

Workplace Equity: Critique for Epistemological Usefulness

Continue Anddison Eketu Ph.D, MTAMN, FICA,

Department of Management, University Of Port Harcourt

ABSTRACT: This paper presents a logical critique to elucidate the central theme of workplace equity, as a conscious phenomenon that directs workers' sense of commitment in organizations. The understanding produced thus become the logical framework upon which epistemological prescriptions were made for inquiries, to explain, predict and even control the dynamics of equity in the world of works. The paper identifies equity as an individual worker's feelings of how he/she is fairly treated with regards to self-inside; self-outside; other-inside; and other-outside, as referents on work related issues. The paper contended that an individual's perception of workplace equity at any given time occurs in the psychological plain, and determined by the individual's experiences, circumstance, gender, marital status, referent, expectations, etc. Thus, it involves the micro-level of analysis. The reactions of the individual to his perception of equity are both human and social actions. However, because much of it happen in the psychological realm. It is not adequately captured through the strict mathematical precision sought for in empirical epistemology. The paper therefore, subscribe to constructivism or interpretism as the more valid epistemologies for constructing meanings in the subjective state of the equity perceiver. Because of the objective reality contents in distributive phenomena in equity, the paper further advocates for mixed epistemologies to direct inquiries closer to the truth on workplace equity.

KEY WORDS: Workplace, Equity, Organizational Justice, Epistemology, Empiricism, Interpretism, Pragmatism, Constructivism.

I. INTRODUCTION

The challenging circumstances and dynamics of workplace phenomena have made the only certainty to be uncertainty, thus requiring an unending quest for knowledge about workplace management. This circumstance tends to be tensed on the management of the perception of the worker on how he is treated with respect to others. Adams (1965) in her theory of equity, defined as an arousal of motivation based on the feelings of fairness, contended that, it is a natural characteristics in social exchange relationship for comparison to be made between input and output, and among workers. Such comparison guides the worker's psycho-construction of his perceived equity continuum (Robbins, S.P., Judge, T.A. & Vohra, N., 2010). Such perception may be positive or negative depending on where the pendulum swings to, on the equity continuum.

Studies on equity are replete in the management literature, but with little or no attention to extricate the structure of equity to provide gainful research on its operational realities. For instance, available researches on equity tend to associate the concept with criterion variables to explain how desired criterion values of organization can be improved through the equitable treatment of organization members (Walster, Walster & Scott, 2000). Here equity is explained to mean a function of workers' motivation. Also, some other research approaches treat equity as a criterion variable, thus predicted by other organizational variables (Robbins & Sanghi, 2010; Shore & Coyle-Shapiro, 2003; and Molm, L.D., 2003). In all of these, equity is treated more in terms of its whole rather than its structures that account for its process in real life. This approach appears to bear an inherent black-box-effect, which hampers gainful epistemological tendencies.

Thus, this paper appeals to epistemological consciousness related to equity as a predominant characteristic of social exchange relationship. It extricates the structures of the psycho-construction of fairness perceived in the context of dissonance, fulfillment and satisfaction in the universe of work. Epistemologically, the positivism and anti-positivism relevance, representing pragmatism and constructivism or paradigms respectively are considered to identify the epistemological usefulness for indepth inquiries on the subject matter (Waribugo & Eketu, 2016). The contention of the paper is rooted in the principle that epistemological decision and clarity precede to guide gainful inquiries in the universe of research and discoveries.

II. THE CONCEPT OF EQUITY

Garner (2016) defines the concept of equity as “fairness; impartiality, even handed dealing”, ... “the body of principles constituting what is fair and right”... “the recourse to the principle of justice”. Thus equity represents equality in the dealings with people, with particular respect to their circumstance and effort on a subject matter. With regards to an employee disposition in the workplace, equity connotes the feelings of fairness on issues related to distribution, interaction, and procedure (Robbins & Sanghi, 2010). As a principle, the concept of natural justice presupposes due, equal regards and treatment to all humans. The feeling of fairness and even the expectation to be fairly treated is an innate characteristic of man, but there are some ideological contestations that such feelings are also learnt (Cropanzano & Mitchell, 2005; Bandura, 1986, 1997 and 2005; and Rosenthal, 1990). The argument on equity as naturally inherent in man, views fair treatment as expectation by all animals including man. However, as a learnt disposition, through social learning, humans tends to feel and be motivated by fair treatment because of their social contacts with people in such or lesser circumstances.

Social Exchange Theory as Related to Equity

The theoretical issues related to equity emerged from the baseline organization theory of social exchange. Social Exchange Theory according to Cropanzano & Mitchell (2005), “is among the most influential conceptual paradigms for understanding workplace behaviour”. Human interactions are often founded on interdependence, which creates social or economic mutual obligations (Emerson, 1976; Balu, 19664 and Corpanzano & Mitchell, 2005). The mutual obligation creates mutual expectation, expressed in psychological contract (Rousseau, 1995). Equity, thus measures the perceived fairness on how one’s expectation in the mutual obligation is fairly met by the other.

Corpanzano & Mitchell (2005) expounding on the rules and norms of exchange in mutual obligation, contended that reciprocity rules and negotiated rules are part of the major considerations on dynamics of social exchange. The reciprocity rules are seen in terms of interdependence exchange (Blau, 1964; Homans, 1961; Holm, 1994, and Wiethoff & Klein, 2003); folk belief (Goulder, 1960; Malinowski; 1932; and Lerner, 1980); norm and individual orientation (Moore, 2004; Shore & Coyle-Shapiro 2003). As negotiated rules, social exchange is seen as a product of agreement by the parties on what the exchange may be, and this governs their mutual expectations and definition of fairness to each other (Cook & Emerson, 1978; Molm, 2003; and Brett, 2001).

III. THEORY OF EQUITY

The equity theory by Stacy Adams provides explanation, prediction and control on how people develop perceptions of fairness on the distribution and exchange of resources in organizations. The theory explains what employees are motivated to do when they feel inequitably treated, or otherwise. The theory states that employees are motivated to the extent they perceived that they are fairly treated in the organization. The theory contends that, “individuals compare their job input and outcomes with those of others, and then respond to eliminate any inequities” (Robbins, judge & Vohra, 2010:23).

The more the worker perceived equity in the way he or she is treated, the more the tendency to increase his or her motivation to work. Thus, Adams (1965) contended that the perception of inequity generates negative tension which provides the motivation to do something to correct it. The comparison involves four possible referent comparisons. These referents according to Mcshane & VonGlinow (2010) and Robbins, Judge & Vohra (2010) are: self-inside; self-outside; others-inside; and others-outside. The ratios as outcomes of comparison may be one of the following: inequality due to being under-rewarded; equity in reward; and inequity due to being over-rewarded. The behavioural proxies of these outcomes differ significantly, for instance, inequality due to being under-rewarded will create negative tension against the superior and the organization. Equity due to being equally rewarded serves as a maintenance of internal tranquility; while inequality due to being over-rewarded generates the drive that will lead to commitment. These are shown in figure 1.

Figure 1: Comparison in Equity Theory

Ratio Comparisons*	Perception
$\frac{O}{I_A} < \frac{O}{I_B}$	Inequity due to being underrewarded
$\frac{O}{I_A} = \frac{O}{I_B}$	Equity
$\frac{O}{I_A} > \frac{O}{I_B}$	Inequity due to being overrewarded

Source: Adopted from Robbins, Judge & Vohra (2010) Organizational Behaviour.

Robbins & Sanghi (2010) contended that, “when we see the ratio as unequal, we experience equity tension. When we see ourselves as under-rewarded, the tension creates guilt”. The negative tension creates the motivation to correct the inequity. The comparison is done on four identified referents to produce the outcomes shown above in figure 1. The first category is “self-inside” comparison. This class of comparison is within the employee with respect to different experiences he had encountered in different positions within the same organization. The next classification is self-outside comparison. This involves the employee's experiences in a situation or position outside the employee's current organization. The third is the “other-inside”, where the comparison is with another individual or group of individuals inside the employee's organization. The fourth is “other outside”, involving another individual or group of individuals outside the employee's organization. Be it inside or outside, employees compare themselves to friends, neighbours, co-workers, or colleagues in other organizations, or sometime the comparison will be between past and present experiences or jobs (Kulik & Ambrose, 1992). The comparison and the perception of equity largely depends on the information available, the gender, tenure, position, experience, etc. of the individual worker.

Apart from the four possible referents discussed above, there are two basic taxonomies of equity. These are internal and external equities. In internal equity which corresponds to Robbins, Judge & Vohra's (2010), “self-inside” and “other-side” is the type of comparison where the referent is inside the employee's current organization. Thus, the comparison may be between experiences encountered in different positions within the same organization, or between one worker and his colleague in the same organization. In the case of external equity, it corresponds with Robbins, Judge & Vohra's (2010) “self-outside” and “other-outside”. It is a comparison whereby the referent is located outside the employee's current organization. It is either between internal and external experience by the same individual, or between the individual and other individual in another organizations. However, research on the strength of these arousal in motivation is lacking in the literature. It thus, appears that there may be different in their arousal, and also the pattern of response to perceive internal and external equity may differ.

IV. BEHAVIOURAL RESPONSES TO INEQUITY

Walster, Walster & Scott (2000) identified six response patterns to inequality. The authors contended that the employees who perceive inequality may change their input. This may be reduction in the efforts or commitment. However, if the perception is that of guilty arising from over-rewards, the response may be that of increase in efforts or commitment. Also, a possible consequence may be change of outcomes by producing higher quantity but low quality in the case of piece-rate pay system. This will have increase in pay as an ultimate effect. The employee may also react in the form of distortion of self perception. Here the employee counter balances the feeling of self effort and those of others, indicating how he works harder than everyone else. Distortion of perception of others' jobs as undesirable as the employee earlier perceives. Also, the employee may alter or choose a different referent to console his effort or position, as compared to others. Yet, it is also possible the employees with quit the job as a demonstration of anger against perceived inequality due to being under-rewarded (Greenberg, 1990).

The theoretical propositions of the equity theory tend to prepare the platform for research. For instance, the first proposition is that, “given payment by time, over-rewarded employees will produce more than equitably paid employees”. This tends to bring equity through increase in the input side of the ratio (Molm, 2003). The second proposition is, “given payment by quantity of production, over-rewarded employees will produce fewer, but higher quality units than equitably paid employees”. This leads to the achievement of greater quality or quantity through increase in effort to further increase payment. The third proposition states that, “given payment by time, under-rewarded employees will produce less or poor quality of output”. Thus, Robbins & Sanghi (2010) argued that this third proposition will make efforts to decrease, which will bring about lower productivity or poor quality output than equitably paid subjects. The fourth proposition states that, “given pay by quantity of production, under—rewarded employees will produce a large number of low quality units in comparison with equitably paid workers”. This paves the way for under-rewarded employees to pursue quantity to make up for inequality, but at the expense of quality. These four propositions are the foundations of any discussion on epistemology in the study of workplace equity.

Epistemological Issues in the Theory of Equity

Epistemology is fundamentally critical to the advancement of knowledge in any discipline. It tends to raise the question on the nature of and the possibility of generating knowledge on any intellectual domain. Epistemology is the first fundamental philosophical principle of knowledge and its creation. Frankfort-Nachmias & Nachmias (2000) contends that the epistemological debate on the nature of and acquisition of knowledge in the social sciences presents positivism and anti-positivism strands.

These are corresponding to objectivism and subjectivism bipolar intellectual traditions. Whereas, positivism favours empiricism, which calls for observation, collection and analysis of quantitative data (nomothetic methodology); anti-positivism favours phenomenology, Solipsism or even hermeneutics which etymologically is derived from Greek word "*Hermeneutikos*" meaning "*theory of interpretation*", which calls for participatory observation, collection and analysis of qualitative data (ideographic methodology).

Generally, epistemological tradition addresses how knowledge is created. It bears normative and subjective characteristics. Normatively, it is anchored on the tradition that knowledge is created in the universe of rational positivism, defined in natural sciences methodologies. However, the interpretivists epistemological thought is founded on the argument that objective and subjective references of social reality is intricately interwoven, and knowledge gained by the interpretivists is subjectively contextual in nature (Bryman, 2001; and Porta & Keating, 2008).

Waribugo & Eketu (2016) argued that the basis of empiricism and pragmatism is that behaviour is known through the understanding of the externalities, by subjecting such to arithmetic functions. On the other hand, the authors contended that, constructivism or interpretism suggests that behaviour cannot be objectively known, but subjectively, as the investigator understand, the phenomena through the subjective universe of the actor, and construct meanings upon the phenomena, "thus, Solipsism is an assertion that reality only exists in the self and there can never be an existence external to the self" (Waribugo & Eketu, 2016, p.19). this compliments the argument that Solipsism is the extreme case of scepticism, as argued that more is known when we doubt all things except the facts of our doubts. This corresponding further to Kantian Critical Realism "*Cogito ergo sum*" (Mouton, 2001).

Thus, to contextualize epistemology in equity, it demands the nature and characteristics of equity to be discussed with respect to organizational phenomena. It involves the perception of the worker on the actions of the organization (Robbins, 2008) related to the feelings of equity, the inequity (over-rewarded and under-rewarded); and equity (equal reward) (McShane & Von Glinow, 2010). The referents are self-inside; self-outside; others-inside; and others-outside.

The feelings of equity are determined by such variables as gender, tenure, experience, circumstance, expectations etc. Thus, equity seeks to express an individual impression of an organizational justice climate. Considering the fact that equity perception rests in the psychological realm of the individual worker, it is most epistemologically logical to adopt interpretism, an extension of anti-positivism. This will enable the flexibility of dealing with the dynamic issues of the individual's behaviour. The baseline of this thought is that, individual psychology can only be properly studies by seeing the world through the eyes of the actor (the equity perceiver). These issues cannot be captured properly through the automatic-mechanical accuracy embedded in empiricism. Thus, the epistemological preference for inquiry into equity is interpretism, constructivism, phenomenology or hermeneutics. However, these may be complemented with pragmatism to capture aspects of the subject that bear ontological realism.

V. CONCLUSION AND IMPLICATIONS

Equity is an individual's psychological disposition related to organizational justice in the context of distributive, interactional and procedural phenomena in the world of works. It is thus, the consciousness of how one is fairly treated in the organization, where he or she works, when compared to some given referents. The individual's response to his/her perception of equity is the critical issue in the management of workers' commitment in organizations. The consequences as responses to an individual's perception of equity in the workplace tend to generate serious concerns to managers. For instance McShane & VonGlinow (2010) identify such consequences of inequality as: changing inputs; changing outcomes; changing perception; leaving the field; acting on the comparison others; and changing the comparison. However, the discerning voices are expressed in terms of valid epistemologies in its inquiry; divergent opinions on which input to be reward; what constitutes justice to different individuals, etc.

The issues of contention in equity tend to centre on the individual, particularly his perception, which is a psychological attribute. Also, the referent upon which equity is evaluated may not be properly interpreted by the perceiver. This is so partly because looks are deceptive. Besides, the comparison may be based on false premise because no two experiences, persons, abilities, or organizations are the same. Given the nature of such phenomena in equity dynamics, this paper concludes that constructivism tends to be the most preferred epistemology to allow the constructivist the divergent experiences and circumstances of the equity perceiver to construct meaning rather than adopting the almost rigid approach of the pragmatist in strict empirical investigations. However, the pragmatism may be adopted as a supplement to capture the objective aspects of workplace equity.

REFERENCES

- [1]. Adams, J.S. (1965) *Inequality in Social Exchange Advances in Experimental Social Psychology*. New York: Academy Press.
- [2]. Bandura, A. (1986) Differential Engagement in Self-Reactive Influences in Cognitive-Based Motivation. *Organizational Behaviour and Human Decision Processes*, 38 (1), 92-113.
- [3]. Bandura, A. (1997) *Self-Efficacy: The Exercise of Control*. New York: Freeman.
- [4]. Bandura, A. (2005) The Evolution of Social Cognitive Theory. In K.G. Smith & M.A. Hitt (Eds), *Great Minds in Management* (pp. 9-35). Oxford, UK: Oxford University Press
- [5]. Blau, P. (1964) *Exchange and Power in Social Life*. New York: John Wiley.
- [6]. Brett, J.M. (2001) *Negotiating Globally: How to Negotiate Deals, Resolve Disputes, and Make Decisions Across Cultural Boundaries*. San Francisco: Jossey-Bass.
- [7]. Bryman, A. (2001) *Social Research Methods*. Oxford: Oxford Press.
- [8]. Cook, K.S. & Emerson, R.M. (1978) Power, Equity and Commitment in Exchange Networks. *American Sociological Review*, 43: 721-739.
- [9]. Cropanzano, R. & Mitchell, M.S. (2005) Social Exchange Theory: An Interdisciplinary Review: *Journal of Management*, 31(6)874-899.
- [10]. Emerson, R.M. (1976) Social Exchange Theory. *Annual Review Sociology*. (2) 335-362.
- [11]. Frankfort-Nachmias, C. & Machmias, D. (2000) *Research Methods in the Social Sciences*. London: Hodder Education.
- [12]. Garner, B.A. (2016) *Black's law Dictionary*. Texas: Thomson Reuters.
- [13]. Goluder, A.W. (1960) The Norm of Reciprocity. *American Sociological Review*, 25: 161-178.
- [14]. Goodmas, P.S. (1994) An Examination of Referents Used in the Evaluation Pay. *Organizational Behaviour and Human Performance*, 12(2), 170-195.
- [15]. Greenberg, J. (1990) Equity and Workplace Status: A Field Experiment. *Journal of Applied Psychology*. Pp. 606-613.
- [16]. Greenberg, J. (2000) Cognitive Re-Evaluation of Outcomes in Response to Underpayment Inequity. *Academy of Management Review*. Pp. 174-184.
- [17]. Homans, G.C. (1961) *Social Behaviour: Its Elementary Forms*. New York: Harcourt Brace.
- [18]. Kulik, C.T. & Ambrose, M.L. (2009) Personal and Situational Determinants of Referent Choice. *Academy of Management Review*, 17 (2) 212-237.
- [19]. Lerner, M.J. (1980) *The Belief in a Just World: A Fundamental Delusion*. New York: Plenum.
- [20]. Malinowski, B. (1932) *Crime and Custom in Savage Society*. London: Paul, Trench, Trubner.
- [21]. McShane, S.L. & Von Glinow, M.A. (2010) *Organizational Behaviour: Emerging Realities for the Workplace Revolution*.
- [22]. Molm, G.E. (1994) Dependence on Risk: Transforming the Structure of Social Exchange. *Social Psychology Quarterly*, 57: 163-176.
- [23]. Molm, G.E. (2003) Theoretical Comparisons of Forms of Exchange. *Sociological Theory*, 21:1-17.
- [24]. Molm, L.D. (2003) Theoretical Comparisons of Forms of Exchange. *Sociological Theory*, 21: 1-17.
- [25]. Moore, G.E. (2004) *Principia Ethica*. Mineola, New York: Dover Publications.
- [26]. Mouton, J. (2001) *Understanding Social Research*. Pretoria: Van Schaik
- [27]. Porta, D.D. & Keating, M. (2008) *Approaches and Methodologies in the Social Sciences: A Pluralists Perspectives*. New York: Cambridge Press.
- [28]. Robbins, S.P. & Sanghi, S.A. (2010) *Organizational Behaviour*, New Delhi: Prentice-Hall.
- [29]. Robbins, S.P., Judge, T.A. & Vohra, (2010) *Organizational Behaviour*. London: Prentice Hall.
- [30]. Rousseau, D.M. (1995) *Psychological Contracts in Organizations: Understanding Written and Unwritten Agreements*. Thousand Oaks, CA: Sage.
- [31]. Scott, W.E. (2016) The Effect of Extrinsic Rewards on "Intrinsic Motivation": A Critique, *Organizational Behaviour and Human Performance*. Pp.117-119.
- [32]. Shore, L.M. & Coyle-Shapiro, J.A. (2003) New Development in the Employee. Organization Relationship. *Journal of Organizational Behaviour*. 24: 443-450.
- [33]. Walster, E., Walster, G.W. & Scott, W.G. (2000) *Equity: Theory and Research*. Boston: Allyn & Bacon.