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THE CONNECTION BETWEEN JOB MISMATCH AND EMPLOYEE HAPPINESS

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INTRODUCTION: AI THE GROWING CONCERN OF JOB MISMATCH

In today's globalized workforce, the alignment between an employee's skills, education, and their job role — or lack thereof — plays a critical role in shaping their professional journey and overall well-being. Job mismatch, which can be categorized as **vertical mismatch** (over- or under-qualification) or **horizontal mismatch** (field of study not aligning with the job), has become a growing concern in the global labor market. **The World Economic Forum** predicts that by 2025, more than **50% of employees will need reskilling** to keep up with the changing job requirements due to automation, AI, and digitization. This shift is amplifying the issue of job mismatch as many workers find themselves in roles that do not align with their education or skillsets.



Globally, the problem of job mismatch can be seen across various industries and demographics. For example, the **OECD reports** that in many countries, **one in three workers is overqualified for their job**, while simultaneously, there is a shortage of workers with the necessary skills for rapidly evolving sectors like healthcare, IT, and engineering. **In Turkey**, the issue of job mismatch has been highlighted in numerous studies, particularly in the context of vocational education and its alignment with labor market needs. One report on vocational education in Turkey found that **43% of vocational graduates** were employed in fields unrelated to their education, highlighting a significant horizontal mismatch in the workforce. create a safe space for the coaching, mentoring, and supervision processes to occur.

THE IMPACT OF JOB MISMATCH ON EMPLOYEE HAPPINESS

The relationship between job mismatch and employee happiness is well-documented in various studies.

Job satisfaction is closely linked to whether or not employees feel they are in a role that utilizes their skills and aligns with their career aspirations. When there is a mismatch, employees often experience frustration, a lack of engagement, and a diminished sense of purpose in their work.

One major consequence of job mismatch is the **decline in job satisfaction**, which can have far-reaching effects on both the individual and the organization. Research has shown that employees in mismatched roles are more likely to experience:

- 1. Lower job satisfaction:** When employees are in roles that don't align with their qualifications or skills, they often feel undervalued or underutilized. Studies indicate that overqualified employees experience a **20% decrease in job satisfaction**, while those with horizontal mismatch report up to **30% lower engagement** in their work.
- 2. Decreased motivation and performance:** Employees who feel mismatched are more likely to disengage from their work. This leads to lower productivity levels, reduced creativity, and a lack of drive to contribute to the company's overall success. **Gallup's 2022 Employee Engagement Survey** found that **disengaged employees cost companies 18% of their annual salary** due to absenteeism, low productivity, and poor performance.
- 3. Mental health issues:** The psychological impact of job mismatch cannot be understated. A study by the American Psychological Association revealed that employees in mismatched jobs are twice as likely to experience stress, anxiety, and burnout compared to their well-matched counterparts. Prolonged dissatisfaction can lead to more severe mental health issues, including depression.



THE ECONOMIC COST OF JOB MISMATCH

From an economic standpoint, job mismatch has a direct impact on both individual wages and broader productivity. The research titled *The Effects of Job Mismatch on Pay, Job Satisfaction, and Performance* highlights how employees experiencing job mismatch often face wage penalties. Specifically, employees with vertical mismatch (overqualification) may face **wage penalties of up to 10–15%** compared to their properly matched peers. Moreover, horizontal mismatch can lead to **even steeper wage penalties**, particularly in sectors like IT and engineering, where specialized skills are critical.

In countries with high levels of job mismatch, productivity losses are also significant. **The International Labour Organization (ILO)** reports that countries with higher rates of job mismatch see **annual GDP losses** due to the underutilization of labor and poor workforce productivity. In some cases, these losses can account for **up to 5% of GDP**, especially in developing economies where job matching mechanisms are less effective.

MISMATCH AND WORKPLACE DISSATISFACTION: A RECIPROCAL RELATIONSHIP

The link between job mismatch and workplace dissatisfaction is not merely a one-way street. While mismatched roles can lead to unhappiness at work, dissatisfied employees are also more likely to perceive themselves as mismatched, even if their skills technically align with their role. This **reciprocal relationship** is particularly evident in industries undergoing rapid change, where workers may feel overwhelmed by new technologies or job expectations. **McKinsey's 2021 Future of Work Report** found that **over 60% of workers** in tech-driven fields feel they lack the necessary skills to keep up with their job requirements, contributing to feelings of inadequacy and dissatisfaction.

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In many cases, job dissatisfaction stemming from mismatch can create a vicious cycle. Employees who feel unhappy in their roles are more likely to disengage from their work, leading to lower performance. In turn, poor performance often results in fewer opportunities for advancement or reskilling, trapping workers in a state of permanent dissatisfaction. This phenomenon has been termed the **"Mismatch Burnout Cycle"** in several academic studies and is particularly prevalent in fast-paced industries like healthcare and finance.

ADDRESSING THE MISMATCH PROBLEM: SOLUTIONS FOR A BETTER WORKFORCE

To address the growing issue of job mismatch and its impact on workplace satisfaction, companies and educational institutions must work together to improve job-person matching processes. This is where collaborations like **U2C** and **EMLT** come into play. While these initiatives represent important steps toward solving the mismatch problem, they should be part of a broader movement aimed at better aligning education with labor market demands.

- 1. Pre-graduation exposure to real-world jobs:** One of the most effective ways to reduce job mismatch is by offering students hands-on experience in their chosen fields before they graduate. Programs like **U2C's internship programs** allow students to gain practical experience in various industries, helping them make more informed decisions about their career paths. According to a report by the **National Association of Colleges and Employers**, students who complete internships in their field of study are **75% more likely to find jobs that match their qualifications** compared to those who do not.



2. AI-driven job matching platforms: EMLT has been focusing on using AI to better match students and young professionals with jobs that align with their skills and educational background. AI algorithms can analyze a person's qualifications and job preferences to find roles that are not only a good fit but also likely to result in long-term job satisfaction. A study by **LinkedIn Talent Solutions** found that **AI-driven recruitment platforms** increased job matching accuracy by **35%**, leading to higher employee retention rates.

3. Lifelong learning and reskilling: To combat job mismatch in rapidly evolving industries, continuous learning and reskilling programs are essential. Companies should offer ongoing training opportunities to help employees stay up-to-date with new technologies and skills. **A report by PwC** suggests that investing in reskilling can reduce job mismatch by **up to 25%**, particularly in industries like tech and manufacturing, where skill requirements change quickly.

THE BROADER IMPACT ON EMPLOYEE HAPPINESS AND BUSINESS SUCCESS

Ultimately, reducing job mismatch is not only about improving individual job satisfaction; it also has significant implications for business success. Companies with well-matched employees enjoy higher levels of engagement, productivity, and innovation. Conversely, businesses that fail to address mismatch issues face higher turnover rates, lower employee morale, and reduced financial performance.

In the **2023 Global Employee Engagement Study**, companies with high job matching rates saw a **22% increase in productivity** and a **29% decrease in turnover** compared to companies with higher mismatch rates. Additionally, businesses that invest in career development and training programs experience higher employee retention, with **72% of employees** citing opportunities for growth as a key factor in their decision to stay with a company.



On a broader scale, addressing job mismatch through initiatives like U2C and EMLT can also help close the **skills gap** in critical industries like healthcare, education, and technology. By ensuring that students and professionals are well-matched to their roles, these initiatives can contribute to higher overall productivity and economic growth.

CONCLUSION: A COLLECTIVE EFFORT FOR A HAPPIER WORKFORCE

The problem of job mismatch is a complex one, with deep-rooted implications for both employees and businesses. While solutions like those offered by U2C and EMLT are a step in the right direction, much more needs to be done to address this issue at a systemic level. Educational institutions, businesses, and governments must work together to create more effective job matching systems that align educational outcomes with labor market needs.

At the heart of this effort is the recognition that **employee happiness** is not just a "nice to have" but a critical component of business success. By reducing job mismatch and creating environments where employees feel valued and engaged, businesses can unlock higher levels of productivity and innovation, while also ensuring a more satisfied and committed workforce.

The future of work depends on our ability to match the right people to the right jobs. By continuing to invest in job matching technologies, career development programs, and partnerships between education and industry, we can create a labor market that not only meets the needs of businesses but also fosters the happiness and well-being of employees.



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