

Overqualified Employees Can Be Helpful or Harmful to Your Business. Here's How to Keep Them Engaged and Productive.



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Organizations often find themselves with a mix of employees who possess a wide range of talents, experiences and expertise. Among them are those who may be overqualified – individuals who believe they possess talent and skills that exceed what is needed or required in their job. The presence of such employees reflects a widespread phenomenon, with some estimates indicating that nearly a third of the global workforce views themselves as possessing surplus qualifications. This trend is only likely to continue as factors such as educational attainment outpacing market

demands, continuous shifts in skill requirements driven by technological advancements, and increasingly selective hiring practices lead individuals to take on roles that do not fully utilize their qualifications. We may, in fact, be barreling toward a future of mass overqualification.

Such realities make understanding the potential consequences of employing overqualified workers critical for organizations, as their presence could make or break productivity. While intuition suggests having overqualified employees can be problematic, it may also present unique opportunities for both employees and their organizations. Research on the matter, while extensive and insightful, has at times provided inconsistent findings, which has complicated our understanding and hindered the development of effective strategies to address the issue.

Interested in getting a clearer picture of the consequences of employee overqualification, my colleagues and I conducted a meta-analysis (a study of studies, if you will) to shed some light on the matter. We analyzed data from more than 200 studies involving over 85,000 employees. The study was recently published in the *Journal of Management*. Here's what our review of the literature suggests:

How they interpret their situation matters

What drives people to commit to performing their tasks effectively, assisting their colleagues when needed, and exercising self-restraint to prevent behaviors detrimental to their organization's success? Numerous explanations abound, but research suggests that they generally fall into one of three buckets: having compelling motives, feeling enthusiastic and possessing confidence in one's abilities. In other words, people are likely to engage positively with their work when they have sufficient *reason* to, feel *energized* to and believe

they *can* do the work.

This framework helps explain why, in our study, we found that overqualified employees can be either harmful or helpful to the companies they work for.

On the one hand, our results suggest that some overqualified employees interpret their work situation negatively, focusing on how their job is deficient or lacking in some way. Generally speaking, people expect to obtain a job commensurate with their experience and educational level. Failure to do so is understandably bound to result in feelings of frustration and demotivation. They may blame their organization for failing to provide sufficient opportunities that match their skills, lack interest in their tasks, or feel resentful of those who they see as better off. These feelings may spill over into their work, affecting the way they view their job, perform their tasks, and interact with others. This explains why, in our study, we found that overqualified employees can be poor performers and may even engage in counterproductive work behavior.

On the other hand, our results also suggest that overqualified employees can be an asset, particularly when they interpret their situation positively. That is, while viewing oneself as overqualified may at times be frustrating and even disappointing, it nonetheless signals that one is indeed capable of executing one's tasks effectively and performing at a high level. When leveraged, such confidence can empower employees to develop effective coping strategies and regulate their behavior in productive ways. This explains why we also found that some overqualified employees perform at high levels, go the extra mile when needed, and avoid behaviors that can harm their organization.

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It not only affects their productivity

How overqualified employees interpret their situation matters not just for the bottom line but also for their own psychological wellbeing. We found that those employees who view their surplus skills as an asset tend to enjoy better mental and physical health, as well as greater overall job satisfaction. This offers an important insight for employees: While feeling overqualified might be frustrating, how you interpret your circumstances plays a crucial role in your mental and physical wellness, which can enable more effective coping strategies that can put you in a better position to eventually improve your situation.

As is often the case, culture is key

How, then, can you help your overqualified employees interpret their situation in more productive ways? One obvious way is to provide them with opportunities to apply their skills, whether through challenging work assignments, leadership training or pathways for advancement.

Besides these factors, our study found that culture matters. We looked specifically at national culture – and found that employees from more collectivist and flexible cultures tend to interpret their situation more positively – but the insights can nevertheless be applied to organizational culture as well. Specifically, cultivating a sense of belonging and fostering a mindset focused on learning and growth can shift overqualified employees' focus towards the positive aspects of their situation, leading to better work outcomes. Implementing such a culture takes time, but a good place to start is by opening up both vertical (up the hierarchy) and horizontal (across departments) channels of communication, offering mentorship

programs, and providing opportunities for continuous learning and development.

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