careers (Wiese *et al.*, 2002). Verbruggen and Sels (2008) found that self-directed career management can be improved in a sustainable way through career counseling. Self-management strategies are important to help people translate their protean career attitudes into career success (De Vos & Soens, 2008).

Four hypotheses were generated and they are unique in a way that they test employability of graduates in Sub-Saharan Africa using psychological capital, career identity and social capital. The results of this study should inform policies which help in closing the gap between the labour market needs of employers and the policies of tertiary education institutions whose training and development of graduates has been detached from labour market realities.

## Limitations and future research

This research relied mostly on a quantitative approach, which in turn, resulted in a failure to gather salient issues from the respondents. It is therefore imperative that methodological triangulation approaches (Klein *et al.*, 2001) be used (i.e. blending both qualitative and quantitative approaches) in order to enrich the results. The study could also be improved by exploring the mediating effect of career identity between social capital, psychological capital and employability.

This was a cross-sectional survey using a quantitative approach, carried out on graduates of business. Similar studies should be carried out on graduates pursuing other non-business programmes. Experimental designs can be adopted for future studies.

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