**Is it all about Perception? A Sustainability Viewpoint on Psychological Capital and Life Wellbeing of Management Graduates**

**Abstract**

***Purpose:***Employability and wellbeing are key indicators of career sustainability. Hence it is essential to explore the role of positive personal resources in enhancing these indicators in university students and graduates. This study explores the intervening methods used during challenging times to enhance the wellbeing of management students as they face ambivalence in the academic environment and as they prepare for entry into a competitive labour market.

***Research Methodology***: A cross-sectional study using multi-stage random sampling was conducted whereby 212 management students from Kerala in India completed a questionnaire. Structural equation modelling using IBM-AMOS was applied to gain insights into the proposed relationships.

***Findings*:**The results indicate that psychological capital has a significant impact on the life wellbeing of management students. Both perceived employability and psychological capital are positively related to life wellbeing. Moreover, perceived employability mediates the relationship between psychological capital and life wellbeing.

***Research Implications***: The theoretical contribution comes from the application of Broaden-and-Build theory and resource caravans from the conservation of resource theory as a theoretical framework to understand the positive impact of developing psychological capital among university students. The practical contribution comes from identifying a need for universities to make their campus climate more supportive of the non-academic needs of students by supporting them to become more self-reliant and enhance their positive psychological resources. Developing psychological resources of perceived employability and psychological capital is quintessential to enhance life wellbeing and career sustainability of early careers talent.

***Originality***: This study is one of the first attempts to discern how psychological capital leads to an accumulation of psychological resources and life wellbeing in university students and graduates offering opportunities for career sustainability.

**Keywords**Perceived Employability, Psychological Capital (PsyCap), Life Wellbeing, Management Graduates, Higher Education Institutions (HEIs).

**1. Introduction**

A sustainable career provides the opportunity for an individual to enjoy a high quality of life despite the unpredictability of work environments (Chiesa *et al.*, 2018; Magnano *et al.*, 2019). The psychology of sustainable development of careers is focused on understanding how to live a meaningful life and cherish meaningful work whilst overcoming life’s challenges (Magnano *et al.*, 2019). The individual agency plays a critical role in the management of sustainable careers (De Vos and Van der Heijden, 2017). For example, an individual needs to be proactive in adapting to changing work environments and job demands and be able to evolve and navigate these changes on their own (De Vos and Van der Heijden, 2017; De Vos *et al.*, 2017; Donald *et al*., 2019 Fugate *et al.*, 2004).

One of the biggest challenges for business students is successfully navigating the university-to-work transition (Hooft *et al.*, 2004). Increasing uncertainty and competition for employment opportunities act as severe stressors to undergraduates undertaking university study in business schools (Sarokhani *et al.*, 2013; Zakkariya *et al.*, 2020). Therefore, students need to be physiologically and psychologically ready for the challenges of searching for a job. Furthermore, fluctuations in labour market demand can positively or negatively impact employment prospects and employability perceptions. For example, the Covid-19 pandemic as a chance event has bought about significant disruption to the way that people live and work. In career theory literature, the impact on the individual is envisaged as a career shock (Hite and McDonald, 2020). Career shocks are directly impacted by the interplay between contextual and individual agency factors (Akkermans *et al*., 2020). Thus, graduates and Higher Education Institutions (HEIs) can have a significant impact on how career shocks are navigated from the individual perspective to facilitate career sustainability.

Employability and wellbeing are key indicators of a sustainable career (De Vos *et al.*, 2020). Employability has a significant impact on graduates during their transition from HEIs into the labour market and is reliant on the acquisition of human capital (Donald *et al*., 2019). University students can draw on their life experiences and participate in initiatives provided by HEIs to develop scholastic capital, psychological capital, social capital, cultural capital, and market value capital (Donald *et al*., 2019). Thus, HEIs act as a significant agent for the development of a sustainable career mindset to navigate cultural and national contexts (Donald *et al.*, 2020). The HEIs, therefore, seek opportunities to engage their students through a blended approach of in-person and virtual sessions to upskill and prepare their students for the job market. The Covid-19 pandemic has also highlighted the need for HEIs to focus on the wellbeing and positivity of their students to provide them with the foundations for a sustainable career. The acquisition of personal resources offers an opportunity to address these challenges.

From a psychological perspective, sustainable careers are related to tangible and intangible personal resources that help an individual to find meaning in their work and life (De Vos *et al.*, 2020). Psychological capital (PsyCap) can act as a cognitive mechanism for navigating challenging situations via “positive assessment of situations and likelihood of success” (Luthans *et al.*, 2007, p.550). PsyCap can lead to increased effort, motivation, and perseverance to overcome such obstacles. A further personal resource is perceived employability which is related to one’s overall wellbeing. Maintaining and enhancing one’s employability perception is important because it can support individuals to cope during the job searching phased (Chen and Lim, 2012). It can also protect one’s self-confidence and self-esteem during periods of unemployment (Fugate *et al*., 2004; McArdle *et al.*, 2007) through a sense of security and independence (Rothwell and Arnold, 2007).

To date, the role of personal resources for career sustainability in undergraduates at university business schools in India has not been adequately addressed. Whilst the importance of psychological capital and perceived employability on wellbeing has previously been discussed (e.g. Berntson, 2008; Li, 2018; Singhal and Rastogi, 2018), the mediating role of perceived employability in the relationship between psychological capital and life wellbeing of graduates has not. This study proposes that PsyCap and perceived employability are antecedents of a sustainable career and that life wellbeing is a quintessential indicator of a sustainable career. The proposed associations are examined through a theoretical framework of Broaden-and-Build theory and the resource caravans metaphor from the conservation of resources theory. Practical implications of the study highlight the role that HEIs can play as change agents in enhancing the psychological resources of PsyCap and perceived employability. The following research questions are investigated:

1. Do psychological resources of perceived employability and psychological capital positively predict life wellbeing?

2. Does perceived employability mediate the relationship between psychological capital and life wellbeing?

**2. Introducing Psychological Capital, Perceived Employability, and Life Wellbeing**

*2.1 Psychological Capital (PsyCap)*

Psychological Capital (PsyCap) represents an individual’s motivational propensities developed through positive psychological constructs such as self-efficacy, optimism, hope, and resilience (Luthans *et al.*, 2007). The term PsyCap is defined by Luthans *et al.* (2007, p.3) as

an individual’s positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success.

PsyCap is a state rather than a trait and can be developed and managed to positively affect performance, productivity, and resilience (Luthans *et al.*, 2004). It is directly related to positive emotions and positivity in general (Luthans and Youssef-Morgan, 2017). The positive affective state created by PsyCap enhances an individual’s thought-action repertoires which can lead to higher levels of creativity and an increased number of pathways to complete a task (Hong *et al.*, 2020; Luthans and Youseff-Morgan, 2017; Youseff-Morgan and Luthans, 2015). Individuals with higher PsyCap possess psychological resources that can enhance positive emotions and behaviour in general (Rahimnia *et al.*, 2013). Based on Fredrickson’s (2001) Broaden-and-Build theory, the personal resources acquired during the stages of positive emotions are robust and long-standing (Rahimnia *et al.*, 2013).

Previous studies have shown that PsyCap positively predicts many favourable outcomes at the employee level. At an organisational level, PsyCap was found to be positively associated with many employee outcomes like organization citizenship behaviour (Beal *et al.*, 2013), organisation commitment (Sahoo and Sia, 2015), positive effect (Murray *et al.*, 2010), wellbeing (Avey *et al.*, 2010), performance and job satisfaction (Abbas *et al.*, 2014), as well as work engagement and employee morale (Paek *et al.*, 2015). In an educational setting psychological capital was found to be positively associated with subjective wellbeing (Li., 2018), academic adjustment (Liran and Miller, 2017), study engagement (Siu *et al.*, 2014), as well as academic performance (Carmona-Halty *et al.*, 2019).

*2.2 Perceived Employability*

Perceived employability is one of the most important psychological resources that helps a person in pursuing employment and surviving in an evolving labour market (Berntson, 2008). An individual’s perception of employability is important as the perception of a situation affects behaviour, thoughts, and feelings which translate into actions and responses in real situations (Berntson, 2008). Perceived employability as a construct is receiving significant attention in career theory literature because of the empirical associations with employment outcomes (Kirves, 2014). As a construct for measuring employability, perceived employability captures an individual’s views of both quantity and quality of employment opportunities (De Cuyper and De Witte, 2010). In this study, perceived employability is defined as an individual’s perception of their possibility of gaining new, equal, or better employment (Bernston, 2008). In the purview of conservation of resources theory, perceived employability is considered a major resource that helps individuals to face complex career shocks (Kirves, 2014, Peeters *et al.*, 2020; Zakkariya *et al.*, 2020).

In vocational behaviour and Human Resource Management (HRM) research, perceived employability has been studied from individual, organisational, national, and international contexts. At the employee level, perceived employability is positively associated with career satisfaction, perceived marketability, health, and mental wellbeing (Nimmi and Zakkariya, 2021; Wittekind *et al.*, 2010). Furthermore, researchers in the field of educational psychology found that higher levels of perceived employability in students predicted favourable employment outcomes (Rothwell *et al.*, 2009; Zakkariya et al., 2020).

*2.3 Life Wellbeing*

Mathews and Izquierdo (2009) claim that wellbeing elicits a state of being happy, prosperous, and healthy, not just physically but also mentally, psychologically, socioeconomically, and culturally. Life Wellbeing refers to an individual’s overall assessment of their quality of life (Diener, 1984). It includes two essential elements: life satisfaction, or the perception of the quality of one's life, and emotional experience, including positive and negative emotions (Diener, 1984). Researchers have proposed that the subjective evaluation of life well-being comprises of three major components: high-level positive emotions, low-level negative emotions, and overall satisfaction with life (Proctor, 2014). Positive emotions associated with positive psychological resources can enhance the satisfaction of one’s life wellbeing.

**3. Hypothesis Development and Conceptual Model**

*3.1 Perceived Employability and Life Wellbeing*

From an individual agency perspective, perceived employability plays a significant role in providing a sense of control over their career and the pursuit and realisation of career goals (Fugate *et al.*, 2004). Taking ownership of one’s career gives the individual the confidence to explore and enter the job market, and subsequently to transition through different career stages. Enhanced levels of perceived employability have been shown to increase an individual’s chances of gaining employment, especially during times where the supply of graduates outweighs the demand (Zakkariya *et al.*, 2020). This is because the unpleasant effects of psychological distress can be overcome through a sense of wellbeing among young job seekers (Vanhercke *et al.*, 2016). In other words, high levels of perceived employability tend to reduce stress and are related to improved health, well-being, and life satisfaction outcomes (Berntson and Marklund, 2007; De Cuyper *et al*. 2008). The positive effects of employability on wellbeing are rooted in the conservation of resources theory, which states that the accumulation of resources can lead to enhanced wellbeing or positive affect (Berntson, 2008). Most of the previous studies linking perceived employability and life wellbeing were conducted among the employed, unemployed, or job seekers (Vanhercke *et al.*, 2016). However, findings from management students and graduates in India are lacking. Furthermore, the positive effects of wellbeing have also been shown to enhance employability outcomes (Bernston, 2008; Vanhercke et al, 2016), which augments the need to enhance these resources. Thus, we propose the following hypothesis.

Hypothesis 1 (H1): Perceived employability positively predicts life wellbeing.

*3.2 Psychological Capital and Life Wellbeing*

PsyCap defines who you are and whom you are becoming (Luthans *et al.*, 2007). The elements of PsyCap act as a common resource or as positive agent enabling an individual to positively evaluate their life situation and environment and to act accordingly (Avey *et al.*, 2010). Emotional mechanisms arise through a wide range of positive states generated by PsyCap, which can help expand the repertoire of thoughts and actions and generate physical, psychological, and social resources (Fredrickson, 2013).

PsyCap can aid the active pursuit and progress towards a wide range of important life goals through mitigating hedonistic tendencies and helping to maintain life wellbeing (Diener and Chan., 2011). An underrated and rarely recognized empathy mechanism arises from the individual agency perspective and PsyCap can facilitate the effective pursuit of personal goals. Unrealistic goals and expectations either during academic studies or in the workplace can lead to burnout (Bakker and Oerlemans, 2011). As Bandura (2001) pointed out, that intentional and intrinsic mechanisms lead to intentional action and control, improving relationships, and networks, and can generate positive things. Thus, collectively, we assume that PsyCap can clarify and lead to greater levels of happiness and life wellbeing.

Previous research suggests that PsyCap is positively related to wellbeing (e.g., Avey *et al.*, 2010; Li, 2018; Rahimnia *et al.*, 2013; Singhal and Rastogi, 2017). A study by Avey *et al.* (2010) confirmed the predictive power of PsyCap on the psychological wellbeing of employees. A two-wave cross-lagged study by Li (2018) among knowledge workers in China found that PsyCap positively contributed to the wellbeing of knowledge workers. Such an enquiry has not been conducted among students and graduates in India, even though PsyCap features heavily in research and practice discourse (e.g., Benati and Fischer, 2020; Masole and van Dyk, 2016). A study by Rahimnia *et al.* (2013) showed that PsyCap enhances the psychological wellbeing of nurses through constructive emotions. Singhal and Rastogi (2017) also found that PsyCap predicted subjective wellbeing based on their study of 300 employees in India. Thus, we propose the following hypothesis.

Hypothesis 2 (H2): PsyCap positively predicts life wellbeing.

*3.3 The Mediating Role of Perceived Employability between PsyCap and Life Wellbeing*

Individuals with a positive outlook on life will perceive a given situation in an optimistic way (Spector *et al.*, 2000). Increased levels of PsyCap may also encourage individuals to acquire personal resources including enhanced levels of perceived employability. This view is supported by Chiesa *et al.* (2018) who suggest that a higher level of PsyCap corresponds to higher levels of perceived employability. Moreover, Ngoma and Ntale (2016) found a positive relationship between psychological capital and employability among the unemployed.

Broaden-and-Build theory suggests that the accumulation of personal resources leads to enhanced life wellbeing among individuals (Fredrickson, 2013; 2001). Furthermore, Höbfoll (2012) explains how individuals can accumulate resources in resource caravans. Both PsyCap and perceived employability act as personal resources according to the conservation of resource theory, and the accumulation of these resources in resource caravans can enhance life wellbeing (Berntson, 2008; Diener and Chan, 2011). In other words, personal resources lead to a more enduring positive state of wellbeing and positive outcomes (Fredrikson, 2013). Thus, enhancing levels of perceived employability can provide a sense of ownership and control for students and graduates to manage the process of searching and securing employment at a desirable level (Zakkariya *et al.*, 2020). The use of personal resources to manage stress can also be beneficial in an academic setting and in life in general. The augmenting role of perceived employability has also been linked to positive life and job outcomes (Chiesa *et al.*, 2018). Therefore, based on the theoretical underpinning of Broaden-and-Build theory and conservation of resources theory, we propose that perceived employability and psychological capital enhance life wellbeing, and that perceived employability mediates the relationship between PsyCap and life wellbeing.

Hypothesis 3 (H3): PsyCap positively predicts perceived employability.

Hypothesis 4 (H4): Perceived employability mediates the relationship between PsyCap and life wellbeing.

*3.4 Conceptual Model*

Figure I provides the conceptual model based on the four hypotheses developed.

Insert Figure 1 Here

**4 Method**

*4.1 Context of Study*

The conceptual model was empirically tested on management students from Kerala in India. Kerala is the 12th largest state in India by population and is one of the most gifted states in India with plenty of educated human resources. The Kerala model of sustainable development and education is widely appreciated, and Kerala’s literacy rate of 96.2 percent is the highest of any state in India (Salim, 2004). Kerala’s model of growth is based on the fundamental pillars of public provision of education, health, and equitable access to these services including gender parity and reducing the digital divide (Government of Kerala, 2014). The social security programmes helped the vulnerable sections of society power the egalitarian base of Kerala’s development model (Nimmi and Zakkariya, 2016).

*4.2 Study Design and Participants*

The state of Kerala in India was geographically clustered into three groups: South, North, and Centre. From each cluster, two highly referred management schools were chosen by simple random method. Data were collected from final year management students from six regular, self-financing, and private management universities in Kerala, India during the period from March 2020 to June 2020. Final-year students who are in the fourth semester of their master’s programme were chosen for this study as they could relate to tensions and stress on employment prospects. A survey research design was used in data collection and multi-stage sampling was applied for determining the sample for the study. Data was collected using an online questionnaire due to the Covid-19 social distancing restrictions. A covering letter was attached explaining the purpose of the study. The participants were assured confidentiality of their responses and they were informed that there were no right or wrong answers. A total of 212 questionnaires were completed, giving an effective response rate of 71 percent. Of the respondents, 65 percent were female, and 35 percent were male. The average age of respondents was 21.83 (SD = 2.34). Around 75 percent of respondents were from urban areas while 25% were from rural areas. Approximately 26 percent of respondents were from regular management universities, 70 percent from self-financing, and 4 percent from private universities. The participant data is provided in Table 1.

Insert Table 1 Here

*4.3 Measures*

 The construct of perceived employability was assessed using a 5-item scale proposed by Berntson and Marklund (2007). A sample item for the scale was “My experience/competence is in demand on the labour market”. Psychological capital was assessed with a scale developed by Lorenz et al., (2016) with 12 items. A sample item was “I’m optimistic about what will happen to me in the future as it pertains to job”. Lifewellbeing was measured using a scale developed by Zheng *et al.*, (2015) with 6 items. A sample item was “I am in a good life situation”. All items were measured using a five-point Likert scale (1 = totally disagree; 5 = totally agree).

*4.4 Data Analysis*

Statistical analysis of the data was conducted using IBM SPSS Statistics 23.0 and IBM AMOS 21.0 with estimations at a 95% confidence interval. Before hypotheses testing, a step-by-step analysis was carried out to inspect the reliability and validity of the measures employed in the study (Hair *et al.*, 2010). Internal consistency of constructs was ensured by examining the instrument items' reliability, discriminant, and convergent validity. The internal consistency (reliability of the scales adopted in the study) was measured using Cronbach’s α (values were greater than 0.7). Composite reliability, which is a more conservative measure of the consistency of measurement tools, was also found to be good (values greater than 0.8). The validity of the scales was supported with values for convergent and discriminant validity. The Average Variance Extracted (AVE) score was higher than 0.5 and confirmed convergent validity. Discriminant validity was also confirmed as the square root of AVE was higher than the values of the off-diagonal elements. Table 2 provides a breakdown of the values.

Insert Table 2 Here

**5. Results**

*5.1 Data Validation*

Table 3 presents the means, standard deviations, skewness, and kurtosis, and correlations for all the study variables.

Insert Table 3 Here

Initially, a correlational analysis was conducted to understand the direction of the relationship. Pearson’s correlation revealed moderate positive relationships between the study variables. Normality (distribution of data points across normal graph) of the constructs under study is one of the assumptions for performing structural equation modelling. Normality of the constructs was assured from skewness (a measure of symmetry/asymmetry of a random variable from the mean) and kurtosis (height and sharpness of central peak of the bell-shaped curve in a histogram) values.

Common method bias is a social desirability bias that can occur in studies where all variables are measured from a single source of data at a single point in time. Considering the potential problem of common method bias, Harman’s single-factor test was conducted to inspect whether a general factor emerged and accounted for the majority of the covariance among the measures. Results revealed only 30 percent of variance was attributed to a single factor. Thus, it was concluded that common method bias was not a concern.

*5.2 Measurement Model Testing*

In the next phase, more psychometric properties of the scales were measured using Confirmatory Factor Analysis (CFA), from which model fit indices were assessed. The CFA was performed using IBM AMOS 21.0 and maximum-likelihood estimation. All items had loadings greater than 0.70 and the hypothesised five-factor measurement model had a satisfactory fit, (χ2=352.03, p=0.001; χ2/df=2.17; CFI=0.90, GFI=0.89; RMSEA=0.05; SRMR=0.07). Overall, there was adequate support for the measurement model. This permitted us to move ahead with the estimation of the structural model, to assess the strength of relationships as well as predictive power and detailed hypotheses testing.

*5.3 Structural Model Hypothesis Testing*

Structural Equation Modelling (SEM) using IBM AMOS 21.0 was used to test the hypothesised relationships. The model showed a good fit to the observed data per existing literature on model fit indices (Hair *et al.*, 2010). The results of standardised regression path coefficients and their statistical significance are summarised in Table 4.

Insert Table 4 Here

PsyCap and perceived employability were found to have a significant positive relationship with life wellbeing (β=0.32, p<0.001; β=0.38, p<0.001). A significant positive relationship was also found between PsyCap and perceived employability (β=0.53, p<0.001). Therefore, the direct relationship hypotheses of H1, H2, and H3 were all supported.

To check the mediating effect of perceived employability as stated in H4, path analysis using SEM was used. The indirect effects were tested using the bootstrapping procedure at 95% confidence interval, and bootstrap re-samples of 2,000 with bias-corrected confidence. Bootstrapping is a statistical re-sampling method that estimates the parameters of a model and their standard errors strictly from the sample (Preacher and Hayes, 2008). To check the mediating role of perceived employability in the relationship between Psycap and life wellbeing, the indirect effect of PsyCap on life wellbeing was examined when perceived employability was incorporated into the model. Two separate models were drawn. Initially, the direct effect was analysed with SEM analysis, including dependent and independent variables. The direct effect of PsyCap on life wellbeing was found to be significant (β = 0.51, SE = 0.121, p<0. 001). Subsequently, the indirect effect was assessed with another SEM analysis including the three variables, depicting the mediation process as in Figure 1. The results supported a significant indirect effect of perceived employability in the relationship between PsyCap and life wellbeing (β = 0.20, SE = 0.068, p<0. 001) as evidenced in Table 5.

Insert Table 5 Here

Furthermore, it was also found that after controlling the mediating variable (perceived employability), the relationship between PsyCap and life wellbeing remained statistically significant (β = 0.32, SE = 0.11, p<0. 001). There was also a reduction in the direct effect (i.e., the strength of relationship reduced from 0.51\*\* to 0.32\*\*), indicating the partial mediating role of perceived employability. Thus, H4 was supported.

**6. Discussion**

Previous research in career psychology has suggested the role that positive psychological resources can play in promoting positive career outcomes for individuals (Rothwell *et al.*, 2009; Zakkariya et al., 2020). In this present study, we integrate the career psychology literature into the vocational behaviour literature and the HRM literature streams to reiterate the importance of perceived employability and PsyCap in determining life wellbeing in students and graduates. Our findings show the positive predictive role of PsyCap and perceived employability on the life wellbeing of management students and graduates. A mediating role of perceived employability on the relationship between PsyCap and life wellbeing is also reported. The findings support the assumption that management students with high levels of PsyCap have higher levels of perceived employability and life wellbeing.

Of course, the resources that students accumulate during their studies play an essential role in building a sustainable career. The current working environment implies that graduates entering the labour market face the challenge of significant competition for jobs leading to an increased risk of underemployment or unemployment (Baluku *et al.*, 2020). Previous studies have hinted that positive personal resources predict perceived employability in normal labour market conditions only (e.g., Low *et al.*, 2020). However, despite the cross-sectional nature of this current study, the findings hint that the predictive role of positive personal resources also applies during times of challenging job markets (e.g. during the Covid-19 pandemic).

The predictive power of perceived employability for determining the health and wellbeing of employees has previously been discussed in the vocational behaviour literature (e.g., Berntson and Marklund, 2007; De Cuyper *et al*. 2008; Vanhercke *et* al., 2016). However, few empirical studies have explored this association at the early career stage during a time when the job market is undergoing a downturn for management graduates such as the current setting caused by a global level chance event of the Covid-19 pandemic (Akkermans *et al.*, 2020). The findings from this current study suggest that fostering high levels of PsyCap and perceived employability in students as they undertake the university-to-work transition takes on significant importance during times when the macro-environmental factors are particularly challenging.

Moreover, a career is inherent in the context of an individual's wider life (Van der Heijden and De Vos, 2015), and the outcomes are not confined to work alone (Greenhaus and Kossek, 2014). Integrating career, personal, and family life is essential to a sustainable career (De Vos *et al.*, 2020). This study specifically examines the impact of personal resources on life wellbeing, whereas previous studies have predominantly concentrated on the predictive power of these resources on psychological welfare (Li, 2018; Youssef‐Morgan and Luthans, 2015). The findings of the positive impact of PsyCap on management students and graduates develop the views of Garcia *et al.* (2017) that psychological wellbeing is an essential indicator of life wellbeing. Psychologically motivated students are more likely to engage in behaviours and activities that increase their employability and employment chances, for example, through life-long learning and personal development (Donald *et al.*, 2020; 2019). PsyCap can also help students reduce their levels of stress and overcome career barriers. Thus, students and graduates with higher levels of PsyCap can perform better in interviews and secure more lucrative job opportunities.

**7. Implications and Limitations**

The theoretical contribution comes from the application of Broaden-and-Build theory (Fredrickson, 2001) and the resource caravan metaphor from the conservation of resources theory (Höbfoll, 2012) as a theoretical framework to understand the positive impact of developing PsyCap among university students. This study is one of the first attempts to discern how PsyCap leads to an accumulation of psychological resources and life wellbeing in university students and graduates offering opportunities for career sustainability. The findings advance the vocational behaviour and HRM literature streams by contributing to the area of career sustainability which has proved to be a topic of emerging interest in recent years (e.g. De Vos *et al.*, 2020; De Vos *et al.*, 2017; Donald *et al*., 2020).

 The practical contribution comes from identifying a need for HEIs to make their campus climate more supportive of the non-academic needs of students by supporting them to become more self-reliant and enhance their positive psychological resources. This is because this study shows psychological resources of perceived employability and PsyCap to be quintessential to enhancing life wellbeing and career sustainability of early careers talent. HEIs should recognise that PsyCap is a state-like trait that is malleable and can be cultivated in students to leverage its benefits (Luthans *et al.*, 2008). For example. HEIs could use the PsyCap intervention training model developed by Luthans *et al*. (2008) to help students to enhance their self-efficacy, identify and strive for achievable goals, and to foster strategies for identifying and mitigating risk factors (Datu and Valdez, 2016). Additional initiatives could include the provision of less structured environments for students to develop creativity, problem-solving, and resilience (Lee *et al.*, 2017). This could include the use of case studies and team projects as part of the academic curriculum, or informal participation in sport or outdoor activities which can lead to a positive psychological state and have been linked to improvements in mental and physical health, and psychological capital development (Abraham *et al*., 2010).

 Educators and career counsellors within HEIs should also be aware of the significant stress that the Covid-19 pandemic has placed on students from an academic perspective and from non-academic aspects such as environmental, socio-cultural, economic, and psychological influences. For example, the shift to virtual teaching and the wider pandemic-related restrictions has negatively impacted from a social identity perspective due to limited social interactions (Suess *et al*., 1992). HEIs should seek to proactively engage with students and create environments for open communication and support which specifically focus on developing PsyCap and perceived employability as mechanisms for enhancing life wellbeing and career sustainability. Furthermore, high levels of perceived employability can mitigate psychological stress during academic studies, during the university-to-work transition, and upon entry into the labour market (Fugate *et al.*, 2004). Career counsellors need to be aware that the Covid-19 pandemic has increased competition for graduate jobs and negatively impacted perceptions of employability in students. Supporting students by preparing them for the graduate labour market and enhancing their own perceptions of employability can benefit the individual, the university, employers, and play a crucial role in facilitating economic recovery (Low *et al.*, 2020). This might include positive messaging, working with local employers to source jobs for students, or helping students to adapt to new methods of virtual assessment for securing employment.

The study has some limitations in its approach. The findings are based on cross-sectional data obtained through self-report instruments. Another limitation is associated with social desirability biases (Miller, 2012). Hence, we cannot rule out the risk of inflated relations among the constructs studied despite the absence of common method bias.

**8. Conclusion**

Employability and wellbeing are key indicators of career sustainability. Hence it is essential to explore the role of positive personal resources in enhancing these indicators in university students and graduates. This study explored the intervening methods used during challenging times to enhance the wellbeing of management students as they face ambivalence in the academic environment and as they prepare for entry into a competitive labour market.

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