

PERCEIVED OVERQUALIFICATION AND EMPLOYEE DEVELOPMENT: MEDIATING ROLE OF PEER SOCIAL COMPARISON AND MODERATING INFLUENCE OF WORK-GROUP INCLUSION

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Abstract

This study examines the paradoxical nature of perceived overqualification. Building on social cognitive career theory, it proposes the two dimensions of peer social comparison (abilities and opinions) as underlying mechanisms between perceived overqualification and investment in employee development. In addition, it investigates the moderating effect of work-group inclusion. The time-lagged data was collected from 202 employees working in Pakistan software development firms (a.k.a. software houses). PLS-SEM (Partial Least Squares Structural Equation Modelling) was employed to analyze it. The findings showed both dimensions of peer social comparison, i.e., abilities and opinions, to mediate the relationship between perceived overqualification and investment in employee development. Specifically, overqualified employees perceive the likelihood of investment in employee development through ability comparison. In contrast, making an opinion comparison leads them to believe that their organization didn't invest in their development. Additionally, work-group inclusion weakens the perceived overqualification's positive impact on peer social opinion comparison. Meanwhile, work-group inclusion could not moderate the relationship in the case of peer social ability comparison.

Keywords: Perceived overqualification, peer social comparison, perceived investment in employee development, work-group inclusion, and social cognitive career theory.

1. INTRODUCTION

Over the last decade, the mainstream perspective on perceived overqualification (POQ)—the belief that an individual possesses knowledge, skills, and talents beyond the requirements of the present job (Maynard et al., 2006)—has proliferated negative job-related responses to their career prospects (Erdogan et al., 2018; Erdogan, Karakitapoğlu-Aygün, et al., 2020; Wald & Fang, 2008). However, more recently, positive aspects have also been highlighted (Debus et al., 2020; Ma et al., 2023; van Dijk et al., 2020). At the same time, the paradoxical effect of POQ on behavior and performance has recently been noted (Dar & Rahman, 2020; A. Lee et al., 2021). Yet, organizational investment in overqualified employees' development has received little attention (Erdogan, Karakitapoğlu-Aygün, et al., 2020; Gkorezis et al., 2019; Wassermann et al., 2017).

A comprehensive literature review of POQ revealed that substantial research effort is needed to link POQ and career success and development (Erdogan & Bauer, 2021). One key aspect of career development is the perceived investment in employee development. It accrues when a focal organization fosters an environment in which workers feel their employer appreciates their contributions and is concerned about their employability (C. H. Lee & Bruvold, 2003a). Yet, it remained unclear *how* overqualified employees perceive the organization's handling of their career development (Erdogan & Bauer, 2021). Building on social cognitive career theory (Lent et al., 1994), we contend that this ambiguity can stem from inconsistent interpersonal social interactions (Casciaro & Lobo, 2005; H. Deng et al., 2018) and comparisons. Peer social comparison is an evaluative process by which individuals assess their attributes to others, gauge their standing, and make decisions accordingly (D. Wang et al., 2016). It has two dimensions: (1) ability, and (2) opinion comparison. According to Festinger (1954), the ability comparison constitutes evaluating one's capacities, performance, skills, and achievements against those of others, whereas the opinion comparison assesses one's own beliefs, attitudes, values, cognitions, and subjective viewpoints relative to those of others.

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As per social cognitive career theory, overqualified employees may feel increased or decreased self-efficacy in the pursuit of their career goals (Lent et al., 1994). When overqualified employees focus on their abilities and compare themselves with their peers, peer social ability comparison ensues, which increases their self-efficacy. With the heightened self-efficacy, they likely perceive organizational investment in their development. In contrast, we propose peer social opinion comparison as a negative mechanism that connects perceived overqualification with perceived investment in employee development. This creates an inherent paradox in that the overqualified employees can become ambivalent regarding the perceived investment in their development when performing two types of peer social comparisons. Finally, the current study suggests that work-group inclusion can act as a buffer to reduce the adverse impacts of POQ on peer social comparison.

The current study adds two new insights into the literature building on social cognitive career theory. Firstly, it proposes two contradictory processes (positive: peer social ability comparison and negative: peer social opinion comparison) that provide alternate paths for the link between POQ and the investment in employee development. Secondly, given the coexistence of conflicts for professional advancement emanating from overqualification, resolving them becomes critical. This is where the study proposes work-group inclusion to mitigate the adverse effects of POQ on both types of peer social comparison.

2. THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

2.1 Social Cognitive Career Theory

Past studies used motivational and/or capability-based approaches to study the different aspects of POQ (Erdogan & Bauer, 2021; Wu et al., 2017). Social cognitive career theory predicts that employees have personal career objectives that they intend to achieve through proximal planning, and that their outcome expectations influence their actions (Lent et al., 1994). The current study stresses the reciprocal interaction of personal, situational, and social objectives in influencing career choices and outcomes. As a result, overqualified employees continuously evaluate their status. POQ can function as a motivator, boost self-efficacy, or act as a de-motivator and reduce self-efficacy. Consequently, employees make suitable career decisions (Lent et al., 1994, 2000). The theory also highlights how the work environment can shape career decisions, especially through coping efficacy, a form of self-efficacy. This refers to a person's belief in their ability to handle obstacles or challenges that may come up during career planning or decision-making (Lent et al., 2000).

2.2 POQ and Perceived Investment in Employee Development

Employees who perceive themselves to be overqualified have distinct demands from their jobs (Sikora et al., 2016). While some studies indicate that overqualified professionals have significant abilities and experience that can help with upward mobility (Erdogan & Bauer, 2021), the link between overqualification and career development is still up for discussion. Those with surplus credentials may use them to pursue new opportunities, perform well in current positions, and advance in their careers (Y. Deng, 2023). Yet, this is not universally true. For example, Erdogan, Karakitapoğlu-Aygün, et al. (2020) used career satisfaction, promotability ratings, and voluntary turnover to show career outcomes of POQ. However, the findings showed no significant link with promotability and even revealed a negative association with career satisfaction (Erdogan, Karakitapoğlu-Aygün, et al., 2020). This shows that overqualification doesn't have a consistent relationship with employee development. This requires identifying the competing underlying cognitive mechanisms between POQ and perceived investment in employee development.

2.3 POQ and Peer Social Comparison

Two factors, i.e., personal and situational, could increase competitiveness by generating social comparison concerns (Garcia et al., 2013). Personal factors, such as personality traits, have been studied extensively in peer social comparison literature (Gerson et al., 2016; Kohler et al., 2021; Reitz et al., 2014). In contrast, incentive structures provide a collection of situational characteristics that might impact the social comparison process (Lapan & Boseovski, 2017) and represent a under explored area. Additionally, it is crucial to include two aspects of social comparison because social outcomes frequently arouse mixed feelings towards performance and career accomplishments (Steinberger & Kim, 2023).

Social cognitive career theory suggests that employees may select or reject career possibilities based on the situation they are currently in (Lent et al., 1998). The tendency to use other people as source of information to determine how we are doing relative to others (ability comparison) or how we should behave, think, and feel (opinion comparison) (Festinger, 1954; Gibbons & Buunk, 1999), both are important elements in understanding social cognition of an employee. Positive or negative thoughts can influence how confident employees feel in their abilities, i.e., their self-efficacy (Bandura, 1977; Bandura et al., 1999). Bandura (1988) contends when employees believe they have an excess of something, e.g. abilities of overqualified employees, they view the disparity positively. As they compare their abilities with peers, their self-efficacy rises (Lent et al., 1994; Zhang et al., 2016). As a result, their need for competency and growth increases (Maynard & Parfyonova, 2013), along with a stronger commitment to their careers (Y. Deng, 2023) and a heightened demand for perceived investment in employee development (C. H. Lee & Bruvold, 2003a). Based on these arguments, we propose the following hypothesis.

H₁: POQ indirectly and positively affects the perceived investment in employee development through peer social ability comparison.

On the other hand, POQ can initiate a cognitive-affective chain wherein employee feels less of the relational psychological contract but more of a transactional one due to their relative deprivation (Alvi et al., 2024; Hu et al., 2015). This promotes negative opinion comparison, which is a subjective assessment where the overqualified employee believes they are more entitled to outcomes, rewards, and opportunities than similarly situated colleagues (Erdogan & Bauer, 2009a), which leads to cynicism about being unfairly disadvantaged (Liu et al., 2015). Consequently, they view the organization's development efforts as insufficient, irrelevant, or superficial. Overqualified employees seek peers' opinions and assess their standing for career development opportunities. Thus, we advance the following hypothesis,

H₂: POQ indirectly and negatively affects the perceived investment in employee development through peer social opinion comparison.

2.4 Work-Group Inclusion as a Moderator

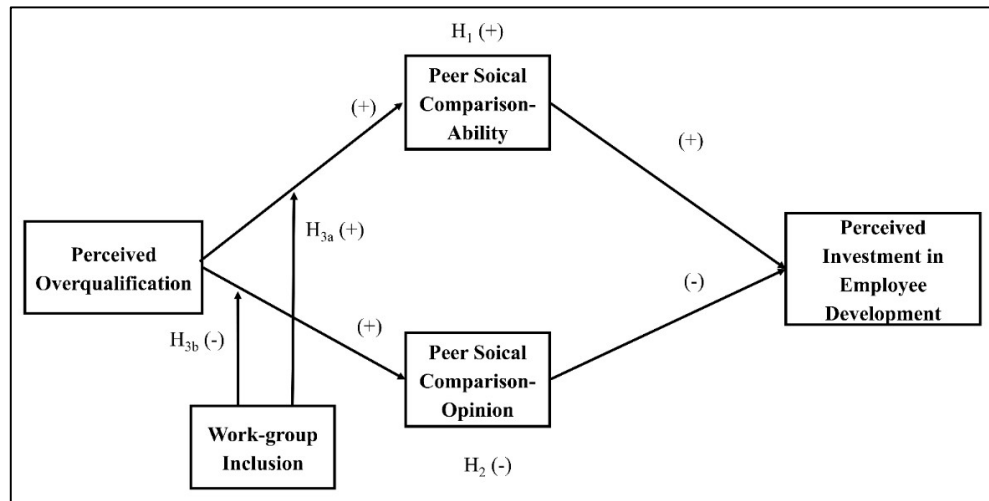
Work-group inclusion "is the degree to which an employee perceives that he or she is an esteemed member of the work group through experiencing action that satisfies his or her needs for belongingness and uniqueness" (Shore et al., 2011, p. 1265). Inclusion initiatives can impact organizational members' perceptions, actions, attitudes, knowledge, and self-esteem (Barak & Levin, 2002; De Meuse & Hostager, 2001; Mor Barak et al., 2016; Vakalahi, 2012) by addressing two needs, i.e., belongingness and uniqueness. Employees connect with those in the organization who share different qualities (Greenberg, 2008; Guimond et al., 2006). As such, overqualified employees can consider themselves as part of the organization and workgroup provided they considered themselves included in the workgroup (Luksyte et al., 2022). P. C. B. Lee (2000) identified that over half of the IT personnel are replaced due to high turnover every two years. It is a major issue for companies due to its high costs. The hidden costs are poorer employee morale and disruption to work schedules. An overqualified employee may be susceptible to stressful social situations (Erdogan & Bauer, 2009b; Wiegand, 2023). People get disturbed when they feel cut off from others and lack belongingness when relationships are not managed properly (Allen & Badcock, 2003). In contrast, when human need for belongingness is satisfied, they feel accepted within a group (Baumeister & Leary, 2017). Therefore, belongingness could help lower their negative cognition, reducing their comparison process with peers (opinion comparison). This leads us to hypothesize,

H_{3a}: The positive relationship between POQ and peer social ability comparison is enhanced by work-group inclusion.

On the other hand, uniqueness dimension of work-group inclusion, would help overqualified employees utilize their excess skills and abilities properly. For example, overqualified employees exhibit mentorship and citizenship behavior when they are satisfied with their jobs (Erdogan, Karaeminogullari, et al., 2020; Kim et al., 2021; Russell et al., 2016). Additionally, providing opportunities to display their excess abilities would address the ability comparison aspect of overqualified employees, making them more excited about their current work, enhancing their performance, and keeping them engaged within the organization, rather than searching for job openings (A. Lee et al., 2021; Maynard & Parfyonova, 2013; Tomás et al., 2023). Thus, coping efficacy would allow overqualified employee to see positive aspects within the social environment and help to mitigate the stress and move towards distal planning (Lent et al., 2000). Thus, work-group inclusion would help engage overqualified employees in the work setting and reduce their negative cognition. Based on this, we propose,

H_{3b}: The positive relationship between POQ and peer social opinion comparison is mitigated by work-group inclusion.

Figure 2.1: The conceptual model



3. METHODOLOGY

3.1 Population, Sample, and Context

The current research taps the perceptions of overqualified employees working in software houses in Pakistan. They serve clients worldwide and cater to several markets (Farooq et al., 2022; Rashidi & Jalbani, 2009). The Pakistan Software Export Board (PSEB, 2025) reports over 300,000 employees of the software houses are based in Pakistan. These employees constitute our population and serve as the unit of analysis. As the population is large and unknown, many software houses haven't registered themselves in the first few years of operations, making it difficult to obtain a sampling frame of employees working there. Therefore, we focus on the three major Pakistani cities of Karachi, Islamabad, and Lahore because they are home to numerous software houses and have the most registrations (PSEB, 2025).

3.2 Procedure and Research Design

To prevent common method bias (CMB), a time-lag design with two time points, T_1 and T_2 (one month apart), was employed. Data on POQ and work-group inclusion were collected at time T_1 , whereas data on peer social comparison and perceived investment in employee development were gathered at time T_2 . Participation was entirely voluntary, and informed consent was obtained, including willingness to participate in the follow-up survey at time T_2 . Of the 291 participants who completed the initial survey (T_1), 219 also responded at Time 2 (T_2), yielding a follow-up response rate of 75%. After quality checks, a total of 202 responses were included in the final analysis. This represents 69% of the original T_1 sample and 92% of the matched T_2 responses.

3.3 Measures

All latent variables were assessed using a five-point Likert scale (1 = Strongly disagree to 5 = Strongly agree).

POQ. The four-item scale by Johnson & Johnson (1996) was employed. One item (POQ01) was removed due to low factor loading, retaining the remaining three items.

Peer Social Comparison. The Iowa-Netherlands Comparison Orientation Measure (INCOM) (Gibbons & Buunk, 1999) was adapted by changing "others are doing" to "peers are doing." The final scale retained five items for ability comparison (PSC_A06 removed) and four items for opinion comparison (PSC_O11 removed).

Perceived Investment in Employee Development. Eight items were adapted from C. H. Lee & Bruvold (2003) were used. The phrasing was contextualized by changing "my organization" to "my software house".

Work-Group Inclusion. The scale by Chung et al. (2020) was used, measuring belongingness (5 items) and uniqueness (4 items retained, UNIQ05 removed). Minor adjustments were made for clarity; for example, "I can bring aspects of myself to this workgroup that others in the group do not have in common with me" was altered to "I can bring unique aspects/qualities of myself to this workgroup." The word "diverge" was changed to "differ." It is important to mention that work-group inclusion was included in the structural model as a second-order construct employing the means-end chain theory.

3.4 Analytical Approach

The data were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM), specifically WarpPLS version 8. PLS-SEM was chosen due to its robustness in handling complex predictive models in social science research (Hair et al., 2011; Lowry & Gaskin, 2014).

4. RESULTS

4.1 Measurement Model Assessment

4.1.1 Validity, Reliability, and Common Method Bias

Table 4.1 shows low and medium correlations between constructs, indicating that validity is not a problem. (Qu, 2007) confirm that their no indication of multicollinearity if all correlations were less than 0.8, as displayed in Table 4.3. The findings in Table 4.2 show that all items have loadings greater than 0.6, except those noted in the last section. Values of average variance extracted (AVE) exceed 0.5 indicating convergence validity (Table 4.1 and 4.3). Additionally, the Cronbach's α of all variables is higher than the cutoff value of 0.60 except for POQ's 0.577. POQ has CR value of 0.780. Given this higher CR value, the borderline Cronbach's α is acceptable, as CR alone is considered adequate to confirm convergent validity (Fornell & Larcker, 1981; Malhotra, 2020, p. 702). Table 4.1 shows that the discriminant validity test using the Fornell & Larcker (1981)'s criteria confirms discriminant validity, as the square root of the AVE (shown on the diagonal) is greater than the inter-construct correlations below it. Heterotrait-Monotrait (HTMT) ratios further provide evidence for discriminant validity. All the values were all less than 0.85 (HTMT criteria: excellent if < 0.90 , best if < 0.85). Table 4.3 supports the absence of multicollinearity and CMB in the data, exhibiting full collinearity within an acceptable range (< 3.3) (Kock & Lynn, 2012). According to Kock & Lynn (2012), full collinearity VIF is a common and superior approach for investigating multicollinearity and CMB.

Table 4.1. The Correlations Matrix and Discriminant Validity

Construct	Mean	SD	1	2	3	4	5	6
1. POQ	2.880	0.843	(0.737)					
2. Work-group inclusion (Belongingness)	3.740	0.916	0.095	(0.754)				
3. Work-group inclusion (Uniqueness)	3.855	0.629	-0.221**	0.162*	(0.895)			
4. Peer social ability comparison	3.024	0.853	0.296***	0.017	0.007	(0.746)		
5. Peer social opinion comparison	3.606	0.883	0.229***	0.073	-0.112	0.226*	(0.891)	
6. Perceived investment in employee development	3.650	0.757	0.076	0.02	0.136	0.166*	-0.113	(0.768)

Note(s): *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$; The diagonal shows the square root of AVE along the diagonal

Table 4.2. Factor Loadings of Measures

	Construct	1	2	3	4	5	6	SE	p
1. Perceived overqualification – POQ	POQ02	0.784						0.061	<0.001
	POQ03	0.734						0.062	<0.001
	POQ04	0.690						0.061	<0.001
2. Work-group inclusion (Belongingness) – BEG	BEG01		0.787					0.060	<0.001
	BEG02		0.84					0.060	<0.001
	BEG03		0.844					0.060	<0.001
	BEG04		0.642					0.062	<0.001
	BEG05		0.625					0.062	<0.001
3. Work-group inclusion (Uniqueness) – UNIQ	UNIQ01			0.869				0.060	<0.001
	UNIQ02			0.906				0.059	<0.001
	UNIQ03			0.906				0.059	<0.001
	UNIQ04			0.898				0.061	<0.001
4. Peer social ability comparison – PSC_A	PSC_A01				0.781			0.061	<0.001
	PSC_A02				0.675			0.062	<0.001
	PSC_A03				0.777			0.061	<0.001
	PSC_A04				0.812			0.060	<0.001
	PSC_A05				0.677			0.062	<0.001
5. Peer social opinion comparison – PSC_O	PSC_O07					0.800		0.060	<0.001
	PSC_O08					0.824		0.060	<0.001
	PSC_O09					0.965		0.059	<0.001
	PSC_O10					0.965		0.059	<0.001
6. Perceived investment in employee development – PIED	PIED01						0.721	0.061	<0.001
	PIED02						0.855	0.060	<0.001
	PIED03						0.725	0.061	<0.001
	PIED04						0.823	0.060	<0.001
	PIED05						0.681	0.062	<0.001
	PIED06						0.734	0.061	<0.001
	PIED07						0.704	0.061	<0.001
	PIED08						0.874	0.060	<0.001

Table 4.3. Measurement Model Assessment

	POQ	Work-group inclusion (Belongingness)	Work-group inclusion (Uniqueness)	Peer social ability comparison	Peer social opinion comparison	Perceived investment in employee development
CR	0.78	0.866	0.942	0.862	0.939	0.919
Cronbach's α	0.577	0.805	0.917	0.799	0.911	0.899
R^2				0.106	0.157	0.082
Adj R^2				0.097	0.148	0.078
AVE	0.543	0.568	0.801	0.557	0.795	0.589
Full Col. VIF	1.214	1.052	1.127	1.172	1.126	1.078

4.2 Structural Model Assessment and Hypotheses Testing

The structural model assessment indicated a moderate predictive relevance, with the Goodness-of-Fit (GoF) index reaching 0.315. The Average Path Coefficient (APC) demonstrated significance, and the Adjusted R^2 was statistically significant, demonstrating a robust model structure. The model achieved substantial variance explanation for the endogenous variables: peer social ability comparison ($R^2 = 0.106$), peer social opinion comparison ($R^2 = 0.157$), and perceived investment in employee development ($R^2 = 0.082$).

The total indirect effect of POQ on perceived investment in employee development through the dual mediators was significant. H_1 , proposing a positive indirect effect of POQ on perceived investment in employee development through peer social ability comparison, was supported. POQ significantly increases the disposition to make ability comparisons, which in turn significantly predicts perceived investment in employee development ($\beta = 0.092, p < 0.05$). H_2 , predicting a negative indirect effect of POQ on perceived investment in employee development through peer social opinion comparison, was also supported. POQ strongly predicts opinion comparison, and this opinion comparison significantly and negatively predicts perceived investment in employee development ($\beta = -0.112, p < 0.05$).

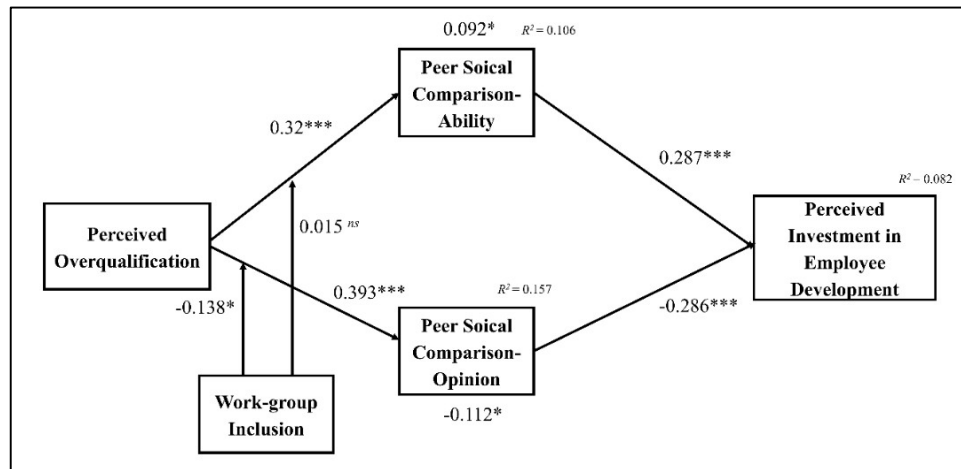
H_{3b} , positing that work-group inclusion mitigates the relationship between POQ and peer social opinion comparison, was supported. The moderation effect was significant and negative. This negative coefficient indicates that inclusion successfully reduces the otherwise positive association between POQ and the negative comparison mechanism (opinion comparison). H_{3a} , which hypothesized that inclusion would enhance the positive relationship between POQ and peer social ability comparison, was not supported. The moderation effect was statistically insignificant. Table 4.4 and Figure 4.1 shows the direct, indirect, and moderated effects.

Table 4.4. Results of Hypotheses Testing

	β	SE	p
Total effect:			
POQ $\rightarrow$ Peer social ability comparison $\rightarrow$ Perceived investment in employee development	0.379*	0.049	0.031
POQ $\rightarrow$ Peer social opinion comparison $\rightarrow$ Perceived investment in employee development	-0.398**	0.049	0.011
Direct effects:			
POQ $\rightarrow$ Peer social ability comparison	0.320***	0.066	0.001
Peer social ability comparison $\rightarrow$ Perceived investment in employee development	0.287***	0.067	0.001
POQ $\rightarrow$ Peer social opinion comparison	0.393***	0.065	0.001
Peer social opinion comparison $\rightarrow$ Perceived investment in employee development	-0.286***	0.067	0.0
Indirect effects:			
POQ $\rightarrow$ Peer social ability comparison $\rightarrow$ Perceived investment in employee development (H_1)	0.092*	0.049	0.031
POQ $\rightarrow$ Peer social opinion comparison $\rightarrow$ Perceived investment in employee development (H_2)	-0.112*	0.049	0.011
Moderated effects:			
POQ * Work-group inclusion $\rightarrow$ Peer social ability comparison (H_{3a})	0.015	0.070	0.414
POQ * Work-group inclusion $\rightarrow$ Peer social opinion comparison (H_{3b})	-0.138*	0.069	0.023

Note(s): *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$. Sample size (N) = 202

Figure 4.1. PLS-SEM Results



Note(s): *** $p < 0.001$, * $p < 0.05$, *ns* = non-significant

5. DISCUSSION AND CONCLUSION

5.1 Discussion

This study identified the paradoxical nature of POQ. The study found that peer social ability comparison, as a mediator, facilitates the relationship between POQ and perceived investment in employee development (H_1). On the other hand, the findings showed that POQ exacerbates peer social opinion comparison, reducing the likelihood of perceived investment in employee development (H_2). This double-edged sword of POQ is analogous to this stream of research (Dar & Rahman, 2020; A. Lee et al., 2021; P. Wang et al., 2022).

Work-group inclusion mitigates the influence of POQ on peer social opinion comparison (H_4). Therefore, targeting work-group inclusion can reduce opinion comparisons and help overqualified employees blend in. This also suggests that due to work-group inclusion, overqualified employees focus on the positive side of their interpersonal relationships with their peers. Research evidence has shown work-group inclusion to have a positive impact on employee behaviours and outcomes, such as higher job satisfaction, citizenship behaviours, commitment, stronger team cohesion, lower turnover rates, and lower deviant behaviour and intention to leave the organization (Chung et al., 2020; Mallol et al., 2007; Moore et al., 2020; Y. X. Wang et al., 2019).

The statistical results failed to substantiate the hypothesis that work-group inclusion increases the positive impact of POQ on peer social ability comparisons (H_3). The reason for the insignificant result could be due to the nature of inclusion, as it requires time to manifest into the social environment. Additionally, as overqualified employees possess an individualistic orientation (Garavan & Coolahan, 1996) regarding their career goals, some scholars argue that if one pursues uniqueness and belongingness at the same level (e.g., intragroup level), one may experience opposing outcomes (Brewer, 1993; VFRHOEVEN et al., 1976).

5.2 Theoretical Implications

This study contributes to the paradoxical nature of POQ by examining perceived investment in employee development through peer social ability comparison (a positive mechanism) and peer social opinion comparison (a negative mechanism). These results are crucial, as relatively few studies have mentioned POQ as a means to enhance employee development opportunities. It also adds to the limited number of studies on overqualification in Pakistan and its application to the IT industry, based on the situational mediator, i.e., overqualified employees' perceived investment in employee development opportunities is reduced due to increased opinion comparison.

5.3 Practical Implications

Our findings show that POQ helps make ability comparisons to assess potential for employee growth. It would promote healthier professional competition and encourage overqualified individuals to remain within the organization. Overqualified employees sometimes act superior to their coworkers, believing their current positions are beneath them because they possess more knowledge, skills, and abilities (H. Deng et al., 2018). This behavior could be utilized positively by the organization, for example, by giving overqualified employees mentorship opportunities to showcase their surplus abilities.

Due to their feeling of relative deprivation, as in the case of underlying mechanism of opinion comparison, the organizations should institutionalise a suitable career path for overqualified employees. Access to information and professional growth opportunities through meaningful communication could also help. According to P. C. B. Lee (2000), turnover causes more than half of the IT staff to be replaced every two years. Due to its high costs, turnover is a significant problem for businesses. As a result, losing highly competent workers because the company failed to upgrade staff, offer training opportunities, or foster a positive working relationship

with peers would delay projects and raise doubts about the company's trustworthiness with clients. Therefore, alignment of employee and organization goals would help. Actionable initiatives of work-group inclusion in organizational procedures would directly improve well-being, trust, and coordination.

5.4 Limitations and Future Research Directions

Like any other research the current research is not without limitations. The study's context—a non-Western, high-velocity IT sector—contrasts with the origins of much of the POQ literature. This necessitates cross-cultural studies sensitive to cultural dynamics, such as power distance (Gul et al., 2025), to investigate the relationship between POQ and peer social comparison further. To advance the theoretical model proposed here, future research can validate our findings through experimental designs and larger samples. Specifically, future research should elucidate the influence of organizational culture, team alignment, and individual differences (such as empowering leadership or personality traits) as boundary conditions (Alvi et al., 2024; Gul et al., 2025).

6. CONCLUSION

This study examines peer social ability and opinion comparison as mediators in the link between POQ and perceived investment in employee development. The findings reveal a paradox stemming from these mediators in the relationship between POQ and perceived investment in employee development. These competing findings show that overqualified professionals may lack desire, yet have the excess abilities to get the development opportunities. Moreover, the study highlights that work-group inclusion diminishes POQ's impact on peer social opinion comparison. This showed that if the overqualified employees of the IT sector's need for belongingness and uniqueness are addressed, they are likely to perceive the organization as investing in their careers. As a result, they are more likely to stay with the organisation.

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