Employability perceptions

Nature, determinants, and implications for health and well-being

Erik Berntson
To my family
Abstract

The general aim of the present thesis is to increase our understanding of perceived employability. Employability perceptions refer to individuals’ beliefs about their possibilities of finding new, equal, or better employment. How people perceive their possibilities of getting employment is important in a labour market characterised by flexibility and uncertainty, and the present thesis sets out to investigate the nature, determinants, and implications of employability perceptions, using two population-based samples. In Study I, the aim was to study if employability and self-efficacy are two distinct but related constructs and, along with this, to investigate the nature of their association. The results from this study indicated that employability was distinct from self-efficacy and, furthermore, that employability predicted subsequent self-efficacy. In Study II, the aim was to identify predictors of perceived employability. The combination of situational and individual factors was identified as important for employability perceptions. National economic prosperity, living/working in metropolitan areas, poor physical and good psychological work environments, formal education, and competency development were found to be positively associated with perceived employability. The aim of Study III was to investigate if employability could predict subsequent health and well-being. The results from this study implied that individuals who reported higher levels of employability also reported better global health and mental well-being, but not physical complaints, one year later, after controlling for work environment variables and previous health status. In conclusion, the present thesis has implications for theory as well as practice when it concludes that employability is not primarily a self-evaluation, that it is dependent on individual as well as situational factors, and that it has implications for health and well-being.

Keywords: employability, employability perceptions, flexibility, individualisation, changing labour market, self-evaluation, self-efficacy, dual labour market, human capital, health, well-being.


Den andra studien i avhandlingen (enkätstudie med 11 648 deltagare från hela Sverige) fokuserar på vilka faktorer som predicerar anställningsbarhet hos individen. Med utgångspunkt i att upplevelser kan förstås utifrån både individ och situation, testades olika faktorers betydelse för individens upplevelse av sin anställningsbarhet. Resultatet av Studie II, visade att en kombination av individ- och situationsfaktorer tycks spela roll för individens
anställningsbarhet. Bland individfaktorerna var formell utbildning den viktigaste prediktorn, men även kompetensutveckling i arbetet kunde predicera anställningsbarhet. Av situationsfaktorerna var boenderegionen den viktigaste – individer som bor i storstadsområden rapporterade högre anställningsbarhet. Detta tolkas som att den regionala arbetsmarknaden är av stor betydelse för hur individer bedömer sina möjligheter att skaffa jobb. Vidare fanns indikationer på att arbetsmiljö spelar roll för anställningsbarheten, vilket tolkades som att det finns en segmenterad arbetsmarknad, där vissa individer (med sämre fysisk arbetsmiljö) bedömer sina chanser till nytt arbete som sämre. Avslutningsvis kunde konjunkturens påverkan på anställningsbarheten också påvisas. Under högkonjunktur rapporterade betydligt fler hög anställningsbarhet (43 %) än i lågkonjunktur (17 %).


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Introduction

Employability refers, in a general way, to our chances of getting employment. Everybody, at some point, has to consider their possibilities of finding a new job – whether it is when they first enter the labour market or, later in life, when changing jobs or transitioning from a non-work activity, like studies or unemployment. From this point of view, employability is nothing new; it is an essential part of life, as people of all times have, to some degree, been dependent on new employment. However, this is not the only aspect of being employable. As many observers have remarked over the last decades, the world of work is today characterised by flexibility and individualisation. When the individual is situated in a flexible environment marked by individualised responsibility, being employable is of high value when it becomes necessary to move on to a new job. However, in times of turbulence, the mere perception of being employable also becomes important to the individual, since the perception of a situation can in itself affect an individual’s behaviour, reactions, and thoughts. To feel employable is to believe that one’s chances of obtaining new employment are good, when or if it should become necessary, and, thus, the perception of employability serves as a factor of control in a flexible working life – as a sort of labour market security. The present thesis sets out to contribute to the understanding of the nature, determinants, and implications of perceived employability.

Setting the scene

The contemporary labour market bears a few characteristics that provide an important context for the present thesis. To begin with, a brief introduction to this context is necessary in order to set the scene for the discussion of employability. Two major concepts are central in this discussion: flexibility and individualisation.

Flexibility

Flexibility has been held to be one of the key features of the labour market, both for organisations (Piore & Sabel, 1984) and for individuals (Reilly, 1998a). The flexible nature of the labour market implies that it is constantly
changing. The concept has been defined as “the capacity to adapt” (Golden & Powell, 2000, p. 376), implying that being flexible means being able to respond to external changes. In working life, flexibility has been approached in a number of ways. One approach that has been influential is that of Atkinson (1984), who suggested that organisations have primarily two ways in which they can arrange work in a flexible way, either numerically or functionally.

When organisations engage in numerical flexibility, the emphasis is on finding an optimal relation between permanent and temporary employees in order to meet the demands of the external environment (Atkinson, 1984; Kalleberg, 2001; Reilly, 1998b). In Sweden, the amount of temporary employees in the workforce, in both relative and absolute terms, has been on the rise since 1990. In fact, between 1990 and the beginning of 2004, the number of temporary employees increased by approximately 160,000 individuals, as the number of permanent employees decreased by about 440,000, which meant that the relative share of temporaries in the total labour force had increased from 10 to 15 percent during these fourteen years (Statistics Sweden, 2005; Wallette, 2004). A similar trend has been reported in the OECD countries, where the incidence of temporary jobs has increased slightly since 1994 (OECD, 2006). By increasing the amount of temporary employees, it becomes easier for an organisation to regulate their number of employees in order to suit changing demands. The nature of temporary contracts also implies a more instable and uncertain relation between employer and employee (Reilly, 1998b), and when uncertainty increases, the importance of being able to get new employment increases with it.

While numerical flexibility involves being able to alter the number of employees, another way of meeting changing demands is by broadening the competency of the staff. This can be accomplished through functional flexibility, which is when organisations optimize their workforce by allocating resources for competency training that would enable employees to perform assignments other than their usual if necessary (Atkinson, 1984; Reilly, 1998b). When demands change, a multi-skilled workforce is better prepared to change production or services more rapidly. Such a strategy entails placing higher demands on individuals, as they are asked to take part in competency development in order to be able to get new employment within the organisation (Hellgren, Sverke, & Näswall, 2008).

Even though numerical and functional flexibility have become very influential, other broader approaches to flexibility are possible. Another, more general, approach to flexibility is to turn to changes in organisations. For a company, adapting to new environmental conditions could, for example, involve frequent reorganisations. The nature of such change could
either be regarded as fundamental or developmental (W. W. Burke, 2002; Weick & Quinn, 1999). With fundamental, or revolutionary, change, the very nature of the organisation is changed in a planned way, with a specific starting point and a well-defined end. Such change may occur as a result of new environmental conditions. The other, and more common way, is when changes occur in an evolutionary way, i.e. dynamically, without clear boundaries and affecting smaller parts within an existing structure (W. W. Burke, 2002). Empirically, both types of changes have been reported to occur in the labour market. For example, strategies of in-sourcing, outsourcing, and downsizing are continuously being implemented (R. Burke & Nelson, 1997; Purcell & Purcell, 1998; Sundin & Wikman, 2004), and it has been suggested that they all have an impact on the individual (Ferrie, Shipley, Marmot, Stansfeld, & Smith, 1998; Hellgren, Sverke, & Isaksson, 1999; Morrell, Loan-Clarke, & Wilkinson, 2004; Shapiro & Kirkman, 1999).

Taken together, the flexibility of organisations, whether manifested through numerical flexibility, functional flexibility or, in a more general way, through organisational changes, implies an increasing uncertainty among the different actors in and around organisations (Klandermans & van Vuuren, 1999; Sverke, Hellgren, & Näswall, 2002). For the employee, this increasing uncertainty means that individual strategies for overcoming such uncertainty become more important.

**Individualisation**

While the impact of the flexible environment on individual responses and organisational behaviour is of interest, another phenomenon associated with flexibility, namely individualisation, is particularly important in regard to the concept of employability.

Several authors have argued for the dissolution of traditional society (Beck & Beck-Gernsheim, 2002) and traditional labour (Allvin, 2004), where society is, to put it generally, seen as having been, for a long time, collectively organised with clearly defined institutions and rules which should be followed. These include the written and unwritten rules of religion, family, and the welfare system. Similarly, the labour market has been fairly well regulated with clear boundaries and rules that the individual must follow (Allvin, 2004; Beck & Beck-Gernsheim, 2002; Wiklund, 2007). Recent developments in society have led us away from this, as individuals are now to take more responsibility for their own situations – “Labour is being deregulated and the individual is increasingly expected to initiate, plan, control and take responsibility for her own career” (Allvin, 2004, p. 23). When individuals become responsible for their own careers, the need to be proactive, by seeking opportunities and initiating situations, increases
A career that is driven by the individual rather than by the organisation is known as the protean career, where individuals not only set up their own career plans, goals, and ambitions, but must also find their own ways in which to realize them. This is much the case for individuals facing the flexible working life, who, it is argued, have to take their own initiative and actively direct the course of their own careers (Arnold, 1997; Hall, 1996; Hall & Moss, 1998).

Thus, the individualisation of labour indicates that people are acting all the more self-sufficiently in the labour market. Evidently, this can be noticed in people’s expectancies of work and their relationships with their employers, where it has been argued that the employee–employer relationship has become increasingly more focused on flexibility, market forces, and short-term relations. A good method of capturing this is via an examination of the psychological contract, as it reflects the individual’s beliefs about the expectations or promises given in relation to the other party in an employee–employer relationship (Rousseau, 1989; Schein, 1980). Accordingly, it has been described that in the contemporary psychological contract, the employer offers competency development, interesting assignments, and various bonuses, whereas the employee, in return, offers involvement, maximum performance, and openness to change (Anderson & Schalk, 1998; Conway & Briner, 2005; Hall, 1996; Herriot, Manning, & Kidd, 1997; Hiltrop, 1995; Kluytmans & Ott, 1999). Through the psychological contract, a more individualised and short-term relationship between the employer and employee can manifest itself.

In summary, the flexibility in the contemporary labour market implies that individuals cannot rely on being employed in one organisation throughout their working career. Rather, it is likely that employees will end up changing employment several times during their working lifetimes (Arnold, 1997; Arthur & Rousseau, 1996; Huang, 2006; Sullivan, 1999). When this fact coincides with more individualised labour, in terms of responsibility shifting towards the individual, it becomes increasingly necessary to be able to find new employment when and if needed. Indeed, in many circumstances, having to acquire new employment could be a necessary result of organisational change, or constitute a natural closure to a temporary contract, but it could also turn out to be necessary due to the changing nature of one’s present job. In this regard, finding security through employability, so-called employability security (Kanter, 1993; Oss, 2001), expresses that being able to find new employment when necessary is a way of finding security in a flexible working life.
Employability

Although there is no consensus on how employability should be viewed, it could be said, in a general way, that it reflects people’s possibilities of acquiring employment. The phenomenon of employability has been referred to in various contexts in the literature, such as in research studies investigating how graduate students should enter the labour market (Harvey, 2001; Knight & Yorke, 2004), how to get the unemployed back to work (Finn, 2000; McArdle, Waters, Briscoe, & Hall, 2007), or how to best establish the disabled in the labour market (Bricout & Bentley, 2000). More recently, employability has been increasingly used in the context of how employed people are to stay competitive in the labour market (e.g. Forrier & Sels, 2003a; Fugate, Kinicki, & Ashforth, 2004; Garsten, 2004).

Even though the concept of employability has been emphasised more intensely during the last decade, there have been other times in history when its presence in the literature has been prominent. In broad terms, the concept of employability has had three periods of more intense focus, of which the third is now (Gazier, 1999).

The earliest record of the concept is from the beginning of the 20th century. At this time the concept was introduced with the purpose of identifying those persons that were able to work. As many industries were short of labour, the focus of employability, furthermore, was directed towards the unemployed and getting those among them who could work into the labour market (e.g. Beveridge, 1909). The approach to the concept was quite straightforward and primitive. Workers were considered suitable for work if they were of the right age (15–64), sufficiently healthy, and had no family constraints (such as children to take care of) (Gazier, 1999). Thus, the first notion of employability has been called “dichotomic,” due to its categorization of individuals into either employable or unemployable (Gazier, 2001).

When employability turns up again, about half a century has passed. During the 1950s and 60s the concept became somewhat more broadened and diversified. The main trends in defining the concept essentially involved including more people and groups in the definition, defining it on a continuous scale, and taking on a macro-economic approach (Gazier, 2001). Employability was, by this time, primarily used as an employment policy concept, although it was developed in two different directions. In the USA, the concept of employability was expanded to include disabled and disadvantaged people and groups, while the focus of their employability was on the individual (e.g. Feintuch, 1955). The individual was viewed in terms of being more or less employable, and being employable, from this point of view, was defined as having the individual skills and capacities that fit into
the labour market. The term was at this point referred to as “socio-medical employability” or “manpower policy employability” because of its focus on disabled and disadvantaged people (Gazier, 2001). The other emerging approach, taking place in France, was a more statistically and macro-economically oriented approach. Employability was defined as the probability and time for a given group to find a job, thus including labour market conditions in the conception (Gazier, 2001; Lefresne, 1999).

The third main era of the concept of employability has been going on since the mid 1990s. In general, the concept has been broadened even more and has now expanded to include everyone in the labour market. This broadening of the concept also makes it more fuzzy and difficult to grasp why a natural delimitation has taken place during the 21st century. The two lines of focus from the former period are still present, even though the “US version” has been dominating the literature. This newer approach, termed “initiative employability” (Gazier, 2001), focuses on the capacities and abilities of the individual. Being employable is determined by how well individuals fit into the labour market based on, for example, their human and social skills (e.g. Forrier & Sels, 2003a; Fugate et al., 2004; Gazier, 2001; Hillage & Pollard, 1998; McQuaid & Lindsay, 2005). Alongside this, there has been a discussion and interest in the interaction between individual skills and labour market opportunities. Employability is, from this point of view, determined by a combination of one’s individual assets and structural constraints/opportunities. This latter form of employability has been labelled “interactive” employability (Gazier, 2001; McQuaid & Lindsay, 2005) because it takes both individual-related and structural aspects into account.

Hence, from a historical point of view, the concept of employability is not particularly new. However, during the last decade, employability has gradually gained more attention in policy-making forums and in research literature (e.g. Finn, 2000; Forrier & Sels, 2003a). When the European Commission laid out a new employment strategy for the member states in 1997, employability was considered to be one of the four key areas for increasing employment in Europe (the other three were the strengthening of entrepreneurship, adaptability, and equal opportunities) (European Commission, 1997). In addition, several European countries have made employability a central theme in their policy making, such as Great Britain (Finn, 2000; Garavan, 1999) and the Netherlands (Meager et al., 2001). In these countries, employability has become the focus in their attempts to get different marginalised groups, such as young people and long-term unemployed, (back) into the labour market. Furthermore, in Denmark, employability is central to the so-called “flexicurity model” (Kongshøj Madsen, 2002). “Flexicurity” is a term that reflects the combination of labour-market flexibility and the security that results from active labour-
market policies. In Denmark, labour legislation has enabled a high degree of flexibility in organisations, as such legislation has made it rather easy for employers to let go of their employees when necessary. This is combined with high income security and active labour market policies (i.e. the possibility to improve employability). Employability has also made its mark on educational policies in a number of areas. When the European Union compiled its overview on educational institutions within the European Union, in conjunction with the Bologna Process, employability was designated as one of the goals to be obtained (European Commission, 1999). At Stockholm University, employability among the students is now included as one of the general goals that should be taken into account in student education (Stockholm University, 2007a, 2007b). The increased presence of employability in the literature as well as in practice can be interpreted as reflecting a movement towards getting people more active in order to reach full employment (European Commission, 2006), but it can also be seen as reflecting a more general individualisation of society.

Thus, that the individual has to take responsibility for his or her own working life is not simply an unaffected tendency. Rather, it has been increasingly introduced into policy making that employability is a way for the individual to ensure his or her security in the labour market. Being employable in a flexible and yet individualised context could be considered one aspect of being secure in the labour market.

However, being employable is only one side of the coin. When labour is flexible and uncertain, the perception of being employable also becomes more important. Perceived employability therefore refers to the appraisal of one’s possibilities of getting new employment (Rothwell & Arnold, 2007). In general, perceived employability becomes more important because it is the perception of a situation or reality, rather than the situation or reality itself, that affects behaviour, feelings, and thoughts (e.g. Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson, 1981; McLean Parks, Kidder, & Gallagher, 1998; Meyer & Allen, 1997). Accordingly, the mere perception of being (or not being) employable affects how people behave in their organisational settings as well as how they feel and react in respect to their health and well-being. People who perceive themselves as employable, for example, are more likely to perceive flexibility as less threatening. While people who feel that they would have difficulty finding a new job, regardless of whether it would otherwise actually be difficult, may not act even when they find themselves wanting to change jobs. In the former case, employability may have positive effects on health and well-being, whereas, in the latter case, it is potentially negative for the individual.
In conclusion, being employable has always more or less been an important quality, but the character of the contemporary labour market has made it all the more crucial, as employees today often need to be ready to self-sufficiently handle the very real possibility of having to find new employment. Even though it is important to be employable, it is how people perceive their possibilities of finding new employment that influences their behaviour, reactions, and thoughts. Thus, it is important to take a more in-depth look at the perceived aspects of being employable.

Aim

In the psychological literature, a central issue is what forms the perception of a situation. A common view is that situational factors along with individual factors determine how individuals perceive situations (e.g. Ekehammar, 1974; James & Sells, 1981; Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson, 1981). According to such an interactionist approach, a person’s perception of his or her employability could be acquired based on the background of the situation he or she is in, together with his or her personal attributes. With the vast majority of research on employability concentrating on more objective perspectives, there is a need for studies that focus on perceived employability.

The general aim of the present thesis is to explore the concept of perceived employability by investigating both the nature of the concept as well as its determinants and outcomes. Specifically, three aims are focused on. These aims and their corresponding studies are presented in a conceptual model in Figure 1. The purpose of this model is to outline the overall structure of the thesis, empirically as well as theoretically. Empirically, each arrow corresponds to a study in the thesis, and, theoretically, the model as a whole reflects how these concepts are connected to each other conceptually.

In the literature, there has been an ongoing discussion about the relative importance of situational and individual factors for the perception of situations. One standpoint, that of the so-called individualists, maintains that perceptions of situations are reflective of dispositions and thus only reflect the person, not the situation (e.g. Watson, Pennebaker, & Folger, 1987). Because perceived employability concerns the individual’s beliefs about his or her possibilities of finding employment, it resembles of self-concepts, such as self-efficacy, which in general concern how individuals evaluate themselves. Accordingly, the first aim of the present thesis is to investigate the nature of employability, namely whether it could be described as being distinct from, or the same as, self-efficacy, and to explore what the relationship between them is. Thus, the central question in this first aim is
whether employability should be regarded as something other than dispositions, i.e. individual factors. The central part of Figure 1 reflects this aim of the thesis. This placement puts it in proper relation to the first part of the aim, where the question is whether perceived employability and self-efficacy are two distinct constructs or one and the same. The double-headed arrow reflects the second part of the first aim, namely what the relationship between perceived employability and self-efficacy is. What is in question is whether these two concepts are reciprocal or whether employability predicts self-efficacy or the reverse.

The second specific aim of the present thesis is to study what predicts perceived employability. On the basis that perceptions are formed by situational and individual factors, the predictors in Study II are grouped under two headings: labour market opportunities, which reflect situational factors; and human capital, which reflects individual-oriented factors. In Figure 1, this aim is represented on the left-hand side of the model, where labour market opportunities and human capital are proposed to predict employability.

The third aim of the present thesis is to investigate the relationship between employability and subsequent health and well-being. This aim corresponds to the third study of the present thesis, which focuses on the implications of employability. It is located on the right-hand side of Figure 1. The arrow from perceived employability to health and well-being indicates the question of whether employability could predict subsequent health and well-being.

![Figure 1. A conceptual figure, describing the structure of the present thesis.](image-url)
Perceiving situations

In order to be able to understand perceptions of employability, it is necessary to employ a more common theoretical framework for perceiving situations. Even though employability may not be seen as a situation per se, a conceptual model for perceiving situations is useful in order to understand the perception of employability.

It has, by many scholars, been recognised that there is a difference between an actual, or objective, situation and a perceived, or subjective, situation (e.g. Ekehammar, 1974; Lazarus & Folkman, 1984; Magnusson, 1981). Although both of these facets are of consequence, in the psychological literature, many scholars believe that individuals act on their perceptions rather than on actual events (e.g. James & Sells, 1981; McLean Parks et al., 1998; Meyer & Allen, 1997). There is a general view here that perceptions give rise to cognitive as well as emotional and behavioural outcomes (Magnusson, 1981). Any given objective situation could, at least theoretically, be described in terms of three objective parameters – physical-geographical, biological, and sociocultural (Magnusson, 1981). To illustrate, consider a staff meeting in an organisation. The course of events of this meeting may be described in terms of these three parameters. The physical-geographical aspect of the meeting concerns the location and its physical features, e.g. the room where it is being held, its chairs and tables etc. The biological aspect concerns the people involved in the meeting, and the sociocultural aspect would relate to the content of the meeting as well as the rules and norms that would apply to the specific situation. Thus, it is the specific qualities of these three parameters that substantiate this staff meeting as a specific objective event. If any of the three parameters are changed, it becomes a new objective situation. For example, if another set of employees are present at the meeting, or if it is taking place in a different location or with a different agenda, then it becomes a different objective situation.

The perceived situation, on the other hand, cannot be defined by these objective parameters. Rather, it is defined as “an actual situation as it is perceived, interpreted, and assigned meaning or, in other words, as it is construed by and represented in the mind of the participant” (Magnusson, 1981, p. 14). Thus, from this definition, it can be understood that the same actual situation, based on the parameters above, could be perceived
differently by different individuals. Indeed, two employees at the described meeting may perceive the course of events quite differently, although it is determined to be one actual event. They may, for example, have different views on what was decided, or how it was decided etc.

If this type of reasoning is translated to the concept of employability, objective employability may then be seen as relating to how easy (or difficult) it may be, in reality, for an individual to get new employment, and perceived employability would concern how easy (or difficult) people believe it would be for them to get new employment. Given this, one may naturally be led to question how it is possible to separate the actual from the perceived situation. Several scholars have pointed out this dilemma, suggesting that the perceptions of a given situation are central in forming the objective situation, and that, in turn, the situation is reciprocally essential for the perception of it (Bandura, 1986; Giddens, 1984; Weick, 2001). Nevertheless, for analytical purposes it is necessary and fruitful to distinguish the perception of a situation from the objective situation.

A debated question regarding the nature of perceiving situations concerns how one’s perception of a situation is formed. Why is it possible, for example, for two people at the same staff meeting to perceive it differently? The answer has not only to do with situational factors, but also individual factors, as they both contribute to shaping one’s experiencing of the event. Furthermore, situational factors could be regarded as environmental factors that influence the perception of the situation. What transpired during the meeting, the number of people in attendance, and even the size of the room are typical examples of situational factors that influence an individual’s perception of a meeting. Individual factors, on the other hand, are specific to the individual and influence his or her experiences. Individual factors include, for example, an individual’s age, gender, family situation, prior experiences, expectations, abilities and dispositions. In the literature, there have been different ways of looking at how these types of factors influence perception. Adherents of the three most important views in this context have been categorised as individualists, situationalists, and interactionists (Ekehammar, 1974). Individualists argue that situational factors have very little impact on the perception of a situation, and therefore maintain that perceptions could be looked upon as nothing but individual factors. Accordingly, they have argued that perceptions of the environment are nothing but reflections of an individual’s affectivity. Individuals with negative perceptions of a situation tend to perceive situations in general as negative (Spector, Zapf, Chen, & Frese, 2000; Watson et al., 1987). On the other hand, situationalists would argue that only situational factors are of importance when finding out what determines perceptions (Ekehammar, 1974). A third view, the interactionist perspective, suggests that a certain
individual’s perception of a situation is determined by a number of situational factors as well as some individual factors.

This conceptual model of how situations are perceived is not attributed to one single theory in psychology; rather, it is a way of viewing individual behaviour that has been adopted in several psychological theories. For example, Katz and Kahn (1978) argue in favour of a conceptual model in which the psychological environment, i.e. the individual’s experiencing of the objective environment, is determined by the objective environment, personal properties, and interpersonal relations. Moreover, they suggest that the psychological environment has implications for one’s mental and physical well-being (Katz & Kahn, 1978). Lazarus and Folkman (1984) suggest that stress is a response that is determined by the individual appraisal of the situation. They argue that any given situation may be appraised by an individual as irrelevant, positive, or stressful. This perception of a situation is, of course, dependent on the “objective” or actual situation, but it is also dependant on the individual experiencing it. If a situation is perceived as stressful, because it is challenging or threatening, a secondary appraisal would occur whereby the individual formulates a perception of his or her possibilities of coping with the situation. How the individual perceives both the situation and his or her accessible coping strategies would then determine the resulting outcomes, such as different types of stress responses. Another example relates to the psychological climate (James & Sells, 1981). It has been suggested that the psychological climate should be considered to be an interpretation and perception of the actual environment that gives the situation psychological meaning to the individual. The perception of the environment, as such, should be considered a function of the actual environment and the person experiencing it. In this regard, the psychological climate, the perception of the situation, can determine outcomes like job satisfaction (James & Sells, 1981).

Taken together, the perception of a situation is dependent on both situational factors and how the individual brings meaning to the situation. Thus, the perception of employability could be understood as a process that is affected by situational factors as well as individual factors. Different individuals are likely to determine their possibilities in the labour market differently, and this could be attributed to both the situation they are in and the particular individual factors that give meaning and content to the situation. Furthermore, it is repeatedly concluded in the psychological literature that individuals act on and react to their perception of a situation rather than the actual situation per se, and thus, in the present thesis, the presented conceptual framework for perceiving situations serves as a valuable tool for understanding the nature, determinants, and implications of perceived employability.
The nature of employability

Although the concept of employability is not particularly new, it has since the mid 1990s been increasingly appearing in policy documents and in research and management literature. This development has resulted in a wide range of approaches to the phenomenon. The number of different approaches to and meanings of employability has made it quite difficult to comprehend. In the present chapter, various contemporary approaches to its conceptualisation will therefore be discussed, along with their related issues, before defining how employability is construed in the present thesis. This definition emphasises the perception of employability, which is why the last section of this chapter discusses how employability is distinct from self-evaluations.

Defining employability

The definitions presented in Table 1 provide an overview of some of the main approaches to the concept, and, furthermore, bring into light a variety of conceptual issues concerning employability. For example, it is apparent that employability could be approached from a macro as well as from an individual’s perspective. Even though the majority of the definitions concern employability from the individual’s perspective, Lefresne’s (1999) definition concerns how specified groups (re)enter the labour market, and thus includes a labour market perspective. Another conceptual issue relates to whether the individual is employed or not. Some definitions focus on holding a job (Rothwell & Arnold, 2007), while others focus on obtaining new employment within an organisation (Forrier & Sels, 2003a) or in another organisation (Fugate et al., 2004; Hillage & Pollard, 1998), thus concentrating on employed individuals. Other definitions encompass groups that are engaged in non-employment activities. For example, Harvey (2001) focuses on the employability of graduate students, and Lefresne (1999) includes unemployed persons. Another aspect of employability that varies among the approaches concerns whether employability should be regarded as a career concept or as a security concept. For example, definitions in which employability is about a person’s ability to “identify and realize career opportunities” (Fugate et al., 2004 p. 16) reflect career aspirations, while definitions that concern whether one can “keep the job one has” (Rothwell & Arnold, 2007 p. 25) more directly view employability from a security
perspective. The definitions in Table 1, to various degrees, also include antecedents in their definitions. Among them, it is suggested, for example, that the individual has to utilize his or her competencies in an optimal way (Van der Heijde & Van der Heijden, 2005), that adaptability is important for getting new employment (Fugate et al., 2004), and that anticipating and reacting to changes in a proactive way can determine employability (Sanders & De Grip, 2004). What the definitions in Table 1 have in common is that they relate to objective aspects of employability, as they generally regard it as a matter of individuals’ ability and opportunity to find and maintain suitable employment. They emphasise, for example, “the capability to move” (Hillage & Pollard, 1998, p. 2), the “ability to keep […] or get the job” or the “chance of a job” (Forrier & Sels, 2003a, p. 106).

Table 1. A sample of definitions of the construct of employability.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>Hillage &amp; Pollard (1998, p. 2)</td>
<td>&quot;Employability is the capability to move self-sufficiently within the labour market to realise potential through sustainable employment.&quot;</td>
</tr>
<tr>
<td>Lefresne (1999, pp. 465-466)</td>
<td>“The probability, for a given group, at a given time, of finding a job or emerging from unemployment.”</td>
</tr>
<tr>
<td>Harvey (2001, p. 100)</td>
<td>“Employability is the ability of the graduate to get a satisfying job.”</td>
</tr>
<tr>
<td>Forrier &amp; Sels (2003a, p. 106)</td>
<td>“An individual’s chance of a job in the internal and/or external labour market.”</td>
</tr>
<tr>
<td>Fugate et al. (2004, p.16)</td>
<td>“A form of work specific active adaptability that enables workers to identify and realize career opportunities.”</td>
</tr>
<tr>
<td>Sanders &amp; De Grip (2004, p. 76)</td>
<td>“The capacity and the willingness to be and to remain attractive in the labour market, by anticipating changes in tasks and work environment and reacting to these changes in a proactive way.”</td>
</tr>
<tr>
<td>Van der Heijde &amp; Van der Heijden (2005, p. 143)</td>
<td>“The continuously fulfilling, acquiring or creating of work through the optimal use of competencies.”</td>
</tr>
<tr>
<td>Rothwell &amp; Arnold (2007, p. 25)</td>
<td>“The ability to keep the job one has or to get the job one desires.”</td>
</tr>
</tbody>
</table>
For the purposes of the present thesis, none of the above definitions is appropriate. Accordingly, another definition is chosen:

\[
\text{Employability refers to an individual’s perception of his or her possibilities of getting new, equal, or better employment.}
\]

Incorporated in this definition are four conceptual issues. Firstly, the word individual indicates that the level of analysis is on the individual level. Secondly, the term new, equal, or better employment implies that the definition primarily concerns employed individuals. Thirdly, the term equal or better employment suggests that it is not merely a matter of promotion, but rather about the security of finding similar employment. Finally, the term perceived implies that this definition concerns a subjective phenomenon rather than an objective.

**Conceptual issues**

These four conceptual issues are, to various degrees, important for the definition of employability. While the matters of level of analysis and employment primarily concern focus of analysis, the other two (the matters of security and perceptions) in a more direct way are crucial for the definition. These four issues are discussed more in-depth in the following sections.

**Level of analysis**

In the literature, the concept of employability has been analysed by looking at the macro, organisational, and individual levels. In the present thesis, employability is investigated from the perspective of the individual, which does not, however, exclude the investigation and discussion of determinants and implications on other levels.

The macro perspective has mainly appeared in connection with the introduction of employability in different employment policy documents, including the general employment policy agenda from 1997 (European Commission, 1997) and the educational agenda of the Bologna Process from 1999 (European Commission, 1999). These European policies have led to employability being included and focused on in several national-level policies. Great Britain, for instance, introduced the so-called “New Deal” programme, which is a programme directed towards groups who have difficulties in the labour market, with the aim of improving their employability (e.g. Finn, 2000; Meager et al., 2001). Similar policies are also
to be found in the Netherlands (Meager et al., 2001) and Denmark (Kongshøj Madsen, 2002).

The organisational level, on the other hand, involves how organisations deal with the concept of employability. Organisations may use employability, and more specifically, the enhancement of employability, as a tool for balancing the demand-side with the supply-side of labour (Forrier & Sels, 2003a). In this way, organisations prepare for flexible demands. Enhancing employability through, for example, competency development can broaden employees’ skill base and thus make them better equipped to take on other types of jobs within service or production if necessary. Other scholars have found that organisations are not very interested in employability enhancing programmes per se. For example, in the Netherlands, a lot of organisations invest in their employees’ improved employability although few organisations have it written in policy documents (De Vries, Gründemann, & Van Vuuren, 2001). Nevertheless, employability on the meso level reflects how organisations in different ways use the enhancement of employability as a tool to manage their employees.

Although the other levels are important in many ways, the focus in the present thesis is on the individual level. The intention here is not to analyse how employability is used in policy documents on national or corporate levels. Rather, what is of interest in the present thesis is how individuals actually perceive their situation and how this is related to different outcomes. Consequently, the individual level is a necessary approach.

Employed or unemployed

A second issue is the question of whether the possibilities of getting new employment should be seen from the perspective of the employed or unemployed individual. Employability has generally concerned how to get people with difficulties established or back into the labour market. However, as labour to a greater extent has become flexible, being employable to higher degree concerns all people on the labour market, employed individuals as well as those in non-employment activities. This could be exemplified in the context of three different stages of employment (Hillage & Pollard, 1998).

In the first stage, employability is about “the ability to gain initial employment” (Hillage & Pollard, 1998, p. 2). This stage primarily concerns students or graduates trying to get established in the labour market. In the literature on this topic, the focus is on how to provide students with the qualities, skills, and knowledge that are useful in the labour market and how they can be made attractive to future employers (Blackwell, Bowes, Harvey, Hesketh, & Knight, 2001; Harvey, 2001; Knight & Yorke, 2004). In recent
years, more governments and universities have incorporated the term employability into their higher educational goals (e.g. European Commission, 1999; Mason, Williams, Cranmer, & Guile, 2003). For example, at Stockholm University, employability is now one of the higher education goals according to the school’s general purpose statement (Stockholm University, 2007a, 2007b). This first stage also applies to another group, the disabled, whose focus in the labour market is often on getting established. Employability, in this respect, is essentially about how to make it possible for individuals with mental and/or physical disabilities to gain sustainable work (Bricout & Bentley, 2000).

After establishment in the labour market, the second stage of employability concerns “the ability to maintain employment” (Hillage & Pollard, 1998, p. 2). This relates to those individuals who are trying to remain attractive in regard to their employment, as has been focussed upon in previous research (Garsten, 2004). This stage is also about making successful transitions, and so it concerns those individuals who once had employment but for some reason are no longer established in the labour market, e.g. the unemployed or those who have been on sick leave (Finn, 2000; McArdle et al., 2007).

Finally, in the third stage, employability concerns “the ability to obtain new employment” (Hillage & Pollard, 1998, p. 2), and refers to those individuals who hold a job but seek more independence in their career, and who want to be able to manage their career (Hillage & Pollard, 1998). When people are exposed to a turbulent environment, as can be the case in many organisations, it is necessary to understand employability from this third view, and accordingly, the present thesis focuses on people who are employed.

Career development or security

Another issue to consider when defining the concept of employability is how it is to be viewed in relation to the areas of career and security. To begin with, the term career may be regarded from at least two different angles. In its broader sense, career can be seen as the sequence of jobs and experiences a person goes through over a working lifetime, but in a more narrow approach, the term reflects the various promotions that an individual has achieved during a working life (Arnold, 1997). This latter approach to career can be found in Fugate et al.’s (2004) definition of employability, where they argue that an active adaptability is vital for realizing career opportunities (see Table 1). In this approach employability entails having the ability to advance and gain promotion to higher career levels. Thus, from a career perspective, employability could be argued to be an important driving
force for individuals when their aim is to get higher up in a predefined hierarchy.

However, where labour is characterised by flexibility and volatile working conditions, it has been argued that being employable is a way of being secure in the labour market. Accordingly, employability security refers to the notion that when people cannot rely on being employed in one organisation throughout their entire working life, they have to find security through being employable (Kanter, 1993; Oss, 2001). Thus, when scholars regard employability from a career perspective, being employable often refers to a person’s knowledge of how to be promoted, or whether he or she has the “right qualities” for being promoted. When viewing employability from a security perspective, on the other hand, the focus is on people’s ability to find employment when necessary. This could, for example, be important to look at when organisations undergo changes and people become redundant. In the present thesis, employability is viewed from a security perspective. Such a view has been previously used by scholars who have included job preference in their definitions of employability, thereby stressing that it is not enough to just think of a new job, but that the job has to match some qualities that are desirable for the individual (Hillage & Pollard, 1998; Rothwell & Arnold, 2007). In the present thesis, this is covered in the definition by the use of the term *equal* in “equal or better employment”, implying that being able to find employment similar to one’s present job is a way of being secure. In summary, this thesis looks at employability from a security perspective, where job seeking is not necessarily promotion oriented.

**Perceived or actual employability**

A final issue concerns whether employability should be looked at as a subjective or an objective phenomenon. So far in the present thesis, it is apparent that the focus of analysis lies on the perception of employability. The perception of employability is focused on because it captures something essentially different than objective employability. Objective employability, or actual employability, refers to an absolute level of employability for the individual. Individuals with high levels of objective employability have few or no difficulties getting a job. Perceived employability, on the other hand, refers to their believed level of employability. Individuals with high levels of perceived employability believe their chances of getting employment as good.

In contemporary employability research, the bulk of the literature is directed towards actual employability (e.g. Forrier & Sels, 2003a; Fugate et al., 2004; Hillage & Pollard, 1998; McQuaid & Lindsay, 2005). The studies or, as they
most often are, theoretical contributions are mainly concerned with identifying the determinants or dimensions of objective employability, regardless of whether they are in the form of research literature (e.g. Forrier & Sels, 2003b; Fugate et al., 2004; Van der Heijde & Van der Heijden, 2006) or management books (e.g. Bloch & Bates, 1995; Hind & Moss, 2005).

Though being employable is certainly important to begin with, when the labour environment is flexible and difficult to predict for the individual, the perception of being employable becomes even more important. The reason for this is that perceptions in general have an impact not only on behaviour but also on people’s feelings, thoughts, and physical conditions (Lazarus & Folkman, 1984; Magnusson, 1981). While actual employability often comes into play when the focus is on the need or desire to change jobs, the perception of employability may also have an impact on situations where job seeking would be plausible but no action has been taken. Feeling employable potentially provides the individual with a feeling of security and a feeling of independence towards environmental circumstances. A few studies have focused on this concept (Daniels, D’Andrea, & Gaughen, 1998; Rothwell & Arnold, 2007), although it is very rare for one to include an empirical investigation of the meaning of perceived employability.

Summary

Although there are a multitude of approaches to employability, which can make the task of understanding it rather daunting, several specific approaches are more relevant to the studies and aims of this thesis. Accordingly, in the present thesis the focus is not on the national or organisational level, but on the individual. Like other researchers (cf. Hillage & Pollard, 1998; Rothwell & Arnold, 2007) the definition allows for the level of the job to be taken into account, as this ties into another important aspect of employability: the security perspective. Furthermore, the definition focuses on getting new and equal employment, thus emphasising that the focal point is on individuals who have a job rather than those who do not. Finally, employability is defined here as a subjective rather than an objective phenomenon in that it is based on the perceptions (and beliefs) that an individual has in regard to his or her employment possibilities and not on any measure of actual employment possibilities. Taken together, it could be said, in general terms, that the persons in focus for this thesis are employed individuals and that the question at hand is how they perceive their possibilities of finding new employment from a security perspective.
Employability and self-efficacy

Perceived employability can thus be seen as a reflection of individuals’ beliefs about their possibilities of getting new employment. Because of their subjective nature, it could be argued that these beliefs are merely a reflection of the individual’s disposition. There are typically two main reasons for looking at it in this way. Firstly, it has been suggested by some scholars that perceptions in general are difficult to separate from individuals’ dispositions. For example, it has been argued that affectivity produces bias when appraising stressful situations, as individuals with a propensity for negative affectivity have been found to interpret a variety of situations as stressful, while those with positive affectivity tend to interpret the same situations as positive (Spector et al., 2000). In its most fundamental form, stress could be considered to be an expression of affectivity (Watson et al., 1987). Secondly, because employability concerns an individual’s beliefs about his or her possibilities, it could be argued that the perception of employability represents only the general self-evaluations of the individual. Core self-evaluation is a higher-order concept that captures positive self-concepts and reflects how individuals evaluate their selves and their abilities; it comprises self-esteem, self-efficacy, locus of control, and neuroticism (Judge, Locke, & Durham, 1997). Among these self-concepts, perceived employability could especially be likened to efficacy beliefs, which concern individuals’ general views on their abilities to perform tasks. Self-efficacy refers to individuals’ beliefs about their abilities to solve tasks or take on certain roles (Bandura, 1997). More specifically, self-efficacy is defined as “beliefs in one’s capabilities to organize and execute the courses of action required to produce given attainments” (Bandura, 1997, p. 3).

Some scholars argue in favour of this correspondence between employability and self-efficacy. For example, within educational employability research, Knight and Yorke (2004) suggest that efficacy beliefs are one of the four components of employability. They propose, in their USEM model, that efficacy beliefs, together with understanding, skills and metacognition, constitute the concept of employability. Support for this type of an approach can also be found within the field of unemployment research, where, for example, self-efficacy has been included as one of the six dimensions of employability, in a study testing the dimensionality of employability (McArdle et al., 2007). Other scholars take it even further when they use the terms employability and self-efficacy interchangeably. Accordingly, employability has been considered by some to be the same as career self-efficacy (Daniels et al., 1998), while others have preferred to look upon it as an indicator of general self-efficacy (Washington, 1999).
However, there are also reasons for believing that employability is a concept distinct from self-efficacy. The notion that the two concepts are the same implies that situational factors are unrelated to one’s possibilities of getting a job. This would presume, for example, that the job supply, which results from the economic situation or structure of the local labour market, is unrelated to people’s feelings about their opportunities of acquiring employment. Indeed, most studies treat self-efficacy and employability, rather, as distinct, yet sometimes related, concepts. The question is then how they are related.

The conceptualisation of self-efficacy is rooted in Bandura’s (1986) social cognitive theory, in which individual, behaviour, and environment relate to each other in a reciprocal causality. How the individual interprets the environment affects the choices and behaviour of the individual. To use Bandura’s (1986) example of viewing television: our personal preferences (individual) in combination with the supply of programmes (environment) affect what programme we choose to watch (behaviour). Our choice of programme, furthermore, ultimately serves to determine the supply of programmes, since networks want to show what is popular. This means that the individual plays an active role in creating the environment that forms his or her preferences and behaviour (Bandura, 1986). In line with social cognitive theory, Bandura (1997) argues that self-efficacy is a generative concept, i.e. that it is determined by earlier experiences and the influences of other people, and that it, in turn, affects behaviour, for example, in the workplace. If this is applied to the association between employability and self-efficacy, strong efficacy beliefs would thus affect the individual’s perceived employability, which would, in turn, induce the individual to take action. If this action produces a successful outcome (a change in job), it would then affect the individual’s efficacy beliefs positively.

Empirically, support has been found for three different types of associations between employability and self-efficacy. In the first case, it has been suggested that self-efficacy affects employability. For example, it has been indicated that self-efficacy is connected to the ability to seek jobs, number of job interviews, and later employment outcomes (Kanfer, Wanberg, & Kantrowitz, 2001; Moynihan, Roehling, LePine, & Boswell, 2003; Pinquart, Juang, & Silbereisen, 2003). Secondly, and conversely, employability has also been found to be important for the strengthening of efficacy beliefs. More specifically, employability has been presumed to strengthen peoples’ job search efficacy (Fugate et al., 2004). This is supported by other scholars, who suggest that employability enhancing activities, such as occupational skills training courses, can affect the level of job-search self-efficacy (Creed, Bloxsome, & Johnston, 2001). Lastly, there is some empirical evidence for a reciprocal association. In a study of college students, devoted career interests
were found to have affected self-efficacy positively, which in turn, affected the level of interest in career choice (Nauta, Kahn, Angell, & Cantarelli, 2002).

In summary, because of the subjective nature of perceived employability, it is vital to question and discuss if employability is a concept distinct from the dispositions of the individual. Among the various self-concepts, self-efficacy in particular appears to be conceptually close to employability. In the literature, there is some support for the notion that employability and self-efficacy are the same construct. However, most studies treat them as separate but related concepts. Among such studies, empirical support has been found for both employability predicting self-efficacy and self-efficacy predicting employability. Otherwise, a reciprocal relationship may also be argued to exist.
In order to better understand the questions surrounding employability, it is essential to examine its determinants or, in other words, to explore its antecedents. Previous research suggests that a number of situational and individual factors may play an important role in this regard, since they shape how situations are perceived (cf. James & Sells, 1981; Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson, 1981). For example, when two employees attend the same staff meeting, their perception of that meeting depends on situational factors, like the environment, size of the group, conflicts taking place etc, together with individual factors, like age, gender, and dispositional factors. The combination of these factors forms individuals’ perceptions of the meeting. Translated into the context of employability, a number of situational as well as individual factors could be recognised as determinants of the perception of employability. The following section of the thesis provides a review of these factors, grouped under the headings of situational and individual factors, retrieved from the employability literature, where numerous examples on what may determine employability have been suggested.

**Situational factors**

The first important group of antecedents contains the situational factors. In a general way, situational factors constitute one part in the formation of the perception of a situation. The employability literature identifies three major categories of such situational factors: labour market structure, labour market opportunities, and organisational factors.

**Labour market structure**

In terms of situational factors, it could be argued that the structure of the labour market is one of the most fundamental determinants of employability. If there were no jobs, it would be difficult for people to assess themselves as employable. Indeed, the total number of available jobs, as well as the percentages of part-time and full-time jobs and the percentages of temporary and permanent jobs available are examples of the structure-related factors within local and global labour markets that can affect individual’s
employability (McQuaid & Lindsay, 2005). This is a view that has received support from other research in the field. For example, national economic situation has been argued to be an important determinant of employability (Brown, Hesketh, & Williams, 2003). In this view, an economic upturn would serve to make it easier for people to get a job, whereas a decline would have a negative impact on people’s general possibilities for getting employment.

**Labour market opportunities**

However, it is not only the general supply of jobs that is of interest when discussing the situational factors that may affect employability. Several authors talk about a segmented labour market, where people in different segments have different opportunities. One such view concerns the dual labour market, where the labour market is seen as being divided into two segments, a primary and a secondary (Doeringer & Piore, 1971). Employees in the primary segment are characterised as having “high wages, good working conditions, employment stability, chances of advancement, [and] equity” (Doeringer & Piore, 1971, p. 165) whereas those individuals in the secondary segment could be described as having “low wages and fringe benefits, poor working conditions, high labour turnover, [and] little chance of advancement” (Doeringer & Piore, 1971, p. 165). It is suggested that the secondary segment employees may be stigmatised, since it is difficult to advance from the secondary to the primary segment (Doeringer & Piore, 1971). Similar to this is a theory by Atkinson (1984) which divides the labour market into a core section and a periphery section. Here, the core labour force is considered to be those with permanent contracts and good working conditions, while the peripheral labour force consists of the temporary workers, who have more instable working conditions (Atkinson, 1984). Studies have pointed out the significance of labour market positions for broader career opportunities (Forrier & Sels, 2003a; Wallette, 2004). People holding a job close to the core of the labour market – the primary segment as it is referred to in the dual labour market theory – have better opportunities of gaining employment than those individuals positioned in the secondary or periphery segment (Atkinson, 1984; Doeringer & Piore, 1971).

Another indicator of a segmented labour market could be suggested to be the division into local labour markets and their meaning for people’s employability. The possibility of getting a job could be very different in different regions of a country, where the structure and local economic situation is vital for determining one’s employment chances (Green, Shuttleworth, & Lavery, 2005; Kirschenbaum & Mano-Negrin, 1999). A third indicator of a segmented labour market that is proposed by Doeringer
and Piore (1971) are the working conditions, where people in the primary segment are believed to have better working conditions than those in the secondary segment. This notion has received some support in the literature, where primary segment workers are indicated to have better physical/ergonomical working environment conditions (Kochan, Smith, Wells, & Rebeizier, 1994), but more psychologically demanding working conditions (McLean Parks et al., 1998).

### Organisational factors

Organisational factors are another type of situational factor that is held to be important for employability. These factors comprise what organisations do to make it easier for their employees to be employable, including the factors surrounding employees’ entering and exiting of an organisation. The standards that companies apply when hiring people can influence how difficult or easy it is for a job applicant to enter the organisation. Once employed, certain factors may either encourage or hinder people’s attempts to enhance their employability.

Accordingly, it has been suggested that recruitment factors, i.e. those barriers that are set up by organisations when forming recruitment demands, are of importance when determining employability. What is expected of the applicants, for example, in terms of educational level, generic and special skills etc, has been found to be important for employability in this regard (McQuaid & Lindsay, 2005). Although companies focus on employability policies to varying degrees (De Vries et al., 2001; Gore, 2005), some, for example, offer systematic competency development. The aim of competency development is generally to make people more self-sufficient and, from a company perspective, to increase functional flexibility among the employees. Another example of an organisational factor that has been suggested to be important for employee employability is the organisation’s personal career plans. Personal career planning, i.e. the organisation’s policy for providing career help, could be regarded as a reward given by the company in order to look more attractive as an employer (Rajan, 1997). Thus, organisational factors, such as a company’s employment, development, and career planning policies, may serve to improve the individual’s sense of employability.

### Individual resources

Even though situational factors are found important in the formation of the perception of employability, a number of individual factors are also viewed
as important in the framework of perceiving situations. Hence, different individuals who are in the same situation may interpret their possibilities of getting new employment differently (cf. Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson, 1981). Accordingly, the same reasoning could be applied to the perception of employability. Thus, knowledge and skills, social capital, abilities and person-specific factors, demographics and dispositions have all been considered to be antecedents of perceived employability.

Knowledge and skills

In the literature, the most commonly referred to individual resources that are of importance for employability are knowledge and skills. Those individuals who have a higher formal education as well as a range of generic skills and labour market experience are supposed to have a better possibility of getting new employment. In the literature, knowledge and skills is a collective term that covers a wide range. For example, Hillage and Pollard (1998) maintain that employability assets include knowledge, skills and attitudes, and they distinguish between three types of assets. The first, baseline assets, refers to one’s basic skills and attributes, such as integrity, while intermediate assets encompasses two kinds of occupational skills: those which are connected to the specific occupation, and generic skills, which are more general in nature. Finally, they argue that all individuals possess high level assets, which is the kind of knowledge that contributes to organisational success, such as team working and self-managing.

The human capital theory, introduced in the 1960s by Gary Becker, supposes that investments in human capital will subsequently provide higher wages (Becker, 1964/1993). Human capital comprises those assets that cannot be separated from the person, as is possible with physical or financial capital. Becker refers to knowledge, skills, and health as examples of human capital. He argues that education and training, said to be the most important factors of human capital, provides people with better earnings later in life. The promise of such benefits, to Becker, is proof for why it is important to invest in individuals.

Another type of knowledge, that is supposed to determine employability, is that of occupational expertise (Van der Heijde & Van der Heijden, 2006), which refers to the extent to which an employee believes his or her competence is suited for the work he or she is doing. This concept is sometimes referred to as a human capital asset. For instance, McQuaid and Lindsay (2005) discuss transferable skills as being important for the level of employability. They distinguish between basic, key, and high-level transferable skills. Basic skills refer to skills such as literacy and numeracy,
while key transferable skills refer to, for example, problem-solving and communication. High-level transferable skills include, for example, self-management and commercial awareness. In addition, formal education and work experience are considered to be basic employability antecedents (McQuaid & Lindsay, 2005). Those researchers who have concentrated their studies on graduate students and their possibilities of getting employment have mainly focused their attention on formal education, but they have also found that generic skills play an important role as well in a student’s chances of future employment (Harvey, 2001; Knight & Yorke, 2004).

Social capital
In addition to knowledge and skills, social capital has also been regarded as important for an individual’s ability to find employment. Social capital consists of a social structure that is productive in the sense that it facilitates the possibilities of undertaking certain actions that otherwise would not have been possible (Coleman, 1990). In other words, social capital is an individual resource consisting of those contacts that are of value when finding employment. The social structure carries with it norms, trust, knowledge, relationships and nodes to other people and this structure forms an available network that is useful when searching for jobs (Nahapiet & Ghoshal, 1998; Seibert, Kraimer, & Liden, 2001). In the employability literature, social capital has been recognised by several authors as a potential determinant of employability. For example, Fugate et al. (2004) emphasise the role of social capital in the formation of employability. The strength and size of a personal network is considered important in order to be employable, and through work and contact with other people, career opportunities arise. People with strong social capital are presumed to engage not only in formal networks, but also in informal networks (Fugate et al., 2004). This is supported in a recent study, where networking was found to be an important aspect of employability (McArdle et al., 2007). Other scholars suggest that employability is dependent on one’s knowledge of the labour market itself, including how information is exchanged across formal and informal networks (Kluuytmans & Ott, 1999).

Attitudes
A third large group of individual-oriented factors that may affect employability are the attitudes of the individual. In a general way, attitudes are supposed to be crucial in the determination of individuals’ behaviour (Fishbein & Ajzen, 1975). However, attitudes refers to a group of factors that comprise many different types. In the context of employability, it is typically argued that attitudes towards work and how people approach their job seeking are vital aspects in the formation of employability.
In the employability literature, adaptability and flexibility are looked upon by some researchers as prime examples in this category (Fugate et al., 2004; Garsten, 2004; McQuaid & Lindsay, 2005; Van der Heijde & Van der Heijden, 2006). To be flexible and ready to adapt to new situations is considered to be crucial when working life becomes more turbulent and when organisations are exercising more flexibility and reorganising more frequently – and makes these characteristics all the more important when applying for a job. Another factor that appears in the literature is the individual’s willingness to be mobile, also referred to as movement capital, which has been suggested by some researchers to have an influence on employability (Defillippi & Arthur, 1994; Forrier & Sels, 2003a; Kluytmans & Ott, 1999; McQuaid & Lindsay, 2005). It has been proposed that those individuals who are willing to move to other local labour markets regard themselves as being more employable. Furthermore, the construct of career identity has also been regarded as important by Fugate and colleagues (2004) who assert that individuals’ goals and future career aspirations help determine how easy it is for them to get a job. Career management skills (Hillage & Pollard, 1998) and proactive behaviour (McQuaid & Lindsay, 2005) are also thought to be of relevance for the level of employability. Finally, it has also been suggested that the attitudinal components of willingness to learn and willingness to change should be listed among the antecedents of employability (Van der Heijde & Van der Heijden, 2006).

Demographics

A group of determinants that are worth noting as individual factors, although they are not as easy to affect, are demographics factors. Age and gender are, in the literature, considered to have an influence on employability. In some studies, men are found to have better options in the labour market, and are therefore viewed as more employable (McQuaid & Lindsay, 2005). Moreover, it has also been argued that the development of the labour market has gone in a direction that favours men’s possibilities of finding employment (Flecker, Meil, & Pollert, 1998). Concerning age, studies have found that older individuals have more difficulties than their younger counterparts in regard to finding employment (Van der Heijde & Van der Heijden, 2005).

Dispositions

Finally, a group of factors that should also be mentioned in this section are the dispositional factors. Several interactionist theories include the dispositions of neuroticism, affectivity, locus of control, self-esteem, and self-efficacy in their models of what forms the perception of a situation. For
example, Lazarus and Folkman (1984) refer to efficacy beliefs as important for the appraisal of the situation. How individuals look upon their possibilities to shape and affect their current situation is of importance when determining their appraisal of it. Furthermore, affectivity is repeatedly argued to be a vital factor in determining the perceptions people have of their environment (e.g. Spector et al., 2000; Watson et al., 1987).

As has been discussed in an earlier chapter the nature of employability is such that it resembles that of self-evaluations. It could even be argued that employability is a form of self-evaluation like self-efficacy (Daniels et al., 1998; Washington, 1999). However, in the employability literature, few scholars actually address this issue in any depth, although some have indicated that different self-evaluations can affect how people view their chances of finding new employment. Research has found such self-evaluations, namely self-efficacy (Kanfer et al., 2001; Moynihan et al., 2003; Pinquart et al., 2003), but also self-esteem (Ellis & Taylor, 1983) and locus of control (Krause & Broderick, 2006), to be associated with better chances of gaining employment.
Implications for health and well-being

So far, the nature and determinants of employability have been scrutinized. Following the logics of the theoretical framework of perceiving situations, the next step is to discuss the possible outcomes of employability. In a general way, it has been suggested that perceptions affect physical, emotional, and behavioural outcomes (Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson, 1981). Indeed, it has been argued that people react to and act on situations as they perceive them (McLean Parks et al., 1998; Meyer & Allen, 1997). In several theories, a link between perceiving situations and physical and mental health has been proposed. A central issue, however, is how this applies to the context of employability. Employability could be argued to be related to health and well-being in several ways. First of all, having a job has been found to have a positive influence on health. Marie Jahoda (1982) has argued that work gives meaning to the individual through five latent dimensions. Work provides people with a daily time structure, regular contacts with other people, and personal status and identity. It also provides people’s lives with goals and enforces activity. In a similar vein, it has been indicated that the fear of losing a job can have detrimental effects on health and well-being (De Witte, 1999; Sverke et al., 2002). A natural conclusion from this is that people who believe that it is easy to find employment also have better health, because they are less likely to have to worry about the consequences of not having a job.

Another aspect of the association between employability and health and well-being is that of appraisal. This is the central theme of Lazarus and Folkman’s (1984) theory of stress, where the term appraisal is in focus. They argue that people appraise a situation in two ways, through primary and secondary appraisal. Primary appraisal is an individual’s initial assessment of a situation. In primary appraisal, there are three possible perceptions of a given situation. It may be determined to be irrelevant, i.e. a situation is assessed as having no implications for the individual’s health and well-being and thus is not considered any further. Or it could be judged as benign-positive, meaning that the situation is assessed to hold potential positive outcomes for the individual’s health and well-being. A third possibility is that it could be perceived as stressful. If a situation or event is assessed as stressful, it could, in turn, be judged as a source of harm, or it may be looked upon as a threat or challenge. In the first case, the harm or damage to the
person’s health has already happened. In the two latter cases, nothing has happened in terms of negative effects but the event is assessed as a threat or a challenge. Situations are more likely to be perceived as challenging, rather than threatening, when the individual has a sense of control over the situation he or she is in (Lazarus & Folkman, 1984).

Employability has the potential to influence an individual’s appraisal of an occurring event. An individual who perceives him or herself as employable may consider a given situation to be less threatening compared to an individual who believes that his or her chances of new employment are low. Thus, the perception of being able to find new employment if necessary may result in various organisational events not being appraised as threatening. Conversely, if an individual perceives his or her chances of getting employment to be poor, an event in an organisation, for example, a reorganisation, may seem very frightening. This latter case has received some empirical support in studies of the so-called “lock-in” effect (Aronsson & Göransson, 1999). The term “locked-in” has been used in research to describe the situation in which employees are unable to leave their job, a notion similar to low employability. In one representative study of Swedish employees, persons who reported being in an undesired occupation, and who did not perceive themselves as having good possibilities of changing employment, reported higher levels of headaches, fatigue, low-grade depression, and upper-back pain compared to those in their preferred occupations (Aronsson & Göransson, 1999).

In the theoretical framework of stress appraisal (Lazarus & Folkman, 1984), it is furthermore suggested that if the situation is perceived as stressful, regardless of whether it is assessed as a threat or a challenge, some action is needed to deal with the event. This is when secondary appraisal is “turned on,” which is when the individual assesses whether or not he or she is able to cope with the situation. In summary, when an organisational event occurs, the individual first appraises whether or not the event is irrelevant, positive, or stressful. If the event is appraised as stressful, either as a threat or a challenge, the individual then makes a second judgment about the available options and whether he or she has the coping resources needed to handle the event. Without coping resources, the event, if determined to be threatening, may have impairing effects on an individual’s health and well-being (Lazarus & Folkman, 1984).

Employability may have implications on health and well-being in the case of secondary appraisal as well. Feeling employable may be considered to be a coping resource for individuals in that it can help them to deal with possibly harmful situations. Thus, when an employee is exposed to impairing working conditions, one way to improve the situation is to change
employment, by obtaining a job where the conditions more positive. In the employability literature, this relation between employability and health and well-being is rarely focused upon. However, Pfeffer (1998) argues briefly that employable persons, when dissatisfied with their working conditions, tend to leave the organisation in favour of better working conditions.

In conclusion, being employable may have positive effects on the health and well-being of the individual for several reasons. First of all, being employable means that the individual believes that it is easy to find new employment. Thus, the risk of being unemployed reduces as well as the risk of worry and the loss of the positive effects of having a job. Secondly, being employable is a form of control that potentially influences the way people appraise the events occurring in an organisation. The degree of threat interpreted in a situation may be significantly lowered, or be nonexistent, when an individual knows that it is possible to change employment if necessary, which may result in less strain. Thirdly, even if the situation is assessed as stressful, being employable may help the individual cope with the situation. Hence, the belief that it is possible to change employment can help when dealing with a potentially difficult situation and in so doing may even help to avert some future negative health issues.
Summary of studies

The empirical part of the present thesis comprises three studies. The first study (Study I) investigated the nature of the relationship between perceived employability and self-efficacy, the second study (Study II) investigated the predictors of perceived employability, and the third (Study III) investigated the relationship between perceived employability and subsequent health and well-being. The present chapter is divided into two sections. The first section comprises a more general description of the three studies (Table 2), followed by a general description of the two samples used, and ending with a brief description of the measures used to assess employability (Table 3). The second part is divided into three separate sections (one for each study), describing the aim, method, findings, and conclusions of the three studies.

General description of samples

The empirical studies of the present thesis were based on two population-based samples. The first sample (used in Study I and III) is from the National Working Life Cohort, which was collected by Statistics Sweden for The National Institute for Working Life and comprises approximately 5,000 individuals between the ages of 25 and 50 (Marklund, Berntson, Bolin, Härenstam, & Ylander, 2006). The second sample (used in Study II) is from the Labour Force Surveys (LFS)\(^1\) and Work Environment Surveys (WES)\(^2\), which are parts of a yearly national survey administered by Statistics Sweden (Statistics Sweden, 2002, 2003).

Table 2 provides an overview of the content of the three studies. In this table the research question of each study is presented briefly together with a description of the data material, along with when it was collected, the design, and the number of participants in the studies. Furthermore, an outline of the concepts and analytical methods used is also presented in the table.

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\(^1\) Arbetskraftsundersökningarna (AKU)
\(^2\) Arbetsmiljöundersökningen
<table>
<thead>
<tr>
<th>Study</th>
<th>Research Question/Proposition</th>
<th>Data Material</th>
<th>Data</th>
<th>Year</th>
<th>Study Population</th>
<th>Concepts Used</th>
<th>Analytical Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Are employability and self-efficacy distinct, and what is their relationship?</td>
<td>National Working Life Cohort</td>
<td>Longitudinal</td>
<td>2005 and 2006</td>
<td>Representative of working population of Sweden (age 26-51), N = 1,730</td>
<td>Background variables, Self-efficacy, Employability</td>
<td>Confirmatory factor analysis, Latent variable cross-lagged analysis</td>
</tr>
<tr>
<td>II</td>
<td>P1: Human capital has a positive relationship with perceived employability. P2: Factors characterized by the primary labour market segment are positively associated with perceived employability. P3: Perceived employability is higher during economic prosperity than during economic recession.</td>
<td>LFS and WES</td>
<td>2 Cross-sectional samples</td>
<td>1993 and 1999</td>
<td>Representative of working population of Sweden (age 16-64), N = 11,648</td>
<td>Background variables, Education, Tenure, Competence development, Work environment, Contract, Region, Employability</td>
<td>Chi-square tests, Forced entry hierarchical regression analysis, Multi-sample regression analysis</td>
</tr>
<tr>
<td>III</td>
<td>How is employability related to subsequent health?</td>
<td>National Working Life Cohort</td>
<td>Longitudinal</td>
<td>2004 and 2005</td>
<td>Representative of working population of Sweden (age 25-50), N = 1,918</td>
<td>Background variables, Ergonomic work environment, Psychological demands, Control, Employability, Global health, Physical complaints, Mental well-being</td>
<td>Forced entry hierarchical regression analysis</td>
</tr>
</tbody>
</table>
Sample I (The National Working Life Cohort)

Study I and III were based on the National Working Life Cohort Study (Marklund et al., 2006). The cohort comprised a randomly drawn sample of 5,009 individuals who were between 25 and 50 years of age in 2004. The data collection was conducted by Statistics Sweden at the request of the National Institute for Working Life. Starting in 2004, the data was gathered in three waves, with one-year gaps between the collections. Data was collected by means of a telephone interview (containing 63 items) in conjunction with a follow-up questionnaire (containing 152 items in 2004 and 169 items in 2005 and 2006). All respondents were approached again one year later, and, in addition, those individuals who were not found in the previous year were re-approached the second and third year. As the aim of the survey was to primarily study employed individuals, unemployed respondents received a different survey (fewer items at each time point). In total, the National Working Life Cohort Study comprises information on 3,934 individuals from at least one time point (80%).

The response pattern of the National Working Life Cohort Study is presented in Figure 2. The figure presents information on how many respondents there were at each time point during each stage of the data collection. The sample starts in 2004 with 5,009 individuals, of which 34 were immediately excluded. Of the 3,579 individuals who participated in the telephone interview, 3,006 received the questionnaire for employed persons, and 542 received the questionnaire for the unemployed. In total, 2,493 employed and 461 unemployed respondents answered the questionnaire (thus having participated in both the interview and questionnaire). In 2005, the 3,579 individuals who participated in the telephone interview in 2004 were re-approached, along with the 878 individuals who Statistics Sweden could not find in 2004. Among them, 2,324 employed and 408 unemployed individuals participated in both interview and questionnaire. In 2006, the same procedure was followed, and 2,198 employed and 302 unemployed individuals participated.

From the described sample, a stratified sub-sample was taken for Study I, containing longitudinal data from 2005 and 2006 that had response rates of 78 and 77 percent, respectively. Longitudinally, 2,442 employed individuals participated in the telephone interview, while 2,012 employed individuals responded to both the interviews and questionnaires for these years. Study I comprised 1,630 individuals with complete data who became 1,730 after imputation of partial missing data. The imputation was done using a twin-method, a so-called hot deck procedure (Roth, 1994), where respondents with missing data were matched to identical but complete cases. The missing
values were filled with the scores from the complete case. The procedure was carried out using Sleipner statistical software 2.1 (Bergman, Magnusson, & El-Khoury, 2003).

Study III used a stratified sub-sample with longitudinal data from 2004 and 2005. In these two data collections, the within time response rates were 72 and 78 percent, respectively. Longitudinally, 2,536 employed individuals participated in the telephone interview, and 1,932 employed individuals participated in the interview and questionnaire at both time points. Study III comprised 1,918 individuals after imputing 291 cases using multiple imputation procedures (Little & Rubin, 1987). The multiple imputation procedures were carried out in three steps. The first step was to impute the missing values in five separate data sets. The next step was to conduct statistical analyses in each of the data sets and the final step was to merge the analyses into one result.

Sample II (Labour Force Surveys and Work Environment Surveys)

Study II was based on a sample retrieved from Statistics Sweden’s recurrent Labour Force Surveys (LFS) (Statistics Sweden, 2002) and the Work Environment Study (WES) (Statistics Sweden, 2003). The LFS is given every year to a representative sample of approximately 17,000 individuals. The survey is conducted via a telephone interview, among people in Sweden between 16 and 64 years of age, and is comprised of questions concerning working life. Every second year, the WES is attached as a follow-up questionnaire. This survey focuses on the work environment and self-reported health issues. Up until the year 2000, 14,000 were in the sample. The response rates for the LFS were 88 percent in 1993 and 84 percent in 1999. For the WES, the response rates were 81 percent in 1993 and 67 percent in 1999.

In Study II, a stratified subsample of these two surveys was used. The subsample was made up of individuals who had a job. In total, the data comprised information on 11,648 individuals: 4,952 from 1993 and 6,696 from 1999. The response rates were affected by the stratification and internal missing data. The two samples were cross-sectional, but represented two different periods in the Swedish economy; 1993 was a period of decline, while 1999 was considered to be a period of economic prosperity.
Figure 2. General description of response pattern of the National Working Life Cohort study.
Employability measures

Three different measures of employability were used in the three studies of the present thesis. They are all presented in Table 3. In Study II a single item was used as an indicator of employability, whereas an index was composed to measure the construct in Study I and III. The indexes in Study I and III shared five items. One item was added in Study I.

Table 3. Items in the present thesis measuring employability.

<table>
<thead>
<tr>
<th>Item</th>
<th>Study I</th>
<th>Study II</th>
<th>Study III</th>
</tr>
</thead>
<tbody>
<tr>
<td>How easy would it be for you to acquire new and comparable employment without moving?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I could without problems get an equivalent job in another company/organisation.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My competence is sought-after in the labour market.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>I have a contact network that I can use to get a new job</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>(equivalent or better)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know of other organisations/companies where I could get work.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>My personal qualifications make it easy for me to get a new job</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>(equivalent or better) job in a different company/organisation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My experience is in demand in the labour market.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Responses were given on a 5-point Likert scale ranging from 1 (do not agree at all) to 5 (agree entirely).

Study I – Investigating the relationship between employability and self-efficacy: A cross-lagged study

Aim

The aim of the first study was two-fold. The first part was to investigate whether employability was a construct that should be viewed as something different and distinct from the construct of self-efficacy. Secondly, given that employability was found to be distinct from self-efficacy, the focus then turned to the question of the direction of the relationship between the two constructs, and specifically whether employability predicted self-efficacy, self-efficacy predicted employability, or if the association was reciprocal.
Method

Study I used a stratified sub-sample including longitudinal data on 1,730 individuals from the National Working Life Cohort of 2005 and 2006. Background variables (gender, education, age, and region) were used as well as two indexes of self-efficacy and employability. Self-efficacy was measured with an eight-item index (Chen, Gully, & Eden, 2001), while employability was measured using a six-item index that was based on the index in Study III. Two different analytical methods, both using LISREL 8.7 (Jöreskog & Sörbom, 2001), were used in order to answer the research questions at hand. First, confirmatory factor analysis (CFA) was used in order to find out if self-efficacy and employability were distinct from each other. The hypothesised model (Model 4) was a four factor model, using latent factors (employability $T_1$, employability $T_2$, self-efficacy $T_1$, self-efficacy $T_2$), in which self-efficacy and employability were tested as separate constructs both at the same point in time and over time. This model was tested against four competing models: a null model (Model 0), a one-factor model (Model 1), and two two-factor models (Model 2a and 2b). In Model 2a, employability and self-efficacy were separated as constructs but not in time (employability and self-efficacy), whereas in Model 2b, the two constructs were separated in time but not as constructs (time 1 and time 2).

Secondly, a cross-lagged analysis with latent variables was used to investigate the relationship between the two main constructs at two time points. In this analysis, five competing models were tested. Model A was a reciprocal model, which estimated both the effect of employability on subsequent self-efficacy and the effect of self-efficacy on subsequent employability together with auto-regressions within constructs over time. This model was tested against four other models. Model B estimated the same effects as in Model A although an equality constraint was introduced in the model. Model C estimated only the lagged effect of self-efficacy on subsequent employability, while Model D tested the alternative causation (Time 1 employability on Time 2 self-efficacy). Both Model C and D also tested auto-regressions within constructs over time. Finally, Model E estimated only the auto-regressions. In all models, item-specific error terms were allowed to correlate over time.

Findings and conclusions

The results from the CFA showed that self-efficacy and employability were two distinct constructs separated in time. Model 4 (which estimated self-efficacy and employability as separate constructs over time) showed the best fit to data of all five competing models. Results from the cross-lagged analysis indicated that employability predicted subsequent self-efficacy
rather than the opposite, or a reciprocal, relationship. Model A (the reciprocal model) and Model D (which estimated the cross-lagged effects of time 1 employability on time 2 self-efficacy) were quite similar in regard to their fit to data. However, the fit of Model D was somewhat better. In addition, the association between time 1 self-efficacy and time 2 employability (in Model A) was non-significant, which indicated that, overall, Model D was the model with the best fit to data.

The results from the first study indicate two important things. Firstly, self-efficacy and employability are not the same thing. Rather, they are two distinct constructs that measure related but different phenomena. Secondly, the results support the notion that employability predicts self-efficacy rather than the converse. A possible explanation for this is that self-efficacy reflects a general belief about the self, whereas employability is related to more specific factors, such as different types of knowledge and skills. That is, the enhancement of a general perception may not spill over to a specific perception, like employability, although the opposite, i.e. the enhancement of a specific perception, may have spill-over effects on the general view of the self.

Study II – Predicting perceived employability: Human capital or labour market opportunities?

Aim

The general aim of the second study was to investigate why some individuals perceive themselves as having little chance of getting new employment, while others perceive themselves as having a good chance of acquiring a new job. Based on the frameworks of the Human capital theory (Becker, 1964/1993) and the Dual labour market theory (Doeringer & Piore, 1971), two main propositions were put forward:

**Proposition 1:** Human capital, indicated by education, competency development, and job tenure, has a positive relationship with perceived employability.

**Proposition 2:** Factors characterized by the primary labour market segment (as indicated by permanent employment, low physical/chemical and ergonomic exposure, high psychological demands and living in metropolitan areas) are positively associated with perceived employability.
The third important issue of the second study was to investigate the role of economic and labour market fluctuations. The supply of jobs was assessed to be an important factor in shaping people’s views of their possibilities of getting new employment. The third proposition was thus as follows:

**Proposition 3**: Perceived employability is higher during economic prosperity than during economic recession.

**Method**

Study II was based on the LFS and WES, comprising information on 11,648 individuals. The study included items on background variables (age, gender, socio-economic position), job tenure (in years), dichotomised measures of education (university/no university), competency development (yes/no), employment contract (permanent/temporary) and region (metropolitan/outside metropolitan areas). Three indexes were used to measure physical/chemical exposures, ergonomic exposures, and psychological demands. Finally, a single item was used to measure employability (see Table 3). Three different statistical analyses were carried out in this study. First, chi-square tests were performed in order to investigate the significance of the different employability levels between 1993 and 1999. Forced entry hierarchical regression analyses were then performed (one model per year), with the predictors arranged in accordance with the logics of Human capital and Dual labour market theory. Finally, multi sample regression procedures were used in order to test the similarities in magnitude of the regression coefficients between 1993 and 1999.

**Findings and conclusions**

The results from the regression analyses in part supported both Proposition 1 and 2. Among the Human capital variables, education was positively associated with perceived employability in both 1993 and 1999. In 1999, competency development also significantly predicted perceived employability, in that individuals who had received competency development reported higher levels of employability. Among the Dual labour market variables, physical/chemical exposures were negatively associated with the outcome variable, while psychological demands and working/living area were positively associated with perceived employability. These results were consistent over time. A chi-square test of the cross-tabulation between year and perceived employability supported the third proposition. In 1999 (economic prosperity), over 40% of the respondents answered that they believed it would be easy or very easy to find a new job, while, in 1993 (economic recession), the same numbers were just over 16%.
The results from Study II support the notion that both individual factors, in the form of human capital, and structural factors, in the form of dual labour market variables, are important for individuals when they assess their possibilities of acquiring new employment in the labour market. The results from the regression analyses indicate that formal education is an important factor when predicting perceived employability, but in times of prosperity competency development is also of relevance. This supports existing human capital theories (Becker, 1964/1993), which claim that investments in education will give a return in terms of higher wages (a possible indicator of being employable). The fact that education and competency development were more important during periods of prosperity may indicate a selection effect, since during economically better times, there is a wider range of people in the labour market, and it is easier to differentiate between those who have acquired a higher education and competency development and those who have not. It may also indicate that the demands that are put on people to get new jobs during times of prosperity are different than those during times of economic decline. The regression analyses also support dual labour market theories (Doeringer & Piore, 1971), in that they show that individuals in better physical/chemical condition, who are in either worse psychological work environments or living in metropolitan areas, reported better employability. Furthermore, Study II shows that, during economic prosperity, employees, in general, tend to report that their chances of getting new employment are better.

Study III – The relationship between perceived employability and subsequent health

Aim

In Study III the general aim was to investigate if employability was related to subsequent health. More specifically, the aim was to investigate whether employability was related to subsequent health and well-being as indicated by three different outcomes: global health status, physical complaints, and mental well-being.

Method

Study III used a stratified sub-sample including longitudinal data on 1,918 individuals from the National Working Life Cohort of 2004 and 2005. Background, exposure, employability and health variables were included in
the analyses of this study. Age (25-50), gender, and educational level (university vs. no university) were used as control variables. Ergonomic exposures were measured with five items (Statistics Sweden, 2003), reflecting physical labour, breathing, lifting, twisting, and computer work. Psychological demands and control were measured based on Karasek and Theorell (1990), and comprised four items each (Statistics Sweden, 2003). Employability was measured with a five-item mean value index (see Table 3). Health was measured according to a global health scale, which captured the general health status of the individual (Statistics Sweden, 2002), and physical complaints as measured by five items on the experiencing of pain in the lower and upper back, shoulders, hips, and wrists (Statistics Sweden, 2003). Finally, mental well-being was measured using a ten-item index (Bech, Gudex, & Staehr Johansen, 1996). Forced entry hierarchical regression analyses were performed with one regression model for each dependent variable (global health, physical complaints, and mental well-being). In each model, background variables were entered in the first step, exposure variables in the second step, and employability in the third. In the fourth step baseline health was entered.

Findings and conclusions

The results from the regression analyses indicated that employability was positively associated with global health and mental well-being, and not significantly related to physical complaints. These associations were still found to be significant after controlling for background variables, environmental variables, and baseline health. For the two models in which employability significantly predicted subsequent health (global health and mental well-being), additional analyses were performed. In these additional regression analyses, baseline health and the three background variables were entered in step 1, exposures in step 2, and employability in step 3. The results from these analyses showed that employability significantly added to the explained variance in the final step of both the global health model and the mental well-being model.

The results from Study III generally support the notion that employability is related to subsequent health. This is indicated by the fact that those individuals who reported higher levels of employability at one point in time, as opposed to those reporting lower employability, also reported higher levels of subsequent global health and mental well-being. More specifically, the results indicate a few important things. Firstly, the construct of perceived employability does independently account for the variance in subsequent health. This is supported by the results from the regression analyses where employability predicted global health and mental well-being. These results remained consistent even after controlling for background variables,
exposure variables, and baseline health. Furthermore, when employability was added after baseline health, employability still accounted for a change in variance, albeit a small amount. Secondly, perceived employability was found to be relevant for certain aspects of subsequent health. Three outcome variables were tested and from the results it was apparent that employability primarily could predict those aspects of health that were related to mental perceptions. This is in line with Lazarus and Folkman’s (1984) theory of appraisal, in which individuals who report higher levels of employability are expected to appraise their environment as less threatening. Finally, the results also supported traditional exposure theories, since it was shown that exposure variables were also associated with later health (cf. Bernard, 1997; Karasek & Theorell, 1990; Stellman, 1998).

In conclusion, these results support existing theories on work-related health by confirming that exposures are related to subsequent health. Furthermore, the results also expand current theories by adding employability to the list of individual-oriented variables that are related to health and well-being.
Employability has become increasingly more important for workers due to the flexible and individualised nature of the labour market. Labour market flexibility can be witnessed in a number of employment strategies, such as the use of numerical and functional flexibility, and in the sheer frequency of changes that organisations undergo today. This flexible nature makes the environment more volatile and less predictable for the individual, which increases the need for individual strategies for dealing with it. When flexibility is combined with increasing individualisation, resulting in employees having to take responsibility for their own careers, the need for individual strategies increases more intensely.

It is in this context that employability has become so important for the contemporary employee – being able to find new employment is a way of securing the continuance of one’s career. The heightened relevance of employability as a phenomenon is indicated by the inclusion of the concept in labour strategy policies, both nationally and internationally, and also by its increasing presence in research literature. Central to the concept of employability in this thesis is its dual nature, and especially the decisive role of perceived employability. How people perceive their possibilities of finding new employment is critically important in a flexible environment, since these perceptions affect how we act in and react to our environment. With this context as a backdrop, the general aim of the present thesis was to explore the concept of perceived employability, including its nature, determinants, and consequences. More specifically, the thesis had the following three aims. The first was to study the nature of employability by investigating its relationship to an important indicator of self-evaluations, namely self-efficacy. The second aim was to investigate the predictors of employability, and the third was to study its implications on health and well-being. In accordance with this, the discussion is composed of one subsection for each of these three specific aims.

Nature of employability

Historically, employability research has primarily focused on how to get students into the labour market (Harvey, 2001; Knight & Yorke, 2004), the
unemployed back to work (Finn, 2000; McArdle et al., 2007), or on how to make it easier for disabled individuals to get established in the labour market (Bricout & Bentley, 2000). Due to the changing labour market, with more flexible working conditions and individualised responsibility, it has become more interesting to look at employability in relation to employed people as well. When an environment is characterised by flexibility, where organisations and society take less responsibility for individuals’ careers, it has been argued that the security gained from employability is vital for the individual (Kanter, 1993; Oss, 2001), i.e. being able to find employment is a way for the individual to be secure and independent in the labour market. In this respect, an individual’s perception of his or her own employability appears to be important, because the perception of a situation has effects on the actions as well as the reactions of the individual (e.g. Lazarus & Folkman, 1984; Magnusson, 1981). Accordingly, in the present thesis, employability has been referred to as an individual’s perception of his or her possibilities of getting new, equal, or better employment.

Since employability concerns individuals’ views on their possibilities of obtaining new employment, it could be argued that it is conceptually similar to self-evaluations. Self-evaluations comprise a set of dispositions that reflect how individuals evaluate themselves and their abilities (Judge et al., 1997). An example of one such self-evaluation is self-efficacy, which is comprised of an individual’s beliefs about his or her ability to solve tasks and take on roles. Other examples include self-esteem, which concerns the value a person puts on the self, and locus of control, which refers to whether people assert their possibility of controlling factors in their environment as internal or external. In the literature, it has been argued that employability is similar to, or even the same as self-efficacy (Daniels et al., 1998; Washington, 1999).

Against this background, the first specific aim of the present thesis was to investigate if employability could be considered to be a construct distinct from self-efficacy. The results from the confirmatory factor analysis showed that the measures of employability and self-efficacy were empirically distinct, and that they were also distinct over time, thus indicating that employability and self-efficacy are not the same construct. Even though these results contradict those scholars who suggest that the two constructs should be regarded as the same (Daniels et al., 1998; Washington, 1999), they are in line with the general bulk of employability literature which does not consider employability to be a reflection of self-efficacy (e.g. Fugate et al., 2004; Kluytmans & Ott, 1999; Van der Heijde & Van der Heijden, 2006). This finding may be explained by the fact that employability refers to concrete knowledge, experience, and labour market structure and opportunities, whereas self-efficacy is more connected to the self.
Consequently, the results imply that feeling employable is not necessarily equivalent to feeling confident about taking on different roles or solving tasks. Rather, employability reflects something distinct from self-efficacy, as employability is often a matter of acquiring the right experience or formal education. However, it is of course a necessary step to investigate how employability relates to other self-evaluations and, perhaps, also to other dispositional factors.

Given that employability and self-efficacy were found to be distinct, the next aim of Study I was to investigate the direction of the association between employability and self-efficacy. This relationship was presumed to be one of three possible different types. Firstly, it could be postulated that employability causes self-efficacy. Empirically, this assumption has been supported by previous findings which show that employability enhancing activities tend to predict self-efficacy among unemployed individuals (Creed et al., 2001). The second possible relationship is that self-efficacy leads to employability. Evidence for this can be found in the literature, where self-efficacy has been found to be associated with job search behaviour and employment outcomes (Kanfer et al., 2001; Moynihan et al., 2003; Pinquart et al., 2003). Finally, the third potential association between the two concepts is that they may be reciprocally related, which has been suggested both theoretically (Bandura, 1986) and empirically (Nauta et al., 2002). The results from Study I supported the first possibility, as employability was found to predict subsequent self-efficacy rather than the reverse or reciprocal relationship. This became evident since those who perceived that they had good possibilities for finding employment, reported higher levels of self-efficacy one year later. Consequently, the results support those earlier studies on the topic that suggest that employability enhancing activities predict stronger efficacy beliefs (Creed et al., 2001).

The results from both the confirmatory factor analysis and the latent variable cross-lagged analysis could be explained by the notion that employability refers to something very tangible, while self-efficacy, on the other hand, refers to a general feeling regarding the self. While employability appears to be reflective of people’s knowledge, skills, and experience, and how they determine the value of these factors in relation to their environment, self-efficacy seems to refer to something closer to the self. The strengthening of such a specific perception, as that of employability, may have consequences on individuals’ more general feelings on how to perform tasks, but the strengthening of a general feeling on being able to perform tasks may not have spill-over effects on the specific feeling of being employable. This latter interpretation is in line with the literature, where it is argued that the specificity of efficacy and its outcome is vital for the association (Chen et al., 2001).
In conclusion, the results from Study I imply that employability and self-efficacy are two distinct concepts and, furthermore, that feelings of employability strengthen a person’s self-evaluation. It is, however, necessary to discuss the nature of the relationship further. Although it could be explained why employability should predict self-efficacy, a reciprocal relationship is also emphasised in theory (Bandura, 1986). In social cognitive theory, self-efficacy is considered to be a self-regulative concept, i.e. an individual’s efficacy beliefs are formed through a reciprocal exchange with the environment. In the case of employability, it is possible to argue that an enhancement of individuals’ perceptions of employability would strengthen their perceptions of self-efficacy, which, in turn, would positively affect how they viewed their possibilities of obtaining new employment (e.g. Bandura, 1986; Nauta et al., 2002). Such a spiral association is however difficult to detect with only two data collections. Perhaps, with three or more, it could have been easier to detect such a relationship. Accordingly, future studies would benefit from using multiple data collections.

Determinants of employability

A central question in the employability literature is what forms people’s employability. While numerous scholars of psychology have argued that perceptions are formed by situational and/or individual-specific factors (e.g. Ekehammar, 1974; James & Sells, 1981; Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson, 1981), the question of the relative contribution of these potential factors has not been settled. Situationals would say that the situation alone determines how people perceive it, while individualists would argue that factors tied to the individual, such as demographics and disposition, determine how people perceive a situation. A third alternative is the interactionistic approach, where perceptions are held to be formed by situational together with individual factors (Ekehammar, 1974).

Given this theoretical framework for perceiving situations, the perception of employability could be proposed to be formed through a combination of situational and personal factors. This is also a division that is possible to detect in the employability literature. For example, in regard to situational factors, a number of them have been connected to the formation of employability, such as the structure of the labour market (McQuaid & Lindsay, 2005), national economic situation (Brown et al., 2003), labour market position (Forrier & Sels, 2003a; Wallette, 2004), local labour markets (Green et al., 2005; Kirschenbaum & Mano-Negrin, 1999), work environment (Kochan et al., 1994; McLean Parks et al., 1998) and organisational policies (McQuaid & Lindsay, 2005; Rajan, 1997). Individual
factors that have emerged in this regard include, for example, education (Becker, 1964/1993; Hillage & Pollard, 1998), basic and transferable skills (Hillage & Pollard, 1998; McQuaid & Lindsay, 2005), social skills (Fugate et al., 2004; Kluytmans & Ott, 1999; McArdle et al., 2007), adaptability and flexibility (Fugate et al., 2004; McQuaid & Lindsay, 2005; Van der Heijde & Van der Heijden, 2006), willingness to be mobile (Forrier & Sels, 2003a; Kluytmans & Ott, 1999), demographics (McQuaid & Lindsay, 2005; Van der Heijde & Van der Heijden, 2005), and dispositions (Ellis & Taylor, 1983; Kanfer et al., 2001; Krause & Broderick, 2006).

In Study II, the aim was to investigate the possible contributions of situational and individual factors. To make it empirically manageable and concrete, two theories were used as frameworks for focusing on a small set of factors that represented situational and individual factors. The first, the Dual labour market theory (Doeringer & Piore, 1971), asserts that the labour market is divided into primary and secondary segments, and it was used as a framework for grouping situational factors. The other, the Human capital theory (Becker, 1964/1993), was used as a framework for grouping individual factors since it takes into consideration that aspects such as investments in education, competency development, and tenure could provide the individual with better employability.

The results from Study II did in part support the theoretical propositions. As suggested, human capital factors were, in general, found to be positively associated with the perception of employability. Education and competency development were both found to be positively associated with perceived employability, which lends support to Becker’s (1964/1993) argument that investments in human capital will lead to better pay. Tenure, on the other hand, was not associated with perceived employability. This latter result may be a consequence of tenure’s multiple meanings, since it may indicate long experience (Judge & Bretz, 1994; Judge, Cable, Boudreau, & Bretz, 1995), difficulty in changing jobs (Aronsson & Göransson, 1999), or simply high age (Van der Heijde & Van der Heijden, 2005). Although the first meaning implies better employability, the two latter imply lower, which may result in a deflated association.

The second proposition in Study II was that dual labour market factors, represented by employment contract, the work environment, and living and working regions, are positively associated with perceived employability. The results from the study supported this proposition to some degree. The most apparent finding was that where people live and work (region) was associated with the perception of employability. This could be explained by the different structures of the local labour markets. In metropolitan areas, the labour market is broader and there are more jobs, which is why people in
these areas to a greater extent perceive that they would have an easy time finding employment as compared to those outside the large cities. This finding lends support to existing studies on this topic (Green et al., 2005; Kirschenbaum & Mano-Negrin, 1999). In line with other findings (Kochan et al., 1994; McLean Parks et al., 1998), different work environment indicators were also associated with perceived employability. Higher psychological demands as well as lower physical/chemical exposures were related to reports of higher employability. One factor that was not related to perceived employability was employment contract. This may seem somewhat strange as this factor, in the literature, is suggested to be an indicator of a segmented labour market (Atkinson, 1984). However, it has been suggested that temporary contracts may vary and potentially be different enough in nature to prevent the finding of any concise effects (McLean Parks et al., 1998). Some holders of temporary contracts may work under very good conditions and have good opportunities in the labour market, whereas others may be trapped in a job within the secondary segment that carries with it stigmatisation issues.

The third assumption in Study II was that the national economic situation may be associated with reports of perceived employability. The reasoning behind this assumption holds that, in times of economic prosperity, there is, in general, a greater supply of jobs, and that this should result in individuals reporting higher employability. The results somewhat strongly supported this proposition and thereby earlier research (Brown et al., 2003), indicating that in times of economic prosperity, a significantly larger amount of people believe that it is possible to get new employment.

In conclusion, the results from Study II imply that a combination of both situational and individual factors play a part in predicting employees’ perceptions of their employability. Hence, the empirical contribution of the present thesis is the finding that the division into situational and individual factors, as represented by dual labour market and human capital variables, is a valid and meaningful way of approaching the determinants of employability. However, the theoretical breadth of the determinants is wider than the human capital and dual labour market theories. It is possible that other factors are important in the formation of people’s perceptions of employability. For example, the impact of age and gender must be put under greater scrutiny. Although some evidence does exist that men (McQuaid & Lindsay, 2005) and young people (Van der Heijde & Van der Heijden, 2005) report higher employability, it could stand to be examined in more detail. Furthermore, the impact of attitudes could also be studied more intensely. The framework regarding protean career attitudes (Hall, 1996; Hall & Moss, 1998) is developing, but it has not been studied in relation to perceptions of employability. Also, the relative importance of dispositions could be
scrutinized more in-depth. In the literature, dispositions have been said to affect how people perceive situations (Lazarus & Folkman, 1984; Spector et al., 2000). Among the situational factors, closer empirical investigations of how organisational and labour market policies (McQuaid & Lindsay, 2005) affect employability should be undertaken. Indeed, another possible research area is to focus on the interaction effects of situational and individual factors, since it could help us better understand what lies behind the formation of perceptions of employability, as suggested in the framework of perceiving situations (cf. Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson, 1981).

Implications for health and well-being

How people perceive the situation they are in affects the way they act, feel, and think (Magnusson, 1981). Indeed, several theoretical models are based on the assumption that people predominantly act on their perceptions rather than on the actual situation (e.g. McLean Parks et al., 1998; Meyer & Allen, 1997). Among stress theories, it is commonly assumed that people’s perceptions of situations can greatly affect their mental and physical health as well as their well-being (Katz & Kahn, 1978; Lazarus & Folkman, 1984). According to Lazarus and Folkman’s (1984) appraisal theory, people first appraise a situation as either threatening or challenging and, secondly, they appraise what possibilities they have for coping with the situation.

When it comes to employability, there are several reasons why it may have a positive effect on health and well-being. Firstly, people with high levels of employability could be presumed to enjoy all of the positive effects of having a job to a greater extent. For example, it has been argued that work satisfies an individual’s latent needs, and that if a person lacks these qualities, he or she can experience impaired health and well-being (Jahoda, 1982). Secondly, it is plausible that those who experience higher employability may be more likely to view various organisational events as challenging in nature rather than threatening, and consequently also report better health. Moreover, if exposed to threatening situations, those who perceive themselves to be employable are better suited for coping with such events (Lazarus & Folkman, 1984).

In Study III, the possible implications of perceived employability for health and well-being were investigated. More precisely, the relationship between perceived employability and subsequent health and well-being, in the form of global health, mental well-being, and physical complaints, was investigated. The results from this study show that perceived employability was associated with subsequent health and well-being. Reports of higher
employability were found to be associated with higher levels of global health and mental well-being one year later. The association was, however, not significant in respect to physical complaints. The fact that more psychological outcomes were significantly related to employability could be explained by the notion that employability is a psychological concept and that these constructs, in general, tend to be more closely related to the psychological outcomes (Depue & Monroe, 1986). This may also be the explanation for why the work environment variables were more weakly associated with global health and mental well-being. The associations between employability and global health and employability and mental well-being also remained significant after controlling for work environment factors, and even more notably, they were also significant after controlling for previous health, although previous health accounted for a large amount of the explained variance. The fact that employability could explain the variance even after controlling for previous health indicates that employability predicts not only subsequent health but also the change in health between time 1 and time 2.

The results of Study III are thus in accordance with existing theory. The positive association found between employability and health could be explained by the notion that being employable entails that the positive effects of having a job increase (Jahoda, 1982). Another possible explanation is provided by Lazarus and Folkman (1984), who argue that different individual factors explain why individuals appraise stressful situations differently. While some may interpret a certain event as threatening, others may see it as challenging. When one is, and feels, employable, organisational events do not have to seem as threatening as they might otherwise seem if employment were thought to be difficult to come by. A third explanation for why employability predicts subsequent health is that people with high employability also tend to actively seek out good jobs with favourable working conditions, as suggested in the dual labour market theory (Doeringer & Piore, 1971). Evidently, having a job with better working conditions may also affect people’s health and well-being. This has also been suggested in previous research, where employees who did not have their preferred job, and could not find new employment, reported health problems such as headaches and fatigue (Aronsson & Göransson, 1999).

In conclusion, the empirical contribution of the third study has implications for our understanding of mental well-being and global health in the contemporary labour market. It could, based on the results from the third study, be supposed that individuals with stronger feelings of being employable also have fewer difficulties dealing with a flexible labour market. It could, however, also be argued that the health status of the individual has an impact on employability, implying a spiral relationship
between employability and health and well-being. People with high levels of employability could be expected to find new employment with good working conditions, which would, in turn, make them more valuable in the labour market and thus more employable, and so on. This could be a form of the “healthy worker effect” (Östlin, 1989), where employable people acquire the good jobs which then makes them healthier and more employable. Consequently, future research would benefit from investigating the possibility of such a spiral relationship between employability and health.

Methodological considerations

As with all empirical research, the methods used in the present thesis should be put under scrutiny. There are some methodological considerations which may have had an impact on the results of the studies in this thesis, and, consequently, deserve some commenting.

The first methodological consideration concerns the fact that all three studies used questionnaires and self-reports as their primary and only data sources. With this type of data, a possible limitation is that of common method variance (Campbell & Fiske, 1959; Spector, 1994, 2006). When data are collected using the same data method, the bias connected with that specific method could potentially cause an inflation of the relationships in the study. The problem of common method variance should not be underestimated, and it is plausible that it may have introduced a degree of bias into the analyses of the present thesis. This possibility should, however, not be overestimated either, as has been argued in recent research (Spector, 2006), where it is proposed that common method variance has reached the status of an urban legend and that when using common methods it is important to understand the potential biases and control for them. In the present thesis, the problem of common method variance and measuring with questionnaires could primarily be attributed to measures of health and well-being. It should be noted here that the focus of the present thesis has been on perceived employability, and perceived employability must be measured with self-reports, since it is a subjective phenomenon. However, the validity of the findings of this thesis could be strengthened through replication with other types of data, preferably with objectively measured data on health and work environment, as has been suggested (Zapf, Dormann, & Frese, 1996).

A second potential limitation of this thesis concerns the missing data. First of all, it should be mentioned that any type of missing data, whether it is due to non-participation, attrition, or internal missing values, is not ideal in the social sciences, although it is a reality. The pattern of the missing data is especially interesting in order to understand what its potential limitations
are; most importantly, it must be determined whether the missing data is systematic or not (Magnusson & Bergman, 1990). The problem of missing data is a two-fold problem – firstly, it is necessary to consider the non-respondents, and secondly, it is necessary to consider the internal missing data, i.e. when respondents participate but do not answer all of the questions. In respect to the non-respondents, a general (including the whole sample) missing data analysis was performed where it was possible, which was on the first wave of Sample I (National Working Life Cohort). This missing data analysis indicated that there was a systematic drop-out of people in non-work activities. As people in non-working activities were not included in the study population of the present thesis, this problem was not considered to be serious. Furthermore, there was also a slight tendency for those who were young, male, and habitants of metropolitan areas not to participate in the survey as much as those who were not of these qualities. This constitutes a potential limitation that may, at worst, inflate the associations. However, since this tendency was low, it was also not considered to be a serious problem. In regard to the second potential problem with missing data, when respondents participate but do not answer all of the items, a choice must be made in these cases, concerning whether the analysis should be performed without these respondents’ data (so-called listwise deletion) or if the missing data should be estimated through imputation (Little & Rubin, 1987). In two of the studies (I and III), an imputation of data was carried out in order to increase the number of usable respondents in the study. Although data imputation involves estimating what a person should have answered on some questions, it has been argued that, under the right circumstances, imputation produces more reliable estimates than the other possible alternative, listwise deletion. It has furthermore been argued that listwise deletion introduces bias in the estimation of parameters in data analysis, which repeatedly has been found to be higher than with imputation (Roth, 1994; Schafer & Graham, 2002). When missing values are not systematically missing, with respect to the missing variable, it is thus a wise approach to impute data in order to obtain reliable estimates (Little & Rubin, 1987).

A third consideration is that there are limitations in all three studies that affect the possibility of drawing any inferences on causality. According to Bollen (1989), three conditions must be met in order to conclude that there is a causal relationship between two variables. Firstly, the two variables must be associated. This is possible to establish with any correlational study. Secondly, the direction of the association must be established. Although this is much more complicated, it can be done in longitudinal studies. Thirdly, the association must be isolated, i.e. it must be concluded that no other factor has the potential to influence the relationship, which according to Bollen (1989), is an ideal impossible to meet. The only way to ensure this is to control for all potential biasing variables. In the present thesis, Study II is
cross-sectional even though it compares two samples separated in time, and cross-sectional studies can only meet the first condition of causality. Study I and III are longitudinal and may therefore meet the first two conditions, yet despite an attempt being made to include a number of control variables, they inevitably fail the third. Thus, in order to be able to draw just inferences about the antecedents and outcomes, more research must be done that utilizes longitudinal data and more studies are needed that control for additional factors that may potentially confound the association with employability and its determinants and outcomes.

A fourth methodological consideration concerns the time lag in the longitudinal studies (Study I and III). Although it is difficult to find optimal time lags when performing longitudinal studies, it is nonetheless considered to be of importance (Frese & Zapf, 1988). Since exposure effects can differ in regard to their temporal characteristics – e.g. they may be instant or lagged, durable or occasional – it is important to have the right time lags between data collections in order to get a clear picture of the possible associations. In the present thesis, a one-year lag was used in Study I and III. It could be argued that this lag should have been different, although it is difficult to say in which direction. One way to obtain a better understanding of the relationship between employability and both self-efficacy and health is to utilize more frequent data collections. With more measurement opportunities, it is easier to see how the effect develops.

A final methodological issue to consider concerns the use of large representative samples in the present thesis. Although representative samples are important in that they enable a birds-eye view of the data and how variables relate to each other, they are not effective for identifying the finer mechanisms at play or for understanding how a concept is used and functions in different settings. With single-occupation or single-organisation data, it might be possible to have control over the situational settings, and a knowledge of the organisation could be helpful in explaining the results (De Jonge et al., 2001). Furthermore, qualitative studies could also have been of use, as they can provide a deeper insight into how people in organisations relate to their possibilities of getting new employment.

**Future research**

Despite these methodological considerations, the present thesis recommends itself by containing some important implications for research on employability. Foremost is its emphasis on the perceived aspect of employability and its determinants and implications for health and well-being. Furthermore, it provides the research field with an empirical
investigation of employability’s relation to self-efficacy. These contributions are valuable, although there is indeed much research to be done. Future studies should therefore look more closely at a few specific areas.

First of all, although they are focused upon in the present thesis, the nature and determinants of employability and its implications for health and well-being are three areas within employability research that could still use further investigation. In regard to the nature of employability, for example, it would be fruitful to investigate the relationship between employability and other self-evaluative concepts, like self-esteem, locus of control, and neuroticism (Judge et al., 1997). Furthermore, it could be interesting to widen the sphere of variables and include other dispositional factors like affectivity, which has been considered to be a relevant factor in perceiving working life variables (Spector et al., 2000). A further study of the relationship between perceived and actual employability may also shed some light on the nature of employability. Following the logics of the framework of perceiving situations (Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson, 1981), the actual situation (in this case actual employability) determines how people perceive it. Furthermore, with regard to social cognitive theory (Bandura, 1986), it is likely that perceived employability in turn affects how people act and actually change jobs.

In regard to determinants, it would be interesting to look more closely at the importance of situational and individual factors. This could be done in two ways. One would be to conduct a study that is broad enough to investigate the possibility of additional determinants. Since the labour market is constantly changing, it is always necessary to investigate how different situational factors, such as labour market structure and opportunities as well as organisational factors, affect the perception of employability. Indeed, more individual factors need to be considered if we are to get a proper picture of the causes of perceived employability. Demographics, dispositions, and health and attitudes are all important to study in this respect. Since it has also been suggested that the perception of a situation depends on the interaction between the situation and the individual (e.g. Ekehammar, 1974), another fruitful way of expanding our knowledge of the determinants would be to examine how situational and individual factors interact in the forming of employability perceptions.

When it comes to implications, it would indeed be interesting to further study how employability relates to health. This can involve using objective measures of health and well-being to examine how employability relates to these aspects. Besides this, it is also important to widen the range of outcomes. It has been suggested that perceived situations affect people’s behaviour (e.g. Katz & Kahn, 1978; Lazarus & Folkman, 1984; Magnusson,
1981) and it could therefore be interesting to see how people’s perceptions of their possibilities of getting employment affect their actions within organisations. In order to effectively do this, the theoretical framework of exit, voice, and loyalty (Hirschman, 1970) may prove helpful by providing a guideline for understanding how people act in organisations. According to the framework, employees may either choose to leave the organisation (exit), stay and affect it (voice), or stay and be loyal (loyalty) when they are dissatisfied. However, it is possible that, depending on the degree of perceived employability, employees may have different strategies for coping with dissatisfaction – and it is this aspect in particular that would make for an interesting study. Furthermore, it has been suggested that employability may be a moderator of the job insecurity – outcome relationship (Sverke & Hellgren, 2002); feeling employable could buffer the negative effects of job insecurity. The moderating role of employability on physical as well as behavioural outcomes could therefore be of interest.

In addition, it would also be interesting to test the entire conceptual model (Figure 1) that the present thesis revolves around. This could be done by including all three steps – antecedents, employability, and consequences – in one structural equation model, and then, perhaps, comparing it to alternative models with different predictors and outcomes. Such a model would not only contribute to a better understanding of the determinants and consequences of employability perceptions but also, after controlling for the effects of antecedent variables in the model, provide insights into the relative importance of employability for the various consequences.

Besides looking further at the topics of the present study, employability research could also benefit from expanding into domains that have not been covered in the present thesis. Accordingly, in order to gain a deeper understanding of the concept and how people think about their possibilities of obtaining new employment, qualitative studies on this phenomenon are called for. Qualitative studies may also have the added benefit of providing more clues about how the concept should be measured quantitatively. Although some researchers have begun to conduct psychometric studies of employability (Rothwell & Arnold, 2007), they will need to be validated through other studies in order to more definitively improve our understanding of this topic.

Conclusions

In the present thesis, it has been stressed that the concept of employability must be viewed in the context of a flexible and individualised working life. For people who are exposed to flexibility, through their employment
contracts or constant changes in their organisations, it has been suggested that they would benefit from being employable, since it would better enable them to find new employment if necessary. Furthermore, it has also been argued that the mere perception of being employable is important for people’s general well-being.

The empirical data of the present thesis supports these views. Those who felt employable reported better health than those who perceived themselves as less employable, implying that employability provides people with a certain sense of control, or a general feeling of security. Furthermore, in the present thesis, it has also been argued that employability is not a matter of self-evaluations, but rather the product of a combination of some very tangible aspects, namely one’s knowledge and skills, and the structure of the labour market. Consequently, if the labour market continues to change, people will have to be able to obtain new employment on a regular basis. For the individual, this means that in order to have control, and maintain a feeling of general well-being, a sense of employability will be advantageous. It also implies that it would be possible for the individual to affect his or her employability to a degree, although external influences such as the structure of the labour market would continue to have an effect.

In conclusion, the findings of the present thesis should be of value for research as well as for practice. The results contribute to the literature on employability by focusing on the perceptions of being employable. Furthermore, the thesis implies that perceptions of employability are important for the individual in the context of the modern labour market. Given that the surrounding environment is flexible in nature and that individualisation is increasing, it is all the more critical for individuals to be and feel employable, since it may affect their health and well-being. These results may not only serve to help individuals better understand what it is that makes them employable, but they may also help people realize that being employable can lead to having more security and control in their working life. For organisations, the results of the present thesis may have implications for human resource strategies. As people with low levels of employability report worse health and well-being, it may be beneficial for companies to promote employability by offering employability enhancing activities, such as competency development or career advising. Such activities may help people feel better about their work, which may lead to a number of possible positive effects, including higher competence. These contributions notwithstanding, more research on this topic is needed in order to continue to improve our understanding of the nature, determinants, and implications of perceived employability.


