

The Effect of Perceived over Qualification on Employee Performance The Moderating Role of Neuroticism

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Abstract

There are many variables that can effect performance of individuals in organizational life. While some of them are relevant with individuals, the others are related with external factors. Perceived overqualification is one of these individual factors. The aim of this study is to determine effects of the perceived overqualification on task and contextual performance. Besides this, the study excited the mediateeffect of neuroticism on the relationships between perceived overqualification and the employee performance. The study was made on 180 employees in manufacturing industry and 160 tests are used. Our results provide evidence that neuroticism mediates the relationships between perceived overqualification and the employee task performance. And there are negative relationships between perceived overqualification and task and contextual performance. Practical implications and directions for future research are also offered.

Keywords: *Perceived Overqualification, Task Performance, Contextual Performance, Neuroticism*

1. Introduction

Employing overqualified individuals provide competition superiority for organizations in recent conditions. Having information about performance, to determine the relevant concepts, precursors and results are important from the aspect of reducing the uncertainty in working life and identifying the individuals.

Person-organization fit is a antecedentof individual and organizational performance. There exists plenty of concepts that is effective on performance and relevant with performance, this study emphasis on perceived overqualification effect that is relevant with person-jobfit. Person-job fit is matter of individual's education, experience, knowledge, skill, talent and other features when correspond with requirements of their work. Person-job fit leads to positive results from the aspect of individual and organization, likewiseunconformityleads to negative results. Specially skilled labor's expectations not compatible with work quality and organization's offers in worklife individual face with plenty of problems from the point of individual and organization. In this context the aim of this study; to evaluate the effect of perceived overqualification on performance and to investigate neuroticism's mediates at this relation as well. To reveal this relations is valuable

because of some reasons. Firstly, perceived overqualified is a common encountered situation. Secondly, this workers try to exhibit high performance despite the dissatisfactory employment conditions and they are valuable for organization but organization have probability of losing this workers. Lastly, to remark this subject, to bring out knowledge about precursors and consequences, to present important contributions for literature and managers.

2. Literature Review

Overqualification is reported to exist in most industrialized countries, with conservative estimates that approximately one-quarter of the working population is overqualified for their jobs (Fine and Nevo, 2008). Overqualification, is a form of underemployment where in people have more skills, experience, knowledge, and abilities than required for a job (Wu, Luksyte and Parker, 2015:918). As Thompson et al. (2013), over qualification identifies individuals who have education and experience beyond that which is required by their jobs. *Objective over qualification* occurs when an employee's actual qualifications, in the form of education level, amount or level of prior experience, and knowledge, skills, and abilities (KSAs) exceed the stated requirements of the job. *Perceived over qualification* is the subjective impression that an employee holds qualifications in excess of what is needed to do the job (Maynard et al. 2015:210-211). Maynard ve Parfyonova (2013)'ya göre perceived over qualification an employee's belief that he or she possesses education, experience, and/or skills beyond the job requirements. Perceived over qualification is defined as the extent to which an employed individual perceives that he or she has high degree job qualification or has limited opportunities to acquire and use new job related skills (Benedict, Gayatri devi and Velayudhan, 2009:283). Fine (2007) defines perceived over qualification as "the degree to which individuals perceive themselves (or others) as possessing more than the required job qualifications". Johnson and Johnson (2002) describe perceived over qualification as resulting from incongruence between job demands and employee competencies. Individuals are like to work in a job which he educated, experienced, interested and makes happy. If an individual working in a job under his competencies there will be some consequences. He will feel himself unhappy, interest to workplace will reduce, organizational commitment will decline.

Despite its prevalence, however, the topic of over qualification has received little attention in personel psychology (Fine and Nevo, 2008). Perceived over qualification refers to the degree to which individuals perceive themselves (or others) to have more than the required job qualifications (Fine and Nevo, 2008:346). Overqualified employees are considered to be dissatisfied with their jobs' wages, responsibilities, challenges, career advancements and other aspects of their employment and have shown a greater intention to quit than adequately qualified employees (Fine and Nevo, 2008:347).

The relationship between **over qualification** and job performance has not been well established. In two of the only empirical studies located King and Hautaluoma (1987) found the overall job performance of over educated workers to be non-significantly different from that of adequately educated workers, and Bolino and Feldman (2000) found a weak negative correlation between perceived **over qualification** and self-rated job performance (Fine and Nevo, 2008:347).

Individual performance is base of organizational performance. Thus performans must be defined clearly and evaluated multidimensionally. Because different works necessitate different talent, skill and behavior. Work performance model support this view that was developed by Bormon and Motovidlo.

Model asserts that work performance indicate behavioursthat captureboth task and contextual work performance (Greenslade and Jimmieson, 2007:603; Beary, Cleveland and Murphy, 2001:126). Task performance is a behaviours that support organizational purposes and technique activities during the period conversion of raw materials into output (McShane and Von Glinow, 2008:38). *Task performance* can be defined as the effectiveness with which job employees perform activities that contribute to the organization's technical core either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services (Borman and Motowidlo, 2009) *Contextual performance* are important because they contribute to organizational effectiveness in ways that shape the organizational, social, and psychological context that serves as the catalyst for task activities and processes. Contextual performance include volunteering to out task activities that are not formally part of the job and helping and cooperating with others in the organization to get tasks accomplished (Borman and Motowidlo, 2009)

Perceived **over qualification** predicts lower job satisfaction and higher turnover intentions and behaviour (Maynard veParfyonova, 2013). There is negative relation between perceived **over qualification** and job satisfaction (Benedict, Gayatridevi and Velayudhan, 2009; Maynard et al., 2015) and positive relation between perceived **over qualification** and turnover intention (Maynard et al., 2015:212). Perceived **over qualification** were associated with lower higher career-related work stress (Maynard et al., 2015).

Maynard and Parfyonova (2013) determined that employees who perceive over qualification look for a new job in six months where they can display their talent. For this reason organizations are come across with losing problem of skilled employees who are perceive that they are overqualified (Maynard and Parfyonova, 2013:435-436). Studies about this topic were concluded that overqualified workers are quite active job searchers (Wald, 2005). This situation can seriously damage both the economy of organization and government. First of all administrators should determine the employees who perceive himself/herself overqualified to hold them in organization. This perception might not be objective all the time. Administrators should look for the ways like to include this employees in decision making process or provide more advanced work conditions to strengthen an employees (Maynard and Parfyonova, 2013:435-436). If the overquified employees are determined and motivated accurately there can arise significant competitive advantage for organization (Thompson et al., 2013).

Our research model's another important part focuses on neuroticism, or emotional instability. Individuals with high neuroticism have more negative emotions, such as anger, sadness, compulsive, defensive anxiety (Bono and Vey, 2007, 178). Since organizational behavior studies tend to value the expression of positive emotions, employees who are high in neuroticism are likely to perceive high demands for negative behaviors (Shaubroek and Jones, 2000). When we look at the dark side of organizational life neuroticism is generally negatively associated with performance and also expect that individuals high in neuroticism will experience more stress (Barrick, Mount and Judge, 2001).

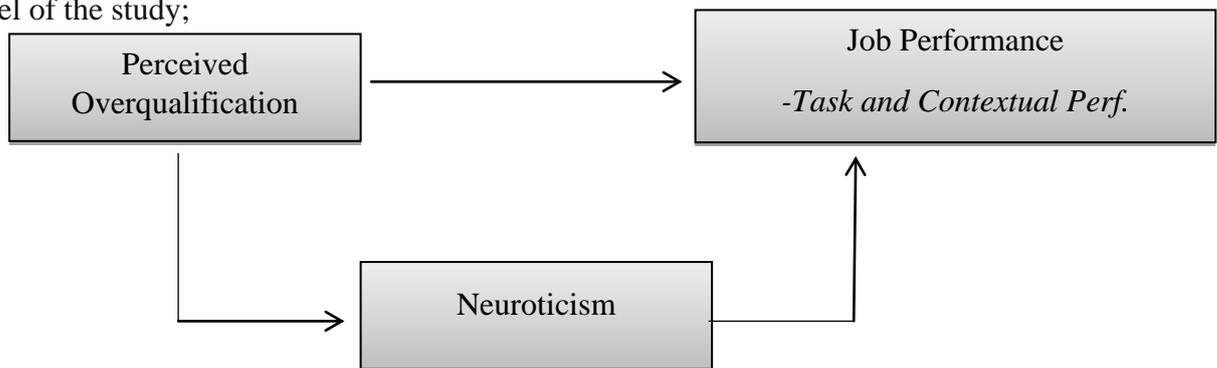
In addition neuroticism is related to a poor self-image characterized by low self-esteem and low self-efficacy (Judge et al., 2002). Thus, these people are less likely to be perceived as leaders generally and are more likely to be perceived as weak workers with low performance (R. Hogan et al., 1994). For example, Barrick, Stewart, Neubert, and Mount (1998) found that teams with more neurotic members are less socially cohesive and more conflictual than others.

In this study, we like to contribute to the perceived over qualification literature by identifying neuroticism as a key boundary condition of the relationship between perceived over qualification and performance.

3. Model and Hypothesis

In literature researches are based on hypothesis that perceived **over qualification** accompany negative outcomes for both employees and organizations (Maynard and Parfynova, 2013). The base hypothesis of this study that is made on the purposes of to determine the effect of perceived overqualification on employee's performance is, perceived **over qualification** has significant and negative effect on employee's performance.

Model of the study;



Hypothesis of the study;

Hypothesis 1: Perceived over qualification will be negatively effect the employee task performance.

Hypothesis 2: Perceived over qualification will be negatively effect the employee contextual performance.

Hypothesis 3:Neuroticism mediates the relationship between perceived over qualificationand task performance.

Hypothesis 4:Neuroticism mediates the relationship between perceived over qualification and contextual performance.

4. Procedures For Collecting Data

The research was made on the bases of hypothesis with 160 employees in manufacturing industry. The datas was collected through survey. The survey consists of 4 parts. In first part found scale of perceived **over qualification** (SPOQ) developed by Maynard, Joseph and Maynard (2006). Objective and subjective methods was used in the measurement of **over qualification** in the past.

Subjective measurements consider perception of employees and perception offers strong antecedent issues about organizational behaviours. From this point subjective measurements are used commonly (Maynard and Parfyonova, 2013). In this study emphasized on perceived **over qualification** as a potential antecedent of individual performance. In the second part of survey so as to determine the work performance used two-dimensional scale as task and contextual performance. In the third part used expressions about neuroticism dimention that take place in Neo- FFI (McCrae and Costa, 1992) scale to measure neuroticism dimension. In the last part exist questions concerning demographic characteristics of survey participants.

Table 1. Reliability of Scales

<i>Scales</i>	<i>References</i>	<i>Cronbach'sAlpha</i>
PerceivedOverqualification	Maynard, Joseph and Maynard (2006)	,845
Task Performance	Goodman and Svyantek (1999)	,898
Contextual Performance	Smith, Organ, Near (1983)	,883
Neuroticism	Neo-FFI (McCrae and Costa, 1992)	,805

4.Results

Findings regarding demographic characteristics of research participants

The demographic characteristics of research participants are shown in full the table below.

Tablo 2. Demographic background characteristics of sample		
Total business life experience	n	%
Less than 1 year	22	13,8
2-5 years	72	45,0
6-10 years	40	25,0
11-15 years	14	8,8
16-20 years	12	7,5
21 years and above	0	0
Employment in the same firm	n	%
Less than 1 year	22	13,8
1-5 years	74	46,3
6-10 years	46	28,8
11-15 years	6	3,8
16-20 years	12	7,5
21 years and above	0	0
Gender	n	%
Female	94	58,7
Male	66	41,3
Age	n	%
Less than 20	0	0
21-25	20	12,5
26-30	52	32,5
31-35	58	36,3
36-40	14	8,8
41-45	12	7,5
46 and above	4	2,5
Total	160	100

Correlation Value of Research Variables

In order to determine the relationships between variables correlation analysis was conducted. The values for correlation matrix at Table-3.

	1	2	3	4
1. Perceived over qualification	1,00			
2. Neuroticism	,277**	1,00		
3. Task performance	,-290**	,-449**	1,00	
4. Contextual performance	,-185*	,-176*	,743**	1,00

*p<0,01, **p<0,05

From the given results, it can be said that there are significant relations among variables. This result expresses that when perceived over qualification increases, neuroticism will also increase; task and contextual performance decrease. There are negatively relationship between neuroticism and performance(task and contextual). Between task and contextual performance, there is a significant positive relation.

Regression Analysis

In order to test our hypotheses, regression analysis was conducted. Regression analysis a statistical tool for the investigation of relationships between variables is used to test the relationships between a dependent variable and one or more independent variable. (Nakip, 2003: 227-247). However, to determine the mediating effect, a serious regression analyses is necessary.

Hypothesis 1: Perceived over qualification will be negatively effect the employee task performance

Table.4 The results of regression analysis to determine the effect of perceived over qualification on employee task performance

	R	R ²	Adjusted R ²	Std. Error of the Estimate
Task Performance	0,290	0,084	0,078	0,45926

p< 0.05, dependent variable: task performance, independent variable: perceived over qualification

Coefficients

Variable	Beta	t	Sig.
Perceived over qualification	-0,290	-3,802	0,000

Hypothesis 2: Perceived over qualification will be negatively effect the employee contextual performance

Table.5 The results of regression analysis to determine the effect of perceived over qualification on employee contextual performance

	R	R ²	Adjusted R ²	Std. Error of the Estimate
Contextual Performance	0,185	0,034	0,028	0,54069

p< 0.05, dependent variable: contextual performance, independent variable: perceived over qualification

Coefficients

Variable	Beta	t	Sig.
Perceived over qualification	-0,185	-2,367	0,019

Analysis shows that the perceived over qualification negative impact on performance. Therefore hypothesis 1 and hypothesis2 supported. Hypothesis that to determine mediating effect of neuroticism multiple regression analysis was performed.

Hypothesis 3: Neuroticism mediates the relationship between perceived over qualification and task performance.

Table 6. Results of Multiple Regression Analysis for the Hypothesis

	Variables	R	R ²	Adjusted R ²	Beta	F	t	Sig.
1	Neuroticism	0.449	0.202	0.197	-0.449	39,972	-6,322	0.000
2	Neuroticism				-0.400		-5.491	0.000
	Perceived over qualification				-0.179		-2.456	0.015
		0.481	0.231	0.222		23,638		

dependent variable: task performance

The results support hypothesis 3. Neuroticism has significant and partial-mediating effect in relationship between perceived **over qualification** and task performance. But the results do not support the mediating effect of neuroticism in relationship between

perceived **over qualification** and contextual performance. So hypothesis 4 was not supported.

5. Conclusion

The current study set out to examine the mediating effect of neuroticism on the relationships between perceived **over qualification** and performance (task and contextual). Overall, the results provided that perceived **over qualification** is effective on both contextual performance and task performance. When individuals perceive they have more qualification for their jobs, it reduces their performance. Employees who perceive themselves high qualified are decreasing their efforts. This can be about the significance of the work done by them. Also it may be about unable to concentrate on their job because of the impact of the environment.

In this study we analyzed mediating effect of neuroticism, which include more negative emotions, such as anger, sadness, compulsive, defensive anxiety. This result expresses that when perceived **over qualification** increases, neuroticism will also increase; task and contextual performance decrease. There are negatively relationship between neuroticism and performance (task and contextual). Neurotic individuals are unable to balance themselves and this may easily effect their performance.

People who have neurotic personality are desperate situations threatening. Their negative emotions response for a long time, it usually means they are in a bad mood. Problems about their emotional stability can effect objective thinking, comfortable decision-making and coping with stress. Therefore, this situation is also reflected in their performance. The result support neuroticism has significant and partial-mediating effect in relationship between perceived **over qualification** and task performance. Neuroticism reduces the effect of perceived **over qualification** on employee performance. However, both variables together effect the task performance with higher rate. Thus, an important task falls to managers in organizations. Managers must provide appropriate qualification jobs to their employees. Also this case is more important for employees who have high levels of neuroticism. This study makes an important contribution to the literature. The same model is not found in the literature.

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