



# Institutionalisation of Employability Capital in Employment Markets

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## INTRODUCTION

Cai and Tomlinson (2023) argue that the key to graduate employability is the conversion of resources or capital possessed by graduates to the competencies appreciated in labour markets in different institutional contexts and, therefore, that knowing what resources are valued by employers and how they translate into future outcomes benefits all parties. They began by developing a renewed analytical framework for understanding employers' perceptions of graduate employability by incorporating Tomlinson's (2017) concept of employability capital into Cai's (2013) conceptualisation of the institutionalisation of employers' beliefs about graduate employability. The framework helps categorise various graduates' competencies and skills appreciated by employers via the lens of employability capital and explains how the norms concerning what are considered useful employability capital or resources among employers have evolved or become institutionalised. Thus, it contributes to integrating the possession and process perspectives of graduate employability research (Holmes,

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P. Siivonen et al. (eds.), *Rethinking Graduate Employability in Context*, [https://doi.org/10.1007/978-3-031-20653-5\\_8](https://doi.org/10.1007/978-3-031-20653-5_8)

2013). However, the authors admitted that the framework needs to be tested and further developed in empirical investigations (Cai & Tomlinson, 2023). In other words, its explanatory power in graduate employability research needs to be demonstrated and possibly enhanced.

This chapter responds to Cai and Tomlinson's (2023) call for future research by asking two research questions: What is the explanatory power of Cai and Tomlinson's (2023) framework, and can it be demonstrated empirically? How can the framework be further enhanced? To approach these questions, I apply Cai and Tomlinson's (2023) framework to reinterpret an empirical investigation of China-based Finnish employers' perceptions of Finnish-educated Chinese graduates (FECGs), conducted by Cai (2012). Although the data are 10 years old, the information and stories are suitable for testing the framework.

The chapter is structured as follows. It begins with a presentation of Cai's (2012) study. Then, it introduces the analytical framework developed by Cai and Tomlinson (2023). This is followed by re-analyses of Cai's (2012) findings on institutionalising employers' perceptions of graduate employability from the perspectives of employability capital and graduate-employer information exchanges, which are both essential in Cai and Tomlinson's (2023) framework. The first analysis, from the employability capital perspective, is based on a reinterpretation of solid evidence from Cai's (2012) study. The second analysis, from the graduate-employer information exchange perspective, is somewhat hypothetical, since Cai's (2012) study only investigated employers and thus could not provide a complete picture of two-way interactions between graduates and employers. Finally, I discuss enhancements to Cai and Tomlinson's (2023) framework and its potential to contribute to graduate employability research. For instance, it has been demonstrated that applying Cai and Tomlinson's (2023) framework helps resolve some dilemmas in graduate employability research, such as contrasting views between students and employers regarding how an international education benefits graduates' employability.

### REVISITING THE EMPIRICAL STUDY

Cai's (2012) study was driven by his curiosity about a paradox: while many Chinese graduates from Finnish higher education complained that they could hardly find a job in Finnish firms, some Finnish employers based in China were struggling to find suitable Chinese employees. Insights from the literature on the employability of international graduates (at the time

Cai's study was conducted) implied that there could be a good match between FECGs and China-based Finnish employers for two reasons. First, educational attainment abroad helps students' employment both in the host countries (e.g. Bratsberg & Ragan Jr., 2002; Krahn et al., 2000; Zeng & Xie, 2004) and in their home countries (e.g. Norris & Gillespie, 2009; Teichler, 2007). Second, when screening job applicants with international education backgrounds, employers are more likely to recognise educational credentials obtained in their own countries (Krahn et al., 2000; Støren & Wiers-Jenssen, 2010).

Given many practical barriers faced by international students in the employment market in Finland (e.g. the requirement of proficiency in Finnish language skills), one can assume that international graduates have better employment prospects at Finnish companies operating in their home countries. Indeed, studies have demonstrated that foreign employers in China favour Chinese returnees (Liu, 2007; Zhang, 2008). However, according to information received from Finnish business networks in China, few FECGs were employed in China-based Finnish companies. By the time Cai's (2012) study was conducted, more than 2000 Chinese students were studying in Finland, and it was estimated that 300–400 Chinese graduates left Finland for China after completing their studies every year. At the same time, about 300 Finnish companies in China employed around 30,000 people.

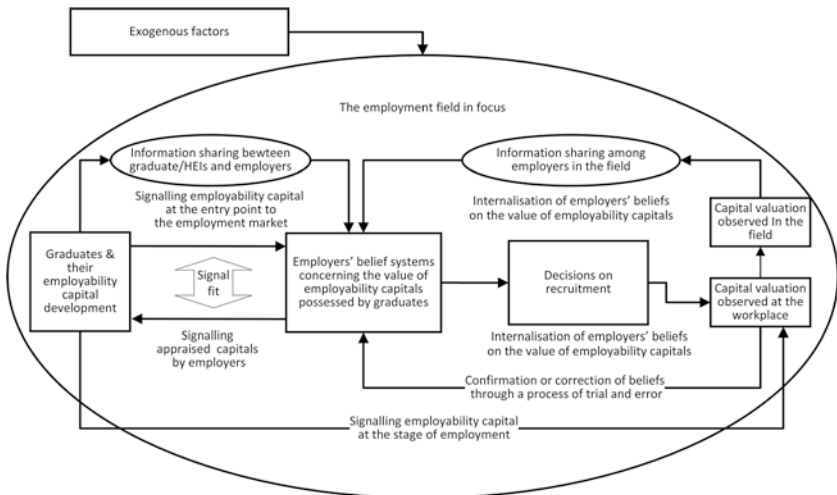
To better understand the paradox, particularly to explore how China-based Finnish employers perceive FECGs, Cai (2012) interviewed the CEOs and human resources (HR) directors of 16 Finnish companies operating in China. He began by developing an analytical framework for understanding employers' perceptions of graduate employability (Cai, 2013), integrating the new institutional theory (DiMaggio & Powell, 1983; Meyer & Rowan, 1977) with Bailly's (2008) conceptualisation of employers' beliefs about job seekers' education credentials. Cai's (2012) study revealed that, overall, the Finnish employers were in favour of hiring FECGs: they were easy to communicate with due to their proficiency in English and understanding of Finnish culture, they could help the companies to overcome the cultural challenges through cross-cultural perspectives and they had good professional knowledge and hands-on skills. The Finnish employers also appreciated FECGs' ability to work independently, adaptability, outspoken character, initiative, good work ethic, team spirit, leadership skills and responsibility. However, some employers indicated that FECGs' competencies varied. For instance, some FECGs had

insufficient cross-cultural skills, many lacked work experience in China and some asked for salaries that the employers could not afford.

### CONCEPTUALISING THE INSTITUTIONALISATION OF EMPLOYERS' BELIEFS ABOUT GRADUATE EMPLOYABILITY FROM A CAPITAL PERSPECTIVE

Before reinterpreting Cai's (2012) findings using Cai and Tomlinson's (2023) framework, I briefly introduce the framework (Fig. 8.1). The framework is developed by incorporating Tomlinson's (2017) concept of employability capital into Cai's (2013) framework for understanding the institutionalisation of employers' beliefs of graduate employability.

Cai (2013) developed his framework to respond to a debate on what leads to better opportunities in the labour market: graduates' increased productivity skills due to their education, as explained by human capital theory (Becker, 1964; Schultz, 1961), or their education credentials' signalling effect, as described by signalling theory (Arrow, 1973; Spence,



**Fig. 8.1** Analytical framework for understanding employers' perceptions of graduate employability capital. (Source: adapted from Cai and Tomlinson (2023))

1973; Stiglitz, 1975). Cai (2013) contended that the debate would persist unless researchers considered how employers develop beliefs about graduate employability. His position was based on Bailey's (2008) study, who argued that educational outcome, instead of being a substance (e.g. in the form of abilities or signals), is susceptible to multiple interpretations—most importantly, employers' beliefs. Further expanding Bailly's (2008) model from the institutional theory perspective, Cai (2013) developed a conceptual framework for understanding what employers conceive of as the value of graduates with similar educational backgrounds in the workplace.

It is necessary to highlight a few essential concepts in Cai's (2013) framework: employment market, institutionalisation, employers and employers' beliefs. An employment market is an organisational field, which is defined as 'those organisations that, in the aggregate, constitute a recognised area of institutional life' (DiMaggio & Powell, 1983, p. 148). In Cai's (2012) study, the field or employment market comprises Finnish companies in China. Institutionalisation is a process 'by which social processes, obligations, or actualities come to take on a rule-like status in social thought and action' (Meyer & Rowan, 1977, p. 341) in an organisational field. Employers are the individuals 'responsible for recruitment in employing organisations [who] effectively act as gatekeeper[s] to the labour market' (Maguire, 1992, p. 80), and their attitudes towards job seekers are crucial in the final recruitment decisions. In the context of Cai's (2012) study, 'employers' refers to CEOs and HR directors of China-based Finnish companies. Employers' beliefs are understood broadly, as shown by terms such as 'perceptions', 'expectations' or even 'the image that the individual presents' (Bailly, 2008, p. 963).

While Cai's (2013) framework has proven to be useful in guiding the analysis in an empirical investigation of the employment prospects of FECGs at Finnish companies operating in China (Cai, 2012), Cai and Tomlinson (2023) argued that two aspects of the framework could be enhanced. First, a wide array of graduates' values needs to be examined through a simple analytical lens. Second, the roles of other actors, such as graduates, in institutionalising employers' beliefs should be considered. Tomlinson's (2017) concept of employability capital can help in this regard.

When developing his concept of graduate employability capital, Tomlinson (2017) intended to respond to a research gap. While the existing graduate employability research predominantly focuses on what higher education institutions do to improve employment outcomes and the

attributes that employable graduates should possess, little research has paid attention to how students can take advantage of the resources available around them (Shumilova & Cai, 2023). The graduate employability capital framework (Tomlinson, 2017) links various factors and resources, going beyond human capital and acknowledging the interconnectedness among types of capital. The graduate capital perspective also regards the skill match between graduates and employers as a negotiation process. Tomlinson (2017) identified five forms of graduate capital: social, cultural, identity, human and psychological. This graduate capital approach has been widely applied in empirical studies (e.g. Nghia et al., 2020).

Besides offering a structured framework to understand graduates' value to employers, the graduate capital approach contributes to Cai's (2013) conceptualisation of employers' beliefs about graduate employability by providing a new perspective on graduate–employer information exchange. The exchange is described as follows: 'employers process the signalling effects of employability capital possessed by graduates, and graduates try to convince employers of the values of their employability capitals' (Cai & Tomlinson, 2023, p. 489). Such a perspective can better explain the signal fit—the extent to which the signal corresponds to the sought-after quality of the signaller (Connelly, Certo, Ireland, & Reutzel, 2011)—which is a goal of both employers and graduates.

In applying Cai and Tomlinson's (2023) framework to reinterpret Cai's (2012) findings, I mainly focus on two kinds of analysis. First, I categorise the values of employees mentioned by China-based Finnish employers using the lens of employability capital. Second, I explain how employability is a relative term depending on the information exchange between graduates and employers.

#### REINTERPRETATION OF CAI'S (2012) FINDINGS FROM THE EMPLOYABILITY CAPITAL PERSPECTIVE

While Cai's (2012) empirical data were analysed by applying Cai's (2013) conceptualisation of the institutionalisation of employers' perceptions of FECGs' values, here I categorise their values (competencies and resources) through the lens of employability capital (Tomlinson, 2017). As Cai (2012) discovered both positive and negative perceptions of FECGs, the re-analysis also distinguished both aspects. The results of the analysis are shown in Table 8.1, where the empty boxes indicate that there is no

**Table 8.1** Categorisation of FECGs' competencies and skills in terms of employability capital

<i>Employability capital</i>	<i>Reinterpretation of competencies and skills of FECGs in the eyes of China-based Finnish employers through the lens of employability capital</i>	
	<i>Employers' positive perceptions</i>	<i>Employers' negative perceptions</i>
Cultural capital Know-how (field)	The Finnish employers commonly believed that the FECGs had good cross-cultural skills. First, the FECGs were perceived as being able to facilitate communication between Finnish managers and Chinese employees. Second, their cross-cultural skills helped Finnish companies operate in the Chinese market. Third, cross-cultural skills could add value to technical production due to their understanding of both the Finnish and Chinese markets. Finally, the inter-culture experience helped FECGs adjust to a new environment.	
Human capital Know-how (professional)	Finnish employers considered Finnish higher education an advantage in developing students' practical skills and ability to solve problems. Compared to graduates from China, FECGS were perceived as having broader and more up-to-date knowledge as well as better practical abilities and professional skills. Some employers also pointed out that the ability to learn new things can be one of the advantages of graduates from Finland. Moreover, most FECGs' language proficiencies were appreciated. The employers also pointed out the merits of FECGs, including their ability to work independently and be responsible.	FECGs normally lack work experience. For many small companies, work experience is a must in recruitment.

*(continued)*

**Table 8.1** (continued)

<i>Employability capital</i>	<i>Reinterpretation of competencies and skills of FECGs in the eyes of China-based Finnish employers through the lens of employability capital</i>	
	<i>Employers' positive perceptions</i>	<i>Employers' negative perceptions</i>
Social capital Know-who (network)	A more straightforward method of communication and teamwork spirit could help better develop networks.	FECGs were disadvantaged when working with local clients compared to those domestically educated people, mainly because of their lack of experience and networks in the Chinese context.
Identity capital Know-why (career motivation and identity)		There are some elements in Chinese mentality and culture that facilitate the entrepreneurial spirit and high achievement motivation. However, some FECGs might lose these 'good' characteristics after studying in Finland.

Source: The author

evidence from Cai's (2012) study reflecting the corresponding capital. It should be noted that psychology and identity capital in Tomlinson's (2017) framework are not directly observed in Cai's (2012) findings. This could be because Cai's (2012) study only focused on employers. In other words, psychology and identity capital should probably be examined when the research subjects are students/graduates. The absence of these two types of capital in Cai's (2012) study could also indicate that the employers interviewed in Cai's (2012) study might not have considered them critical or that the graduates might not have sent clear signals concerning their psychology or identity capital to the employers.



Regarding the first research inquiry (What is the explanatory power of Cai and Tomlinson's framework, and can it be demonstrated empirically?), I found that by regrouping the values of FECGs perceived by employers into four forms of employability capital, one can better navigate the findings and draw new inferences. For instance, Cai (2012) revealed a paradox: studying in Finland could be perceived by employers as either an advantage or a disadvantage in terms of their cultural competences. However, he described the phenomenon but did not offer sufficient explanations. As shown in Table 8.1, the cultural competencies mentioned in Cai's (2012) study can be categorised into two capital forms: cultural capital and social capital. More specifically, the cultural competencies of which employers had positive perceptions pertain to cultural capital, while those perceived negatively by employers pertain to social capital. Thus, the paradox can be explained as follows: employers appreciated the intercultural experience (cultural capital) FECGs gained while studying in Finland; however, they considered their lack of professional networks in China (social capital) a disadvantage.

Regarding the second research inquiry (How can the framework be enhanced?), the re-analysis pointed out one area for further exploration, since some kinds of graduates' competencies and skills perceived by employers do not perfectly fit into the employability capital frameworks developed by Tomlinson (2017) and other scholars (Nghia et al., 2020; Pham et al., 2019). For instance, FECGs often demanded excessively high salaries. Finnish employers would have liked to offer them higher wages, but not a 'Finnish salary'. Even if FECGs accepted a 'local' salary, the employers worried that they would not likely stay for long. This raises some questions for graduates' self-reflections: think of your salary expectations and where you can invest available economic resources to become more employable. Also, what economic value can you bring to the company at which you are applying? These might be categorised as Bourdieu's economic capital, which refers to money and ownership of financial means, means of production, material goods and other assets such as property (Bourdieu, 1984, 1986).

Economic capital is crucial to FECGs' employment in Finnish companies in China. As reported by Cai (2012), Finnish employers' positive perceptions of FECGs did not necessarily lead to successful recruitment because FECGs often asked for higher salaries than the employers could afford. This suggests that graduates should realistically estimate the economic value they can bring to employers based on their employability

capital, particularly their human, cultural and social capital. The value calculation must be based on the local context. As indicated in Cai's (2012) study, one of the reasons many Finnish companies moved their operations to China was to reduce costs. Therefore, they did not intend to offer their employees too high salaries.

According to Shumilova and Cai (2023), 'economic capital can be used as a means to invest in further learning or get access to certain networks via membership fees, and as a result, graduates become more employable/get a higher salary' (p. 29). This implies that 'the ultimate goal of a graduate is to leverage different forms of employability capital (including the economic one) and convert them into economic capital in their potential employment' (p. 29). The re-analysis of Cai's (2012) data suggests this economic capital perspective: graduates need to realistically estimate possible salaries based on an understanding of their own employability capital and the state of the employment labour market. Based on such an understanding, economic capital can be understood as the valuation of other employability types of capital (Braun Střelcová et al., 2022). The valuation has two dimensions—one perceived by the graduates and the other by the employers—and graduates' success in job seeking depends on the alignment between them.

### IMPLICATIONS OF CAI'S (2012) STUDY ON INTERACTIONS BETWEEN GRADUATES AND EMPLOYERS

The graduate–employer information exchange perspective in Cai and Tomlinson's (2023) framework cannot be fully tested using Cai's (2012) study, which only investigated employers. To thoroughly examine the two-way interactions between graduates and employers, the graduates who applied for jobs offered by the interviewed employers should also be interviewed or surveyed. Nevertheless, some useful insights can be generated when applying the graduate–employer exchange perspective in revisiting Cai's (2012) study.

According to Cai and Tomlinson (2023), employability capital is a relative term that depends on the institutional contexts of the labour markets in which graduates and employers exchange information. Cai's (2013) conceptualisation suggests that the value of graduates depends on employers' beliefs, which evolve and become institutionalised in a particular field or employment market. By incorporating Tomlinson's (2017)

employability capital concept into Cai's (2013) conceptualisation, Cai and Tomlinson (2023) explain graduate–employer exchanges. Exchange processes entail two levels (See Fig. 8.1). The first level of interaction involves graduates signalling their employability capital to potential employers. Although graduates acquire this capital prior to their interactions with potential employers, its value depends on the way in which its signals are conveyed and eventually received or believed by potential employers. The second process involves the decisions of employers, which are influenced by institutionalised employers' beliefs about employability capital in the employment market (as an organisational field) as well as other possible factors in the institutional context (such as sector influences and external organisation relations). The employability capitals acknowledged by employers may, in turn, have signaling effects on students and graduates.

Cai (2012) only examined graduate–employer interactions from the employers' perspective. He found that the China-based Finnish employers developed their beliefs about FECGs' employability through two interactive processes: private learning and public learning. When they had no experience with hiring FECGs, Finnish employers' initial perceptions of them were mainly influenced by other employers in the job market (through public learning), whereas these other employers who had previous experience hiring FECGs would have developed their beliefs about FECGs' employability directly (through private learning). In the context of recruitment, employers could re-evaluate their initial perceptions of the suitability of FECGs by objectively assessing their job performance.

Cai (2012) found that, overall, initial beliefs derived from the public learning were largely confirmed by employer's private evaluations. In both the employers' initial beliefs and evaluations, professional skills were considered a strength of FECGs, while a lack of work experience was deemed a major weakness. The differences mainly concerned FECGs' cultural skills. However, he acknowledged the difficulties inherent in fully exploring private learning and its interactions with public learning due to the small number of FECGs employed at the Finnish companies he had investigated.

Although Cai (2012) solely focused on employers' perceptions, he drew some conclusions about the potential roles of graduates via graduate–employer information exchanges. The most profound proposition is that employers' perceptions or evaluations of FECGs may be inaccurate due to information asymmetry. In other words, employers might not discover some of the competencies and resources (employability capital) of

FECGs. This could be due to FECGs' tendency to pursue a skill match between their competencies and employers' requirements. In turn, FECGs might ignore some of their skills and resources that are not mentioned in job advertisements but could be valuable to employers. Cai (2012, p. 161) provided the following example:

In the last decade, China has become an important destination for Finnish business investment, with an intention of moving the two end points of the value chain to China. However, most Finnish companies mainly utilise the advantage[s] of China at the beginning of the value chain, such as cheap material[s] and workforce. They have not really entered into the local market at the end point. As it was indicated by the companies interviewed that the majority of them mainly conduct business with foreign companies or joint ventures in China rather than local clients. ... FECGs [can play] a potential role in helping ... companies to localise their business at the other end of the value chain.

The discussions above show how Cai and Tomlinson's (2023) graduate–employer exchange perspective helps engender new insights from Cai's (2012) findings. According to Cai and Tomlinson (2023), a more comprehensive picture of the institutionalisation of employers' beliefs about FECGs' employability could be drawn if FECGs' perceptions and actions had been included in Cai's (2012) investigation. Nevertheless, it can be hypothesised that FECGs need not only to send strong signals about their employability to potential employers but also to influence their beliefs through purposeful and collective actions. In other words, FECGs should strategically play their agency role, which is in line with Cai and Tomlinson's (2023) argument that 'the insights concerning institutionalisation of capitals could be broadened to conceptualise how graduates can leverage their resources in the emerging new employment landscape (e.g. establishing start-ups)' (p. 494).

Cai (2012) proposed an entrepreneurial approach to job seeking, which is about how a job seeker can strategically and innovatively create and optimise employment opportunities in the job market. In the traditional job-seeking model, a job seeker usually looks for a job advertisement, reads the requirements and then submits an application. According to Cai (2012), a job seeker taking the entrepreneurial approach follows the following steps: (1) discover and develop your own (preferably unique) advantages, (2) accordingly, identify your target employers and

understand their needs and interests, (3) develop plans or proposals on how the potential employers can achieve new economic growth by utilising your special skills and advantages, (4) try to promote and sell your ideas to the potential employers by all necessary means and (5) if an employer accepts your proposal, you are more likely to get hired.

The entrepreneurial approach could be further elaborated by applying the employability capital perspective in two ways. First, if graduates discover or identify a match between their competencies and target employers' potential needs, they can apply employability capital as a lens through which to conduct a more accurate analysis of their advantages to potential employers. While the employers interviewed in Cai's (2012) study were concerned about but could hardly assess FECGs' social capital, graduates should pay more attention to signal their social capital to employers. Of course, FECGs must first develop such capital before signalling it. Moreover, as discussed in the previous section, the employers interviewed in Cai's (2012) study might not be aware of identity and psychological capital. If some graduates are confident in their strengths in these types of capital, they should strategically signal potential employers. Second, the entrepreneurial approach is concerned with agentic and psychological capital. Shumilova and Cai (2023) argue that agentic and psychological capital, in the current framework of graduate employability capital (Nghia et al., 2020; Pham et al., 2019; Tomlinson, 2017), have different attributes than other types of graduate employability capital. Specifically, agentic and psychological capital reflect graduates' abilities to leverage other types of capital for better employability. Tomlinson (2017) also noted that psychological capital helps graduates exercise their agency. In light of this, Shumilova and Cai (2023) proposed the concept of employability entrepreneurship, which in part consists of agentic and psychological capital. They defined employability entrepreneurship as 'an iterative process of approaching one's higher education-to-work transition in a proactive and entrepreneurial way. It involves leveraging and converting one's graduate capital to create value for oneself, the employers and society in accordance with personal values, goals and strengths' (Shumilova & Cai, 2023, pp. 35–36). Such a concept can help strengthen Cai and Tomlinson's (2023) framework, particularly concerning the dynamics underlying graduate–employer exchanges.

My promotion of the employability entrepreneurship concept does not suggest that graduates should take full responsibility for their employability. The concept only has practical implications in an environment where

higher education institutions, career service providers and employment gatekeepers play important roles in graduates' transitions from higher education to the world of work. Drawing attention to employability entrepreneurship helps graduates better discover and leverage available resources and services to increase their employment opportunities.

## DISCUSSION

It should be noted that Cai's study (2012) was carried out 10 years ago. Not only has the employment market situation changed but also, more importantly, recent studies on the graduate employability of international students have provided new insights not addressed in the literature referred to by Cai (2012). One example of this change is in the relationship between international education and graduate employability or employment outcomes.

Cai (2012) found that the studies on employability of graduates with an international education often shared the following conclusions: educational attainment/experience abroad enhanced students' employability, and employers tended to appreciate job applicants with international education backgrounds, particularly with educational credentials from a higher education context with which the employers were familiar.

However, the recent literature has conflicting views about the impact of international student mobility on employability. According to Schueller and Aschenberger (2023), a growing body of literature suggests that international education experience does not necessarily guarantee better employment and labour outcomes. For instance, some scholars (e.g. Arghode et al., 2021; Di Pietro, 2019) criticised the fact that research findings on international education experience leading to better labour market outcomes are prone to biased interpretations. Others (e.g. Crăciun et al., 2020; Waibel et al., 2017) argued that the relationship between international education experience and employability enhancement is not straightforward, since individual and contextual factors can influence the processes. Recent studies also suggest that students may already possess the relevant characteristics valued in international graduates before studying abroad (Coelen, 2023).

Like Schueller and Aschenberger (2023), Coelen (2023) noted paradoxical views between students and employers. On the one hand, studies focusing on students' perceptions generally confirm that international education experience benefits students' personal development,

particularly in terms of transferable skills (e.g. Farrugia & Sanger, 2017; Potts, 2015), thus benefitting their employment opportunities. On the other hand, studies focusing on employers' perspectives report that the employability of international graduates often fails to meet employers' expectations (e.g. Green et al., 2019; Ota & Shimmi, 2019).

Cai and Tomlinson's (2023) framework, especially its application in the re-analysing of Cai's (2012) data, suggests that the paradox mentioned by Coelen (2023) can be better explained by incorporating three considerations. First, when examining whether an international education enhances employability, one must determine what specific employability capital was improved. As shown in Table 8.1, there is no single answer to the question of whether employers appreciate international graduates. Some international graduates' employability capital (competencies and resources) is appreciated, and some is not, depending on employers' perceptions and how the perceptions are institutionalised in a given employment market. Second, related to the first point, when scrutinising the consistency and contradiction between international graduates' and employers' perceptions of employability related to international experience, a more nuanced analysis should be conducted to determine whether their (dis)agreements concern the same types of employability capital. Third, special attention should be paid to graduates' actions conveying the signals of their employability to employers through employability entrepreneurship. This implies that students should also consider what kinds of employability capital might have substantial signalling value when studying abroad.

The aforementioned conflicting views in studies on the employability of international graduates show that the employment markets of international graduates are not yet highly institutionalised. There is considerable room for actors in these fields, not only employers and graduates but also universities and employment facilitating agencies (Cai, 2014; Shumilova & Cai, 2015), to learn from and influence each other.

## CONCLUSION

By applying Cai and Tomlinson's (2023) framework for analysing the institutionalisation of employers' perceptions of employability capital in Cai's (2012) empirical investigation of China-based Finnish employers' perceptions of FEFGs, this paper demonstrated the explanatory power of Cai and Tomlinson's framework. Specifically, the framework offers new perspectives on Cai's (2012) research findings. For instance, the

employability capital perspective helps assign cultural competencies to cultural capital (know-how about the field) and social capital (know-how about the network), respectively. This helps explain a paradoxical finding in Cai's (2012) study—that the cultural competencies of FECGs were perceived as both advantages (regarding cultural capital) and disadvantages (regarding social capital) by employers. The framework can also potentially resolve a challenge found by Cai (2012) regarding information asymmetry between graduates and employers, with its emphasis on the graduate–employer exchange perspective.

As for improvements to the framework, it is recommended that economic capital be added to the employability capital framework. In addition, the concept of employability entrepreneurship, as a new approach to understanding agentic and psychological capital, is considered helpful in understanding the dynamics of graduate–employer exchanges.

The particular value of Cai and Tomlinson's (2023) framework lies in three contributions to the graduate employability literature. First, the framework is an advanced theoretical attempt to integrate valuable insights from the existing literature to respond to the shift in the research agenda from seeing employability from possessional and positional perspectives to viewing it as a negotiation process (Holmes, 2013). Second, the integration of employability capital and the institutionalisation of employers' beliefs facilitate analysis of the transition from higher education to the world of work, which tends to be extremely complex (Broadley et al., 2023), in a relatively simple (but also nuanced) way. Third, the framework helps resolve some puzzles in the literature, for example, regarding the impact of international student mobility on employability.

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