

The determinants of over-qualified workers

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According to the PIAAC survey, about 20 per cent of female and male employees aged 30 to 60 years are over-qualified. Especially workers, who gained their education abroad and people, whose first language is not German are mainly affected by formal over qualification. This is due to difficulties by recognizing their qualifications gained in foreign countries. Women living in a relationship, who have at least one child, part-time workers, temporary workers and blue-collar workers are also more likely to be over-qualified. Furthermore, it is suggested, that the share of over-qualified workers is decreasing with the size of the firm.

In order to determine the discrepancies between over-qualified workers' overall skill level and the skills used at work, a logit model taking into account known impacts has been developed. The results show, that over-qualified employees have a lower degree of competence use.

Moreover, the relation between employment and numeracy skills has been analyzed. It has been studied, whether appropriately-qualified workers have an equal or a higher degree of skills than their equally-qualified counterparts with a job below their level. As the results suggests, over-qualified workers, who are located at the low-end segment of education, are found to have higher degrees of skills than well-matched workers in the same position. By comparing over-qualified workers with equally-qualified counterparts working in an adequate position, it is shown, that over-qualified perform worse. The relation between numeracy skills and over qualification has been computed by using an OLS estimation of the numeracy skills in reliance of qualification-depended employment. It has been indicated that formal under qualification as well as over qualification has a significant impact on numeracy skills. Over-qualification has therefore negative effects on the possibility gaining high test scores.

In total, the results imply the heterogeneity within the group of over-qualified employees. There are people who can make good use of their skills, whereas others experience underutilization of skills. Last but not least, it has been indicated how important it is to gain skills, formal education and experiences for competing on the labour market.

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