



The Conceptualization of theories of underemployment and its impact on Job and Health outcomes

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Abstract- This article relates the theories of Underemployment. This is an academic effort to conceptualize how the Underemployment is less significantly treated and studied in research. The paper critically distinguishes the underemployment from unemployment. Human capital Theory (HCT) and Relative deprivation theory are discussed to lead towards the understanding of underemployment. The authors tried to critically review the relevant extant literature to describe the underemployment theories and the consequent development of theoretical framework. The paper tried to explore the outcome of underemployment on the job, career and health of employees.

Key Words: Underemployment, Unemployment, Theories of unemployment, Job outcome, Health outcome

I. INTRODUCTION

This paper attempts to write a comprehensive review of the otherwise least discussed topic, the underemployment. An effort is made to make a theoretical framework in light of the extant literature. The paper also relates the possible consequences of the underemployment. The proceeding sections include the literature review, theoretical framework and the consequences of underemployment.

II. LITERATURE REVIEW

Unemployment as a topic is one that has been discussed in various degrees and has an abundance of literature that pans across various fields that come under the broader umbrella of the social sciences such as economics, psychology, sociology and history. (Borgen & Amundson, 1987; Amundson, Borgen, Erlebach & Jordan, 2004; Petersen & Mortimer, 1994 Hanisch, 1999). On the contrary however stand the topic of Underemployment and this area has far less research work specifically in the area of psychology. (Herr, Cramer, & Niles, 2004); Blustein, 2006; 2013; Blustein, Connors-Kellgren & Kozan, , 2013). Underemployment discussed with the focus on organizational psychology has been worked out more (Feldman, Turnley, 1995; Feldman, 1996; Feldman, Leana, & Bolino, 2002). The literature of underemployment that concentrates on social ecology or the social issues seen through an ecological and reconstructive view; (Ham-Rowbottom, 2000, Dooley, 2003; Dooley & Prause, 2004), sociology (Allan & Steffenmeier, 1989) and economics (Wilkins & Wooden, 2011) is also plentiful per the nature of the data, particularly regarding the subjective experience and process of underemployment remains scarce. The main areas of focus include the measuring of the characteristics of the individual that contribute to the rates of underemployments such as gender, age and race.

Before the 1930s, gainful worker approach was used to measure the unemployment rates. This approach was centred on a basic inquiry from the workers and they were asked simply if they felt they were working in a gainful occupation. Those that answered in the negative; citing they were not involved in a meaningful occupation were classified as unemployed. This approach however was considered flawed by Slack and Jensen (2003) when they noted that there were two elemental errors in this approach. Firstly, this approach lacked a time reference and secondly those individuals that had not worked before but were actively in search of work were considered as unemployed. Without a clear time reference not only was the period of unemployment not measured, those working at seasonal jobs were not accounted for properly; even in basic areas such as construction work. These flaws meant that the measurement used for unemployment was not consistent as it identified out of work individuals as those that had not worked in the last two weeks regardless of whether they were employed at a gainful occupation.

The International Labour Organization (ILO) that saw the deficiencies in the measures of unemployment organized a series of conferences that were focused primarily with one aim; to develop clear, adequate and comprehensible measures for underemployment (Clogg,1979).The economists at these conferences developed a theoretical framework that later became known as the Labour Utilization Framework (LUF) for different forms of insufficient employment. This framework identified both visible unemployment which was classified as less than a full-time employment and invisible unemployment. Invisible unemployment was characterized as those full-time workers whose skill sets and or education were underutilized at their job or those that were not being compensated according to their skills and education, (Hauser, 1974). The LUF divided the workforce into two broad categories, one in which the labour was adequately utilized and the other in which utilization of labour was inadequate. Inadequate labour could further be broken down into four main groups which include;

- Unemployed
- Employed for seasonal/part time work
- Employed for a low wage
- Over skilled or over educated employed

The above-mentioned groups having the possibility of overlapping each other and creating what can be known as an occurrence of underemployment, (Slack& Jensen, 2003),

The Labour Utilization Framework (LUF) provided a start by giving an insight into the different forms that fell under the broader umbrella of inadequate work. However, when it came to the specific concepts such as over education, over qualification and over skilled type of underemployment, the area remained less developed. The area of over education was discussed in terms of objective and subjective measures. The objective measures were based on the collection of the data that showed requirements on the part of the employer. The objective measure was based on the educational requirement that employers set for a job in comparison to the educational qualification of the worker. The subjective measure on the other hand was based primarily on the response from the workers to the question of whether they found themselves employed in a job that underutilized their level of education. These approaches found different ways to measure levels of inadequate work, but until advances were made in the economic theory, behavioural studies weren't able to fully analyse the complex nature of underemployment.

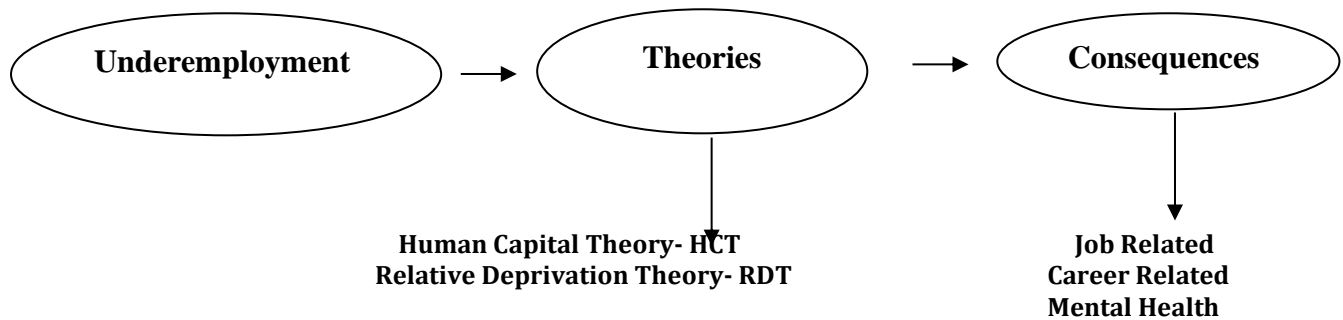
In 1998, the 16thInternational Conference of Labour Statisticians developed three prong criteria that would show if a worker was underemployed. The first way in which underemployment was seen was if a worker was in part time job but that was involuntary. Secondly those workers who were in work condition that was considered as low wage work and thirdly, a professional mis-match. The two first forms of underemployment are comparatively straight forward; however the complexity arises in the occupational or professional mismatch. This is because it includes features that have measures which are both subjective and objective .An example that is often seen to explain this form of underemployment is the younger generation with education working as busboys, baristas and waiting staff. This example is generally used for underemployment but it greatly overlooks the workers experience as well as their skill set and is set on the notion that these workers will adapt to the environment and learn the skills necessary for their job.

The work in the field of underemployment began with the ground covered by the economists without a doubt but the conceptualization of the topic of inadequate employment was done greatly by the behavioural scientists. These scientists offered an array of methodological and theoretical understanding into the area of inadequate employment. Feldman (1996) observed that the research work done in the area prior to the behavioural scientists lacked theory and moving forward this field would gain greatly if researchers incorporated theory in their research (Harvey& McKe-Ryan, 2011).

Feldman recommended that to understand the process of underemployment as well as the negative outcomes that are associated with it, a suitable theoretical understanding of inadequate underemployment was necessary. Researchers at the time gave great attention to the findings of Feldman and thus two main theoretical perspectives were born. To explain underemployment, researchers defined two main theories which are; Human Capital Theory (HCT) & Relative Deprivation Theory (RDT).

III. THEORETICAL FRAMEWORK

This paper is an approach towards understanding the basic concept of underemployment and theories related to underemployment. Forgoing, it attempts to describe the consequences that an individual has to face when exposed to this dilemma.



3.1 Theories of Underemployment

3.1.1 Human Capital Theory- HCT

Human capital theory is a leading theory that is encouraged by behavioural scientists as a means of developing an understanding on underemployment. The theory includes education or qualification-based underemployment which is based on the notion that an individual is more likely to develop human capital which includes knowledge, experience and skills in order to receive financial benefits such as more wages and career flexibility, (Ng, Eby, Sorensen, & Feldman, 2005). The theory supposes that increase in the human capital is linked to higher performance better financial earnings, however it lacks in the identification of what happens when the human capital surpassed job requirement (Luksyte&Spitzmueller, 2011).

Excess in human capital, in theory should lead to a negative impact on the work outcomes. This is because underemployment according to this theory is occurring due to the human capital not being adequately proportionate to the outcomes from the job such as salary (Buchel, 2001). Studies have also found that those individuals that are underemployed are likely to voluntarily leave their jobs (Erodgan& Bauer, 2009), and thus making human capital intensive organizations that are attempting to build on company specific human capital much more difficult (Buchel, 2001). However if managed correctly and the surplus human capital is utilized properly it can be beneficial to not only the employer but also to employees. Luksyteand colleagues (2011)found that when over qualified workers were given a job that had more job complexity, the surplus in human capital had a positive outcome. When the over qualified workers are given more challenging jobs it works as a motivator and the positive outcomes for the company can come in the form of organizational welfare, worker solidarity and the negatives attributed to underemployment can be reduced.

The human capital theory of underemployment is less susceptible to a variety of dissimilarities that individuals can subjectively have. Thus, this approach provides a valuable insight into underemployment as a whole. However, this approach is limited as it falls short to provide a framework that would be necessary in developing an understanding into the frame of mind or perspective of those classified as underemployed individuals (Luksytev & Spitzmueller, 2011). The perception of the employer and employee can be very different. Where the employer might perceive that the workers qualification is adequate for the job requirements, the worker might feel that their qualifications are a mismatch for their current job making it an inadequate return on their investment. An approach that can be used to measure this return on investment that is perceived by the employee is by comparing it amongst their contemporaries.

3.1.2 Relative Deprivation Theory- RDT

Relative deprivation theory abbreviated RDT is based on the notion that typically an individual compares themselves with their peers. This theory varies from person to person but it generally suggests that people typically evaluate and contrast their own working state and as well as their sought after employment. They then compare this with some benchmark ruling that can include the likes of peer comparison (Luksyte & Spitzmueller, 2011). RDT theory allows researchers to uncover the comparative quality of

underemployment and the damaging psychological results it can cause. Relative deprivation theory can be used to examine different work-related factors which include job satisfaction (Erodogan & Bauer, 2009; Fine & Nevo, 2008), pay satisfaction (Sweeney, Dean, & Edward, 1990) and rates of voluntary turnover (Erodogan & Bauer, 2009). Empirical evidence exists that supports the assumptions made in the RDT theory particularly the assumption that negative outcomes that are associated with an individual's opinion such as dissatisfaction, anger resentment differ based on what an individual perceives, subjectively, as to the significance of their works (Bernstein & Crosby, 1979).

The relative deprivation theory also helps in the understanding of the dissatisfaction that is felt by the workers when they compare their employment to others. Especially if these workers then perceive that based on this comparison they are getting less than what they are at liberty to get. The above mentioned two theories offer some level of insight into the process of identifying whether an individual is underemployed. However, they lack in providing an understanding or knowledge into how the experience of underemployment is felt.

IV. CONSEQUENCES OF UNDEREMPLOYMENT

This part of the review section shows the ways underemployment is linked with various outcomes including job related outcome, personal outcomes, well-being outcomes and career related outcomes. Anderson & Winefield (2011) found that a wrong person-environment fit can form into negative impacts of underemployment. Kristof-Brown, Zimmerman in a meta-analysis and Johnson (2005) found that the worker attitude changes and beliefs can be best predicted based on the fit between the work environment and the worker's needs.

4.1 Job Related Outcomes

Different kinds of job attitudes including the likes of; job involvement, organizational commitment and job satisfaction were found to be negatively affected due to workers experiencing underemployment. Maynard, Joseph, and Maynard (2006) found consistently that a negative relationship existed between perceiving underemployment and job satisfaction. This includes if a worker perceives that their skills are underutilized, their educational level is a perceived or actual mismatch with the job requirements and the nature of the work whether it is a permanent, temporary or part time job. Mckee-Ryan and Harvey (2011) in a analysis of 21 studies found that $-.22$ was the average correlation that existed between the perception of underemployment and job satisfaction. The study suggested that underemployment negatively impacts job satisfaction objectively and in a subjective manner through determined underemployment.

Organizational commitment is a type of job related outcome that decreases as a result of underemployment, Meyer and Allen's (1997). A common method that is used to analyze the levels of work commitment is the three-component model (Jaros, 2007). Allen and Meyer (1997) found that three components together formed organizational commitment. The first being affective which denotes the level of emotional attachment an employee has to their organization. Secondly continuance, which shows the cost associated with leaving the organization. Lastly the third component being; normative, this shows a sense of duty or obligation towards staying within the organization.

4.2 Career Related Outcomes

Career related outcomes such as career attitudes and career orientated behaviour are likely to be negatively impacted due to underemployment (Feldman, 1996). The career satisfaction of individual which is an aspect of career attitude is also negatively linked with career prospects (Fox & Stephan, 2001) as well as underemployment (Khan & Morrow, 1991) In their study, Khan and Morrow (1991), found the difference between objective and subjective underemployment. They found that objective underemployment was not linked to a decrease in career satisfaction and it was subjective underemployment that played a mediator in the relationship.

Abrahamsen (2010) found that over employment which is defined at working more than forty hours a week can be used to predict a reduction in organizational and professional commitment as well as job satisfaction but underemployment alone didn't explain this negative effect. A younger employee may face a higher level of frustration compared to older employees regarding the subjective form of underemployment. This is because this type of underemployment has a more long-term effect and thus the younger employees that

have more time to give to the organization are likely to be more effected as compared to the older worker that fall near the category of retirement. (Feldman & Tunley, 2004).

4.3 Mental Health Outcomes

Across the globe working is often seen as way of surviving (Blustein,2006).Despite this many academic scholars have found the work plays an important role when it comes to the maintenance and improvement in mental health. (Judge, Jackson, Shaw, Scott, & Rich, 2007; Pierce & Gardner, 2004;Brockner, 1988).Work itself is often a complex mixture of benefit and undesirable aspects when these negative features are felt by workers the benefits can be annulled. Research in the area of underemployment and mental health outcomes is limited as compared to the work done in the area of unemployment and its relationship with psychological well-being (Winefield, 1995)

A general level of acceptance exists that shows the negative conations of underemployment on the psychological well-being of an individual which includes factors such as martial, social and family relationships (Dooley & Prausse, 2004; Feldman, 1996),psychosocial stress (Jones-Johnson & Johnson, 1992), self-esteem (Prausse& Dooley, 1997) and loss of control (Feather & O'Brien, 1986.Underemployment was also found to have an impact on the health of an individual by effecting their dietary intake, cigarette smoking, alcohol intake and levels of physical activity (Carroll-Scott , Earnshaw , Ickovics, Rosenthal & Santilli, , 2012)

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