

Impact of over qualification on turnover intention

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Abstract

This study is conducted to explain the literature that how over qualification, job satisfaction, commitment and performance impact the turnover intentions of employees, Quantitative study has been conducted on the employees of the banking sector of Bahawalpur, Punjab. Sample size was 300 and convenient sampling strategy was used to collect the data. SPSS version 20 was used to analyze the data. Finding of this study explained that only over qualification is positively related with turnover intention while job satisfaction, job performance and organizational commitment have negative relation with turnover intention. Conclusion is that HR management must hire the right people for the right job and they must facilitate the employees from different perks to keep their satisfaction, commitment and performance level high;

Keywords: Over qualification, Turnover intention, Job satisfaction, job Performance

Introduction

In job, stressors employees welcome lot of disheartening aspects for example a mismatch between individual capabilities and job-requirements, inadequate resource for the task completion and so on (McGrath, 1976).Term Over-qualification means an individual has excess of education, knowledge, abilities etc that some time perceive useful and sometime become additional burden regarding the job characteristics (Erdogan et al., 2011a).The dimensionality of over-qualification has been discussed under two perceptions (Johnson & Johnson, 1996, 1997, 2000; Khan & Morrow, 1991; Maynard et al., 2006). Firstly, over-qualification is perceived mismatch in terms of unjustified skills and experiences regarding the need of the current job requirements. Secondly, perceived no-growth, for instance individual has professional development opportunities (Johnson et al., 2002; Johnson & Johnson, 2000; Khan & Morrow, 1991).

The concept of over qualification and underemployment has been described in many studies (Feldman, 1996; Johnson, Morrow & Johnson, 2002; Khan, Morrow, 1991). Further overqualified referred to an individual who is overeducated as compared to his/her job requirement and underemployment occurs when individual skills are not fully used, this term is also unknown as skill underutilization(Buchel, 2000).

Purpose of Study

The main purpose of this study is to describe the impact of over qualification, job satisfaction, commitment and performance on employee turnover intentions.

Literature Review

Turnover Intention

In almost every organization the factor of turnover is present, due to different circumstances organization fire their employees or the employee by his/her own will leave the organization. According to Dess & Shaw(2001) when an employee started thinking to switch or quite his/her current employment status, this process of having

intention to leave is referred as turnover intention. There are two roots of turnover, voluntary and involuntary turnover. Voluntary is by employee's wish to leave the organization and involuntary is by employer's choice to fire him/her.

Further study from Burris(1983), Feldman and Turnley(1995) explained that there is a great amount of turnover intention among the overqualified employees.

Overqualification

Different studies explained over qualification in many ways but according to Buchel (2000) when an employee has more knowledge and skills as compared to the job requirement, that employee is said to be overqualified or over skilled.

In another study Johnson et al(2002) argued that employee's having excessive skills, capabilities and experience is considered as underemployed when their knowledge and skills don't fully utilized and as a result they find difficulty in grasping the promotional opportunities for career growth.

Job Satisfaction

In previous studies job satisfaction is classified as the comfort and self-satisfaction of an employee with his/her performance at the job(Spector, 1997). The researcher (Spector, 1997) further argued that job satisfaction is linked with turnover intention. According to Mobley (1977) and Susskind (2000) stated that there is a negative association between job satisfaction and turnover intention. In simple words low job satisfaction in employees will create high turnover intention. Blau(1987) supporting the above argument by explaining that job satisfaction directly impacts the turnover intention.

Job Performance

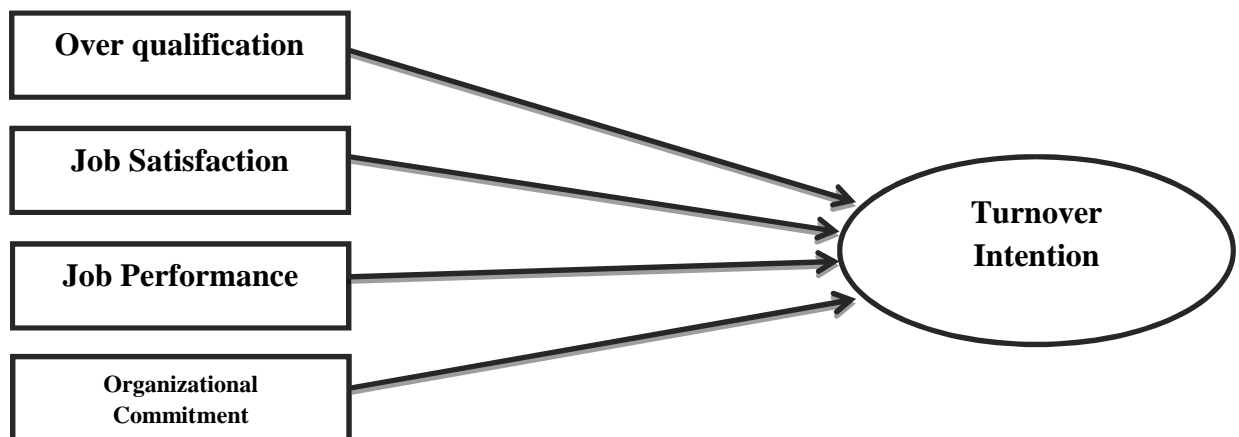
Job performance is referred as employee's achievement or failure towards the particular job. Time management, leadership and organizational skills can be the factors to evaluate an individual's performance (Birnbaum & Somers, 1993; Jackofsky, 1984). According to Vroom (1964), job performance shows a negative relationship with turnover intention. Mitchell, Holton and Lee(2001) supports the above statement by

putting light on the negative relation between job performance and turnover intention that if the employee do not receive appreciation according to his/her work, turnover intention is likely to be happen.

Organizational Commitment

Organizational commitment has been defined in simple words by Scholarios and Marks (2004) that the loyalty of employees with their organizations. Organizational commitment shows negative relationship with turnover intention (Al Arkoubi, Bishop, & Scott, 2011). Higher the organizational commitment in employees the longer they will stay within the organization and the lower the commitment level among employees the higher the chance of turnover intention is about to exist (Meyer & Allen, 1991; Lin & Chen, 2004).

Conceptual Model



In this model, the independent variables are on the left side and dependent variable is on the right side. All the independent variables are independently impacting the dependent variable i.e. Turnover Intention. The research hypotheses are given below.

Research Hypothesis

Following are the research hypothesis of the study:

H₀: Over qualification has no positive effect on turnover intention.

H₁: Over qualification has positive effect on turnover intention.

H₀: Job satisfaction has no negative effect on turnover intention.

H₂: Job satisfaction has negative effect on turnover intention.

H₀: Job performance has no negative effect on turnover intention.

H₃: Job performance has negative effect on turnover intention.

H₀: Organizational commitment has no negative effect on turnover intention.

H₄: Organizational commitment has negative effect on turnover intention.

Methodology

Casual research is used in this study to explain the cause and effect of different independent variables (i.e. overqualification, job satisfaction, job performance & organizational commitment) on single dependent variable (i.e. turnover intention). Sample size was 300 and 161 out of 300 questionnaires was returned for the participants who were the employees of different banks in Bahawalpur, which were acceptable to be used for study. Convenient sampling technique was used to collect data from different employees.

Instruments

In this study questionnaire was used which was adopted by previous studies, the questionnaire was composed of 24 questions in which first four questions were of personal demographics and other 20 questions were of five variable which were used in this study. Statistical package for social sciences (SPSS) version 20.0 was used in this study to analysis the data.

Results and Analysis

Data was analysis by using SPSS 20.0. Frequency test is used to check employee's demographics in which 59.1% were male and 40.9% were female. "Cronbach's Alpha" is used to test reliability and validity of questionnaire. Regression analysis is used to check the effect of independent variables on dependent variable.

Reliability Statistics

Cronbach's Alpha	N of Items
.750	20

This table shows the reliability of questionnaire which used in this study. The result of Cronbach's Alpha is 0.075 which is above than 0.70(Nunnally, 1978). It means that this instrument is reliable.

Correlations

		Turnover Intention
Turnover Intention	Pearson Correlation	1
	Sig. (2-tailed)	
	N	161
Overqualification	Pearson Correlation	.246
	Sig. (2-tailed)	.003
	N	161
Job Satisfaction	Pearson Correlation	-.236
	Sig. (2-tailed)	.012
	N	161
Job Performance	Pearson Correlation	-.145
	Sig. (2-tailed)	.001
	N	161
Organizational Commitment	Pearson Correlation	-.383
	Sig. (2-tailed)	.002
	N	161

This table of correlation explains the relationship between independent variables and dependent variable. On the basis of Pearson correlation table the hypothesis can be proved.

- Row no.3 shows that overqualification has significant moderate positive relation with turnover intention i.e. (0.246) and p value (0.003) which is less than 0.05 proved H_1 .

H_1 : Over qualification has positive effect on turnover intention.

- Row no. 4 shows that job satisfaction has significant moderate negative relation with turnover intention i.e. (-0.236) and p value (0.012) which is less than 0.05 proved H_2 .

H_2 : Job satisfaction has negative effect on turnover intention.

- Row no. 5 shows that job performance has significant weak negative relation with turnover intention i.e. (-0.145) and p value (0.001) which is less than 0.05 proved H_3 .

H_3 : Job performance has negative effect on turnover intention.

- Row no. 6 shows that organizational commitment has significant moderate negative relation with turnover intention i.e. (-0.383) and p value (0.002) which is less than 0.05 proved H_4 .

H_4 : Organizational commitment has negative effect on turnover intention.

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.522 ^a	.273	.059	.57857

a. Predictors: (Constant), Organizational Commitment, Job performance, Over qualification, Job satisfaction

The model summary table shows that R square (0.273).Which indicates that the contribution of this research model in our study is 27.3%.Which means 27.3% change in variability in DV is accounted for by IVs. In other words our independent variables Overqualification, Job satisfaction, Job performance and Organizational commitment are accountable for 27.3% change in our dependent variable Turnover intention.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.713	4	.678	10.026	.002 ^b
	Residual	20.419	61	.335		
	Total	23.133	65			

a. Dependent Variable: Turnover Intention

b. Predictors: (Constant), Organizational Commitment, Job performance, Overqualification, Job satisfaction

The AVOVA table shows the goodness of the model as p value (0.002) which is less than 0.05 explains the good fit model.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	5.147	.626		8.228	.000		
	Overqualification	.106	.181	.073	-.588	.013	.947	1.056

Job satisfaction	-.378	.168	-.294	-2.256	.028	.850	1.176
Job performance	-.061	.144	-.052	-.425	.027	.955	1.047
Organizational Commitment	-.057	.172	-.042	-.333	.011	.917	1.091

a. Dependent Variable: Turnover Intention

The Coefficients table shows that in collinearity statistics column indicate that VIF value is near to 1 and tolerance is also near to 1 which explains that our variables have no multi-collinearity between each other. It means we have no multi-collinearity effect in our research study.

Conclusion

This study proved that turnover intention is created due to over qualification of the employees. Dissatisfied employees intent to leave the organization. Finding of this study explained the literature that over qualification is positively related with turnover intention while job satisfaction, job performance and organizational commitment are negatively related with turnover intention.

It is concluded that bank managers should do proper planning before making recruitment decision for their organization. Employers should not use just education to judge a candidate instead he/she should spend time and money to find the right person for the right job.

5.1 Limitation and Future Recommendation

As every is not perfect and have some limitation, this research also have some limitations. First limitation of the study was that it was conducted with convenient sampling method. It should be conducted with more than one sampling methods to

obtain much more accurate results. Second limitation was that the area was too small and the response rate was too low.

Objective and subjective measures in future research could be used to better understand the underemployment dimensions. Future researcher can also use moderating variable to examine the relationship between over qualification and turnover intention. Theses limitation can be avoided in the future studies carried out in this field, and a more clear results can be obtained by increasing the size of the research area and collecting data by using different sampling technique to better explain the impact of over qualification on turnover intention.

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