

Research on Influencing Mechanism of Perceived Overqualification on New-generation Employees' Proactivity

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Keywords: Overqualification; Proactivity; Special Agreement

Abstract: Based on the theoretical background, this study uses a questionnaire survey to examine the relationship among perceived overqualification and special agreement on new-generation employee's proactivity. The results show that perceived overqualification has a negative impact on proactivity. In addition, the special agreement plays a moderating role between perceived overqualification and proactivity.

1. Introduction

Since twenty-first Century, due to the gradual improvement of labor market entrants' education level and the emergence of economic stagnation and job shrinkage, job seekers may need higher education degree to compete for posts that do not traditionally require so much knowledge and skills. Taking jobs far beneath one's own talent has become a universal phenomenon. This kind of issue is known as "overqualification" academically, which means that employees' skill, knowledge or past experience exceeds their job responsibilities.

Literature review shows that many scholars recognize the negative impact of perceived overqualification on employees' organizational behavior. However, some scholars stated the existence of possible positive consequence. Inconsistent conclusions prove the research value. So we put forward the first issue of this paper: Whether the direct impact of perceived overqualification on new-generation's proactivity exist? If exists, it is positive or negative?

The special agreement is the product of the joint negotiation between the employee and the organization. Different from the traditional rigid employment terms, it can bring greater autonomy and more development opportunities for employees, and expand their working boundaries. So we put forward the second issue of this paper: What is the moderating effect of special agreement in the influencing mechanism.

2. Theoretical Background and Hypothesis

2.1. Perceived Overqualification

At present, overqualification is mainly understood as either objective fact or subjective perception. This paper believes that the subjective perspective can measure the degree of overqualification better, and is more conducive to predicting employee's work attitude and behavior. Firstly, the indicators used to measure the objective fact are limited; Secondly, basis of overqualification is established on the premise of social comparison. This base is often subjective; Thirdly, we need to pay attention to individual differences. When two employees with similar background engage in the same job, due to individual sensitivity, one person may be more likely to think that his ability is wasted; Lastly, studies show that objective overqualification fact is strongly correlated with subjective perception. In summary, this paper chooses perceived overqualification as a basic concept.

2.2. Perceived overqualification and new-generation employees' proactivity

Proactivity refers to the behaviors that have a positive impact or contribute to the development of the business, which are both inside and outside the employees' work role.

According to deprivation theory, if overqualified employees feel that their ideal self-development can not be satisfied in current work situation, and the opportunity to be engaged in jobs that is more in line with their personal abilities has been deprived, their satisfaction will be reduced. According to fairness theory, if employees have perception of higher qualifications than others in similar position, they will consider their input-output ratio of knowledge, skills and past experience as much lower, and will be more likely to reduce their efforts to alleviate the corresponding sense of inequality. According to the theory of resource storage, overqualified employees will think that their resources are not fully utilized, and believe that even do more, their ideal self and inner expectations can not be met, so they will weaken the effort to reduce the sense of threat.

Studies also point out that the employees of new generation is more likely to have a negative attitude towards work when they feel over-qualified and reflects on their working behavior, even lead to a higher turnover rate in the organization.

Based on the theories above, we propose the following hypothesis:

H1: Perceived overqualification affect new-generation employees' proactivity negatively.

2.3. Moderating effect of special agreement

Special agreement can be understood as a personalized employment clause between organization and individual. When used properly, it can greatly promote the enthusiasm of employees. This out-of-convention clause can widen the boundaries of employees' work, help employees to achieve a balance between family and career, enhance employees' sense of belonging and identity to the organization, and reduce their inner unfairness, thus alleviating the sense of job burnout, powerlessness and loneliness caused by over-qualified perception.

Based on the theories above, we propose the following hypothesis:

H2: Special agreement plays a moderating role between perceived overqualification and proactivity.

3. Method

3.1. Sample and data

This paper selects the new-generation employees after 1990 as the research object. The screening condition is that their working time of current position must be more than one year. 235 e-questionnaires were collected and 221 valid questionnaires were obtained after eliminating invalid questionnaires. The characteristics of samples are as follows: 57% of them are females; 94.1% of them have bachelor's degree or above; 83.7% of them are 23 - 30 years old; 67.9% of them are currently working for 1-3 years, 27.1% for 3-5 years.

3.2. Measure

This paper measures the variables involved in the theoretical model by using the scales which are relatively mature in existing research. We use the 9-item scale compiled by Maynard et al. to measure perceived overqualification. The items such as "A lot of my knowledge is not needed in my current job "; "My education level is higher than the requirements of my job" are included, the reliability is 0.87. Fitness indicators are as follows: $\chi^2/df=1.383$, $NFI = 0.932$, $GFI = 0.961$, $CFI = 0.98$, $IFI = 0.980$, $RMSEA = 0.043$, means that the scale has good construct validity.

Based on Pan Xiaofu and Yang Lingyun's Proactivity Scale, a new scale is established to measure new-generation employees' proactivity, including 15 items with five dimensions: input behavior, responsible behavior, active behavior, innovative behavior and helping behavior, such as "I can put forward rationalized proposals, and make suggestions for organizational development"; "I am willing to share my work experience and business skills with others", etc., the reliability is 0.82. Fitness indicators are as follows: $\chi^2/df=1.322$, $NFI = 0.920$, $GFI = 0.924$, $CFI = 0.979$, $IFI = 0.979$, $RMSEA = 0.040$, means good construct validity.

Use the scale developed by Christopher C. et al. to measure special agreement, including 16

items with four dimensions: work responsibility, time flexibility, location dexterity, and financial incentives, such as “My supervisor gives me the opportunity to undertake tasks other than formal job”; “Considering my special skills and contributions, my supervisor is willing to negotiate salary with me”, the reliability is 0.90. Fitness indicators are as follows: $\chi^2/df=1.158$, $NFI = 0.930$, $GFI = 0.937$, $CFI = 0.98$, $IFI = 0.98$, $RMSEA = 0.028$, means good construct validity.

4. Empirical analysis

4.1. Common method bias analysis

Referring to the proposal of Long Lirong and Zhou Hao in 2004, this paper control the influence of common method bias from two aspects: process control and statistical control. When designing the questionnaire, the items were randomly ordered and the respondents were informed to fill in the questionnaire anonymously. Also, this paper used Harman's single factor test to assess the degree of common method variance. The output shows that the KMO value is 0.884, which meets the criterion of factor analysis. Then, with rotary factor analysis, 8 factors with initial eigenvalue greater than 1 were extracted. The eigenvalue of the first factor was 11.347, explaining 27.67% of the variation. Therefore, there is no serious problem of common method deviation in this paper.

4.2. Descriptive statistics and correlation analysis

The descriptive statistics of variables and correlation coefficients between them are shown in Table 1. The average value of perceived overqualification is higher than 3, means that such cognition is prevalent among responders. Perception of overqualification was significantly negatively correlated with new-generation employees' proactivity ($r=-0.617$, $p<0.01$); the special protocol treatment was significantly positively correlated with new-generation employees' proactivity ($r=0.618$, $p<0.01$), hence some research hypotheses were preliminarily verified, and the data is suitable for regression analysis.

Table 1: Descriptive Statistics and Correlation Analysis

	Mean	S.D	1	2	3	4	5	6	7	8
1 Age	1.06	0.252	1							
2 Gender	1.45	0.499	.036	1						
3 Education	3.36	0.648	-.302**	0.116*	1					
4 Nature	2.00	0.937	.027	.111	-.093	1				
5 Work Age	3.06	0.688	.514*	-.183	-.054	.014	1			
6 Perceived Overqualification	3.728	0.485	.238**	-.001	.099	-.217*	.200*	1		
7 Special Agreement	3.365	0.686	-.095	-.024	.036**	.074	.066	-.182**	1	
8 Proactivity	3.746	0.525	-.053*	-.253	.118*	.105	-.008	-.617**	.618**	1

Note: * : $p<0.01$; ** : $p<0.05$; *** : $p<0.001$; same as below

4.3. Regression analysis

Firstly, VIF values are all between 1 and 2, hence there is no collinearity or the influence of collinearity is small. From Table 2, it can be seen that the explanatory power of perceived overqualification on proactivity is significantly enhanced relative to the control variables. $\Delta R^2=0.014$ ($F=3.234$, $p<0.01$), perceived overqualification has an explanatory power of 1.4% for proactivity. In addition, the β value of perceived overqualification (non-standardized, the same below) is -0.118, which is significant at the 0.05 level, the perceived overqualification has a significantly negative impact on proactivity, hypothesis 1 can be supported.

Table 2 Regression Analysis of Perceived Overqualification on Proactivity

	M1			M2		
	B	β	VIF	B	β	VIF
Gender	-.040	-.038	1.011	-.042	-.040	1.011
Age	-.214	-.103	1.006	-.221	-.106*	1.006
Education	.071	.088	1.076	.082	.101	1.088
Nature	-.045	-.081	1.075	-.042	-.074	1.078
Work Age	-.012	-.016	1.065	-.016	-.020	1.067
PO				-.077	-.118*	1.014
R^2		.032			.046	
Adjusted R^2		.021			.032	
ΔR^2		.032			.014	
F		2.791*			3.234**	

This paper used hierarchical regression analysis method to verify hypothesis 2 (Table 3). After adding the moderating variable – the special agreement to the regression model between perceived overqualification and proactivity, $\Delta R^2 = 0.243$, enhancing the explanation for dependent variable by 24.3% ($F=12.59$, $P<0.001$). After adding the interactive item, $\Delta R^2=0.04$ ($F=13.22$, $P<0.001$), the regression coefficient of interactive item is 0.126 ($P<0.001$), the special agreements play a moderating role between perceived overqualification and work alienation. The moderating effect can be shown in figure 1, hypothesis 4 can be supported.

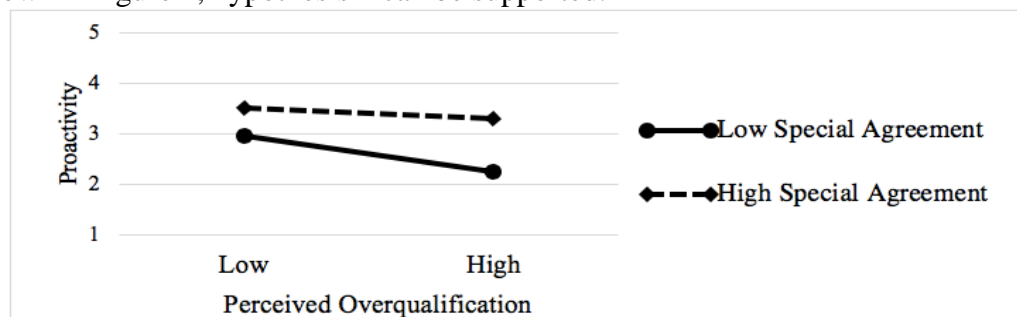


Figure 1 Moderating Effect of Special Agreement

Meanwhile, this paper added the four dimensions of special agreement to the regression model to figure out the measure with the strongest power to relieve the effect of perceived overqualification (Table 4-3). For work responsibility, $\Delta R^2=0.226$ ($F=11.67$, $p<0.001$). After adding the interactive item, $\Delta R^2= 0.063$ ($F=13.60$, $p<0.001$), the regression coefficient of interactive item is 0.161 ($p<0.001$). Hence work responsibility do play a moderating role between perceived overqualification and proactivity. For time flexibility, $\Delta R^2= 0.132$ ($F=7.27$, $p<0.001$). After adding the interactive item, $\Delta R^2=0.022$ ($F=7.24$, $p<0.05$), the β value of interactive item is 0.101 ($p<0.05$). Hence time flexibility also plays a moderating role. For location dexterity, $\Delta R^2=0.006$ ($F=4.57$, $p<0.001$). However after adding the interactive item, $\Delta R^2= 0.004$, $F=4.172$, which is not significant at 0.05 level, and the β value of interactive item is -0.046 (not significant at 0.05 level). Hence location dexterity has no moderating effect. For financial incentive, $\Delta R^2=0.174$ ($F=9.12$, $p<0.001$). After adding the interactive item, $\Delta R^2=0.025$ ($F=9.10$, $P<0.001$), the β value of interactive item is -0.099 ($p<0.01$), financial incentive also plays a moderating role.

Table 3 Moderating Effect of the Special Agreement

V/ β	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11
Gender	-.108*	.001	-.009	-.002	-.015	-.006	-.016	-.041	-.036	-.03	-.034
Age	.090	-.217**	-.223**	-.232**	-.236**	-.294**	-.302**	-.358**	-.36**	-.237**	-.228**
Education	-.032	.022	.025	.003	.008	.004	.006	.002	-.005	.03	.04
Nature	-.036	.025	.018	.021	.012	.025	.019	.045	.043	.039	.038
Work Age	-.092	.036	.033	.032	.031	.023	.021	.058	.051	.058	.06
PO		-.221***	-.023***								
SA		.432***	.402***								
PO*SA			.126***								
PO				-.206**	-.217**						
WR				.304***	.286***						
PO*WR					.161***						
PO						-.254**	-.264**				
TF						.19**	.187**				
PO*TF							.101*				
PO								-.274**	-.268**		
LD								.046	.048		
PO*LD									.046		
PO										-.245***	-.252**
FI										.274**	.269**
PO*FI											.099**
R ²	.023	.341	.38	.324	.387	.23	.251	.158	.162	.272	.297
ΔR^2	.023	.243***	.04***	.226***	.063***	.132***	.022*	.006***	.004	.174***	.025**
F	1.943	12.59**	13.22**	11.67**	13.60**	7.27***	7.24*	4.57***	4.172	9.12***	9.10**

Note: PO means perceived overqualification; SA means special agreement; WR means work responsibility; TF means time flexibility; LD means location dexterity; FI means financial incentive.

5. Conclusion and outlook

5.1. Main result

This paper takes the post-90s new-generation employees as the research object, studies the psychological process of individual's behavioral reaction when perceiving their qualifications higher than job demands, and its influence on the final job behavior. The hierarchical regression analysis method was used to test the role of special agreement in this mechanism. The conclusions are as follows: (1) Perceived overqualification significantly negatively affects new-generation employees' proactivity. (2) The special agreement plays a moderating role between overqualification and new-generation' proactivity, in which the role of work responsibility is the strongest, financial incentives are second.

5.2. Practical significance

First of all, having overqualified members does not lead to higher performance outcomes for the organization, when introducing talents, managers should pay attention to reasonable post arrangement after effective evaluation of employees' qualification, and strive to achieve post-matching. Secondly, if there already have employees with overqualified perceptions in the organization, before they generate negative emotions or before the negative emotions are further deepened, positive guiding measures should be taken. According to the theory and data above, the special agreement can effectively do this. Finally, the moderating effect of work responsibilities is the strongest in the special agreement. For employees who are considered capable by the operator,

in order to give full play to their value and create wealth for the organization, the managers should assign a heavy responsibility to these people to let them realize that their capacities are extremely important to the organization. Financial incentives and time dexterity also have a moderating role, which provides organizations with a flexible management approach, it may be appropriate to provide employees with a flexible working system or a personalized compensation system to ensure the enthusiasm of them.

5.3. Deficiencies and outlook

Firstly, only 221 valid questionnaires were collected in this paper. Though it meets the requirements of statistical analysis, the sample size is still small compared with the number of employees with overqualified perception in reality. Due to the limitation of time and place, the use of electronic questionnaires is convenient and quick. However, the lack of supervision may cause some people to be perfunctory when filling out questionnaires, which will affect the effectiveness of data. Secondly, some scales need to be improved. Most of the scales used in this paper are developed by foreign scholars, although these scales have been proved to have good reliability and validity in foreign cultural contexts, when they are applied to domestic enterprises, the biases during translation may make some items ambiguous for Chinese employees to understand, the validity of the scale will be affected. At the same time, the content of the questionnaire involves the evaluation of superior's management style, a certain degree of sensitivity may cause the data to be somewhat unrealistic. Finally, the behavior of overqualified employees may also be affected by other important variables from organizational and team level. Future research should explore the impact of other variables to further clarify the mechanism of overqualified employees' behavior.

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