

Investigating the Impact of Over Qualification on Employee Performance, Satisfaction and Employee Relations

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Abstract – In the contemporary job market, the phenomenon of overqualification has emerged as a prevalent issue with potential implications for both employees and organizations. Overqualification occurs when individuals possess qualifications, skills, or educational backgrounds that surpass the requirements of their current job positions. This research aims to investigate the impact of overqualification on employee performance, job satisfaction, and interpersonal relations within the workplace. Employing a mixed-method research design, this study collected data from a diverse sample of employees through quantitative surveys and a confirmatory factor analysis (CFA) using SPSS Amos to analyze data collected from employees in various industries and educational institutes. The quantitative analysis revealed a significant positive correlation between overqualification and employee performance, indicating that individuals who perceive themselves as overqualified may experience good job performance. Additionally, overqualification was found to have a positive association with job satisfaction, as overqualified employees reported higher levels of overall job satisfaction compared to their adequately qualified counterparts. The qualitative findings complemented the quantitative results by providing deeper insights into the emotional experiences of overqualified employees, highlighting feelings of underutilization, frustration, and disengagement. Furthermore, the research indicated that overqualification can detrimentally impact interpersonal relations in the workplace, potentially leading to communication challenges and good relations among employees.

Keywords – Overqualification; Employee Performance; Job Satisfaction; Interpersonal Relations, Confirmatory Factor Analysis(CFA)

I. INTRODUCTION

In today's competitive job market, individuals are increasingly acquiring higher levels of education and qualifications to enhance their employability.

Overqualified employees are those who exceed the qualifications for their position in terms of education, experience, expertise, or abilities. As a

result, they are unable to employ their full professional potential and are likely to view their position as being an unsuitable one [1]. Overqualification is a type of underemployment, which is a more general term that refers to a variety of employment circumstances that are subpar by some standards, such as inadequate pay or hours, employment outside of one's training and expertise,

and few opportunities to use one's professional skills [2]. The awareness of overqualification by an individual has been widely used as an indicator of underemployment. Perceived overqualification does, in fact, predict lower in social science and psychological research [3].

Over the past ten years, research has become more interested in perceived overqualification and how it affects employee attitudes and behaviours [4]. Studies to date have established a link between perceived overqualification and unfavourable outcomes, including fewer favourable work characteristics and well-being, [5], higher levels of career stress [6] and greater likelihood of job turnover [7].

The objective of this study is to investigate the impact of overqualification on employee performance, satisfaction and employee relations. For investigating the impact structural equation modelling (SEM) is used. For this SPSS Amos software is used for confirmatory factor analysis (CFA). In the social sciences, structural equation modelling (SEM) has evolved into a statistical analytic method that is now essentially standard practise and even required. SEM analyses may now be performed using computer programmes, which has opened up the possibility of using the method in more programmes [8]. This research holds significant importance for both academia and the business community. By uncovering the effects of overqualification on employee performance, job satisfaction, and interpersonal relations, the study contributes to the existing literature on human resource management and organizational behavior. The findings will provide organizations with actionable insights to design appropriate strategies for employee talent management, improve job fit, and enhance workplace dynamics. Understanding the implications of overqualification will also aid policymakers and educational institutions in addressing skill mismatch issues and aligning education with industry needs.

A. Background

Over qualification refers to a situation where an individual possesses higher qualifications or skills than what is necessary for their current job role. It occurs when employees are assigned tasks that do not fully utilize their education, knowledge, or expertise. Overqualified employees may find

themselves performing job duties that are below their skill level, leading to potential dissatisfaction and underutilization of their abilities.

B. Objectives

This study includes the following objectives:

- To conduct literature review in the field of overqualification, employee performance, satisfaction employee relations and structural equation modelling.
- To develop a questionnaire for investigating the impact of these factors.
- To conduct a survey through different organizations
- To made the CFA model using SPSS Amos
- To validate the model and check the model fitness.

II. LITERATURE REVIEW

Task performance of the over qualified employee by taking occupational instrumentality as a moderator. Their studies highlight the role of personnel' profession expectancies and the hyperlink they see among their current jobs and destiny possibilities in explaining how employees react to their emotions of over qualification of their modern-day jobs [9]. Whether recruiting employees that seem overqualified is a disadvantage or a benefit for a company. The findings of the market analysis demonstrated that perceived overqualification might be a benefit for companies that value creativity. In order to make the most of this human capital, organisations must demonstrate help and concern, be flexible in negotiating developmental assumptions, and give employees who feel overqualified the chance to mentor others. By demonstrating innovative work behaviours, those potentially excellent employees may be encouraged to put their skills to good use [10]. Employing a three-wave longitudinal panel design to examine the connection between perceived overqualification and job satisfaction in a sample of full-time university staff members. Consequences showed that, instead of the opposite, employment discontent predicts future perceived overqualification [11].

III. RESEARCH METHODOLOGY

The research approach has been divided into five main phases.

A. Phase 1

Phase 1 of research methodology is about literature review. This phase has completed in the following four steps. The detailed study on overqualification and different factors investigated by different researchers and different techniques used in SEM has been done.

B. Phase 2

Phase 2 of research methodology is about questionnaire development. Questionnaire is developed after studying the literature in detail and weights are assigned according to Likert scale.

C. Phase 3

In phase 3, data is collected from overqualified employees of various industries and educational institutes. Before data collection through questionnaire, interview is taken for judging the exact target for data collection.

D. Phase 4

Phase 4 of research methodology is about data analysis. After collecting the data through questionnaire, data is analysed by confirmatory factor analysis using software “SPSS Amos. The AMOS version 20 is used for performing the Confirmatory Factor Analysis. The model is assessed for evaluating discriminant validity, convergent validity, and reliability.

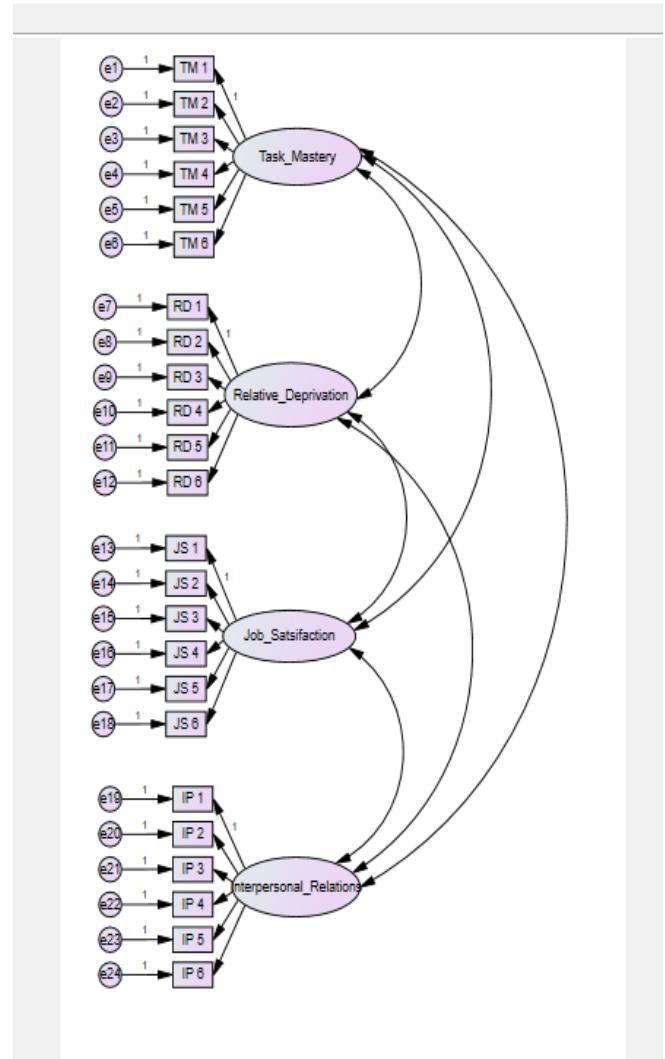


Figure 1: CFA model

E. Phase 5

In phase 5, results are concluded and recommendations are made for further studies.

IV. RESULTS

The model is assessed for evaluating discriminant validity, convergent validity, and reliability.

A. Reliability and Convergent Validity

The results of reliability, convergent and discriminant validity are shown in table 1.

Table 1: Reliability and Convergent Validity

Variables / Constructs	Cronbach Alpha	Composite Reliability	Average Variance Extracted	Maximum Shared Variance
Task Mastery	.810	.911	.632	.168
Relative Deprivation	.847	.947	.593	.356
Job Satisfaction	.815	.917	.615	.356
Interpersonal Relations	.937	.938	.583	.168

The average extracted variance (AVE) is greater than 0.50, which indicates that the convergent validity is precise [12]. The fact that the greatest Shared Variance is less than the corresponding Common Variance Extracted for all variables is another indication of Convergent Validity. Our variables exhibited strong reliability, as seen by the Cronbach alpha and composite reliability for all variables being over 0.70.

B. Discriminant Validity

After analysing the reliability and convergent validity, we checked the discriminant validity by calculating the inter variables correlations.

Table 2: Discriminant Validity

	Task Mastery	Relative Deprivation	Job Satisfaction	Interpersonal Relations
Task Mastery	.795			
Relative Deprivation	.358	.731		
Job Satisfaction	.340	.296	.832	
Interpersonal Relations	.410	.305	.400	.837

Fornell & Larcker (1981) criteria were applied to determine discriminant validity [13]. Other numbers reflect inter-variable correlation, whereas the values in the diagonal ambitious represent the square root of AVE. As can be seen in the table, the criteria that the diagonal bold values must be higher than distinct value values in its corresponding rows and columns

is satisfied. We can therefore conclude that our variables have strong discriminant validity.

C. Model Fitness

It's important to evaluate the goodness of fit (GOF) of generated models in order to enhance them and debate how to. The measures of our model are shown in table 3.

Table 3: Measures of CFA model

Measures	Values
Chi-square/df (cmin/df)	2.079
CFI	0.919
GFI	0.945
AGFI	0.904
SRMR	0.064
RMSEA	0.054
Pclose	0.067

These values indicate that our model is fit. Results showed that the model was an excellent fit, including RMR of 0.064, GFI of .945, and CFI of .919. RMSEA should be less than 0.08 for model fitness to achieve.

V. DISCUSSION

The qualitative findings from the interviews are used to provide deeper insights into the experiences and emotions of overqualified employees. The quantitative analysis was performed for data interpretation. Task performance is examined by two perceptions: task mastery and relative deprivation. The result indicates that over qualification is positively affected the employee performance. Employees are more likely to develop the abilities necessary to do their jobs well.

Relative deprivation and task mastery are two opposing pathways. The results indicate that this hypothesis is rejected because relative deprivation and task mastery are two opposing pathways. Employees who are over qualified were doing best in their tasks and didn't have any feeling of relative deprivation. Over qualified employees are satisfied from their job. Because they can work more efficiently because they have extra skills and knowledge.

Overqualification of the employee have positive impact on employee relations at the work place. Overqualified employee has extra skills and

knowledge. So, it increases the team dynamics, collaboration and team cohesiveness at work place.

Our results contrast the previous studies because we have less opportunities for employees.

VI. CONCLUSION

The findings and discussions conclude that POQ has significant impact on employee performance, job satisfaction and employee relations. Although, a few factors were used while obtaining results, but the similar results can be obtained if all the factors are used in the study process. The results show that POQ has positive and significant impact over employee performance. It enhances the ability of employee to complete their task very efficiently. Similarly, POQ has significant impact over job satisfaction. POQ also has significant impact on employee relations at the work place. Although the results showed significant results still there were some implications during the study process. The main issue was the unawareness of POQ. Out of all the employees working in their current positions only 40-45% are known about this term. This implication really made it hard to continue the process without hurdles.

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