

# The Effect of Overqualification on Employees' Turnover Intention: The Role of Organization Identity and Goal Orientation

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**Abstract**—Based on the Relative Deprivation Theory and Resource Conservation Theory, this article examines the impact and process model of overqualification perception on turnover intention. In this paper, the new generation of employees (mainly born after 1985) in Guangdong Province of China as respondents and a total of 206 valid questionnaires were collected by completing the Scale of Qualified over Qualification, Turnover Intention Scale, Organizational Identity Scale and The Goal-oriented Scale. The findings show organizational identity plays a part mediating role and, what's more, the learning goal orientation has a moderating effect between perceived overqualification and turnover intention. More specifically, the results are as follow: (1) The perception of overqualification is positively related to employees' turnover intention ( $r=.458$ ,  $p<0.01$ ); (2) Organizational identity plays a part mediation role in the relationship between overqualification perception and turnover intention; (3) Learning goal orientation significantly moderated the relationships between overqualification perception and employee's turnover intention. These research results have certain reference value and guiding significance for enterprise staff recruitment, training, cultural construction, employee motivation and so on.

**Index Terms**—overqualification perception, turnover intention, organization identity, learning goal orientation

## I. INTRODUCTION

With the quick development of higher education in China, more individuals have been receiving proper higher education. The situation where the requirement of individuals' degree, skills, acknowledge and capability are higher than what their positions should have met is ubiquitous. This phenomenon is described as overqualification. Scholars in economics and education tend to study objective overqualification, while those in psychology and management are inclined to study subjective overqualification. Overqualification on the one hand happens when employees are overqualified on the job, and on the other hand happens where many companies clearly stipulate the requirement in the

recruitment. In fact, overqualification has become a common problem all over the world. It shows in the research of Landstad in Canada in 2012 that global employees' average perception of overqualification is nearly 50%, among which 84%, 78%, 69% and 44% of employees in China, Turkey, Greece and Canada feel overqualified.

From the perspective of management, overqualification takes impact on employees' working attitude and behaviors (Luksyte, & Spitzmueller, 2016)[1]. It is believed by some scholars that employees with overqualification could have more time after working, which might lead to their higher job satisfaction and work creativity. However, most scholars support the idea that overqualification is of negative influence to employees, such as low organizational commitment, low job satisfaction, and high possibility of burnout. Is this effect existed? What is the mechanism of the effect? And it is specially discussed in this research that what the effect will be among the millennial employees with distinctive characteristics of the times?

Based on resource conservation theory, a mediation model is constructed in this study, by which overqualification effects employees' turnover intention through organization identity, and goal orientation works as the moderator role. This research not only has significant theoretical significance, but also has important practical value which helps enterprises to effectively match employees to positions.

## II. THEORETICAL BASIS AND RESEARCH HYPOTHESIS

### A. Overqualification, Turnover Intention and Organization Identity

Overqualification refers to the phenomenon that a job-holder has an achieved qualification level, in terms of the education, skills and experience, exceeded which is required on work. And it is often divided into objective overqualification and subjective Overqualification. We defined that objective overqualification as a fact that a job-holder has an achieved qualification on education, skills and experience above which is needed on work, for

example, someone's diploma is one standard deviation higher than average level, or someone's education background is significantly higher than the requirement of the education in the job analysis (Verhaest & Omev, 2006)[2]. Subjective overqualification, also named perceived overqualification, or POQ for short, refers to a subjective perception who think their own educational background, skills and work experience exceed which is required for their job (Maynard & Joseph, 2006; Yang & Zhou, 2013)[3][4]. Turnover intention refers to the possibility of an individual changing his work within a certain period of time (Mobley & Horner, 1978; Kristof-Brown & Zimmerman, 2005) [5][6]. Fishbein (1967) believes that turnover intentions are consistent with attitudes, desires, and behaviors, and it is generally considered to be a "predictor" of turnover behavior [7].

According to conservation of resource theory, Individuals have limited personal resources, and people will strive to acquire and protect their resources. Even the perceived loss of resources can threat individuals (Hobfoll, 2001)[8]. When overqualified job-holders are aware of the fact that their own resources above what is required for their position, they will deem this is a waste of their resources, therefore leading to negative emotions or behaviors (Lukyte, Spitzmueller & Maynard, 2011)[9]. We therefore hypothesize:

Hypothesis 1: Overqualification perception has positive effect on turnover intention.

Organizational identity means that the members of the organization are consistent with the organization they joined in many aspects of behavior and ideas. Some studies have found that work autonomy, work efficiency, etc. are important factors that affect organizational identity (Bamber & Iyer, 2002)[10]. Coincidentally, overqualified employees are constrained in their work autonomy and work efficiency. According to resource conservation theory, it is also rated as a form of waste of resources when overqualified employees lack the potential chances to exert their knowledge and skills, and this is a form of work inefficiency that reduces employee organizational identification. Therefore, we hypothesize:

Hypothesis 2: Overqualification perception will significantly and negatively influence organization identity.

According to the theory of social identity, employees with a higher degree of organizational identity are more likely to internalize the organizational vision and values, keep themselves and the organization highly consistent, and take action based on organizational interests (Tajfel, 1978; Mael & Ashforth, 1992)[11][12]. Moreover, many studies have pointed out that the organization identity can affect the individual's turnover intention. For instance, Zhang, Law and Lin (2016) used meta-analysis to explore the relationship between organizational identity and turnover intention in the Chinese context [13]. The article showed that overall organizational identity and turnover intention showed a high negative correlation ( $r = -0.453$ ). We therefore hypothesize:

Hypothesis 3: Organization identity will negatively

impact on turnover intention.

According to relative deprivation theory, when people feel deprived from their perception of their weakness by comparing the Criteria to some reference, they will have negative emotions such as anger, resentment, or resentment. If the matches between the properties of employees and the treatment or right are not reasonable, employees could feel disappointed. This will undoubtedly reduce the employee's organizational identity. In addition, many scholars have confirmed the role of organization identity as mediating variable (Bao & Xu, 2006)[14]. Therefore, we hypothesize:

Hypothesis 4: Organization identity mediates the relationship between overqualification perception and turnover intention.

### *B. The Moderation Effect of Goal Orientation*

Goal orientation refers to the individual's attitude towards goal achievement (Dweck, 1986)[15]. Goal orientation can be divided into learning goal orientation and proof goal orientation. Learning goal-oriented refers to individuals' ability to develop and develop their own abilities by learning new knowledge and mastering new skills. Proving goal-oriented refers to individuals proving their abilities and obtaining positive evaluations from others (DeShon & Gillespie, 2005)[16]. It cannot be speculated that individuals with high learning goal orientation usually regard their work as meaningful and have a higher enthusiasm for work, which reduces the negative dissatisfaction of employees due to excess qualifications. Highly proven goal-oriented individuals expect to be praised by others through excellent work results, so they will be more proactive in their work. In addition, many scholars have confirmed the role of goal orientation as moderating variable (Fisher, 2013)[17]. Therefore, we hypothesize:

Hypothesis 5: Learning goal orientation and proving goal orientation significantly moderated the relationships between overqualification perception and employee's turnover intention.

## **III. METHODS**

### *A. Samples and Procedures*

In this study, the new generation of employees (mainly born after 1985) in Guangdong Province of China were selected as respondents. The paper-based questionnaire and online electronic questionnaire were randomly distributed. The paper-based questionnaire was mainly distributed in the enterprise by the students or friends who had participated in the work nearby and was collected in time; The release and data collection of online questionnaires were conducted through red packet reward or social relationship. In order to ensure the scientific nature and accuracy of the data, the survey collected data in different types of enterprises so as to ensure the representativeness of the data as much as possible. 220 questionnaires were sent out and 208 valid questionnaires were obtained. These effective samples were composed of 55.83% women and 44.17% men. 52.64% of the employees were 21 to 25 years old while

25.76% of them were in the age from 26 to 30, and 19.8% of the samples were 31 to 35 years old. The remaining 1.8% of the employees were under 20 years old. 97.57% of the employees had bachelor's degree, 1.46% of the employees had master's degree or above, 0.97% of the employees had junior college degree or below. In addition, 54.27% of the employees had less than 2 years' work experience, 23.3% of them had 3-5 years' work experience, 12.16% of them have 6-10 years' work experience, and 10.27% of them have more than 10 years' work experience.

#### B. Research Tools

The overqualification perception was measured using Scale of Qualified over Qualification by Maynard (2006). The scale consists of 9 items, which measure the over-qualification of the individuals from the aspects of education, knowledge, experience and ability. The specific items of the scale included "the education level required in my job is lower than my current education level", "some of my work skills are not used in the current job". The internal consistency reliability of the scale was  $\alpha = 0.853$ .

The employee turnover intention was measured using Mobley's Turnover Intention Scale (1982)[18], which contains 4 question items including "I often want to quit my current job". The internal consistency reliability of the scale was 0.905.

The Organizational identity scale was developed by Mael (1992)[19], including 6 questions such as "When someone praises the organization, I feel that I am praised". The internal consistency reliability of the scale was  $\alpha = 0.953$ .

The goal-oriented scale was developed by VandeWalle (1997)[20]. The scale consists of 9 items, which measure learning goal orientation and proving goal orientation. The internal consistency reliability of the full scale was  $\alpha = 0.868$ .

All the four scales were scored by Likert five levels of measurement methods. Each number represented the degree of conformity between the item description and the actual work situation of employees, in which "1" represented "completely inconsistent" and "5" represented "fully consistent".

Demographic variables as controlled variables, such as gender, age, educational background, type of enterprise and working years, which may influence the research variables were controlled in the research.

### IV. RESEARCH CONCLUSION

#### A. Descriptive and Correlation Analysis

First, the results showed that validity of the four scales used in this research complies with the standard by using LISREL8.7 software. Table I provides the descriptive and correlation analysis of each variable. The results showed that overqualification perception was significantly positively correlated with turnover intention ( $r=.458$ ,  $p<0.01$ ) and learning goal orientation ( $r=.014$ ,  $p<0.05$ ), significantly negatively correlated with organization

identity ( $r=-.407$ ,  $p<0.01$ ). However, the correlation between overqualification perception and goal orientation was not significantly.

TABLE I. MEAN, STANDARD DEVIATION AND CORRELATION COEFFICIENT OF EACH RESEARCH VARIABLE (PEARSON CORRELATION)

Variable	Mean	Standard Deviation	1	2	3	4	5
1. Overqualification Perception	3.22	.78	1				
2. Turnover Intention	3.72	.76	.458**	1			
3. Organization Identity	2.68	.89	-.407**	-.333**	1		
4. Learning Goal Orientation	3.94	.68	.014*	-.027	.123*	1	
5. proving goal orientation	4.07	.62	.460	-.098	.024*	.565*	1

Note: \* means significant at the 0.05 level, \*\* means significant at the 0.01 level, \*\*\* means significant at the 0.000 level, the same applies below.

#### B. Hypothesis Test

Based on controlling variables such as gender, age, and education, the research follows the practice of Baron(1986) and uses a three-step test to examine the mediating effect[21]. In the first step, the control variable is put into the regression equation. In the second step, the antecedent variable is added to the regression equation. And in the third step, the mediation variable is added to the regression equation. If the mediating effect is significant, two conditions must be met: first, the antecedent variable and the outcome variable have a significant relationship; second, after the mediation variable is added, the relationship between the antecedent variable and the outcome variable decreases significantly (partial mediating), or the relationship between the two changed from significant to insignificant (completely mediating) (Chen, Xu & Fan, 2012)[22].

TABLE II. REGRESSION ANALYSIS OF MEDIATING ROLE OF ORGANIZATION IDENTITY BETWEEN OVERQUALIFICATION PERCEPTION AND TURNOVER INTENTION

Step	Dependent variables	Independent variables	$\beta$
1	Organization Identity	overqualification perception	-.215**
2	Turnover intention	overqualification perception	.426**
3	Turnover intention	overqualification perception	.388**
		Organization Identity	-.177*

This paper uses SPSS22.0 software to examine the mediating effect of work alienation (in Table II). Step 1 showed that there was a significant negative correlation between overqualification perception and organization identity ( $\beta=-.215$ ,  $p<0.01$ ). Hypothesis 2 was confirmed.

Model 2 showed that overqualification perception affect significantly turnover intention ( $\beta = -.426$ ,  $p < 0.01$ ). Hypothesis 1 was confirmed. Step 3 showed that the regression coefficient between organization identity and turnover intention is significant ( $\beta = -.177$ ,  $p < 0.05$ ). Hypothesis 3 was confirmed. Step 3 also showed that when the organization identity was added, the regression coefficient between overqualification perception and turnover intention changed significantly from  $.426(\beta = .426, p < 0.01)$  to  $.388(\beta = .388, p < 0.01)$ . That is, organization identity plays a part of mediating role between overqualification perception and turnover intention. Hypothesis 4 was confirmed.

This research mainly used SPSS22.0 software to examine the moderating effect of goal orientation between overqualification perception and turnover intention (in Table III). Based on controlling variables such as gender, age, and education, the results showed that the standardized coefficient  $\beta$  value of overqualification perception affecting turnover intention is  $.236(p < 0.01)$ . The standardized coefficient  $\beta$  value of learning goal orientation affecting turnover intention is  $-.426(p > 0.05)$ , and the interpretation strength of the model has increased by 10.3% ( $\Delta R^2 = 0.103$ ,  $\Delta F = 4.848$ ,  $P < 0.05$ ). This model further added the interaction terms of overqualification perception and learning goal orientation to the regression equation. The results showed that the standardized coefficient  $\beta$  of the interaction term affecting turnover intention is  $.123(p < 0.05)$ . That is, learning goal orientation plays a moderating role between overqualification perception and turnover intention. However, the same analysis found that the moderating effect of proving goal orientation is not significant. Specifically, based on controlling variables such as gender, age, and education, the results showed that the standardized coefficient  $\beta$  value of overqualification perception affecting turnover intention is  $.592(p < 0.05)$ . The standardized coefficient  $\beta$  value of proving goal orientation affecting turnover intention is  $-.065(p > 0.05)$ , and the interpretation strength of the model has increased by 0 ( $\Delta R^2 = 0.000$ ,  $\Delta F = .024$ ,  $P > 0.05$ ). This model further added the interaction terms of overqualification perception and proving goal orientation to the regression equation. The results showed that the standardized coefficient  $\beta$  of the interaction term affecting turnover intention is  $.076(p > 0.05)$ . Hypothesis 5 was partially confirmed.

TABLE III. THE MODERATING EFFECT OF GOAL ORIENTATION BETWEEN OVERQUALIFICATION PERCEPTION AND TURNOVER INTENTION

Independent variables	$\beta$	Independent variables	$\beta$
Constant	9.097	Constant	3.646
overqualification perception	.236**	overqualification perception	.592*
learning goal orientation	-.426	proving goal orientation	-.065

overqualification perception* learning goal orientation	.123*	overqualification perception* proving goal orientation	.076
R <sup>2</sup>	0.462	R <sup>2</sup>	0.436
Adjusted R <sup>2</sup>	0.443	Adjusted R <sup>2</sup>	0.430
$\Delta R^2$	0.103	$\Delta R^2$	0.000
F	24.437***	F	78.354**
$\Delta F$	4.848*	$\Delta F$	.024

Note: Dependent Variable: turnover intention.

## V. CONCLUSION

Based on the analysis, this study found that overqualification perception significantly and positively affects turnover intention ( $r = .458$ ,  $p < 0.01$ ). The results are consistent with previous studies on the overqualification perception. According to the Resource Conservation Theory, when overqualified employees feel their qualifications exceed what their work needs, they will choose to retain their resources and reduce unnecessary investment in work, or will choose to leave this job (Hobfoll, 2001).

This study also found that organization identity plays a part of mediating role between overqualification perception and turnover intention. According to the Resource Conservation Theory, time, knowledge and skills are all valuable resources for individuals. When there is a large gap between the actual job requirements and the individual abilities of employees, employees cannot fully use the various resources they have, or even as a result, personal resources are wasted and frustrated, and employees may reduce their loss of resources by reduce organizational identity. It is also argued that overqualification tends to weaken employees 'work participation and identification (Hirschfeld, 2000)[23].

This study also found that goal orientation partially significantly moderated the relationships between overqualification and employee's turnover intention. Specifically, the moderating effect of learning goal orientation was significant, but the moderating effect of proving goal orientation was proved not significantly. That is, compared with low learning goal orientation, employees with high learning goal orientation have less positive impact on turnover intention from overqualification perception.

## CONFLICT OF INTEREST

The authors declare no conflict of interest.

## AUTHOR CONTRIBUTIONS

Yan Biaobin and Qiu Lin conducted the research; Li Yi and Lu Qian analyzed the data, Huang Dan and Chen Yiwei wrote the paper; all authors had approved the final version.

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