

A SOCIAL NETWORK PERSPECTIVE OF EMPLOYEE
OVERQUALIFICATION TO OUTCOMES
RELATIONSHIPS IN
WORKGROUPS

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Dedication

I dedicate this to my charming father, my patient mother, and my lovely wife.

PREVIEW

PREVIEW

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RELATIONSHIPS IN
WORKGROUPS

by

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DISSERTATION

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Abstract

Integrating overqualification research with the social network perspective, and emphasizing social exchanges among organizational members, I propose to examine how social networks unpack the relationship between perceived overqualification and organizational outcomes. Specifically, I suggest that perceived overqualification (POQ) has implications for employees' centrality in a friendship network and that friendship network centrality (FRDNC) mediates the relationships between perceived overqualification and organizational outcomes (operationalized as organizational citizenship behaviors directed at coworkers [i.e., OCBI] and turnover intentions). Further, adopting a contingency approach to overqualification, I propose to identify contextual variables that determine the strength of perceived overqualification-social network-outcomes relationships. Social comparison theory integrated with social exchange and person-group fit theories provide the conceptual foundations for my predictions. Multi-level modeling using data from 222 employees nested in 40 workgroups showed a negative relationship between POQ and FRDNC with FRDNC mediating the relationship between POQ and OCBI. Moreover, moderation analyses demonstrated a positive relationship between POQ and OCBI in workgroups with high task interdependence and a negative relationship between POQ and OCBI in workgroups with low task interdependence. Finally, the results showed a positive relationship between POQ and turnover intentions, with group overqualification and friendship network density weakening this relationship. Supported by the study results, I assert that viewing employees' overqualification in isolation may represent a partial (or even an erroneous) picture, and accounting for employees' social context of workgroup membership, workgroup attributes, and social networks is imperative in theorizing about and developing effective managerial practices revolving around overqualification.

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PREVIEW

Chapter 1: Introduction

At any given time, employees may believe that they are working in a position that neither requires nor utilizes their qualifications such as education, experience, skills, and abilities.

According to a research report in 2014 (Rose, 2017), about 25% of US college graduates were overqualified for their jobs. As the portion of overqualified employees in the US labor market is surging (Rose, 2017), more scholarly work is warranted to examine this important phenomenon.

Following the seminal work of Freeman (1976) on overeducation, several conceptual and empirical studies have examined how overqualification (i.e., the situation in which an employee's qualification such as education, experience, abilities, and skills exceed those required by a particular job: Johnson & Johnson, 2000a) affects organizational outcomes. Yet, there remain notable gaps whose systematic investigation can open new directions to overqualification research. One of the important research directions is the investigation of the role of social networks in overqualification-outcome relationships. In fact, our knowledge of how overqualification as a human capital (i.e., knowledge, skill, abilities: Becker, 1994) component interplays with social capital of an employee is limited (Feldman & Maynard, 2011; Krackhardt & Hanson, 1993; Russell, Ferris, Thompson, & Sikora, 2016). Social capital refers to the resources that individuals gain due to their social network relationships (Coleman, 1988). Although it has long been proposed that overqualification may influence employees' social capital, this contention has not been empirically assessed (except for a recent study by Erdogan, Karaeminogullari, Bauer, & Ellis, 2020). By moving beyond an individual, dyadic, or group-level examination of overqualification effects, the social network perspective may unravel how overqualification translates into specific organizational outcomes by investigating the possible effects of overqualification on the nature and strength of on-the-job social ties.

This study investigates the possible role of a friendship network, as a source of social capital, in carrying the effects of overqualification on organizational outcomes. By doing so, in addition to investigating the process through which overqualification translates into organizational outcomes (as called by Harari, Manapragada, & Viswesvaran, 2017), I examine the role of social relations both as a proximal predictor of organizational outcomes and as a direct outcome of overqualification. This is important because, despite its longstanding status as a primary variable to predict organizational outcomes, social relations have received limited empirical research (Erdogan et al., 2020; Zohar & Tenne-Gazit, 2008). Likewise, the identification of possible predictors of social networks has received little attention from network researchers (Erdogan et al., 2020). Thus, examining the possible implications of overqualification for social capital, and investigating the dynamics of social networks in linking overqualification to organizational outcomes represents theoretically and practically important research opportunities.

Specifically, I am interested in investigating the mediating effect that friendship network centrality (i.e., the number of friendship links that an individual has in a system of social relations: Carpenter, Li, & Jiang, 2012) has in linking perceived overqualification to such organizational outcomes as organizational citizenship behaviors toward coworkers (i.e., discretionary efforts to aid coworkers [OCBI]: Williams & Anderson, 1991) and turnover intentions (i.e., the disinclination to continue as an organizational member: Cammann, Fichman, Jenkins, & Klesh, 1983). I focus on friendship network for three reasons. First, according to social comparison theory, only people who are similar or have convergent interests are useful comparison points (Ibarra & Andrews, 1993). As such, friendship ties provide appropriate referents for employees on which to base their social comparisons. Second, friendship ties are

characterized by more frequent interaction than other types of social links (Granovetter, 1973), providing greater repetition of information and increasing the opportunity for the transmission of social cues (Salancik & Pfeffer, 1978), and thus more influential on organizational outcomes directed at coworkers (i.e., OCBI). Finally, due to the strength and concomitant pressures for conformity present in friendship links, information obtained from friends may be more credible or relevant, more easily or frequently available, and more persuasive or influential (Brass, 1992).

The simultaneous examination of turnover intentions and OCBI provides the ground for a fine-grained assessment of the role of social networks in the relationships between overqualification and organizational outcomes. This is because while the perceived overqualification-turnover relationship is established, to date, the empirical literature is relatively silent regarding how feelings of overqualification affect employees' behavior directed at colleagues (except for a recent study by Erdogan et al., 2020), and the few studies on outcomes such as proactive behaviors (Zhang, Law, & Lin, 2016), social acceptance, and altruism (Deng et al., 2018) suggest that any positive effect is conditional. As such, this study investigates the possible effects of overqualification via social networks, on both *personally* and *organizationally* directed outcomes (i.e., OCBI and turnover intentions, respectively). Thus, the main research questions of my interest are: what is the implication of perceived overqualification for an employee's friendship ties in on-the-job social networks? What is the role of social networks in explaining perceived overqualification-organizational outcomes relationships? Specifically, whether centrality in friendship network mediates the relationships between POQ and organizational citizenship behaviors directed at coworkers (OCBI), and turnover intentions. Furthermore, this dissertation strives to understand whether and how group characteristics operationalized as group overqualification, and workgroup structural attributes operationalized as

group task interdependence influence the strength of the relationship between perceived overqualification and friendship network centrality; and how the network structural attribute of density can affect the strength of the relationships between friendship network centrality and organizational outcomes. This is important as employees are intrinsically embedded within the larger social context of workgroup and networks. In other words, since employees do not operate in isolation and their reactions are shaped within a broader social context, it is important to take into consideration the employees' social context of workgroup and on-the-job networks in examining the effect of perceived overqualification on organizational outcomes.

In this study, I develop a model proposing that the extent to which employees believe that they are overskilled and underutilized or are overqualified for their current job (i.e., perceived overqualification: POQ) will have an indirect relationship with their voluntarily helping behaviors directed at coworkers (i.e., organizational citizenship behavior directed at coworkers: OCBI), and their intentions to leave the job (i.e., turnover intentions), via centrality in a friendship network. Moreover, I suggest that the strengths of these relationships are contingent on group characteristics (i.e., group overall overqualifications), and structural attributes of workgroups and networks (i.e., group task interdependence and network density, respectively). Specifically, it is predicted that group overqualification (i.e., the overall standing of a group with respect to overqualification) and group task interdependence (i.e., the aggregated extent to which individuals' performance in a group depends on that of others: Wageman & Baker, 1997) will moderate the relationship between overqualification and friendship network centrality, and that network density (i.e., the extent to which an individual's social links are themselves connected to each other: Wasserman & Faust, 1994) will moderate the relationship between friendship network centrality and organizational outcomes. Social comparison (Festinger, 1954), social

exchange (Blau, 1964), and person-group (P-G) fit (Kristof, 1996) theories provide the theoretical foundations for my predictions. Indeed, I present an integrative view of these theories in examining overqualification, by focusing on the social exchanges that take place among coworkers in the social context of work setting. First, drawing on social comparison theory, I examine how perceptions of overqualification by a focal employee are related to his/her centrality in friendship networks and how work context may determine the strength of this relationship. Specifically, I predict that because coworkers may view overqualified employees as different from themselves and as threats for their career status, they will be less attuned to build a friendship with them, thus reducing the degree of overqualified employees' centrality in friendship networks. Moreover, I contend that when a workgroup stands high on overall overqualification, overqualified employees and their characteristics are less pronounced compared to the situation in which the group is low in its overqualifications. As a result of this lower visibility, the negative feelings of coworkers toward overqualified employees will be lower; thereby, they will be less unwilling to make friendship ties with their overqualified peers. Thus, I propose that group overqualification buffers the negative relationship between perceived overqualification and friendship network centrality. Finally, I suggest that when group members depend highly on each other for fulfilling their individual tasks, or they have high task interdependence, there will exist more readily observable clues on which to base their comparisons, and thereby they will establish more negative feelings toward overqualified employees. Accordingly, I propose that high group task interdependence makes overqualified employees even less attractive prospects for coworkers to build a friendship with, strengthening the negative relationship between POQ and friendship network centrality.

Second, drawing upon social exchange theory, I propose that friendship network centrality will be positively related to organizational citizenship behaviors targeting coworkers (OCBI), and that network centrality mediates the relationship between POQ and OCBI. Employees who are central in friendship networks feel obligated to return the favor and trust of coworkers who have established friendship relationships with them, and thus tend to reciprocate their positive treatment by helping or providing them with support. Additionally, I suggest that friendship network density will intensify this relationship since more established personal relationships characterizing dense networks are likely to make central employees more dedicated to returning their coworkers' favorable treatment.

Third, building on P-G fit theory and emphasizing social exchanges among coworkers, I contend that friendship network centrality will be negatively associated with turnover intentions, and that network centrality mediates the positive relationship between POQ and turnover intentions. Because central employees in friendship networks find themselves better matched with the workgroup as a result of favorable friendship links that coworkers have developed with them, they will be less likely to quit their job. This is aligned with the overqualification literature that has regarded perceived overqualification as a type of person-environment mismatch that can lead to withdrawal behavior (e.g., Erdogan & Bauer, 2009; Maynard, Joseph, Maynard, 2006; Maynard & Parfyonova, 2013). I further propose that friendship network density moderates the relationship between friendship network centrality and turnover intentions such that when a friendship network proves to be dense, the negative relationship between network centrality and turnover intentions will be stronger. This is because dense networks depict more established direct personal relationships (Zohar & Tenne-Gazit, 2008), with the potential to increase the

feelings of the match by central employees, thus strengthening the negative effect of friendship network centrality on employees' intentions to leave.

I strive to make important contributions to the literature in multiple ways. First, I examine perceived overqualification from the perspective of social networks. By introducing social networks to overqualification research, this study advances the literature in going beyond individual, dyadic, or group-level investigations of overqualification effects and in examining its influence on network interplays. Particularly, by investigating the role of social exchanges among organizational members, this study unpacks the social network mechanism through which overqualification translates into organizational outcomes. Likewise, by integrating the overqualification and social network literatures, I respond to the call made by several scholars who have emphasized the importance of incorporating social networks into the studies of overqualification (e.g., Feldman & Maynard, 2011; Russell et al., 2016).

Second, I advance the literature by introducing group level variables to overqualification research as called for by several scholars (Deng et al., 2018; Erdogan, Bauer, Peiró, & Truxillo, 2011a; Hu et al., 2015; Sierra, 2011). In fact, by examining the moderating roles of group characteristics along with workgroup and network structural attributes in overqualification-friendship network centrality-outcome relationships, this study identifies the boundary conditions under which overqualification influences on-the-job social networks and further organizational outcomes (as called for by Erdogan & Bauer, 2009). In doing so, this study adds to the body of research adopting a contingency perspective to overqualification and thus, presents a fine-grained assessment of overqualification effects.

Finally, I contribute to the social network literature by identifying an important predictor of friendship network centrality. Indeed, while the extant literature has typically examined the

outcomes of social networks, the examination of antecedents of such networks has been relatively overlooked (Erdogan et al., 2020; Zohar & Tenne-Gazit, 2008). This study underscores an important direction by investigating the mediating role of friendship network centrality in linking perceived overqualification to organizational outcomes. Accordingly, in addition to identifying the mechanism through which overqualification translates into organizational outcomes, it introduces an important predictor of friendship network centrality.

PREVIEW

Chapter 2: Literature Review

First, an integrative review of the overqualification literature will be presented and then, I proceed with a brief review of the social network literature and its applications in organizational studies. Subsequently, the importance of adopting an integrative approach combining the overqualification and social network literatures is discussed.

2.1 Perceived Overqualification

Overqualification refers to the situation in which an employee's education, experience, abilities, and/or skills exceed those required by a certain job (Johnson & Johnson, 2000a). Following the seminal work of Freeman (1976) on overeducation, several conceptual and empirical studies have examined how overqualification affects organizational outcomes. Overqualification has been conceptualized as both objective and perceptual: perceived overqualification (POQ) is referred to as the extent to which employees *consider* themselves having more education, talent, experience, and/or skills than what is required by a certain job (Johnson & Johnson, 1996; Johnson, Morrow, & Johnson, 2002); whereas, objective overqualification is the *actual* difference between individual qualifications and job requirements (Hu et al., 2015; Maltarich, Reilly, & Nyberg, 2011). Although perceived overqualification is moderately correlated with objective overqualification ($\rho = .40$; Harari et al., 2017), it is distinct from objective overqualification as researchers have identified differential nomological networks for them (Erdogan et al., 2011b). Notably, the bulk of extant organizational behavior literature is comprised of *perceived* overqualification (Liu & Wang, 2012) perhaps because POQ is more appropriate for investigating employees' psychological responses to overqualification (Maltarich et al., 2011; Maynard et al., 2006), making it a more proximal determinant of relevant outcomes compared to objective overqualification (Maynard & Parfyonova, 2013). Additionally, as

suggested by Malatrich and colleagues, even jobs with the same titles vary so much in their content that dimensions of objective overqualification cannot adequately capture such differences, thereby making it less attractive for scholarly works (Maltarich et al., 2011). As such, in accordance with the dominant overqualification literature, I focus on perceived overqualification rather than objective overqualification in this study. Below, the primary theoretical frameworks used in previous research to explain the possible effects of overqualification on organizational outcomes are discussed.

2.1.1 Theoretical Frameworks

Although several theoretical frameworks have been applied to examine overqualification and explain its correlates, four primary frameworks dominate the overqualification literature: human capital and person-job fit theory (e.g., Liu, Luksyte, Zhou, Shi, & Wang, 2015), relative deprivation theory (e.g., Erdogan & Bauer, 2009), equity theory (e.g., Liu & Wang, 2012), and theories of differential overqualification and career mobility (e.g., Lobene, Meade, & Pond, 2015).

2.1.1.1 Human capital and person-job fit theory

Human capital speaks to the notion that employees' knowledge, skills, and abilities (i.e., KSAs) determine their potency and competence to handle work responsibilities (Becker, 1994). In order for employees to remain motivated in their jobs, there should exist an adequate degree of alignment between employees' human capital and the challenges posed by the job. In other words, if employees believe that their KSAs are underutilized in their current positions, they will be less satisfied and more willing to leave their job (Lobene et al., 2015). Likewise, person-job fit (P-J fit, also called match/mismatch) theory is primarily concerned with the compatibility between individuals' abilities and task requirements. As a derivative of person-environment fit

theory, person-job fit theory suggests that favorable psychological responses result when there is a match between employees' (a) KSAs and job requirements (i.e., demands-abilities fit) and (b) needs or preferences and their jobs (i.e., needs-supplies fit: Edwards, 1991). Poor demands-abilities fit occurs as a result of overqualification and can lead to negative attitudinal outcomes such as job dissatisfaction and turnover intentions (Maynard & Parfyonova, 2013; Maynard et al., 2006). It is noteworthy that, due to its primary focus on employees' psychological responses, P-J fit theory has been mostly applied to explain attitudinal outcomes of overqualification (e.g., job satisfaction, organizational commitment, negative attitude: Fine, 2007; Fine & Nevo, 2008; Khan & Morrow, 1991). Moreover, in social psychology research, P-J fit theory has served as the primary theory to explain overqualification outcomes on health issues (e.g., psychological well-being, distress, depression: Chen, Smith, & Mustard, 2010; Johnson & Johnson 1996, 1997, 1999; Johnson et al., 2002).

2.1.1.2 Relative deprivation theory

Relative deprivation theory (Crosby, 1976; 1984) postulates that in contexts where information about referents are available, individuals tend to consider comparisons with their referents in reacting to their own circumstances. Based on relative deprivation theory, employees in work setting do not respond to their circumstances in isolation; instead, their reactions are affected by the social comparisons that they make where what they have "is pitted against what they believe they should have had" (Vidyarthi, Erdogan, Anand, Liden, & Chaudhry, 2014, p. 469). When overqualified employees compare their qualifications and status with those required by the job and/or those held by their coworkers, they may experience resentment and frustration because they feel deprived of the job that they believe they should have held, that in turn may lead to negative outcomes. Furthermore, individuals gain knowledge and expertise with the

hopes of utilizing them in their prospective career life. Overqualified employees who for example spent some time in college with the hope of finding a future job that utilizes their knowledge and expertise may feel deprived and resentful when they do not hold such a position and when they see that their expectations have not been met. These dysfunctional feelings may, in turn, lead to negative attitudinal and behavioral outcomes such as lower job satisfaction, higher turnover, and poor job performance (Erdogan & Bauer, 2009; Erdogan, Tomás, Valls, & Gracia, 2018; Johnson & Johnson, 2000a, 2000b; Maynard, Brondolo, Connelly, & Sauer, 2015; Maynard et al., 2006).

2.1.1.3 Equity theory

Equity theory suggests that employees perceive that they have been a victim of organizational injustice when they believe that there exists a discrepancy between the ratio of their outputs (e.g., promotion) to inputs (e.g., effort) and that of others (Adams, 1965). Equity theory further suggests that employees in such a situation are motivated to take action to restore the imbalance. Since overqualified employees are overskilled and underutilized with regards to their education and experience, they tend to believe that the output they receive from the organization is not proportionate to the input that they bring to the job. Accordingly, these employees may perceive that they are treated unfairly and, consequently, hold negative job attitudes (Thompson, 2009) and may even engage in counterproductive work behavior in an attempt to restore the imbalance (Liu & Wang, 2012; Liu et al., 2015).

2.1.1.4 Theories of differential overqualification and career mobility

The theory of differential overqualification (Frank, 1978) primarily concerns gender differences and marital status in explaining why employees hold jobs for which they are overqualified. For instance, it is suggested that married women may be more willing to work in