

INTELLECTUAL CAPITAL AND EMPLOYABILITY

PROPOSING A CONCEPTUAL FRAMEWORK

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Abstract

Ever growing dynamism of the world requires individual to be more adaptable and manage multiple identities. To survive in the competitive environment, requires employees to continue managing change in themselves and their context. Increasingly, the employee is expected to be employable and develop their intellectual capital. We argue that a relationship exists between intellectual capital in form of human capital and social capital. For an individual to be in a position to maintain their job, move across jobs they are required to develop their human capital skills. Social capital in form of social networks enables an individual to interact with people internally and externally who can assist them in their employability. The combinative effect of human capital and social capital is very important today than ever due to high competition experienced in the job markets who have acquired university education. This paper suggests that contextual factors and individual characteristics moderate the relationship between intellectual capital and employability.

Keywords: *Human capital, social capital, intellectual capital, employability*

INTRODUCTION

The labour market has been transformed in recent years as the economic and social contexts in which organizations operate has led to increasing demand for adaptation due to globalization and rapid changes in technology. Robinson and Rousseau (1994) posit that change is evident in the new employment relationship between the employee and employers. There is a general agreement among scholars that employability is rapidly replacing the notion of lifetime employment characterized by permanent and pensionable employee within the same organization to a new psychological contract where employees are expected to invest in employability (Kanter, 1997; Forrier & Sels, 2003; Stone 2006).

Gratton and Goshal (2003) refer to the change as democratization of work which echoes the broader revolution reshaping social institutions. In the new relationship, the role of the individual and their autonomy is at the centre of the democratization and the organizations are expected to support the individual to build their human capital. This implies that organizations expect employees to take charge of their careers. Garavan (1999) observes that the change has encouraged individuals to think of themselves as self-employed even when they are employed by an organization or as entrepreneurs of their careers. This notion is further supported by Gratton and Ghoshal (2003) who argue that there has been a change in historical discourse that centered on what the organization can do for the individual to what the individual can do for themselves. To this end, Cappelli (1999) notes that that employees such as technicians, engineers, managers who traditionally were indispensable have all discovered that the long tenure career bargain is dead. In this regard, management of one's career becomes a person's responsibility and knowledge plays a key role.

Drucker (1993) popularized the term knowledge worker representing employees in business organizations. He saw a change in means of production from capital, natural resources and labour to knowledge. Stewart (1997) posits that knowledge as compared to financial assets is one of the most valued assets by organizations. In the same vein (Roos & Roos, 1997) attribute the shift towards knowledge to the increasing importance of intellectual capital as an intangible and importance resource for companies' sustainable competitive advantage.

Despite the recognition that intellectual capital in form of human capital and social capital may increase the likelihood of employment success, there is little theoretical understanding of the role of contextual factors and individual characteristics on the relationship between intellectual capital and employability. Initial evidence suggests that intellectual capital may not be a guarantee to employment in a highly competitive labour market where they are only limited opportunities. On this account, there is need for pursuit of more research that focus not only

how but under what circumstances intellectual capital influences employability. Employability is the outcome of complex interaction between individual level factors and contextual factors. To this end, the purpose of this paper is to study the multi-dimensional aspect of employability explored by applying theoretical foundations in human and social capital theory develop a conceptual framework. Specifically, we examine the relationship between intellectual capital and employability (2) the moderating role of individual characteristics and contextual factors on the relationship between intellectual capital and employability

THEORETICAL LITERATURE

Human Capital Theory

The theory of human capital was originally developed to study economic value of education (Schultz, 1961). The theory affirms that people invest in themselves, through accumulation of different types of human capital like formal education, knowledge and information in order to constitute stocks of generally intangible human capital with the potential of increasing their owner's market and non-market productivity (Schultz, 1961). Human capital theorist (Becker 1964) argues that concentration of educated individuals along with training produce high levels of long-term economic growth. Bernston Sverke and Marklund, (2006) view individuals as capable of achieving self-development through investment in education, competence development and job experiences. In this regard, some labours tend to be more productive compared to other labor simply because more resources were invested into training of that labor. Thus, employers decide to offer the most secure jobs to attract and retain highly valuable workers, who would easily find alternative employment in the case of undesirable working conditions.

In addition, the theory further suggests that core employee skills (central to firm's competitiveness) should be developed and maintained internally whereas those of peripheral value should be outsourced. Following the logic of the human capital theory, employability represents a way for the individual to improve their attractiveness to the labour market. Brown et al. (2002) argue that employees' decisions may be monitored by non-financial motives related to reduce job insecurity. Similarly, a study by worth (2002) concluded that employees are committed to the ideal of long-term secure employment as a return for human capital investments.

Social Capital Theory

The central proposition of social capital theory is that network of relationship constitute a valuable resource for the conduct of social affairs providing their members with the 'collectivity-

owned capital, a 'credential' which entitles them to credit (Bourdieu, 1986; Nahapiet & Ghoshal 1998). The social capital theory emerged from sociology as a potential influence of employability. The central proposition of social capital theory is that network of relationships constitute valuable resource for the conduct of social affairs providing their members with the collectivity-owned capital, a credential which entitles them to credit (Burt, 1992). From the perspective of social capital theory, individuals who acquire greater social capital will occupy central position in social networks and will reap benefits of employability.

However, despite the importance attached to social capital, Swart (2006) points to the dissatisfaction of proper theoretical perspective. Nahapiet and Ghoshal (1998) explained that inadequacy of operationalization of social capital can be attributed to its multi-dimensionality. Proponents of social capital theory consider social capital as asset possessed by the individual and have economic value for the organization if it shared among the members of the organization.

Consensus Theory

The consensus theory is based on the propositions that technological innovation is the driving force of social change. The shift towards a knowledge economy where knowledge workers are more valuable and seen as more valuable and more powerful than natural resources. According to Brown et al. (2002), employability reflects the demand for technical, scientific and professional workers. Drucker (1993) suggests that knowledge workers own their own knowledge and can take with them wherever they go. The consensus theory is consistent with the human capital theory that employees with value added knowledge skills and ideas have seen their income rise as they are no longer restrained by domestic pay agreements.

Conflict Theory

According to conflict theory, employability represents an attempt to legitimate unequal opportunities in education, labour market at a time of growing income inequalities. Brown, Hesketh and Williams (2002) concur that the scientific-technological revolution has transformed the nature of managerial and professional work, leading to mass unemployment where only small occupational elite is able to preserve their autonomy and fulfill their work (Brown et al. 2002). Therefore, companies emphasize employability in an attempt to shift the responsibility for jobs, training and careers to the individual. This implies that an individual has the responsibility of developing their own human capital for them to remain employable.

However, the idea that employability has liberated individuals from paternalism of bureaucratic careers has also been rejected. Simmel (1990) proposes that the freedom of employees is matched by freedom of employers in a money economy. Whilst employees are free to change employers, they are not free from the need to make a living. The theory also challenges the idea that workers are given greater opportunities to use their initiative and creative skills. The primary concern of employers is to maintain managerial control in flatter, leaner and more flexible organizations.

Contrary to consensus theory, the rapid expansion of higher education does not reflect the demand for high skilled jobs but credential inflation. To this extent, the more contestants enter the labour market with graduate qualification, the more the value of credentials as a screening device declines. Bourdieu and Passeron (1964) established that individuals from poor backgrounds are disadvantaged as the best jobs are often assigned to social elites with the appropriate cultural capital. The social background and networks remains an important factor in explaining the individuals who gets access to fast-track graduate programmes. Burt (2000) points that the university a person attends gives them an advantage over others because they have friends in influential positions or in other organizations that can help them access business opportunities. The preceding discussion reveals that human capital alone may not be an adequate variable for employability. These views agree with Kariuki, K'obonyo and Ogutu (2015) who established that the combined effect of human capital and social capital has a greater influence on performance as compared to individual influence. The theories discussed above present an aspect of competing theories. The conflicting and consensus theory agree that employability is based on competition for credentials as employers use them to screen out suitable applicants. The role of an employee getting where they want has changed as largely discussed. However the consensus theory premises its argument on the human capital theory, while the conflict theory bases its assumption on the human capital theory. The degree that workers are able to upgrade their skills, they will be better placed to take advantage of the autonomy offered by such career patterns. But upgrading skills is costly in terms of both time and money, making it less likely that (1) workers in lower socio-economic strata will be able to do so, and (2) employers will make such investments. It is also proposed that flexibility is more likely to be sought by, and more beneficial to employers than employees.

Employability

The interest in employability dates back to the 1950s, when employability interventions aimed at realizing full employment by stimulating entry into the labour market. From 1960s and 1970s the interventions have been targeted at different groups, ranging from the physically and

mentally disadvantaged people, women and young drop-outs and minorities (Forrier & Sels, 2003; McQuaid & Lindsay, 2005). Thissen and Heijden (2003) allege that the government was considered the major actor responsible for achieving full employment. In the 1990s an individual perspective on employability emerged, shifting attention from the underprivileged unemployed to the entire population. In recent times, employability policies have targeted the total working population rather than disadvantaged minorities or the unemployed, and they have addressed the problem of securing rather than finding employment (European Commission, 1997). This has been inspired by fundamental changes in the labour market, namely the rise in feelings of job insecurity among the workers owing to mergers, downsizing, and tight labour markets (Sparks, Faragher & Cooper, 2001).

Despite the growing importance attached to employability, there is little disagreement within existing literature in exact definition of employability. Rothwell and Arnold (2007) suggest that the problem of definition results from different academic disciplines, including labour economics, management science, business, management studies, human resource management, human resource development, psychology, educational science, and career theory. The integration of different perspectives and the concept has indeed become somewhat fuzzy because it has come to incorporate more and more related ingredients. According to Drucker (1993), employability represents a power shift in nature of global capitalism. He argued that power rested on those that had knowledge and skills. His assumption is simplistic because it negates the power play in the labour market and network of relationships held by an individual.

HM Treasury (1997) defines employability as the development of skills and adaptable workforce in which all those capable of work are encouraged to develop the skills, knowledge, technology and adaptability to enable them to enter and remain in employment throughout their working lives. Hillage and Pollard (1998) adopted a different definition for the term employability based on their disciplinary perspective and highlighted that it involves capability to move self-sufficiently within the labour market to realize potential through sustainable employment”, a capability that is realized as an outcome of an individual’s assets, such as skills, qualifications and personal attributes, the way in which those assets are used, how they are presented to an employer, and contextual factors, such as current labour market conditions. The view is in line with the conceptualization by Fugate, Kinicki, & Ashforth (2004), who defined it, as ‘a form of work specific active adaptability that enables workers to identify and realize career opportunities’.

Heijde and Heijden (2006) defined employability, or career potential, as the continuous fulfilling, acquiring or creating of work through the optimal use of competencies.' Brown et al. (2002) identifies employability as an individual's ability to find a job, retain a job and move between jobs or industries should the need arise. Fugate et al. (2004) posit that employability is a work specific activity and adaptability that enables workers to identify and realize career opportunities. Heijde and Heijden (2006) point that employability is a critical requirement, both for organizations that need to compete in a changing environment and for individuals who aim for career success.

Synthesizing definition by several authors, (Brown et al., 2002; Sanders & de Grip, 2004) view employability as an individual's ability to find a job, retain a job and move between jobs or industries should the need arise.

As noted by Brown et al. (2002) the various definitions are 'loaded' and blame the individuals who cannot find employment. The said definitions solely focus on individual characteristics both in absolute and relative terms. On the other hand, McQuaid and Lindsay (2005) argue that employability should be understood as being derived from, and affected by, individual characteristics and circumstances and broader; external (social, institutional and economic) factors that influence a person's ability to get a job. Recent efforts to arrive at a clearer definition of the concept have emphasized the need to understand the interaction of individual and contextual factors affecting the individual's ability to operate effectively within the labour market. In contrast to past research, we adopted the definition by Brown et al. (2002) that employability is the ability individual's ability to find a job, retain a job and move between jobs or industries should the need arise. In addition, we acknowledge that employability depends on the laws of supply and demand within the market for jobs.

Intellectual Capital

Ulrich (1998) conceptualized intellectual capital as a multiplicative function of competence and commitment. OECD (1999) defines intellectual capital as "the economic value of two categories of intangible assets of a company", that is, organizational and human capital. Congruent with the arguments of Ulrich (1998) and Quinn, Anderson and Finkelstein (1996), Youndat, Subramanian and Snell (2004). examined the characteristics and features of intellectual capital and revealed that different components are complementary. Further, there is consensus that researchers agree that intellectual capital it is not a one-dimensional construct; rather it resides at various levels (individual, network, and collective).

In the present study, human capital and social capital are components of intellectual capital will be examined. Human capital will be conceptualized as individual's employee's

knowledge, skills and abilities (Becker, 1964, Schultz, 1961). Social capital is an intermediary form of intellectual capital consisting of knowledge in groups and networks of people (Nahapiet and Ghoshal, 1998). Dess and Shaw (2001) point that individuals and organizations make investments in social and human capital in anticipation of future returns in the workplace; one of which is employability.

Human Capital and Employability

Becker (1964) defines human capital as the acquired skills, knowledge and abilities held by individuals and obtained through their education, training and experience and often cited as an intangible asset that contributes to firm performance and advantage. Drawings from human capital theory individuals are capable of achieving self-development through investment in education, competence development and job experiences (Bernston et al. 2006). Becker (1993) and Roos and Roos (1997) argue that human capital is movable and does not belong to organizations. Thus, employees are viewed as owners of human capital, who decide the amount of investment in their human capital.

Becker (1993) argues that through investing in education, the individual or, even the organization will have a return on the investment which may manifest itself in higher wages manifested between college and high school graduates, more effective production or improved health. In the same vein, Judge, Cable, Bourreau and Bretz, (1995) found that one's human capital may increase from work experience as well as from formal education and competence development. Analyzing the role of human resource development in human capital accumulation (Garavan, Morley, Gunnigle & Collins, 2001) noted that the individual should focus on their human capital worth and employability.

Human capital variables such as age and education (Wanberg, Watt & Rumsey, 1996), work experience and training (Becker, 1975), job performance and organization tenure (Forbes & Piercy, 1991) have been identified as elements that influence employability. From the perspective of the employer, human capital theorists holds that organization develop resources internally only when investment in employee skills are justifiable in terms of future productivity (Becker, 1964). This is in line with the human capital proposition that concentration of educated individuals along with training will produce high levels of long-term economic growth. Arnold (1997) and Hirsch (1987) advocate that individuals should collect a portfolio of skills and experiences that are attractive in the market place whilst Guest (1987) proposed that organizations have a role in increasing worker's employability by equipping them with required skills.

Schaufeli (1992) established that less educated workers are more likely to be employed in insecure jobs than highly educated workers, and thus, they may be more likely to perceive job insecurity. Their view is consistent with Brown et al. (2002) who demonstrated that employees' decisions may be monitored by non-financial motives related to reduce job insecurity. King and Sethi (1999), on evaluation of Schultz hypothesis found that economic freedom benefits those workers who have attained most schooling, as well as those have accumulated the most work experience similarly, a study by Worth (2002) concluded that employees are committed to the ideal of long-term secure employment as a return for human capital investments. Contrary to the human capital theory, Teichler and Kehm (1975) argue that overeducating can occur when highly educated people perform routine tasks which do not require all knowledge and skills they have acquired through education.

Social Capital and Employability

The term social capital initially appeared in community studies highlighting the central importance for survival and functioning of city neighborhood of the networks of strong crosscutting personal relationship developed over time that provide the basis for trust, cooperation and collective action in such community ties (Jacob, 1965). Louny (1977) found that poor people in urban areas are often neglected by social networks that provide information about job opportunities or associations that facilitate career mobility.

Granovetter (1973) refers social capital to the assets that reside in relationship among people and that can facilitate instrumental action. Most scholars define social capital from network perspective. Relatedly, Raider and Burt (1996) defined social capital as 'the structure of individuals' contact networks-the pattern of interconnection among the various people with whom each person is tied'. While literature reflects various definitions of social capital Nahapiet and Ghoshal (1998: p.243) popular definition is identified as the most comprehensive. He defines social capital as 'sum of actual or potential resources embedded within, and available through and developed from network of relationship possessed by individuals or social units'. In spite of lack of agreement among the different authors, there is the underlying idea that social capital as a resource is embedded within and available from a network of relationship (Coleman, 1988; Burt 1992). Adler and Kwon (2002) argue that social capital signifies the resources (that is information, influence, solidarity) that an individual has at one's disposal, by means of the nature of one's relationship ties with others, and by one's position in a particular social structure.

Sociologists argue that social capital is derived from ones ascribed status (parents, economic status) and achieved through ones education experience (Lin, 2001). Social capital requires maintenance which is created through network if relationships. Alder and Kwon (2002)

observed that social capital contributes an overly social and interpersonal element of employability and confers information that influences the job holder via networks. Raider and Burt (1996) defined “network” as the structure of individual’s contact networks. Forret and Dougherty (2004) defined networking as individual’s attempts to develop and maintain relationships with others who have the potential to assist them in their work or career.

The network strength and size are two important network characteristics that determine the potential of the information and influence provided. Higgins and Kram (2001) proposed that the size and diversity of an individual’s network is proportionate to the amount of information and influence contained in the network. Raider and Burt (1996) and Garavan et al. (2001) concur that networks provide individuals with a competitive advantage because people, who connect, disconnected others are autonomous and have more opportunities than individuals with smaller networks comprising interconnected others. The authors drew attention to the importance of an individual occupying a central position in the organization where they get tied to others who possess desirable outcomes such as information and financial support are in a position to achieve work related and career outcomes.

Baldwin and Ford (1998) postulate that an individual who is central in their social network is, over time able to accumulate knowledge about task-related led problems and workable solutions. The expertise not only enables an individual to solve problems but also serves as valued resources for exchange with coworkers. Thus, networking behaviors may be beneficial for improving other aspects of one’s personal life; the primary purpose of networking behaviors in this context is for the receipt of employability.

According to Burt (1992: 1997) networks rich in structural holes provide an individual with three primary benefits: (1) more unique and timely access to information (2) greater bargain power and thus control over resources and outcome (3) and greater visibility and career opportunities throughout the social system. The benefits of social capital as illustrated in job search behaviors proves that individuals with well-developed social capital utilize their informal job networks in addition to more formal network. A study by De Graaf and Flap (1991) showed that top managers secured jobs through informal networks. Further, social capital had a positive and independent effect on salary above and beyond human capital. People can use their personal contacts to get jobs, to obtain information, or to access specific resources.

Empirical studies have shown that social networks are helpful in obtaining jobs (Burt, 1997), getting promoted (Lin and Huang, 2005) and having a successful career. Burt (1992) urges individuals to increase the number and diversity of their contacts through engaging in networking behavior. Burt (1992) demonstrated that diverse networks of contact can extend one’s reach into different social circles and consequently enhance one’s career opportunities

such as obtaining faster promotions and finding jobs (Granovetter, 1973). Lin (1998) found that job prospects dramatically improve for individuals with ties to distant, non redundant contacts. Burt (1997) studied structural holes in networks where they are not typically linked and established that persons who fill the holes have access to information and resources that others do not have.

Greenhaus and Callaman (1994) found out that participation in formal organization, professional association as well as informal discussions can help develop useful contacts and enhance employability. Furthermore, an individual has information pertaining to their job security and new opportunities arising in the organization. Kivinen and Ahola (1999) reported that about 30 to 40 per cent of jobs are filled through personal contacts. Forret and Dougherty (2004) examined the following networking behaviors between men and women: maintaining external contacts, engaging in professional activities, participating in community activities and increasing internal visibility. Research revealed that internal visibility through accepting highly visible work assignments or participating on task forces and participating in professional activities was more beneficial for men than women. Sabel (1991) argues that individuals secure long-term employability through participation in professional and social networks outside the firm.

Seibert et al. (2001) examined a model integrating competing theories of social capital on career success on 448 employees with various occupation and organizations. The results of the study showed that the number of weak ties and level of structural holes in an actor's network has independent effects on the level of social resources. On the other hand, weak ties were negatively related access of information and career sponsorship. In sum, it can be argued that managers with more social capital get higher returns for their human capital because they are positioned to identify and develop more rewarding opportunities. Accordingly, while human capital is necessary for success, it is useless without social capital opportunity to apply it.

Human Capital, Contextual Factors and Employability

The interest in employability reflects an acceptance of human capital theory (Becker, 1975). Yorke (2004) argues that the task of the government is to foster conditions that encourage growth in human capital since this is seen as vital to the performance of knowledge based economies in a globalised society. Brown et al. (2002) attributes the acceleration of number of universities across the world to the role played by government in providing opportunity for knowledge workers to enhance their employability. National governments can no longer guarantee employment in a competitive global environment. The higher education system is an opportunity created by governmental to steer emphasis the enhancement of the employability of new graduates (HM Treasury, 2000).

With the current competition, the government has a role to regulate the quality of both public and private education as individuals compete for credential especially at higher institutions of learning. The mushrooming and domestic competition between institutions has become more intense due to globalization leading institutions to redefine their mission statement aimed at becoming 'world-class' and 'research led'(Robertson, 1999). Although number of universities has accelerated and they have tried to tailor highly regarded courses for special needs of employers, they are not able to attract the same caliber of students as traditional elite schools (Kivinen and Ahola, 1999). Brown and Scase (1994) illustrate that in Britain and the USA, a degree from an Ivy league university is judged to carry more weight in the job market than one from little known university or college.

Furthermore, Hesketh (2000) points that some employers have a list of institutions from which they prefer to select graduates and criteria such as the match of a curriculum to the employer's business and the reputation of the institution can affect the graduate's chances of securing employment. Along this line of reasoning, Hitt, Bierman, Shimizu and Kochar (2001) found that partners with prestigious credentials, such as graduates of top universities and those graduating from the highest programs in their fields brought the human capital into organizations (through intellectual ability, articulable knowledge, special contacts and prestige).

The various ongoing technological developments can cause obsolescence of job-specific skills. The skills and experience acquired in the past gradually becomes insufficient for adequate job performance. When the skill requirement of particular jobs are upgraded, a gap opens up between human capital workers possess and human capital required (de Grips 2000). Technological development also cause jobs to disappear .When jobs disappear, workers employability becomes crucial to their continued labour market participation. Employees who are familiar with the newest technology, the so-called "intellectual capital" (Butler and Waldroop, 1999) may evaluate themselves as being highly employable, and they may feel capable of dealing with contemporary and future developments, including the shift towards the new psychological contract which is likely to promote their employability.

The dual market theory claims that labour market opportunities and restrictions are crucial in determining an individual's employability (Bernston et al., 2006). Employability in this context varies according to the economic conditions. At times of labour shortages the long-term unemployed become 'employable'; when jobs are in short supply they become 'unemployable' because there is a ready supply of better qualified job seekers willing to take low skilled, low waged jobs. Brown et al. (2002) identifies highly employable workers enable organizations to meet fluctuating demands for new products and services.

Social Capital, Contextual Factors and Employability

The organization provides a social context in that each individual interacts with other individuals that make up the unit or organization. This social context can impact how individuals perceive, process and react to information. In addition, the relationships with others variables influence choices about how to behave whether in the interest of the organization's shareholders, customers and our employees (Youndat et al. 2004). The most critical aspect of the social context, however, deals with the level of coordination and cooperation among the individuals.

Economic models typically assume that workers and jobs are matched through a search whose costs and benefits are equalized at the margin (Granovetter, 2005). In the real labor markets, social networks play a key role. Prospective employers and employees prefer to learn about one another from personal sources whose information they trust. Because all social interaction unavoidably transmits information, details about employers, employees and jobs flow continuously through social networks that people maintain in large part for non-economic reasons. Since individuals use social contacts and networks already in place, and need not invest in constructing them, the cost is less than that of more formal search intermediaries (Granovetter, 2005).

Bourdieu and Passeron (1964) argues that social class plays a role as those from poor backgrounds have no chance of acquiring higher education and thus best jobs would be assigned to social elites with appropriate cultural capital. The escalating cost of private education has reinforced the relationship between property and access to elite schools, colleges and universities (Brown et al. 2002). Individuals graduating from top institutions develop and maintain elite social networks that can be valuable source of clients, professional prestige (based partly on the institution from which they obtained their education).

There is a difference in power of individuals and social groups to deploy their material, cultural and social capital in competition for credentials and jobs (Brown et al. 2002). Kivinen and Ahola (1999) in a framework visualizing the higher education argued that they are cultural capital institutionalized in certificates, diplomas and degrees. Further, Brown and Scase (1994) argued that as graduate qualification becomes common, some graduates become more equal than others. The harshened social selection operating in mass higher education affects the employment opportunities of graduates, opening the best careers to the 'right' persons in terms of outlook, style, character flexibility trustworthiness etc., as well as in terms of social capital, and the right social background, associated with graduation from the 'right' institutions (Kivinen and Ahola, 1999).

Information technology investments also enable the creation and diffusion of knowledge from and across dispersed and globalized sources (Bensaou, 1997; King & Sethi, 1999). Today,

computer networks abate physical, spatial, and temporal limitations to communication and connect people to create social networks. These 'connections' foster social relations (Wellman, 1997), enable communication of ideas to create consensus among a broader network of people (Pickering & King, 1995) and enhance cooperation and sharing of knowledge not only among individuals within an organization, but across organizations (Bensaou, 1997). Thus, by expanding the scope of relationships and affiliations among employees, information technology should also enhance the social capital of organizations.

Employability may either be determined by the employee's resources and individual possibilities of acquiring new employment, or, alternatively, be derived from the conditions in the labour market. The opportunities in the labour market, for a specific individual or a group of individuals with certain qualifications, will either make it easy or more difficult for the employee to get a new job. On the other hand employees with high employability interpret the labour market and turbulent economic times favorably as a challenge rather than a threat.

Human Capital, Individual Characteristics and Employability

Individual characteristics are often defined in the career literature in terms of personality variables, such as self-esteem, self-efficacy, risk taking or adaptability (Fugate et al., 2004). Clarke (2007) defined individual characteristics in terms of demographic variables such as age, gender, marital status, ethnicity, and family responsibilities, or physical characteristics such as physical abilities, general health and overall well-being. A review of extant literature examines individual characteristics in terms of demographic variables such as age, gender, marital status, ethnicity, and family responsibilities, or physical characteristics such as physical abilities, general health and overall well-being. Hillage and Pollard (1998) argue that demographic or physical characteristics are critical in determining a person's ability to keep their job one has or to secure another job. The individual characteristics such as ability, perception and age will be examined and how they affect relationship between intellectual capital and employability.

The individual context recognizes that each individual in the organization has characteristics that comprise human capital. Employability is determined by individual as well as contextual factors. One of the individual characteristics identified in this study is perception which is defined as the ability to acquire new employment (Bernston et al. 2006). Bernston et al., (2006) on a study to investigate whether factors associated with human capital predict perceived employability found out that employability may be affected by characteristics that the individual has possibility of influencing such as education, competence, development and job tenure derived from human capital theory (Becker, 1993).

By way of contrast, individuals who do not have a unique mix of relevant experiences, updated skills and knowledge, and large social networks may feel low employability (Griffeth et al., 2005). The individuals may depend heavily on their present employer while at the same time realizing that the era of lifelong employment in one company has come to an end. Fugate, et al. (2004) argues that employability is a disposition that captures individual characteristics that foster adaptive behaviors and positive employment outcomes.

Age is an important individual characteristic that influence the relationship between intellectual capital and employability. Although many employers may deny they have a tendency to stereotype on basis of age, research reveals that older workers are seen as incompetent (Fiske Cuddy, Glick, & Xu, 2002) less flexible and adaptable, less willing and able to learn new things and less physically capable (Patrickson & Ranzijn, 2003). In extant literature, it is well recognized that during periods of downsizing older workers are at greater risk of redundancy (Clarke, 2007), and they experience longer periods of unemployment than younger workers. In many industries job losses have been extensive, as organizations have exchanged older works with firm-specific skills for employee who has transferable skills.

Hall and Mirvis (1995) observe that difficulties faced by older workers are exacerbated by employer reluctance to provide organizationally sponsored training and development to older workers, especially if not seen to offer good returns on investment. In contrast, older workers are seen as possessing a range of positive qualities such as experience, knowledge and a strong work ethic. Encel (1998) suggested that managers' report that older workers have lower job turnover, less absenteeism and sick leave, fewer accidents, good productivity and provide a steady influence on younger workers. However, although these positive attributes may be valued by employers they do not guarantee employability. An ILO Report notes that there is a growing trend "whereby older workers are often pushed or pulled out of the active labour force prematurely due to labour market constraints" (ILO, 1995).

Despite the fact that many stereotypes of older workers are not supported by research, employment data indicates that "the degree of employability indeed decreases with the age of the employee, especially where the transition to a new job field or to a higher job is concerned" (van der Heijden, 2002). Studies report that employee's employability decreases for employees on attainment of age fifty irrespective of their skills, experience and competencies they are therefore more likely to experience difficulty in gaining and maintaining employment (Garavan and Coolahan, 1996; Baruch 2001). Van Heijden (2002) in a paper entitled "Prerequisites to guarantee life-long employability' focuses on professional expertise and groups them into three class as: starters (20-34); middle age (35-49);seniors (50 Plus).The study

reveals that the degree of employability decreases with the age of employee especially where the transition to a new job , field or to a higher job is concerned.

Bogadanowicz (2002) contends that generations Xers do not seek life-long employment, but they crave for long-life learning. Xers with human capital, technical skills, education, learning and experience are valuable to organizations and they are in high demand. Due to corporate restructuring and demise of lifetime employment, the Xers compared to baby boomers are free agents, preparing for career not for tenure in a specific organization and they value self-advancement over corporate advancement. On the same note they view their human capital as personal, not corporate assets. Further in many industries job losses have been extensive, as organizations have exchanged older workers with firm-specific skills for employees who have inflexible transferable skills (Kits, DeVries & Balaz, 1997).

Siebert, Kraimer and Crant, (2001) acknowledge the importance of employee initiative and proactively in understanding employee behavior. Consistent with this trend, the disposition of employability is conceptualized as encompassing both reactive and proactive personal characteristics. This means that in addition to the ability to adapt reactively to known demands, employable individuals tend to have a perpetual readiness for change. Fugate et al.(2004) argued that individual differences such as ;optimism, propensity to learn, openness's, internal locus of control and self efficacy when manifested in individuals with high employability yield a powerful influence on the identification and realization of opportunities in work and greatly contributes to an individual employability. By way of contrast low-employable workers cannot rely upon such coping mechanism; for them labour market changes or organization turbulence presents a threat with likely higher job insecurity.

Both researchers and practitioners have long acknowledged the importance of employee's abilities. Van dam (2004) argues that employees who are willing to improve their employability are more open to new experiences, and higher on initiative.

Social Capital, Individual Characteristics and Employability

Disparities in labor market outcomes are due not only to the individual and human capital characteristics of workers and the requirements and rewards of jobs but also to the process through which workers are matched with jobs (Granovetter, 1981). This matching process depends crucially on the availability of information, which is costly but vital for both workers and employers. Information, the crucial link between workers and jobs in a labor market, is neither uniformly distributed nor costless. Searchers need to manage carefully their strategies, given their particular mix of preferences, skills, resources, time, and social or human capital (Halaby,

1988). Adequate information on workforce employability in various sectors of a country's economy is therefore important.

Ability or knowing how which is an individual's knowledge of the possibilities for transition of available jobs and channel leading to jobs or mechanism that promotes transition is an important linkage between social capital and employability (De fillipi and Arthur, 1996). Research on job searchers has shown that extraversion, conscientiousness, and comfort with networking intensity in searching for jobs (Wanberg et al. 2000).

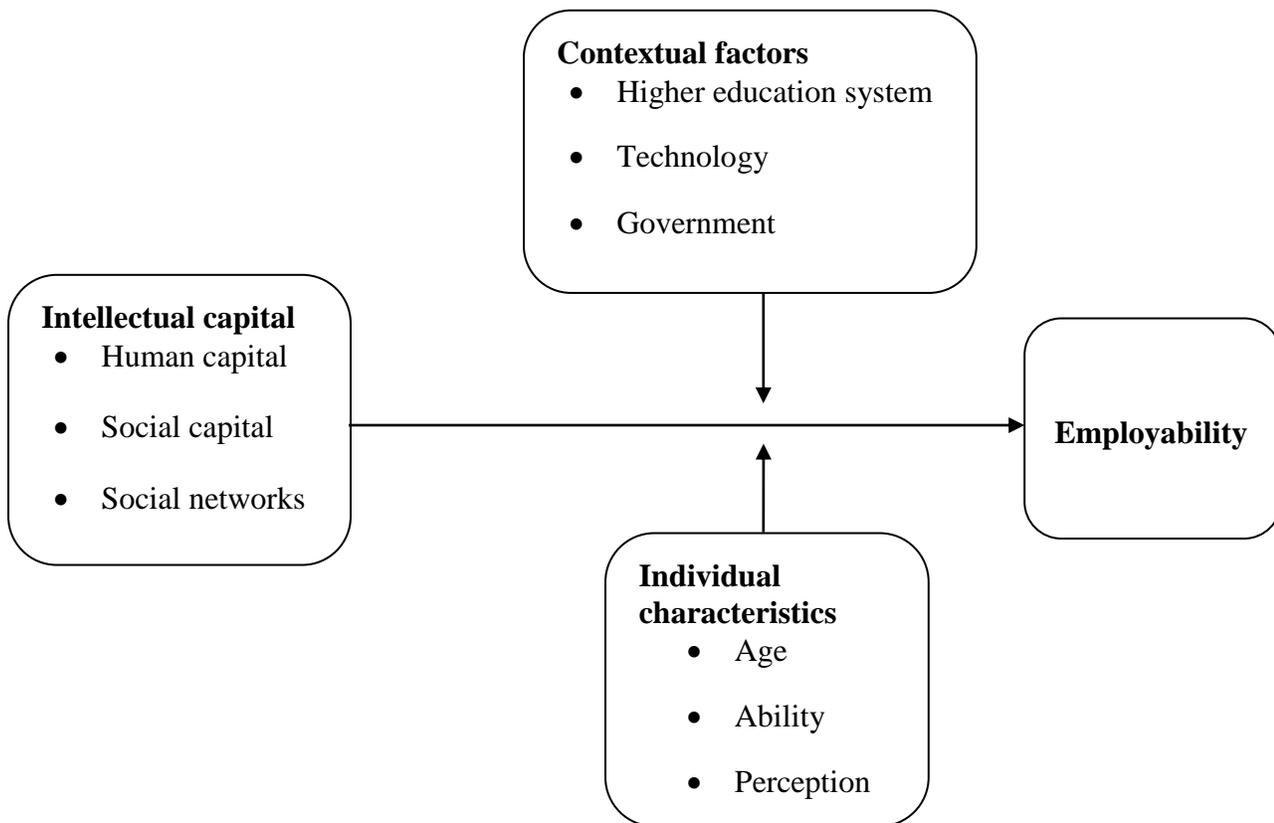
Social capital development on the internet via social networking websites such as face book or MySpace tends to be bridging capital according to one study, though "virtual" social capital is a new area of research (Portes, 1998). But while the digital natives may be savvier with their gadgets and move keenly on new uses of technology, the baby boomers tend to dominate internet uses in other areas. Evidence from the job-search literature suggests that a substantial portion of the best and most efficient matches do not occur when searchers apply for advertised vacant positions, but when searchers and employers find information about one another through a chain of acquaintances (Granovetter, 1973). Although all types of relationships can be maintained all or in part online, a characteristic of internet communication is that it reduces the cost of transmitting information and can provide links to distant and otherwise inaccessible parts of the social structure created and maintained for purposes other than searching for jobs.

CONCEPTUAL FRAMEWORK

In order to enrich understanding of intellectual capital and employability, the conceptual model was founded on a mixed theoretical foundation. The model integrated the ideas of human capital, social capital, consensus and conflict theory RBV, human capital theory, social capital and signaling theory. The independent variable was intellectual capital and was conceptualized as a multi-dimension construct consisting of human capital and social capital.

The study proposed that the synergetic effect of human capital and social capital has a significant effect on employability. In the schematic diagram, the direct influence of intellectual capital and employability. In line with theoretical and empirical literature, the study proposed that individual characteristics and contextual factors moderate the relationship between intellectual capital and employability. The interrelationship forming the bases of conceptual model are presented in Figure 1.0

Figure 1. Conceptual Framework



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