

TOO MANY BIG FISH IN A SMALL POND? THE NEXUS OF OVERQUALIFICATION, JOB SATISFACTION, JOB SEARCH BEHAVIOUR AND LEADER-MEMBER EXCHANGE

Navaneethakrisnan KENGATHARAN

Department of HRM, University of Jaffna, Sri Lanka
kenga@univ.jfn.ac.lk

Abstract

Drawing on the theories of person–job fit, relative deprivation, work adjustment and reasoned action, the present study aims to investigate the nexus of perceived overqualification, leader–member exchange (LMX), job satisfaction and job search behaviour. Anchored in philosophical assumptions, the present study adopts a survey research strategy with a cross-sectional time horizon. Data were garnered with a self-reported questionnaire from 607 convenience-sampled employees working in state-owned organisations in Sri Lanka. The study found a significant negative relationship between perceived overqualification and job satisfaction. The results further revealed that LMX moderates the negative relationship between perceived overqualification and job search behaviour such that the negative relationship is weaker at a high quality LMX. No less importantly, the results disclosed that job satisfaction is a complementary mediator of the relationship between perceived overqualification and job search behaviour. The study contributes to the frontiers of HRM literature and provides useful practical implications.

Keywords: Job satisfaction; Job search behaviour; Perceived overqualification; Person-job fit theory

1. INTRODUCTION

Many individuals are deprived of a better job owing to the global financial crisis, rising education levels, global mobility of jobs and the intrusion of cutting-edge technology into business (Arvana et al., 2019; Quintini, 2011) and the feeling that they are overqualified plagues both employers and employees. Seminal research scholars have highlighted that overqualification is a universal phenomenon and one in three workers are overqualified across many countries, such as the UK, the US, Canada and Germany (Büchel and Mertens, 2004; Feldman and Turnley, 1995; Groot and Maassen van den Brink, 2000; Quintini, 2011; Sadava et al., 2000; Verhaest and Omev, 2006). Overqualification occurs when employees have educational qualifications, skills, abilities and experience that exceed the requirements of the job or that are not used on the job (Erdogan et al., 2011; Maynard et al., 2006; Peiro et al., 2010) and therefore, overqualification is sometimes referred to as ‘underemployment’ (Erdogan and Bauer, 2009). Remarkably, a large corpus of studies has evidenced that perceived overqualification is harmful, incubating many negative outcomes, such as lower job satisfaction, lower organizational commitment, greater withdrawal behaviours, counterproductive work behaviours, poor employee well-being, higher turnover intentions, impaired health, cyberloafing, deviant behaviours and cynicism (Erdogan and Bauer, 2009; Erdogan et al., 2020; Harari et al., 2017; Johnson and Johnson, 1997; Liu et al., 2015; Luksyte et al., 2011; Maynard et al., 2006; Sam, 2020; Verhaest and Omev, 2006; Zhang et al., 2020). Consequently, of late, a growing number of organisational researchers have been focusing on overqualification, its impact and remedial actions thereon (Arvan et al., 2019; Erdogan et al., 2018; Harari et al., 2017; Sesen and Ertan, 2019; Simon et al., 2019). Taken together with previous studies, the current study fills lacunae by answering to two pressing questions: (a) to what extent an employee’s perception of overqualification influences job satisfaction and the subsequent effect of job satisfaction on job search behaviour? and (b) does LMX attenuate the negative relationship between perceived overqualification and job satisfaction?

Strongly anchored in four dominant theories in organisational studies – person–job fit theory, relative deprivation theory, work adjustment theory and theory of reasoned action – the study aims to establish the relationship between overqualification and job satisfaction with the moderating effect of LMX, and the subsequent mediating effect of job satisfaction on the relationship between perceived overqualification and