

Preparing For Life: Investigating The Relationship Between Career Readiness and Psychological Well-Being in Students

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Abstract

Career readiness has gained prominence as a key objective of higher education, particularly as graduates face increasing competition, digital transformation, and evolving global labor market demands. It extends beyond technical expertise to include transferable skills, adaptability, and personal attributes essential for workplace success. However, this preparation also carries significant psychological implications, as students often experience stress, uncertainty, and performance pressure while navigating career pathways. Drawing upon the Career Readiness Competency Framework (NACE), Career Construction Theory, and psychosocial development perspectives, this study examines how career readiness influences students' psychological well-being. This study used a structured survey to examine the relationship between career preparedness and mental well-being among 203 job seekers who have completed their professional courses. The findings suggest that career readiness functions not only as an employability enhancer but also as a psychological stabilizer, reducing anxiety and fostering confidence. The results hold practical implications for educators, policymakers, and employers in designing holistic career readiness programs that integrate professional competence with psychological support.

Keywords: Career readiness, employability, psychological impact, resilience, student development

1. Introduction

The transition from education to employment is a pivotal stage for students, shaped by increasing competition, rapid technological change, and shifting labor market expectations. Higher education must therefore move beyond academic instruction to cultivate career readiness, a combination of technical expertise, transferable skills, and adaptive behaviors that enable success in professional environments. Yet, preparing for careers also brings psychological challenges. Students often experience stress, uncertainty, and performance pressure linked to employability outcomes, societal demands, and peer competition. For some, readiness fosters empowerment and confidence; for others, it triggers anxiety and self-doubt. This study explores the dual nature of career readiness, both as a determinant of employability and as a factor influencing psychological well-being, to provide insights into how institutions can prepare students holistically for the modern workplace.

1.1 Career Readiness

Career readiness combines technical knowledge, transferable skills, and adaptive behaviors that enable graduates to succeed in professional settings. The NACE Career Readiness Competency Framework outlines domains such as communication, teamwork, leadership, and digital literacy, emphasizing that employability extends beyond academic qualifications.

Scholars define readiness from two perspectives: Atlay and Harris (2000) view it as performance-based, measured through workplace success and career progression, while Caballero and Walker (2010) highlight an attribute-based view, focusing

on skills, attitudes, and personal qualities. Together, these perspectives show that readiness reflects both workplace outcomes and the personal attributes that drive them. In contexts like India, career readiness is strongly linked to internships, industry collaborations, and certifications, which build not only employability but also confidence and adaptability for long-term career success.

1.2 Psychological Impact

While career readiness enhances employability, it also carries psychological implications. Transitioning from student to professional life involves managing uncertainty, peer competition, and societal expectations. Chickering's Psychosocial Development Theory (1969) stresses that career identity is a key developmental task, and lack of clarity may heighten stress and reduce motivation.

Similarly, Bandura's self-efficacy theory suggests that belief in one's ability to perform workplace tasks influences mental well-being. High readiness fosters resilience and self-esteem, while low readiness is linked to anxiety and fear of failure. Structured support such as counseling, mentoring, and coping strategies can therefore strengthen both employability and psychological resilience.

2. Conceptual Framework and hypotheses development

Career readiness can be understood as both a performance outcome and a set of attributes. Atlay and Harris (2000) emphasize workplace success and career advancement as indicators of readiness, while Caballero and Walker (2010) focus on the personal skills and attitudes that enable such success. This dual perspective positions readiness as a multidimensional construct that links employability with personal capacity.

From a psychological standpoint, readiness influences how students cope with the transition to work. The Career Construction Theory (Savickas, 2005) frames adaptability as both a competence and a coping mechanism, while Bandura's self-efficacy theory highlights the role of confidence in reducing anxiety and fostering resilience. Empirical studies confirm that preparedness lowers stress, improves motivation, and strengthens career identity (Johnson et al., 2015; Xu et al., 2023). Conversely, low readiness is associated with indecision, fear of failure, and diminished psychological well-being (Belle et al., 2022).

Based on these insights, this study proposes the following hypothesis:

H1: Career readiness significantly impacts students' psychological well-being.

3. Methodology

3.1 Measures

A structured questionnaire was used to collect data, including demographic details such as age, gender, and professional degree of the participants. The independent variable in this study is Career Readiness, which has 14 items adopted from the Lawton et al., (2023) Work Readiness scale, covering factors such as Interpersonal Capabilities having 4 items, Practical Wisdom having 4 items, Personal Attributes, and Organizational Acumen each having 3 items.

For the dependent variable, which is Psychological Well-being, 12 items from General Health Questionnaire by Goldberg & William, 1988 was adapted, focusing on Stress, Resilience, and Self-efficacy in transitioning to professional roles. All items were rated on a 5-point Likert scale.

3.2. Sample and Analysis

Convenience sampling was adopted as it enabled quick access to respondents within the academic setting. A total of 203 valid responses were collected, representing diverse backgrounds in terms of age, gender and the name of the professional degree. The demographic details of the respondents are presented in the following table for clarity and further analysis.

Table 1 – Demographic Details
Demographic characteristics of Respondents (N = 203)

Characteristics	Frequency	Percentage
Gender		
Female	120	59.1
Male	83	40.9
Age		
19	8	3.9
20	33	16.3
21	53	26.1
22	83	40.9
23	22	10.8
24	3	1.5
25	1	0.5
Professional Degree		
Postgraduate	108	53.2
Undergraduate	95	46.8

The demographic details of the respondents are presented in Table 1. Of the 203 participants, 59% were female and 41% were male. In terms of degree of study, the majority was postgraduate students, and nearly 41% of the respondents were 22 years old.

4. Results

The reliability of a measurement instrument is evaluated based on its internal consistency, with a Cronbach's alpha value of 0.7 or higher indicating satisfactory internal consistency. The scale reliability in this study is high, as it has a Cronbach's value of 0.86 for career readiness and 0.83 for psychological impact. The study variable was evaluated for its distinctiveness using confirmatory factor analysis (CFA) using an open-source statistical software Jamovi before testing hypothesis. Six items were removed due to loadings less than 0.4 and the model had a good fit. The fit indices are presented in Table 1.

Table – 2 Fit Measures				
			RMSEA 90% CI	
CFI	TLI	RMSEA	Lower	Upper
0.951	0.907	0.111	0.0679	0.157

Comparative Fit Index (CFI), Tucker– Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA)

The factor loadings, average variance extracted (AVE), and composite reliability (CR) values are presented in Table 3.

Table 3 - Factor loadings, Average Variance Extracted and Construct Reliabilities

Variables	Items	Loadings	AVE	CR
Career Readiness	CR 1	0.555**	0.30	0.81
	CR 2	0.504**		
	CR 3	0.521**		
	CR 4	0.514**		
	CR 5	0.572**		
	CR 6	0.574**		
	CR 7	0.591**		

Psychological Well-being	CR 8	0.533**	0.30	0.83
	CR 9	0.581**		
	CR 10	0.528**		
	PW 1	0.620**		
	PW 2	0.594**		
	PW 3	0.646**		
	PW 4	0.622**		
	PW 5	0.577**		
	PW 6	0.543**		
	PW 7	0.521**		
	PW 8	0.542**		
	PW 9	0.573**		
	PW 10	0.468**		

N= 203, **p < 0.001, CR – Career Readiness, PW – Psychological Well-being, AVE – Average Variance Extracted and CR – Construct Reliability

4.1. Results of hypothesis test

Hypothesis 1 proposes that career readiness significantly impacts students' psychological well-being. Tables 4 A and 4 B indicate the causal relationship between the variables to support the hypothesis. The R^2 value associated with this influential relationship was statistically significant ($R^2 = 0.446$, estimate = 0.652, $p < 0.001$) concluding that career readiness has 44% influence on psychological well-being.

Table 4 A - Model Fit Measures

Model	R	R^2	Adjusted R^2
1	0.667	0.446	0.381

Note: Models estimated using sample size of N=203

Table 4 B - Model Coefficients - PI

Predictor	Estimate	SE	t	p	Stand. Estimate
Intercept	1.7158	0.2992	5.734	<.001	
CR	0.6521	0.0834	7.817	<.001	0.667

Note: CR – Career Readiness, PI – Psychological well-being

5. Discussion

The results of this study demonstrate that students with higher levels of career readiness report more positive psychological outcomes and stronger preparedness for workforce entry. Career readiness functions not only as an employability factor but also as a psychological stabilizer, reducing stress and enhancing confidence. The discussion is structured around three themes: the link between readiness and well-being, the role of continuous learning and upskilling, and the importance of institutional support.

5.1 Career Readiness and Psychological Well-being

Students with higher readiness showed improved resilience, lower stress, and greater self-efficacy. A sense of preparedness instilled confidence in managing future career paths and adapting to workplace challenges. This aligns with Chickering's psychosocial development theory, which identifies career identity as a crucial developmental task, and with Bandura's self-efficacy theory, which highlights confidence as a buffer against stress. Conversely, low readiness was associated with heightened anxiety and career uncertainty, which may hinder both professional success and emotional stability.

5.2 Continuous Learning and Upskilling

The findings underscore the importance of continuous learning in sustaining readiness. Engagement in internships, professional certifications, digital literacy, and soft skill development was associated with greater psychological security. These opportunities not only improve employability but also reduce anxiety by equipping students with coping strategies for workplace demands. In rapidly evolving job markets, adaptability and lifelong learning emerge as essential for both career success and psychological resilience.

5.3 Role of Institutional Support

The study also highlights the protective role of institutional interventions. Career counseling, mentoring, workshops, and industry partnerships helped students manage the psychological pressures of career preparation. Institutions that embed employability training alongside emotional support create graduates who are not only technically competent but also emotionally resilient. This aligns with the NACE Career Readiness Framework, which emphasizes holistic preparation that integrates knowledge, skills, and personal well-being.

This study underscores the critical role of career readiness in shaping not only employability but also students' psychological well-being. The strong association between preparedness and positive mental outcomes highlights the need for higher education to embed readiness competencies into curricula, combining technical training with emotional resilience-building.

A key takeaway is the importance of viewing career readiness as a lifelong process rather than a one-time achievement. In today's rapidly evolving labor market, continuous learning, adaptability, and upskilling are essential for sustaining both employability and mental well-being. Students who cultivate these habits are better positioned to manage workplace uncertainties and maintain confidence in their professional growth.

The study also emphasizes the value of industry collaboration and experiential learning. Partnerships that provide internships, mentoring, and real-world projects strengthen professional competence while simultaneously reducing the psychological strain of career transitions. By aligning academic preparation with industry expectations, institutions can enhance both employability outcomes and student resilience.

Beyond individual benefits, the findings highlight the societal impact of career readiness. Graduates who are both professionally skilled and emotionally secure contribute to a more adaptable, innovative, and stable workforce. Policymakers and educators can leverage these insights to promote integrated readiness frameworks that prepare students to thrive not only in their first job but across diverse and changing career pathways.

6. Conclusion

This study demonstrates that career readiness plays a dual role, enhancing employability while also supporting students' psychological well-being. By equipping students with technical skills, transferable competencies, and adaptability, readiness reduces stress, builds confidence, and fosters resilience during the transition from education to employment. The findings highlight the need for a holistic approach in higher education, where career preparation is integrated with emotional support, continuous learning, and industry collaboration. When institutions, policymakers, and employers work together to strengthen both professional competence and psychological resilience, graduates are not only better prepared for immediate workforce entry but also for sustained success in a dynamic and uncertain career landscape.

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