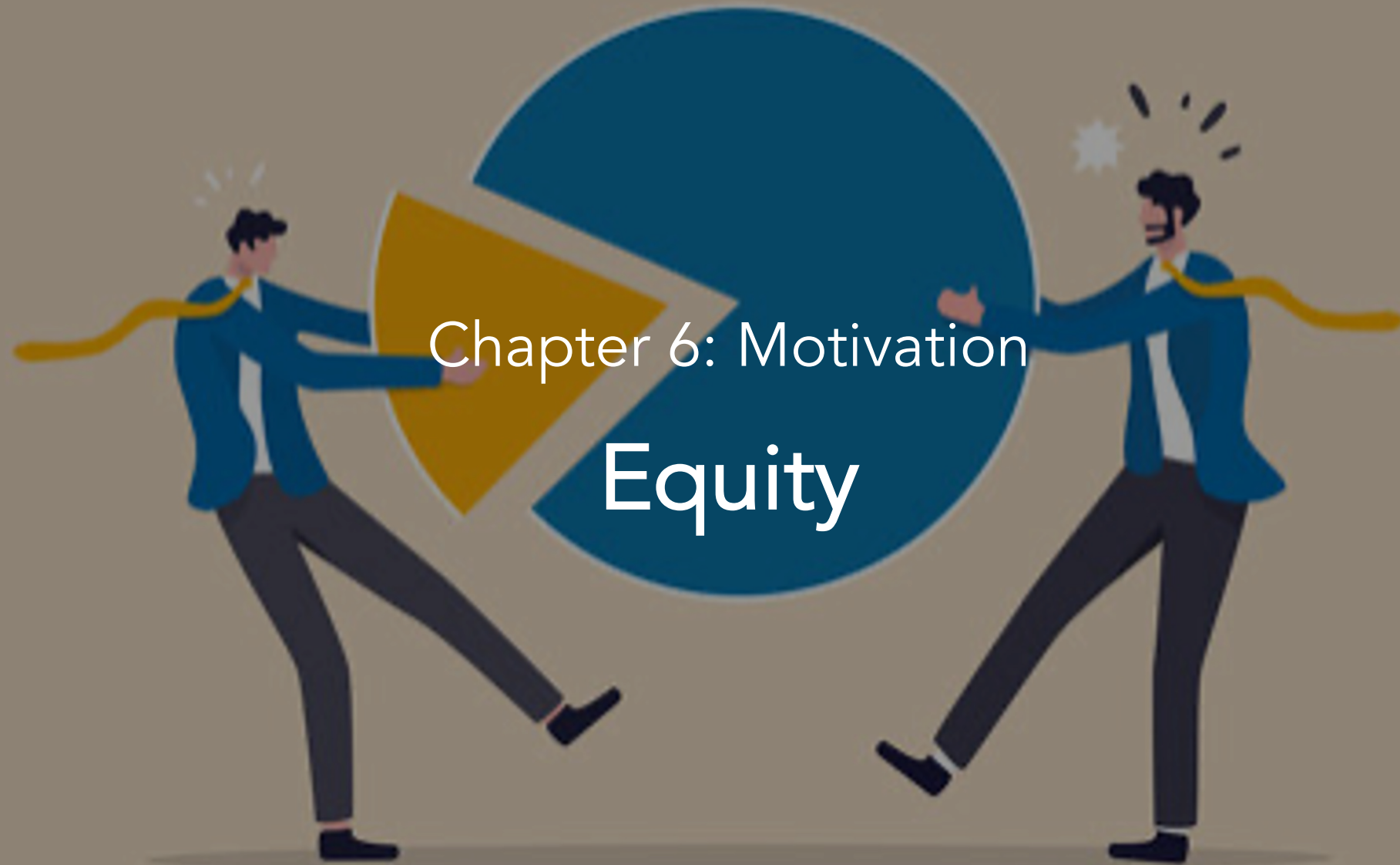






All of the theories covered so far focus on employees' own beliefs and circumstances.

Employees' motivation, however, also depends on what happens to other people.



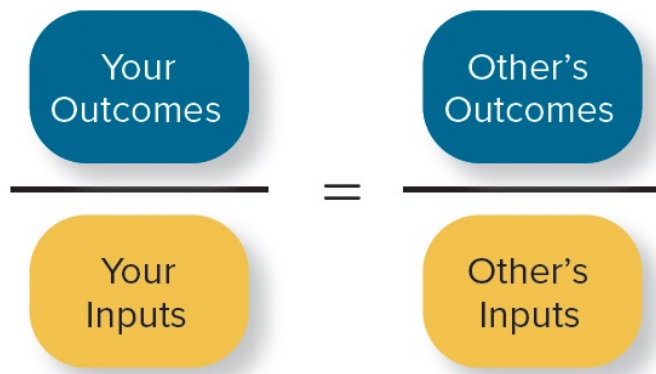
Think for a moment

- Have you ever thought that it's ridiculous to earn the same points as a group, when you put more effort than your teammates?
- Do you think it's reasonable that you earn \$15/hr and your coworker earns \$18/hr when you two actually do the exact same thing in the workplace?
- How about you earn \$15/hr and your coworker earns \$18/hr when your coworker has more duties to take care of (that's worth \$3/hr more)?

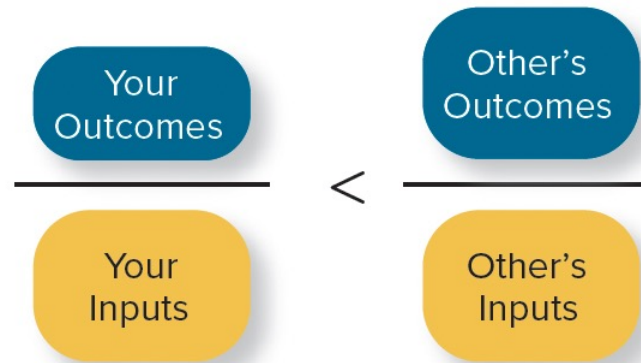


Equity Theory

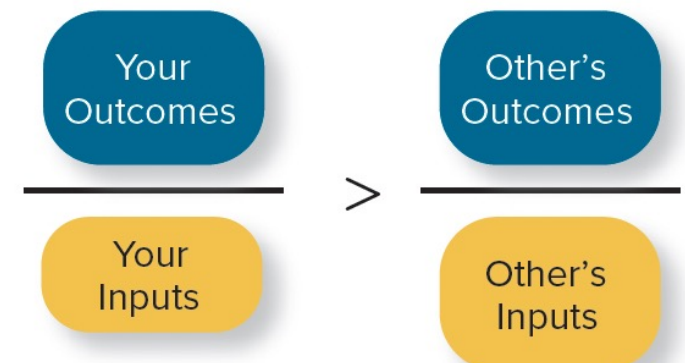
- Employees make comparisons between themselves and others
 - NOT a simple comparison (e.g., pay between you & your coworker)
 - Comparison based on the “input/output ratio”
- Therefore, equity theory suggests that:
 - Employees make decisions on whether the distribution of resources is fair or not by accounting for the “ratio” of contributions and outcomes for each individual.



Equity



Inequity
Under-rewarded



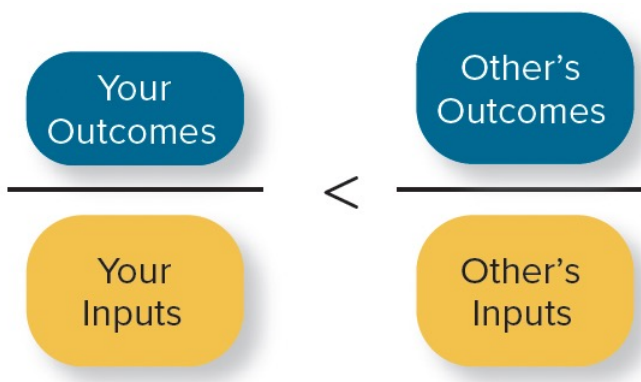
Inequity
Over-rewarded

Equity Distress

An internal tension that is caused by a sense of imbalance associated with inequity, which can only be alleviated by restoring balance to the ratios.



What happens when employees experience “under-rewarded” inequity?



Employees may try to reduce the gap by attempting to “increase the outcome”:

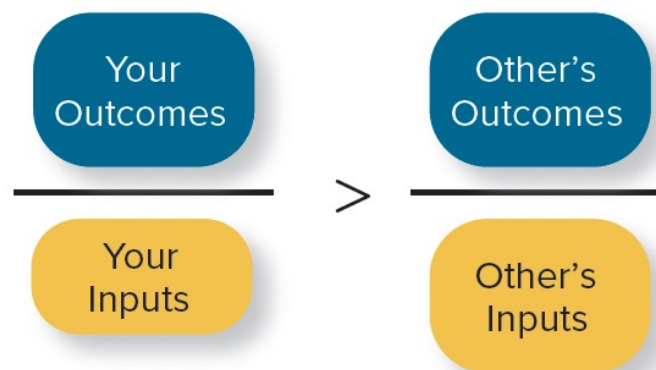
- Talk to the manager
- Take something more to compensate for the missing reward (CWB/deviance)

Employees may try to reduce the gap by attempting to “decrease the input”:

- Stop putting in the effort (reduced intensity/persistence)
- Engage in CWB/deviance



What happens when employees experience "over-rewarded" inequity?



Employees may try to reduce the gap by attempting to "decrease the outcome":

- Talk to the manager

Employees may try to reduce the gap by attempting to "increase the input":

- Start putting more effort and try to produce better quality outcome (OCB)
- Note, however, other employees are seeing what's happening..



Targets of comparison

Internal

- E.g., you compare your salary/bonus to your coworker who's doing the same job in your company

External

- E.g., you compare your salary/bonus to the average market or to someone in a different company

Often, it's not a comparison to a single person -
rather, it's a sum of comparisons to multiple individuals



Standards of comparison

Job equity

Company equity

Occupational equity

Educational equity

Age equity

What else?



Let's revisit the very beginning of this chapter

We started this chapter with a question:

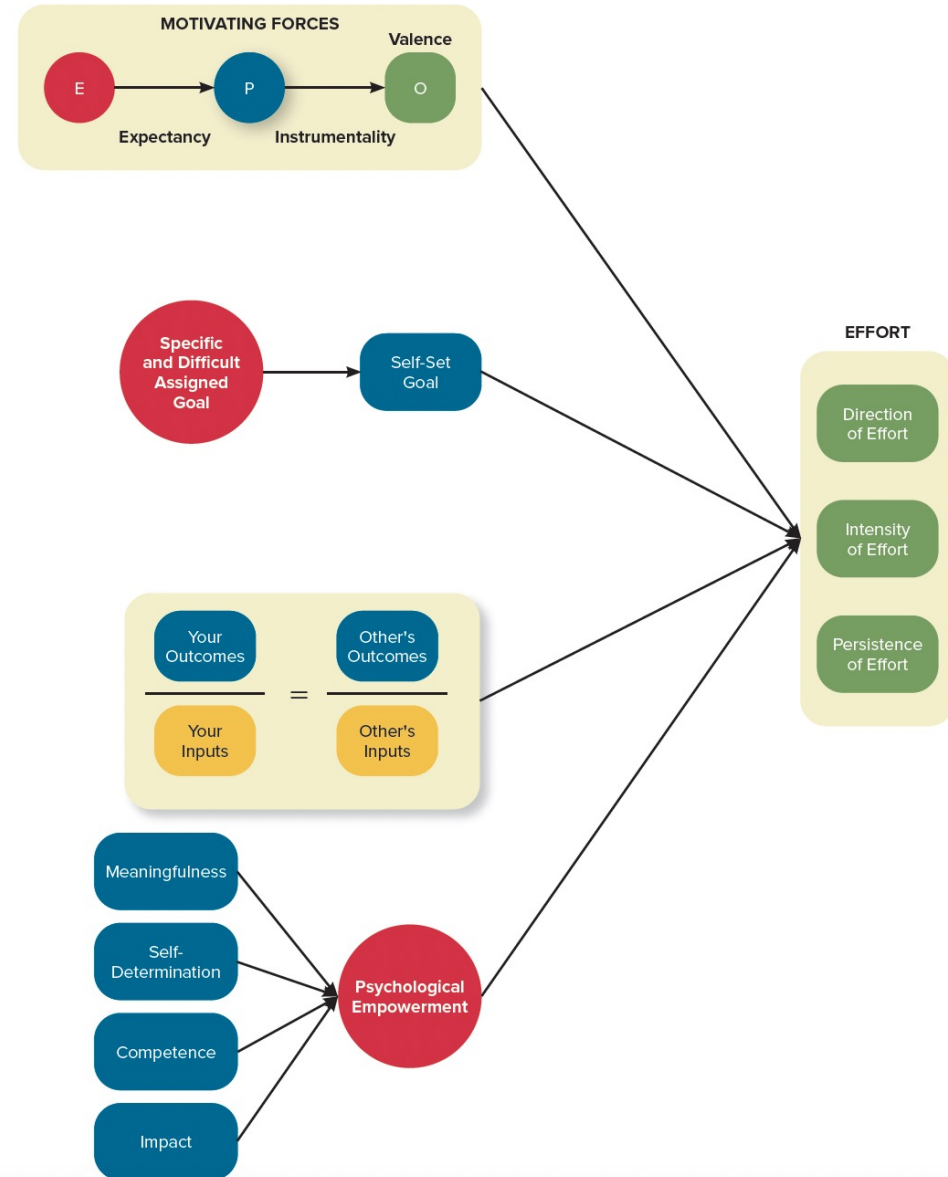
“Why are some employees more motivated than others?”

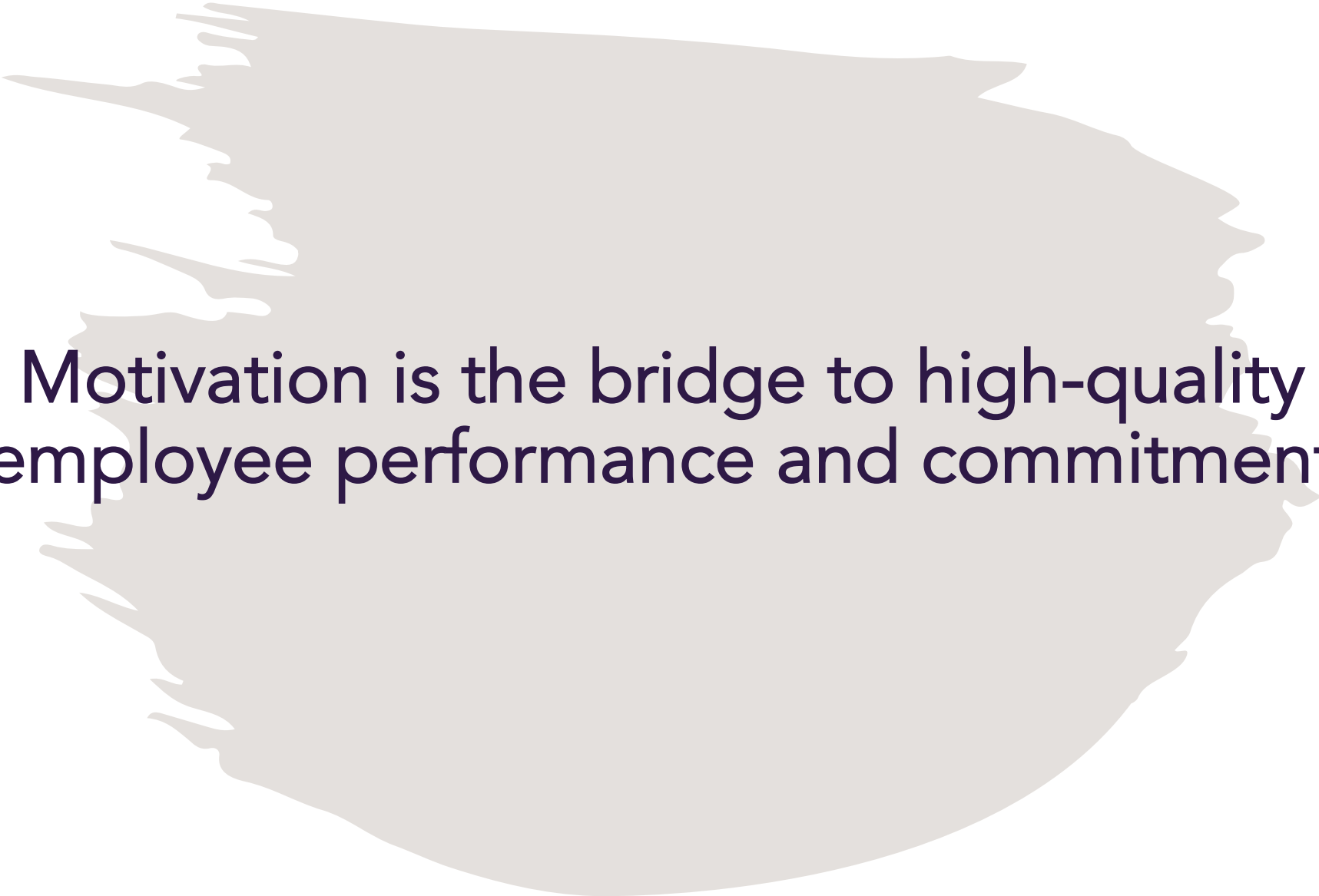
In search of an answer to the question, we covered many topics:

**Expectancy; self-determination; rewards and pay;
goal-setting; equity**

For each, we discussed “what we can do” to keep our employees motivated.

To sum,
it looks something
like this:





Motivation is the bridge to high-quality
employee performance and commitment