

Beyond Technical Skills: The Full Mediation of Self-Efficacy in the Relationship between Employability Skills and Work Readiness

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Abstract: *This study aims to analyze the effect of employability skills on student work readiness with self-efficacy as a mediating variable. The subjects of this study were undergraduate (S1) students of the Management Study Program, Class of 2022, at Universitas Bhayangkara Jakarta Raya. The study used a quantitative approach with an explanatory design. The population consisted of 349 students, with an explicit sample size of $N = 78$ respondents determined using the Slovin formula and selected via a simple random sampling technique. Data were collected through a Likert-scale questionnaire and analyzed using Path Analysis with Partial Least Squares (PLS) Structural Equation Modeling (SEM) using SmartPLS 3.0 software. The results showed that employability skills did not have a significant direct effect on work readiness (coefficient 0.053, p -value 0.763). However, employability skills had a positive and significant effect on self-efficacy (coefficient 0.760, p -value 0.000), and self-efficacy had a positive and significant effect on work readiness (coefficient 0.685, p -value 0.000). Furthermore, self-efficacy positively and significantly mediated the effect of employability skills on work readiness (coefficient 0.521, p -value 0.000). This finding suggests that improving student work readiness is more effectively achieved through strengthening self-efficacy as a psychological mechanism that bridges employability skills with work readiness.*

Keywords: *Employability skills, Work readiness, Self-efficacy*

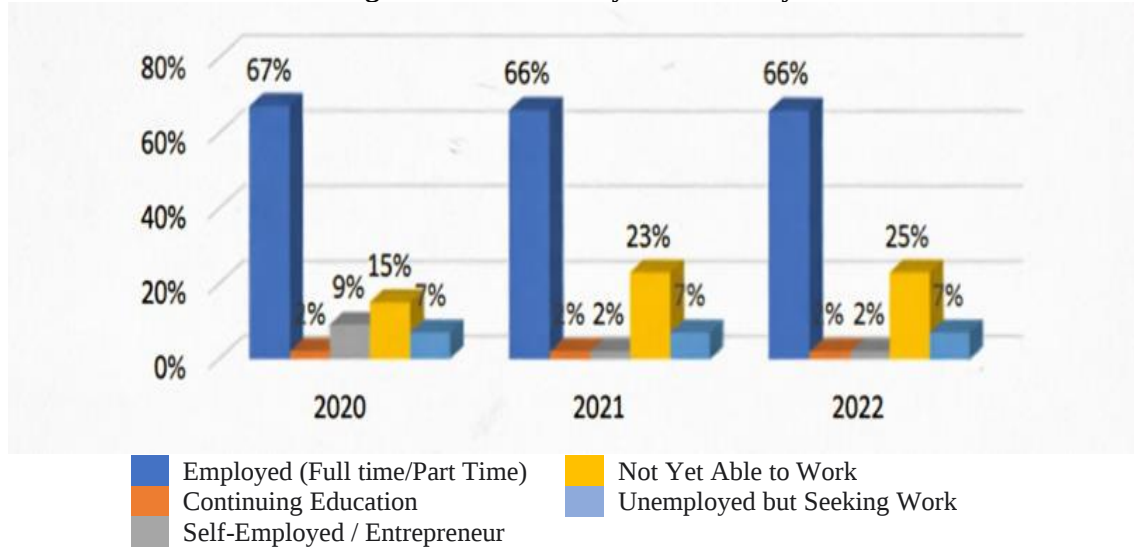
INTRODUCTION

Competition in the job market continues to intensify with globalization and the development of the Industrial Revolution 4.0. Under these conditions, the readiness of university graduates to enter the job market is a crucial factor in facing the competition (Faisal et al., 2025). Work readiness encompasses aspects of experience, competence, and self-confidence that enable individuals to be adaptive and survive in a dynamic work environment. Many graduates still face obstacles due to limited work experience, weak communication and interpersonal skills, and a lack of understanding of organizational dynamics (Elizah, 2025). This condition creates a mismatch between graduate competencies and industry demands. Macro-level data support this concern; the Central Bureau of Statistics (BPS, 2024) notes that the Open Unemployment Rate (TPT) for Diploma and University graduates remains a national challenge, indicating that educational investment has not yet fully translated into optimal labor market absorption.

This national phenomenon is reflected at the institutional level. Based on data from the 2020-2022 tracer study of Bhayangkara University Jakarta Raya (Ubhara Jaya), the percentage of alumni who are unemployed but looking for work increased from 15% in 2020 to 23% in 2021 and 2022. This indicates that educational investment at the

institutional level has not yet resulted in sufficient productivity increases to compete in the job market. The detailed data is presented in Figure 1.

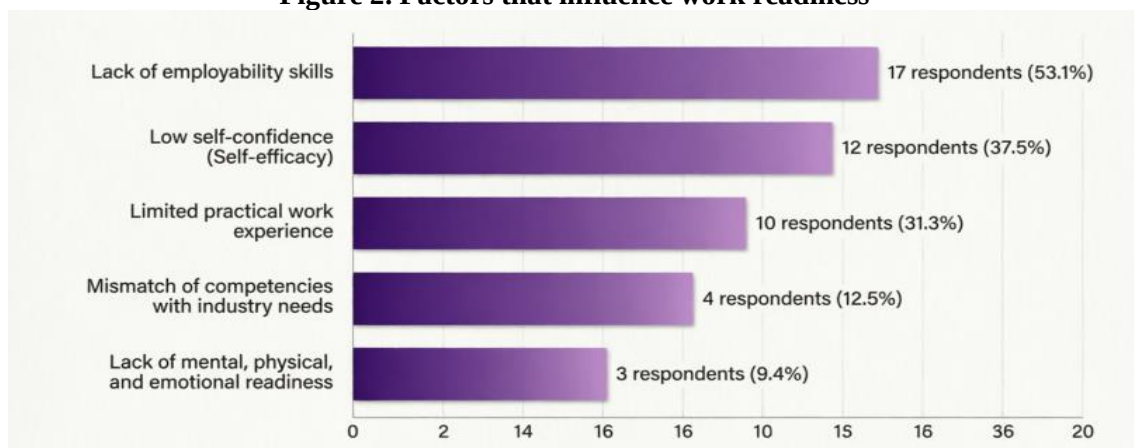
Figure 1. Tracer Study Ubahara Jaya



Source: Primary data processed, 2026

From the perspective of Human Capital Theory, education and skills development are crucial investments that enhance an individual's productivity and adaptability to industry needs (T. Zheng & Sikora, 2025). Strengthening employability skills—such as communication, collaboration, problem-solving, and adaptability—is considered a primary strategy to improve students' work readiness in facing the challenges of the ever-evolving world of work (Sudiantini et al., 2023). However, possessing technical and non-technical skills (human capital) does not automatically translate into behavioral readiness to enter the workforce. This transformation requires a psychological conversion mechanism.

Figure 2. Factors that influence work readiness



Source: Primary data processed, 2026

Despite the heavy emphasis on skill development in higher education, a pre-survey of 32 Management Study Program students from the Class of 2022 revealed a critical paradox. The main obstacles to job readiness were a lack of employability skills (53.1%), followed closely by low self-efficacy (37.5%), and minimal work experience

(31.3%). Consequently, the majority of students (40.6%) were categorized as less prepared to enter the workforce. Comparative data also shows that the job unpreparedness rate at Ubhara Jaya reached 41%, lower than UNH Medan (66%) and Untidar Magelang (55%), but still requiring serious attention. This pre-survey phenomenon highlights a critical "missing link": students may possess the requisite skills, yet remain unprepared for work. This gap suggests that skills alone are insufficient without the psychological readiness to deploy them effectively

Previous studies have attempted to explain this readiness, but they yield contradictory findings. Some studies strongly support the direct influence of employability skills on work readiness (Hasanah et al., 2025; Saulatu et al., 2025; Tsaqib et al., 2025; Yolanda et al., 2023). Conversely, other empirical findings reveal inconsistencies, indicating that employability skills or self-efficacy do not always exert a direct, significant effect on work readiness (Sriulina et al., 2025; Violinda et al., 2023; Wijikapindho & Hadi, 2021). This contradiction in previous literature indicates that the relationship is not strictly linear. The inconsistency points to the existence of an omitted variable—a psychological mechanism that bridges the gap between possessing skills and actual work readiness, which has been largely overlooked in previous models.

This study fills this gap by integrating Employability Skills, Self-Efficacy, and Work Readiness into a single path analysis model grounded in Human Capital Theory. The novelty of this study goes beyond merely testing self-efficacy as a statistical mediator. Rather, it theoretically and empirically proves that human capital (employability skills) will not successfully transform into behavioral readiness (work readiness) unless it is first converted through a psychological mechanism (self-efficacy). By contextualizing this within the specific challenges of Indonesian university graduates, this research offers a new paradigm: educational institutions must view psychological strengthening not as a supplementary program, but as the core converter of human capital into workforce readiness.

RESEARCH METHODS

Types of research

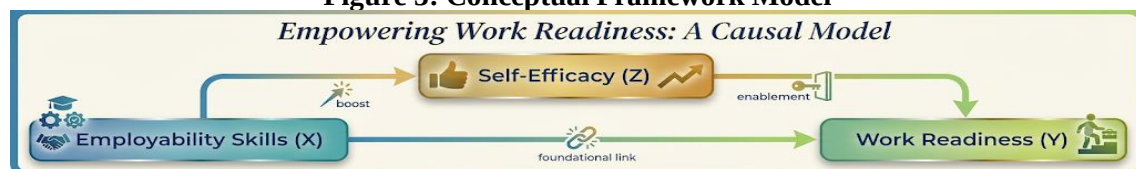
This study uses a quantitative approach with an explanatory research design to examine the causal relationships between variables. The research employs Path Analysis to test the direct and indirect effects of Employability Skills on Work Readiness through Self-Efficacy as a mediating variable.

Research Model and Variable Structure

The conceptual model of this study is presented in Figure 3, which illustrates the hypothesized relationships:

1. Employability Skills (X) as the exogenous (independent) variable
2. Self-Efficacy (Z) as the mediating (intervening) variable
3. Work Readiness (Y) as the endogenous (dependent) variable

Figure 3: Conceptual Framework Model



The model tests two structural equations:

1. Equation 1: Self-Efficacy = $\beta_1 + \gamma_1(\text{Employability Skills}) + \zeta_1$
2. Equation 2: Work Readiness = $\beta_2 + \gamma_2(\text{Employability Skills}) + \gamma_3(\text{Self-Efficacy}) + \zeta_2$

This path analysis approach allows testing of:

1. Direct effect: Employability Skills → Work Readiness
2. Indirect effect: Employability Skills → Self-Efficacy → Work Readiness
3. Total effect: Combination of direct and indirect effects

The use of Path Analysis, rather than simple multiple regression, is justified because this study aims to examine the mechanism through which Employability Skills influence Work Readiness, specifically testing whether this relationship is mediated by Self-Efficacy. This approach aligns with Human Capital Theory, which suggests that skills (human capital) must be converted through psychological mechanisms to produce behavioral outcomes.

Population and Sample

The study population consisted of all 349 students of the Management Study Program, graduating class of 2022, at Bhayangkara University, Jakarta Raya. The sample was determined using the Slovin formula with a 10% error rate (tolerance level), resulting in 78 respondents:

$$n = N / (1 + Ne^2)$$

$$n = 349 / (1 + 349(0.1)^2)$$

$$n = 349 / 4.49$$

$$n = 77.73 \approx 78 \text{ respondents}$$

Simple random sampling was used because the population was considered homogeneous, as all respondents came from the same study program and graduation class. Therefore, the sample was considered representative of the population.

Data collection technique

Primary data were collected through a structured questionnaire using a 5-point Likert scale, ranging from 1 ("strongly disagree") to 5 ("strongly agree"). The research instrument was developed based on theoretical indicators from each variable, ensuring that each respondent provided assessments reflecting their Employability Skills, Self-Efficacy, and Work Readiness levels.

Operational Definition of Variables

The operational definition of the research variables is as follows.

Table 1. Operational Definition of Variables

Variables	Definition	Indicator	Scale
Employability Skills (X) (Suarta et al., 2017)	A collection of skills, knowledge, understanding, and personal attributes that make a person more likely to select, obtain, and retain a desired job.	1. Communication 2. Teamwork 3. Solution to the problem 4. Time management 5. Adaptation-initiative	Likert 1–5
Self-Efficacy (Z) (X. Zheng et al., 2025)	Confidence in one's ability to organize and execute the actions necessary to achieve the desired results	1. Confidence, Initiative 2. Perseverance 3. Resilience 4. Adaptability	Likert 1–5

Variables	Definition	Indicator	Scale
Work Readiness (Y) (Azky & Mulyana, 2024)	The extent to which a person possesses the attitudes, behaviors, and skills that set them up for success and productive contribution in the workplace from day one.	1. Competence 2. Skills 3. Resilience 4. Understanding 5. Adaptability	Likert 1–5

Data Analysis Techniques

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0 software. PLS-SEM was chosen because:

1. It is suitable for predictive research models with complex relationships
2. It can effectively test mediation effects
3. It does not require strict assumptions about data distribution
4. It works well with relatively small sample sizes ($n < 100$)

The analysis consisted of two main stages:

1. Measurement Model (Outer Model) Evaluation

This stage assessed the validity and reliability of the measurement instruments through:

- a. Convergent Validity: Evaluated using outer loading values (>0.70) and Average Variance Extracted (AVE >0.50)
- b. Discriminant Validity: Assessed using cross-loading values and Fornell-Larcker criteria
- c. Reliability: Tested using Composite Reliability and Cronbach's Alpha (>0.70)

2. Structural Model (Inner Model) Evaluation

This stage tested the hypothesized relationships through:

- a. R-Square (R^2): To evaluate the explanatory power of exogenous variables on endogenous variables
- b. Q-Square (Q^2): To assess the model's predictive relevance using Stone-Geisser's formula
- c. Path Coefficients: To determine the direction and magnitude of relationships between variables
- d. Hypothesis Testing: Using the bootstrapping procedure (5,000 subsamples) to obtain t-statistics and p-values
- e. Mediation Analysis: Testing the indirect effect of Employability Skills on Work Readiness through Self-Efficacy, and calculating Variance Accounted For (VAF) to determine the type of mediation (full vs. partial mediation)

The mediation effect is considered significant if:

1. The indirect effect ($X \rightarrow Z \rightarrow Y$) has a t-statistic >1.96 and p-value <0.05
2. VAF $>80\%$ indicates full mediation; 20-80% indicates partial mediation; $<20\%$ indicates no mediation

RESULTS AND DISCUSSION

Research result

Respondent characteristics are presented to provide a general overview of the student profiles of the research sample. The respondents in this study were 78 Management Study Program students from the Class of 2022 at Bhayangkara University,

Jakarta Raya, selected using simple random sampling. Respondent characteristics analyzed included gender and age.

Table 2. Respondent Characteristics Based on Gender

Gender	Amount	Percentage
Man	26	33%
Woman	52	67%
Total	78	100%

Source: Processed data, 2026

Based on Table 2, the characteristics of respondents by gender, it is known that of the total 78 respondents, 26 respondents (33%) were male and 52 respondents (67%) were female. These results indicate that the majority of respondents in this study were female students.

Then the characteristics of respondents based on age are presented in Table 3.

Table 3. Respondent Characteristics Based on Age

Age	Amount	Percentage
< 20 Years	2	2.53%
20–25 Years	75	96.20%
26–30 Years	1	1.27%
Total	78	100%

Source: Processed data, 2026

Based on Table 3, the characteristics of respondents based on age, the majority of respondents were in the 20–25 years age range, amounting to 75 respondents (96.20%). Meanwhile, respondents aged under 20 years amounted to 2 respondents (2.53%), and respondents aged 26–30 years amounted to 1 respondent (1.27%). This finding indicates that most respondents are of productive age who are preparing to enter the world of work, so it is relevant to research on Employability skills, Self-efficacy, and work readiness.

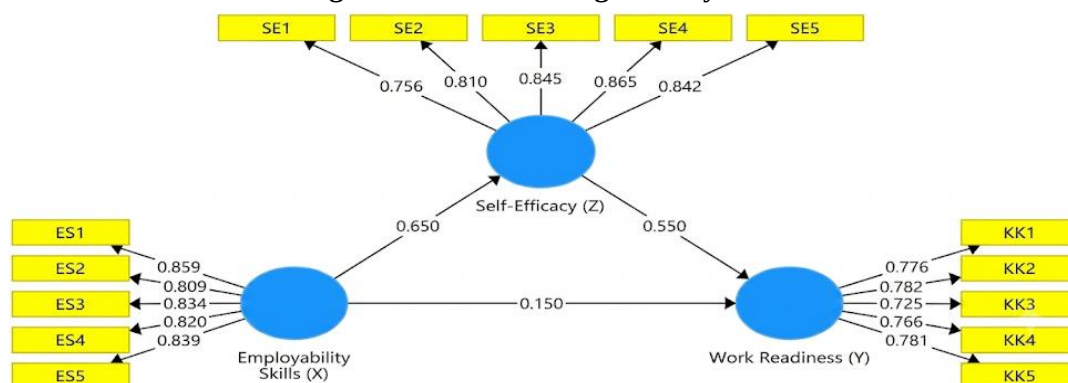
Data analysis in this study was conducted in two main stages: the measurement model (Outer Model), which includes validity and reliability tests, and the structural model (Inner Model), which includes R-square, Q-square tests, and hypothesis testing.

1. Measurement Model Evaluation (Outer Model)

a. Convergent Validity

The measurement model evaluation begins with a convergent validity test using outer loading values, as presented in Figure 4 below.

Figure 4. Outer Loading Validity Test



Source: Field research data processed, 2025

Based on Figure 4, the results of the validity test show that all outer loading values for each indicator in each research variable, including Employability Skills (X), Self-Efficacy (Z), and Work Readiness (Y), are above 0.70. This indicates that all research variable indicators have met the convergent validity criteria.

For more details, this is presented in Table 4.

Table 4. Convergent Validity Test Results (Indicator's Outer Loading)

Indicator	Employability skills(X)	Work Readiness (Y)	Self-efficacy(Z)
ES1	0.859	-	-
ES2	0.809	-	-
ES3	0.834	-	-
ES4	0.820	-	-
ES5	0.839	-	-
WR1	-	0.776	-
WR2	-	0.782	-
WR3	-	0.725	-
WR4	-	0.766	-
WR5	-	0.781	-
SE1	-	-	0.756
SE2	-	-	0.810
SE3	-	-	0.845
SE4	-	-	0.865
SE5	-	-	0.842

Source: Field research data processed, 2026

The next validity test is to use convergent validity by looking at the AVE value, as the calculation results are presented in Table 5.

Table 5. Convergent Validity Test Results (Average Variance Extracted/AVE)

Variables	Average Variance Extracted (AVE)	Information
Employability skills (X)	0.693	Fulfilled
Work Readiness (Y)	0.587	Fulfilled
Self-efficacy (Z)	0.680	Fulfilled

Source: Field research data processed, 2026

Based on Table 5, the Average Variance Extracted (AVE) values for the Employability Skills, Work Readiness, and Self-Efficacy variables are all above 0.50. This indicates that each variable meets the convergent validity criteria and can therefore be declared to have good validity.

b. Discriminant Validity

The test continues with discriminant validity to ensure that the instruments used have an appropriate correlation, meaning they do not show excessively high relationships between constructs. Discriminant validity testing is performed by examining cross-loading values, where an indicator is declared valid if it has the highest value for its own construct compared to other constructs.

Table 6. Cross Loading Test Results

Indicator	Employability skills(X)	Work Readiness (Y)	Self-efficacy(Z)
ES1	0.859	0.485	0.623
ES2	0.809	0.473	0.602

Indicator	<i>Employability skills(X)</i>	<i>Work Readiness (Y)</i>	<i>Self-efficacy(Z)</i>
ES3	0.834	0.529	0.676
ES4	0.820	0.468	0.612
ES5	0.839	0.428	0.645
KK1	0.246	0.776	0.418
KK2	0.155	0.782	0.446
KK3	0.537	0.725	0.552
KK4	0.319	0.766	0.385
KK5	0.688	0.781	0.776
SE1	0.442	0.693	0.756
SE2	0.622	0.587	0.810
SE3	0.570	0.574	0.845
SE4	0.707	0.587	0.865
SE5	0.760	0.562	0.842

Source: Field research data processed, 2026

Based on Table 6, the cross-loading test results show that the cross-loading value for each indicator is the highest for the measured variable compared to other variables. The Employability Skills (ES), Work Readiness (KK), and Self-efficacy (SE) indicators each showed the highest correlation with their respective constructs. Thus, all indicators met the discriminant validity criteria and were declared valid.

c. Reliability Test

After all validity tests had been met, the instrument's reliability was tested to assess the extent to which the measuring instrument is capable of producing consistent measurements. The evaluation was conducted using Composite Reliability and Cronbach's Alpha values, as presented in Table 7.

Table 7. Cronbach's Alpha and Composite Reliability Results

Variables	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	Information
<i>Employability skills(X)</i>	0.889	0.890	0.919	Reliable
<i>Work Readiness (Y)</i>	0.833	0.868	0.877	Reliable
<i>Self-efficacy(Z)</i>	0.882	0.885	0.914	Reliable

Source: Field research data processed, 2026

Based on Table 7, the Composite Reliability and Cronbach's Alpha values for all study variables were above the minimum threshold of 0.70. These results indicate that each variable met the reliability criteria. The instrument used was deemed to have a good level of stability, consistency, and reliability in measuring the studied variables.

2. Structural Model Evaluation (Inner Model)

a. Coefficient of Determination (R-Square)

The R-Square test is used to evaluate the extent to which exogenous constructs can explain endogenous constructs. An R-Square value closer to 1 indicates a better model. A model is considered to have good explanatory power if the R-Square value is greater than 0.5, with the following test results.

Table 8. R-Square Results

Variables	R Square	Adjusted R Square
Work Readiness (Y)	0.528	0.515
Self-efficacy(Z)	0.577	0.572

Source: Field research data processed, 2026

Based on Table 8, the Work Readiness variable (Y) has an R Square value of 0.528, meaning that the Employability skills and Self-efficacy variables can explain the Work Readiness variable (Y) by 52.8%, while the remaining 47.2% is explained by other variables outside the study, where this value is included in the moderate category.

The Self-efficacy variable (Z) has an R Square value of 0.577, meaning that the Employability skills variable can explain Self-efficacy by 57.7%, while the remaining 42.3% is influenced by other variables, where this value is also included in the moderate category. Thus, Employability skills have a fairly good ability to explain Work Readiness and Self-efficacy because the R-squared values of both are above 0.50.

The next test is the Q-Square Test, used to assess the model's goodness of fit using the Stone-Geisser Q² value. If the Q-Square value is greater than 0, the research model is said to have predictive relevance.

Table 9. Q-Square Results

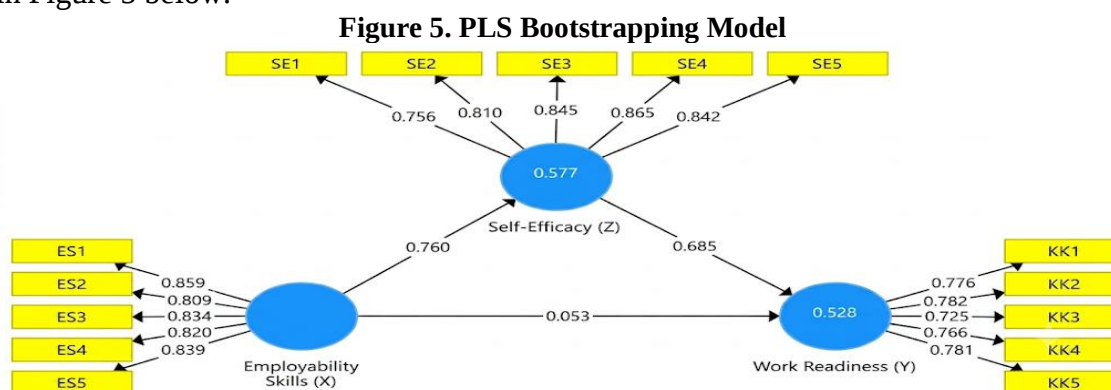
Variables	SSO	SSE	Q ² (=1-SSE/SSO)
Work Readiness (Y)	390,000	291,799	0.252
Self-efficacy(Z)	390,000	241,223	0.381

Source: Field research data processed, 2026

Based on Table 9, the Job Readiness variable (Y) has a Q² value of 0.252, which is greater than 0.15, making it fall into the moderate category. This indicates that the research model has quite good predictive ability in explaining the Job Readiness variable. The Self-efficacy variable (Z) has a Q² value of 0.381, which is greater than 0.35, making it fall into the strong category. This indicates that the model has strong predictive ability in explaining the self-efficacy variable.

b. Structural Equation Estimation

The testing continued with a hypothesis test to determine the effect of the independent variable on the dependent variable and the effect of the independent variable on the dependent variable through the mediating variable. The test results are presented in Figure 5 below.



Source: Field research data processed, 2026

In addition to Figure 5, for further details, see Table 10.

Table 10. Path Coefficient Results

	Original Sample (O)	Sample Mean (M)	Std. Dev (STDEV)	T Statistics (O/STDEV)	P Values
Employability skills (X) → Job Readiness (Y)	0.053	0.088	0.176	0.302	0.763
Employability skills (X) → Self-efficacy (Z)	0.760	0.767	0.066	11,529	0,000
Self-efficacy (Z) → Job Readiness (Y)	0.685	0.660	0.147	4,648	0,000
Employability skills (X) → Self-efficacy (Z) → Work Readiness (Y)	0.521	0.501	0.105	4,947	0,000

Source: Field research data processed, 2026

Based on the path coefficient values in Tables 8 and 10, the two structural equations in this study can be formulated as follows:

Structural Equation 1 (Sub-structural model for Self-Efficacy):

Self-Efficacy = $0.760 \times \text{Employability Skills}$

($R^2 = 0.577$)

This equation shows that Employability Skills have a strong positive effect ($\beta = 0.760$) on Self-Efficacy. For every one-unit increase in Employability Skills, Self-Efficacy increases by 0.760 units. The R^2 value of 0.577 indicates that this model explains 57.7% of the variance in Self-Efficacy.

Structural Equation 2 (Sub-structural model for Work Readiness):

Work Readiness = $0.053 \times \text{Employability Skills} + 0.685 \times \text{Self-Efficacy}$

($R^2 = 0.528$)

This equation reveals an important finding: Self-Efficacy has a much stronger effect ($\beta = 0.685$) on Work Readiness compared to Employability Skills ($\beta = 0.053$). This suggests that while both variables contribute to Work Readiness, the psychological mechanism (Self-Efficacy) plays a more dominant role than technical skills (Employability Skills) in determining students' readiness to enter the workforce.

Based on Table 10, each hypothesis test can be explained as follows:

The Influence of Employability Skills on Work Readiness (H_1)

The results of direct testing of the employability skills variable on work readiness obtained a t-statistic value of $0.302 < 1.96$ with a p-value of $0.763 > 0.05$, which means H_0 is accepted, and H_a is rejected. Thus, it is explained that the employability skills variable does not have a significant direct effect on work readiness (coefficient = 0.053). This finding indicates that employability skills alone are not sufficient to directly improve students' work readiness. Students may possess the requisite skills, but without psychological readiness, these skills do not automatically translate into work readiness.

The Influence of Employability Skills on Self-Efficacy (H_2)

The results of direct testing of the employability skills variable on self-efficacy obtained a t-statistic value of $11.529 > 1.96$ with a p-value of $0.000 < 0.05$, which means

H0 is rejected, and Ha is accepted. Thus, it is explained that the employability skills variable has a positive and significant direct effect on self-efficacy (coefficient = 0.760). This means that the higher a student's employability skills, the higher their self-efficacy will be. This finding supports Human Capital Theory and Bandura's Self-Efficacy Theory, which suggest that mastery experiences (reflected in employability skills) serve as a primary source of self-efficacy.

The Influence of Self-Efficacy on Work Readiness (H3)

The results of testing the self-efficacy variable on work readiness obtained a t-statistic value of $4.648 > 1.96$ with a p-value of $0.000 < 0.05$, which means H0 is rejected, and Ha is accepted. Thus, it is explained that self-efficacy has a positive and significant effect on work readiness (coefficient = 0.685).

This indicates that students with higher self-efficacy tend to have better work readiness. Self-efficacy serves as a psychological driver that motivates students to prepare themselves mentally and behaviorally for the world of work.

The Indirect Effect of Employability Skills on Work Readiness through Self-Efficacy (H4)

The results of the indirect effect test show that the path Employability Skills (X) → Self-Efficacy (Z) → Work Readiness (Y) has a coefficient value of 0.521 with a t-statistic of 4.947 and a p-value of 0.000. This value indicates that employability skills have a positive and significant indirect effect on work readiness through self-efficacy.

This means that while employability skills do not directly affect work readiness, they significantly contribute to work readiness when mediated by self-efficacy. In other words, improving employability skills will increase self-efficacy, which in turn enhances work readiness. Thus, self-efficacy is proven to act as an effective mediating variable in the relationship between employability skills and student work readiness.

Mediation Analysis: Variance Accounted For (VAF)

To strengthen the mediation analysis, Variance Accounted For (VAF) calculations were carried out to determine the type of mediation that occurs in the relationship between Employability Skills, Self-Efficacy, and Work Readiness.

Table 11. VAF Calculation Results

Information	Mark
<i>Direct Effect</i> ($X \rightarrow Y$)	0.053
<i>Indirect Effect</i> ($X \rightarrow Z \rightarrow Y$)	0.521
Total Effect	0.574
VAF (%)	90.77%

Source: Field research data processed, 2026

Based on the calculation results, the VAF value was 90.77%. Referring to Hair et al.'s criteria, a VAF value above 80% indicates that self-efficacy acts as a full mediator. This result indicates that the influence of employability skills on work readiness is more dominantly channeled through self-efficacy than through direct influence. Thus, self-efficacy is the primary mechanism explaining the relationship between employability skills and students' work readiness.

DISCUSSION

The Influence of Employability Skills on Work Readiness

The finding that employability skills do not have a significant direct effect on work readiness (coefficient = 0.053, p-value = 0.763) reveals a crucial psychological and pedagogical reality among the student subjects. This indicates that possessing technical and non-technical skills (human capital) does not automatically translate into behavioral readiness to enter the workforce. Pedagogically, this occurs because most respondents are active students who lack real-world work experience. In the absence of a practical context to apply their competencies, skills such as communication, teamwork, and problem-solving remain latent. Students possess the "tools," but lack the psychological trigger to deploy them in a professional setting.

This finding refines Human Capital Theory, which traditionally posits that skills are capital that can directly improve an individual's readiness to enter the workforce (T. Zheng & Sikora, 2025). The current study demonstrates that human capital (skills) alone is insufficient to produce work readiness; it requires a psychological catalyst to be activated. This result is consistent with several previous studies that found an inconsistent direct influence of employability skills on work readiness, such as in the studies by (Violinda, 2023) and (Sriulina et al., 2025), which show that psychological variables such as self-efficacy are more important in determining job readiness than technical skills alone. Thus, employability skills function not only as technical competencies but also as potential psychological factors that need to be activated to shape self-efficacy.

The Influence of Employability Skills on Self-Efficacy

The results demonstrate that employability skills have a strong, positive, and significant effect on self-efficacy (coefficient = 0.760, p-value = 0.000). This relationship is deeply rooted in Bandura's Social Cognitive Theory, specifically the concept of Mastery Experience. When students successfully acquire and master employability skills, they develop a profound sense of personal capability. In the context of the highly competitive Industrial Revolution 4.0, possessing these relevant skills prevents students from feeling "left behind" or obsolete, thereby significantly boosting their psychological confidence. Essentially, the mastery of these skills serves as a primary source of self-efficacy, transforming cognitive competence into psychological assurance.

This finding aligns with (Saulatu et al., 2025), which also found a positive relationship between employability skills and student self-efficacy. Furthermore, this result supports the notion that an individual's abilities and experiences can increase their confidence in their own capabilities. The higher a student's Employability Skills, the higher their Self-Efficacy, as confirmed by (Wang et al., 2021). Thus, employability skills serve as the foundational source from which self-efficacy is built.

The Influence of Self-Efficacy on Work Readiness

Building on the previous finding, self-efficacy exerts a positive and significant influence on work readiness (coefficient = 0.685, p-value = 0.000). This shows that individual confidence in one's own abilities acts as a critical psychological driver. Students with high self-efficacy are more persistent, resilient, and mentally prepared to face professional challenges. They view workplace demands not as threats, but as tasks to be mastered. This confirms that psychological readiness is a more immediate and

potent predictor of work readiness than technical skills alone, as it dictates how students mobilize their existing competencies in dynamic work environments.

This finding is in line with (Kartika & Matriadi, 2026) as well as (Sriulina et al., 2025), which found that self-efficacy plays an important role in shaping the work readiness of final year students and fresh graduates. Self-efficacy encourages students to be more confident, persistent, and ready to face challenges in a professional environment.

The Mediating Role of Self-Efficacy: From Human Capital to Behavioral Readiness

The mediation analysis reveals that self-efficacy fully mediates the relationship between employability skills and work readiness, with a Variance Accounted For (VAF) of 90.77%. This indicates an "indirect-only" mediation, where the direct path is insignificant, but the indirect path through self-efficacy is highly significant. To understand this conversion process, an analogy can be drawn: employability skills act as the "hardware" or "engine" of a vehicle, while self-efficacy acts as the "software" or "fuel." A highly sophisticated engine (strong skills) will remain completely stationary without fuel (self-efficacy) to power it.

This full mediation carries profound theoretical and practical implications. Theoretically, this study refines Human Capital Theory by proving that human capital (employability skills) must be converted through psychological capital (self-efficacy) to achieve behavioral readiness. Practically, this means that campus programs focused solely on hard or soft skill training will be largely ineffective—or even "useless"—if they are not accompanied by interventions that build students' self-confidence.

This finding is in line with (Wulandari & Waskito, 2024) as well as (Syawitri et al., 2024), which also found that self-efficacy significantly mediates the relationship between employability or soft skills and work readiness. The implication is that strategies to improve students' work readiness will be more effective if employability skills development programs, such as training in communication, teamwork, and problem-solving, are accompanied by self-efficacy strengthening through mentoring, job interview simulations, and real-world work experiences. Therefore, educational institutions must adopt a holistic approach where skill development is intrinsically paired with psychological strengthening to truly prepare students for the workforce.

CONCLUSION

This study concludes that employability skills do not directly translate into work readiness; rather, they require a psychological conversion mechanism. The core theoretical synthesis of this research is the empirical proof that human capital (employability skills) remains latent until it is activated by psychological capital (self-efficacy). This finding significantly contributes to Human Capital Theory by demonstrating that the mere accumulation of skills is insufficient for behavioral readiness. The theory must be expanded to acknowledge that skills only become productive when they are internalized psychologically. By integrating Bandura's Social Cognitive Theory, this study proves that mastery experiences (skills) build self-efficacy, which in turn serves as the primary driver for behavioral outcomes.

The primary theoretical implication of this study is the refinement of the human capital-behavioral readiness framework. By establishing full mediation, this research shifts the academic paradigm from viewing skills as a direct predictor of readiness to

viewing skills as an antecedent of psychological confidence. It highlights that psychological mechanisms are not merely supplementary variables, but the essential engine that converts cognitive and technical competencies into actual workplace adaptability.

The discovery of full mediation carries highly specific and operational implications for educational practitioners. Because skills alone do not directly impact readiness, standalone technical training programs will be largely ineffective if they do not target students' psychological states. Educational institutions must shift from a "skills-only" paradigm to an integrated "skills-psychology" paradigm. Operationally, this requires: (1) Mastery Experience Simulations, where curricula integrate high-fidelity, low-stakes work simulations followed by guided reflective practices to help students internalize their success; and (2) Cognitive-Behavioral Career Coaching, where career centers implement targeted psychological interventions, such as peer-modeling workshops and cognitive reframing sessions, specifically designed to help students reframe their existing latent skills into active professional confidence.

This study acknowledges several inherent limitations. First, the relatively small sample size ($N = 78$) and the focus on a single study program at one university limit the generalizability of the findings. Second, the cross-sectional design and reliance on self-report questionnaires introduce potential common method bias and cannot establish strict temporal causality. To address these limitations, future research should: (1) employ a longitudinal design to track students from their 5th semester through to their first year of employment; (2) utilize multi-source data collection, incorporating peer assessments or employer ratings to mitigate self-report bias; (3) expand to cross-disciplinary and cross-institutional populations to test the boundary conditions of this mediation model; and (4) investigate alternative psychological constructs, such as Psychological Capital (PsyCap), Grit, or Resilience, to further map the complex psychological pathways of human capital conversion.

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