

**Organization Management**  
**Prof. Vinayshil Gautam**  
**Department of Management Studies**  
**Indian Institute of Technology, Delhi**

**Module No. # 02**

**Lecture No. # 15**


**Socio – Cultural Dimensions of Work and Behaviour (Contd.)**

We were looking at the Herzberg's hygiene factors theory and of the two independent scales.

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**COMPARISON OF HYGIENE AND MOTIVATORS**

<ul style="list-style-type: none"><li>▪ <b>Hygiene Factors</b></li><li>▪ Company policies</li><li>▪ Supervision</li><li>▪ Work conditions</li><li>▪ Salary</li><li>▪ Relationship with peers</li><li>▪ Status</li><li>▪ Security</li><li>▪ These factors contribute to job dissatisfaction.</li></ul>	<ul style="list-style-type: none"><li>▪ <b>Motivators</b></li><li>▪ Recognition</li><li>▪ Achievement</li><li>▪ Work itself</li><li>▪ Responsibility</li><li>▪ Opportunity for advancement</li><li>▪ Growth</li><li>▪ These factors contribute to job satisfaction.</li></ul>
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Taking this further, if you compare the hygiene and the motivators: let us list what are the hygiene factors: the hygiene factors are company policies, supervision, work condition, salary, relationships with peers, status and security. These factors contribute to job dissatisfaction because these are the factors which impose a structure, which give direction. Basically, human nature resents being directed, but if you have to work together in a collective, you have to have some ground rules. There is no getting away from it, which is why it is so difficult to run a family. The moment you become a family of 2 and you cannot, you can never have a family of 1. This is by definition, a family means trouble. You have to integrate one attitude with another attitude; one preference with another preference. Somebody wants to get up at 6 o'clock in the morning to begin the day; another person wants to begin being the day at 10 o'clock; somebody wants to go to bed at 10 o'clock in the evening; somebody wants to go to bed at 2 o'clock in the evening; somebody believes that light is essential in the room before you can sleep off;

another person believes there should be no light in the room; the issues are, who should close the door; who should open the door or any number - we just have to look within our own family structure to know what a wonderful bedlam it can be. Then, that is coupled with ego - why should not I prevail; why should you prevail; somebody wants the fan on with the AC on; somebody wants just the AC on; somebody wants only the fan on; somebody wants nothing on; somebody believes that you must go to bed in pajamas and proper night clothes; somebody believes you should not go to bed with anything on. How do you bridge all this? Whether you like it or not, there will be hygiene factors, organized life makes it necessary.

So, company policies, supervision, works condition, salary. Now, how do you get a promotion every 3 months; you would not. Then there are the motivators. The motivators are recognition, achievement, work itself, responsibility, opportunity of advancement, growth and these factors contribute to job satisfaction.

Now, job dissatisfaction here is not a phrase, which is used in everyday parlance nor is job satisfaction being used in everyday parlance. It has a special managerial connotation and you need both. So, actually, worker requires a balance between hygiene factors and motivators. Your sociocultural assumptions will help you to come to terms with one or the other or both. Depending upon what sociocultural background you come from, you will say, "This is not the way to do; it cannot be done.

You see there is a difference between a father's house and a workplace. Parental house is not a workplace and a workplace is not a parental house. The ability to distinguish between the two is the essence of making of a good manager. Then of course, if somebody cuts across your path, the nuisance value is released - writing notes, complaining, anonymous letters, organizing, unionization, no limit to it at all. Dysfunctionality: there is a difference between dissatisfaction and dysfunctionality.

In fact, there is a management theory which says that people have to be kept at a calculated level of dissatisfaction, if you want performance. You have to keep people sufficiently below the level of total satisfaction to get performance. Once they get totally satiated, then there is nothing to work for. Now, where is that grand equilibrium? How do you hit that point of balance is again the making of a good manager.

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The slide is titled "McCLELLAND THEORY" in blue text at the top. It contains three bullet points describing the needs for Achievement, Power, and Affiliation. A small logo with the text "MPTPL" is located in the bottom left corner of the slide area, and the number "28" is in the bottom right corner.

- The need for **Achievement**
  - is the drive to accomplish challenging goals.
- The need for **Power**:
  - is the desire to control others; to influence others' behavior according to one's wishes.
- The need for **Affiliation**:
  - is the desire for close relationships with others.

McClelland's theory: As many people would recognize McClelland was known for his motivational theories and achievement. The need for achievement is the drive to accomplish challenging goals, but there is also the need for power; we want power over others. We all want compliance. Who is the sweetest girl, who does exactly as we tell her, but beware, she may not do that after you have married her and vice versa. Who is the ideal husband or ideal potential of a husband, who does exactly what I tell him; beware, he may not be exactly the same after marriage.

The same thing is with the job situation. People are one thing before the interview, another thing after the interview and a third thing after the confirmation. A good management paradigm is to keep all of them at a reasonable level of tenterhooks and to know you keep performing, you stay; you do not keep performing, out you go. These are everyday illustrations, which will help you to understand why there is so much need for power.

Then there is a need for affiliation. This should not be difficult to understand in an Indian environment when every one's affiliation. They would even make movies - we are a family. God knows what that movie is supposed to show, but that is another story, but I am not condemning the concept of a family nor am I praising it, like nothing is to be praised or denounced. I am helping you to understand what affiliation is - the need for bonding the bottom line. Would you love me even when I am not so pretty? The truth

sweetheart is even today you are not very pretty, but you are the only one I have so I keep calling you pretty - insecurity showing. So, affiliation helps you to get over insecurity. People carry this onto a work situation; the leader is supposed to manage it; like everything else, you need a good balance.

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**IMPLICATIONS FOR MANAGEMENT**

People with different needs are motivated differently.

**High need for achievement –**  
High achievers should be given challenging projects with reachable goals. They should be provided frequent feedback. While money is not an important motivator, it is an effective form of feedback.

**High need for affiliation –**  
Employees with a high affiliation need perform best in a cooperative environment.

**High need for power –**  
Management should provide power seekers the opportunity to manage others.

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What is the implication for management? People with different needs are motivated differently. This is very important. Some people will respond to nothing else, but seduction; you work hard I will give you a raise. Some people respond to nothing else, but intimidation; you do that again and I will charge sheet you. Somebody responds to persuasion; do it, come on, you can do it. Some people respond only to flattery. Look at the end of it, there is nobody quite like you. You know it. I know it; will do it. Somebody responds to nothing else, but do not teach me, leave me alone. I will do it. There are as many instruments of intervention as there are types of people. So, how do you know which one to use? You can never read a person fully. Do not be under that illusion.

After you have known a person for years, there is still so much more to know. You are lucky if you can converge on certain degree of predictive validity. You know he goes mad every time, you say you will see him at 5 o'clock and you turn up at 10 past 5. Do not do it. There is always a predictable component in a person. That is another person who if he says will see you at 10 o'clock on Tuesday, you can rest assured he will come at 10 o'clock on Monday, 10 o'clock on Wednesday, but he will never come at 10 o'clock

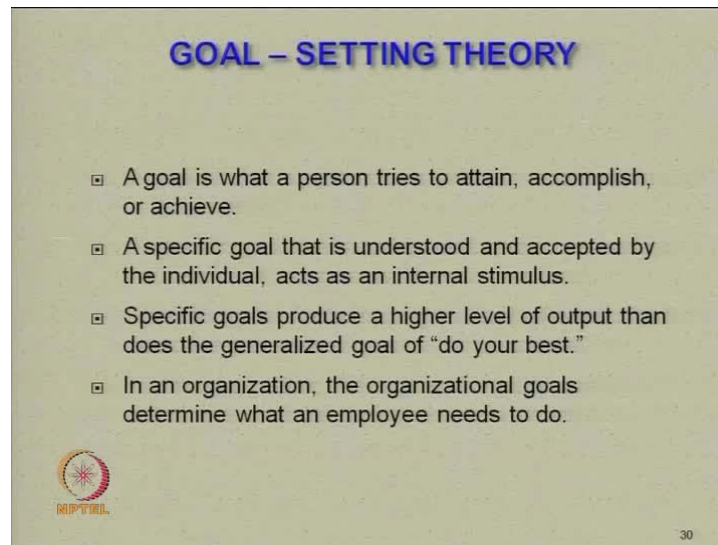
on Tuesday. Read him; if you need him, come to terms with it and if you cannot come to terms, do not deal with him or get thrown out of the relationship. Disengagement is always the ultimate solution, which is why lifelong employment is a myth unless there is congruence between individual goals and organizational goals.

People may be motivated by need for achievement. High achiever should be given challenging projects. They should be provided frequent feedback. While money is not an important motivator, it is an effective form of feedback. It does not mean that people, who go for achievement motivation, do not want money. You are just looking at a hierarchy of what motivates whom. Need for affiliation applies with high affiliation need, to perform best in a cooperative environment. Need for power management should provide power seekers, the opportunity to manage others.

Then there is the theory of [FL]. People who are motivated by [FL] which means lofty ideas; people are motivated by [FL], you know, they want to eat, drink and be merry; people, who are motivated by [FL] activity. So, instruments have been developed where you measure [FL] quotient. People with [FL] will do extremely well in strategic jobs. People with [FL] should be packed off into sales jobs; you do Kanpur, one day, Lucknow, the other day, Bombay, the third day, Madras, the fifth day. They love to travel; hop into an aircraft; get out of it - gives them a great kick. You feed them well; you drive them hard; give them a security job; eat, drink and be merry. When you come to duty, do not apply your mind; apply the rules. You are permitted to enter; you are not permitted to enter. So, there is a role for everyone provided there is a fit.

But if you put a person who enjoys eat, drink and be merry into a strategic planning job. Boy! That is something. Somebody, what is [FL], very active [FL]? That is the word. I cannot be walking you through classical languages, but the root word means who likes activity, likes movement. If you are not a [FL] disoriented person, you cannot be a taxi driver and again nothing wrong with being a taxi driver. It is a perfectly respectable profession. Nothing wrong with a sales job; in fact, the proposition is very simple. There is nothing wrong with anything; provided it suits your temperament, but do you know your temperament? Do you know the temperament of people you are recruiting? Do you have jobs for them? That is the managerial question.

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Achievement, affiliation and power: I have already discussed. I have discussed some of the Indian approaches to placement, there can be more. So, ultimately, we go back to where we began from goal setting theory.

A goal is what a person tries to attain, accomplish or achieve and that is what it is about. An organization exists in fulfillment of its goals. A specific goal that is understood and accepted by individuals acts as an internal stimulus. It works great in the army, in the air force, in the navy. You go out with a specific goal, which serves as a stimulus. You feel great standing up for a cause; otherwise, you cannot be satisfied in the services.

Whereas management is needed there; these are not managerial jobs. You cannot enjoy the teaching profession, unless you are cerebral in character and you believe that most of the people will respond, if you teach them something worthwhile. Who would come to the teaching profession for perks? There are no perks. In the teaching profession what you get in your late fifties, a fresh MBA gets more than that in a multinational corporation, but the kind of work which a fresh MBA does in a multinational corporation for a salary higher than what the teacher is getting at the age of 50 is very different. I am not saying which is better, which is worse and I all along keep emphasizing so that the issues do not get confused.

But rest assured, if it is a good organization nothing comes to you unearned. You will earn so much money and you will have no time to enjoy it in. Remember and I will come

to this later on, there is the principle of a scale. Life is a great balancer; what you gain here; you lose there. The input-output ultimately levels out. Wait, till I get to explaining it.

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Goal is what an individual is trying to accomplish. Goals motivate the individual by directing one's attention, regulating one's effort, increasing one's persistence, encouraging the development of goal attainment strategies or action plan. This leads to task performance which is why there must be a fit between how the organization moves and how the individual believes he should move. If the individual believes it does not matter and the organization is a very achievement oriented organization, very target oriented organization, very focused on achieving double-digit growths every year, obviously, there will be a misfit.

So, this diagram should be able to show how goals motivate the individual and what it has got to do with task performance.

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**INSIGHTS FROM GOAL-SETTING RESEARCH**

- Difficult Goals Lead to Higher Performance.
  - Easy goals produce low effort because the goal is too easy to achieve.
  - Impossible goals ultimately lead to lower performance because people begin to experience failure.
- Specific Difficult Goals Lead to Better Performance
  - Goal specificity pertains to the quantifiability of a goal.
  - However, Specific difficult goals may impair performance on novel, complex tasks when employees do not have clear strategies for solving these types of problems.
- Feedback Enhances The Effect of Specific, Difficult Goals.
  - Goals and feedback should be used together.

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Insights from goal setting research: difficult goals lead to higher performance; easy goals produce low effort because the goal is too easy to achieve. Impossible goals ultimately lead to lower performance because people begin to experience failure. Again goes back to the eternal solution of good management - need for balance. Look before you leap, but he who hesitates is lost. Now, find the truth yourself. This is where you cannot be trained to be a good manager; you grow to be a good manager. What does a classroom or an instructional process do? It gives you the theory, shows you the illustration, teaches you the application, but ultimately, you have to do the learning and it is as good as your capacity to absorb. There is no such thing as a good teacher without a good learner. Any more than there can be no good learner without a good teacher; it is mutually dependent.

There is a beautiful Sanskrit word [FL] means dependent [FL] that is a [FL] combination - mutually interdependent. In Sanskrit, they say it in one word; that is the definition of a good marriage where you are mutually dependent and you grow together. That is the definition of a good job; the job depends upon you; you depend upon the job. You are helping the job to evolve to higher level of efficiency. The job is helping you to evolve to a higher level of efficiency; it is compatibility. Now, where is the balance between the two curves? A question which cannot be answered and a question which will be answered by each practitioner by himself, by his own way, in his own life's context. The



script for one cannot be the script for another. Therefore, research in management is not the same thing as research in physics.

So, you research in physics and you can publish in international journals and international journals will welcome it because the results are as valid in one environment as another. You research in management; the South Asian cultural paradigm would dominate it so much that if you publish it in United States, there will be no readers. It does not make sense to them, which is how the profession grows. What is an international publication in physics will not be an international publication in management because in case of management, the template and the context have to go hand in hand and what works in sociocultural paradigm of India may not work in a sociocultural paradigm of Iceland; something which very few people realize. Not enough people realize this, but realization of or non-realization of a principle does not alter the principle.

The practice of management is forever contextual and ultimately, you will have to understand the environment just as have you have to understand the individual to practice management which is why, a whole specialization in management which is called cultural ergonomics. The word ergonomics is very important because people talk of machine ergonomics that makes sense to them. You talk to them of cultural ergonomics they say this is **blah blah blah**. Now they are proclaiming it **blah blah blah** is something which I can understand because they can only think as far as their training goes. What worries me is, it does havoc to the makings of a good manager and the world needs good managers just as much as it needs good engineers, good medical practitioners, good navy men, good farmers and you name it, they need good people everywhere. It is pointless to say in teaching, you need the best. Do you need anything, but the best in medicine? Do you need anything, but the best in civil service? Then they will say in civil service, you need the best. Therefore, you give them the highest salary. So, each one believes his profession is the best and each one says we must draw the best talent. So, people who are for good civil services and who should not be, would say you need the best people in civil services; they run the country, as if you need anybody less in medicine. All these are social conversation pieces of everyday tete-a-tete. It has got nothing to do with a scientific thought.

The truth is, you need good people everywhere and most professions are essential to run a community. Do you need anything else, but the good people in the services? Would you settle for the second best in the army, in the air force, in the navy? So, where do you get the best; there is no absolute best; you get the best everywhere. I would propose you need the best people in business; otherwise, how does the investment take place, but nature is so ordered that the person who would excel in the services may not excel in business; a person who may excel in teaching may not excel in civil services; a person who excels in civil services may not excel as a researcher and of course, there are a few who would do well in any profession, but such percentage is not very large. So, at the end of day, what is it that I am saying, whether it is a difficult goal which leads to a higher performance or an easy goal, one never knows. It depends upon the kind of person you are dealing with.

Specific difficult goals lead to better performance is a theory, but goal specificity pertains to quantifiability of a goal. However, a specific difficult goal may impair performance on novel, complex tasks when employees do not have clear strategies for solving these types of problems.

There are a lot of people who believe problem solving requires looking for a model elsewhere and imitating it. Very few people have the capacity to drop an innovative solution for an unprecedented problem. Feedback enhances the effect of specific difficult tasks. Goals and feedbacks should be used together.

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The slide is titled "INSIGHTS FROM GOAL-SETTING RESEARCH (CONTINUED)" in blue text. It contains two bullet points:

- Participative Goals, Assigned Goals, and Self-Set Goals Are Equally Effective.  
- Managers should set goals by using a contingency approach.  
Different methods work in different situations.
- Goal Commitment and Monetary Incentives Affect Goal-Setting Outcomes.  
- Difficult goals lead to higher performance when employees are committed to their goals.

In the bottom left corner, there is a logo for "MPTCL" featuring a stylized sun or starburst. In the bottom right corner, the number "33" is visible.

Participative goals, assigned goals and self set goals are equally effective. Different circumstances require different types of goals. **Therefore, to ascribe value** In this organization we are participative; maybe you should not be.

In my organization, all of it is assigned goal; the boss' writ runs. I had a colleague with whom I have worked for a few years, who said my principle in management is very simple. I said tell me. He said the boss is always right. I said brilliant. He said principle number 2. I said tell me. In case of doubt, go back to the first. I said how original do you sound. I see it on all posters. I see it even on tea coasters. Boss is always right or there are so many of these slogans; you find them all over. You go to a household; you find the slogan written there. The views of the husband are not necessarily those of the management here. Many households have it. So, this gentleman proclaimed that his philosophy of life was the boss is always right. In case of doubt, go back to the first one. He kept worshipping the boss; when the time came for extension, he did not get it.

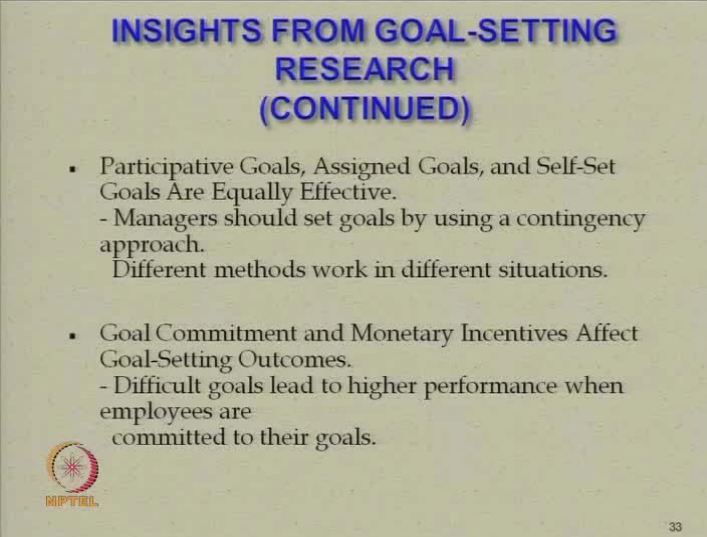
Who said that if you invest in this quotient, you will get that return? That is the whole problem of investment. If you understand any finance, you go on investing; the returns may not come where you had invested. The person, the politician whom you cultivated to stand by you, in time of a political need, lost his portfolio just before your case came up. Now, what you do? - The contingent and the unforeseen.

There is always a chance factor in life and so much in life is simple chance. How much can you program? How much can you predict? You plan your career. I will be a lecturer; I will be a reader; I will be a professor; I will be head of the department; I will be dean; I will be deputy director; I will be acting director; I will be the director. When the time comes for being a director, somebody who has never been the head becomes the director; what do you do? - Chance factor in life. If everything could be programmed, then life would not be life.

Therefore, after you have done your most careful calculation, be prepared for the chance factor to take over. Remember, Napoleon lost Waterloo because his reinforcements arrived just a few minutes late and the battle of Panipat was lost because a stray arrow hit Hemu's eye. What do you do?


Therefore, the business of being a good manager is, if you ask me, do your calculations, keep your ability at observations and interpretations online, keep continuing with practice of management and it may not be very fashionable to say, but I personally believe in it, all managers need a strong dose of spirituality. Let me be very clear what I understand by spirituality. I am not discussing religion not that I have anything against discussing religion. I am not talking rituals not that I have anything against rituals. I am not talking of something because I am not talking of it and my not talking of it is not a judgment. I believe a good manager would need to be physically healthy, intellectually alive and spiritually alert to make it. Most of all, he should be emotionally sensitive and in control. In my way of thinking, emotions are not a dirty word. Nothing ever great was done which was not done with emotional involvement. Yes, excess of emotion becomes bad, but excess of everything becomes bad. You tell me which is excess is good; excess of eating is bad and eating is so essential; excess of sleeping is bad, but sleeping is so essential. There is no tool a priori which is bad or good. It is the way you use it and the moderation with which we use it, which is the essential issue.

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**INSIGHTS FROM GOAL-SETTING RESEARCH (CONTINUED)**

- Participative Goals, Assigned Goals, and Self-Set Goals Are Equally Effective.  
- Managers should set goals by using a contingency approach.  
Different methods work in different situations.
- Goal Commitment and Monetary Incentives Affect Goal-Setting Outcomes.  
- Difficult goals lead to higher performance when employees are committed to their goals.

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It is important to appreciate in life that when opportunities come your way, you should be able to handle it because opportunities come very few and far between. If you miss that opportunity, it is gone forever and it may be your goose that will get cooked, if you do not even have the good sense to understand that somebody is offering an opportunity. People pass up opportunities for many reasons and one is simple lack of interest. They were never trained enough to understand what is an opportunity. They pass off opportunity because they do not have the good sense to train themselves for an opportunity; they pass up an opportunity because they do not understand what the future is going to be like and when you match that with inflated egos, carelessness, lack of attention, you have the perfect recipe of what could be a success or a failure situation, depending upon how you mix these issues.

It is no point blaming others for your own disasters or accusing others of things, which they may or may not be guilty of because they have reached ahead of. You lost your opportunity; somebody else took advantage of it. You could not pay attention; you could not analyze; you did not have the energy, why are you blaming others who have the energy. A batch can have 50 people, 60 people, 100 people, a third of them will never make good and all their family influence and parental influence will not work because what do parental influence and family influence achieve - a good passport that is about all. Ultimately, you have to be on your own ability and no matter how influential you are there are many families far more influential than you - goes back to the same core

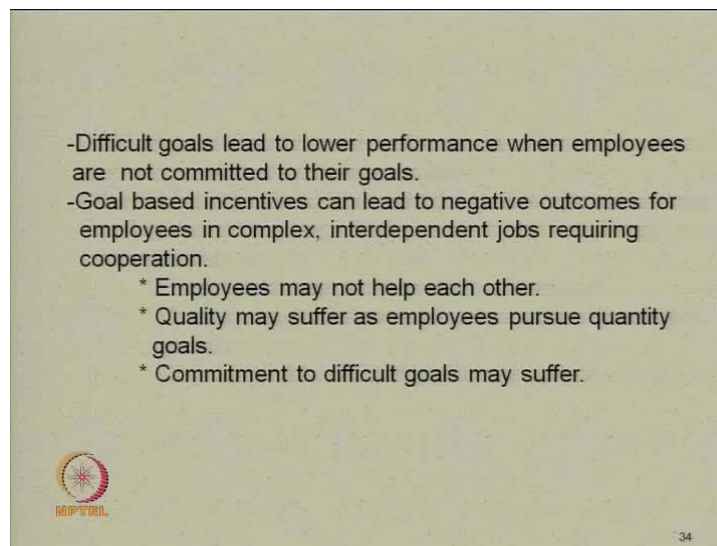
proposition. You cannot talk of motivation, you cannot talk of achievement, you cannot talk of leadership without the bedrock of ability. How you develop that ability is itself socioculturally determined.

It is the examples that you have grown up with, which you will consider models. The smarter man has the ability, again to use that word, arise beyond his normal constraints. This is not operations research, when you assume a constant or you wish away a constraint and then you do simulation and then you say statistically, it is proved. What is so difficult in it? Programming real life is a different order altogether. So, participative goals, assigned goals, self-setting goals all are needed and none of them may work.

Goal commitment and monetary incentives affect goal setting outcomes. Difficult goals lead to higher performance, when employees are committed to their goals and I would like to add to that if they have the good sense to be committed to the right thing.

The world is littered with tragedies of people who could never assess a situation, but then the world itself is not necessarily a place without tragedies - career tragedies, individual tragedies are as widespread as road tragedies, perhaps for similar reasons.

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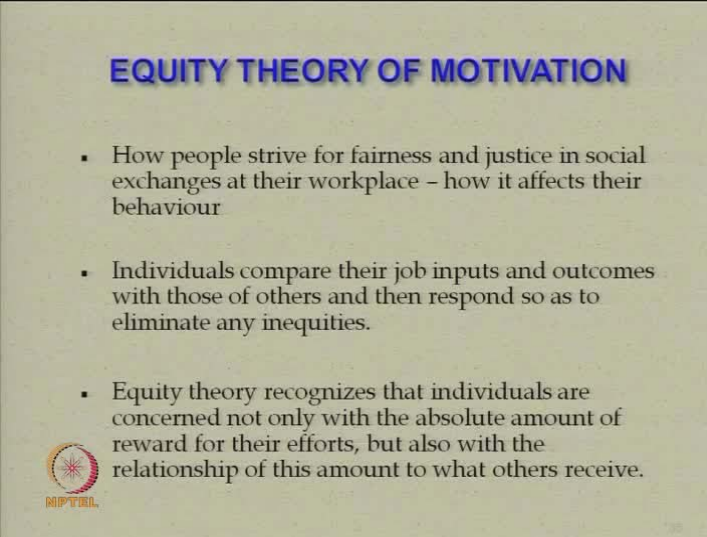
Difficult goals lead to lower performance when employees are not committed to their goals. Goal based incentives can lead to negative outcomes for employees in complex,

interdependent jobs requiring cooperation. Employees may not help each other; quality may suffer.

So, ultimately, team work is important and 1 rotten apple is enough to ruin the whole basket and if the other apples cannot protect themselves, then they deserve to get ruined and this principle applies to human groups. If any human group cannot contain, manage and if need be, eliminate a person, who is disturbing goal achievement of the entire group, deserves to go downhill and down it will go. The principle which I am putting across to you is, there is a collective responsibility, just as much as there is a collective faith.


Ignoring lapses, slurring over people, who are disruptive, condoning the people with no concentration and no attention, destroys teamwork and you cannot run a prince organization on the principle of charity; the organization has to be a well-knit team.

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**EQUITY THEORY OF MOTIVATION**

- How people strive for fairness and justice in social exchanges at their workplace – how it affects their behaviour
- Individuals compare their job inputs and outcomes with those of others and then respond so as to eliminate any inequities.
- Equity theory recognizes that individuals are concerned not only with the absolute amount of reward for their efforts, but also with the relationship of this amount to what others receive.

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Then there is equity theory of motivation. People strive for fairness and justice in a social exchange at their workplace and how it affects behaviour, but people do not focus on their preparation to accept responsibility and this may be the missing argument, which may work to the undoing of many organizations. Everyone wants his right; everyone wants fairness to him. How about his practicing fairness to everything else? Is he fair as a subordinate? Is he fair in a learning situation? Is he fair in his discharge of duties? Why must fairness come only from top to bottom and not from bottom to up? It is merely

because it is fashionable for the underdog to complain. Fairness as a principle has to be universal in character. Everyone has to be fair. The security man is not fair if he dozes off on job and he cannot say, "I am a poor man, I am tired." What is the risk he is exposing, to everyone who is affected by his lapse and yet, it is precisely this oversight which disrupts organizational functioning and then when disaster strikes, it hits the headlines.


All organizations, all groups, all collectives will have to guard against white ants and I am personally of the opinion that systems should be created to have indicators or what makes one a white ant and systems may be created to eliminate them and throw them out of the system; charity or oversight does not work.

If equity and fairness is to be practiced, it has to be practiced breathlessly and it applies to everyone. Equity cannot be selective. Individuals compare the job inputs and outcomes with those of others and then respond so as to eliminate any inequities. Equity theory recognizes that individuals are concerned not only with absolute amount of rewards for their efforts, but also with the relationship of this amount to what others receive. You see pleasure is not having a 100 rupee in your pocket; pleasure is the realization that I have a 100 rupee in my pocket, but you do not have a 100 rupee in your pocket. So, you have to understand equity in all its senses.

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**NEGATIVE AND POSITIVE INEQUITY**

- An Equitable Situation
  - Comparison in which another person's ratio of outcomes to inputs is equal to your outcome to input ratio
  - Example: Self = \$2 = \$2 per hour vs. Other = \$4 = \$2 per hour  
1 hour                      2 hours

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Then there is a negative and positive inequity. An equitable situation is comparison in which another person's ratio of outcomes to inputs is equal to your outcomes to input ratio. This example speaks for itself and you can see the effort which is being put in here and the effort which is being put in here. How do you expect rewards more than your effort and if you claim it in the name of equity, you have destroyed the organization. The amazing thing is a lot of people get rewarded for their nuisance value and the organization never recovers, but any organization which rewards nuisance value, it gets there because the right minded people who are earning their livelihood do not stand up to stamp this out. Theory of convenience never made careers and theory of convenience had even bigger problems in running effective organizations.

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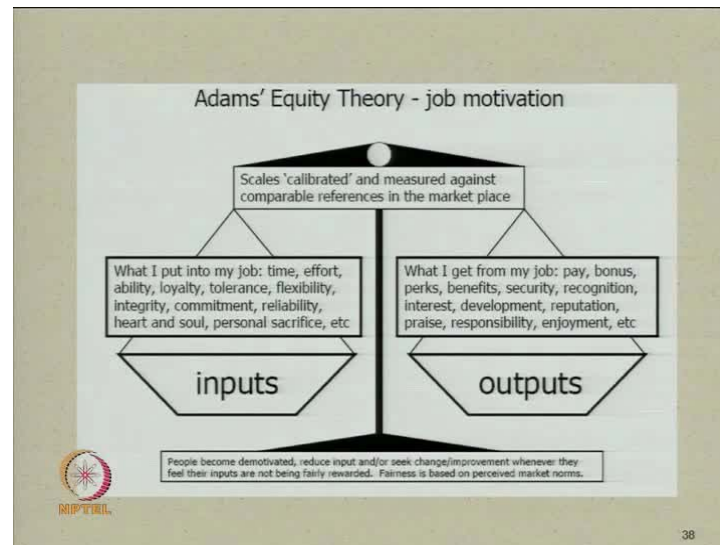
<p>■ Negative Inequity</p> <p>- Comparison in which another person receives greater outcomes for similar inputs</p> <p>- Example: Self = \$2 = \$2 per hour vs. Other = \$3 = \$3 per hour</p>	
1 hour	1 hour
<p>■ Positive Inequity</p> <p>- Comparison in which another person receives lesser outcomes for similar inputs</p> <p>- Example: Self = \$3 = \$3 per hour vs. Other = \$2 = \$2 per hour</p>	
1 hour	1 hour



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You will notice here, negative inequity is again defined in statistical terms and in terms of computation of wages. I would like you to read the calculations for negative equity just as I would want you to read the calculations for positive inequity. If you want to understand negative inequity, get this equation right. Self equals to 2 dollars equals to 2 dollars per hour versus others - 3 dollars equals to 3 dollars per hour. Therefore, it is 1 hour and 1 hour; it is negative inequity, but positive inequity is example of 3 dollars equals 3 dollars per hour versus 2 dollars equals 2 dollars per hour. What is this 2 dollars?

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Finally, Adam's equity theory of job motivation, where inputs have to balance outputs: I was referring to this a little while ago and this is very important. The scales calibrated and measured against comparable references to the marketplace. What I put into my job time, effort, ability, loyalty, tolerance, flexibility, integrity, commitment, reliability, heart and soul, personal sacrifice has to be balanced by outputs; what I get from my job pay, bonus, perks, benefits, security, recognition, interest, development, reputation, praise, responsibility, enjoyment and it is organization's responsibility to make sure people are compensated as per their inputs.

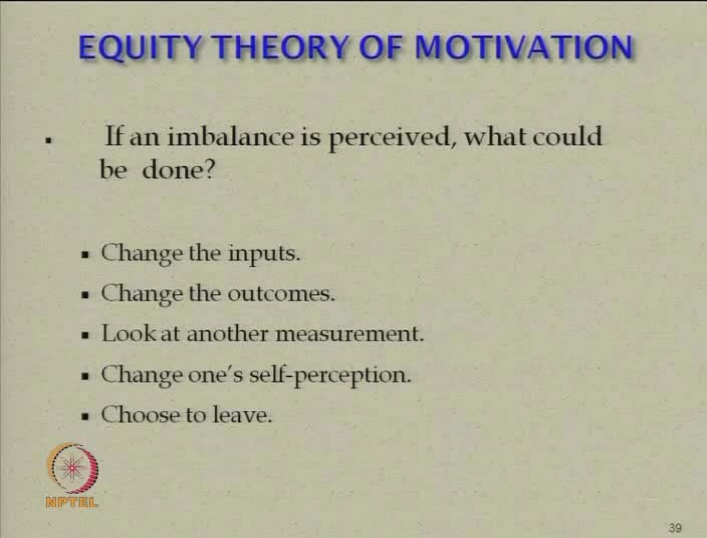
Kautilyan's Arthashastra, several centuries ago propounded a very simple law of wages which he equated to effort and worth and that principle stands scrutiny even today.

As we conclude our discussion on sociocultural variables and concerns of work and behaviour, I would like to submit very simply that there are classical considerations on balancing sociocultural factors with result oriented work and behavior. You cannot use sociocultural arguments to gain more mileage of advantage because that will cause its own dissatisfaction. I was talking of fairness - the system of evaluation must be fair and the yardstick is what is it that you are bringing to the job and how is it that you are performing the job, which is what makes the principle of performance appraisal critical to management of affairs.

People become demotivated, reduce input or seek change, improvement whenever they feel their inputs are not being fairly rewarded and the advantage which you get by ignoring a bad worker, who is disruptive, is more than lost, by the demotivation it causes amongst good workers, who are putting their best foot forward.


It is for you as a leader to recognize this and run the system with fairness and equity.

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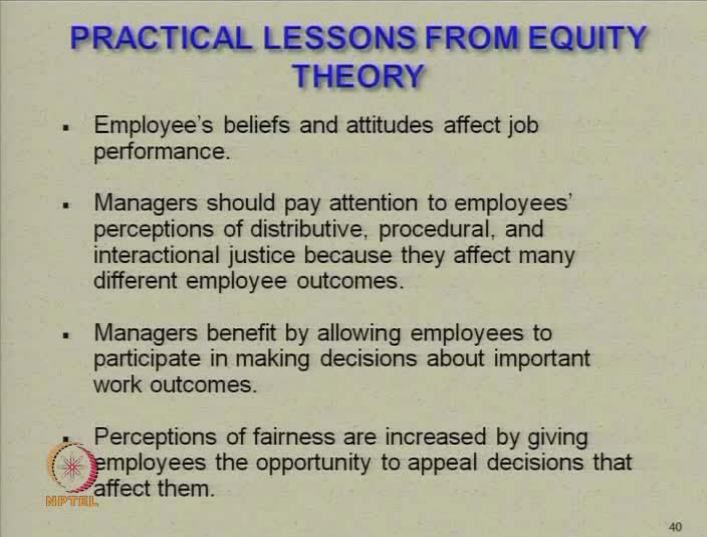
**EQUITY THEORY OF MOTIVATION**

- If an imbalance is perceived, what could be done?
  - Change the inputs.
  - Change the outcomes.
  - Look at another measurement.
  - Change one's self-perception.
  - Choose to leave.

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Therefore, what is the equity theory of motivation? If an imbalance is perceived, what could be done and these are the solutions: change the inputs, change the outcomes, look at another measurement, change one's self-perception, choose to leave and choosing to leave is always a choice. That is the nearest option, but short of leaving what could you do. Remember, like every other aspect, this topic has to be discussed from the sense of problem-solving and decision-making in terms of interventions.

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**PRACTICAL LESSONS FROM EQUITY THEORY**

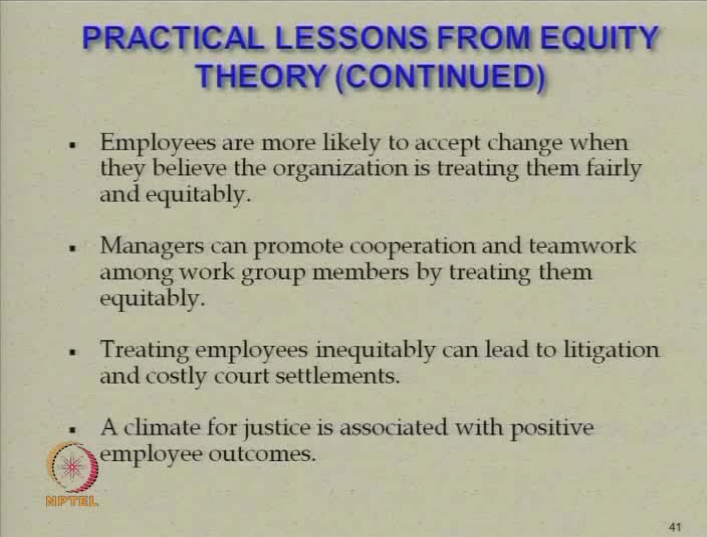
- Employee's beliefs and attitudes affect job performance.
- Managers should pay attention to employees' perceptions of distributive, procedural, and interactional justice because they affect many different employee outcomes.
- Managers benefit by allowing employees to participate in making decisions about important work outcomes.
- Perceptions of fairness are increased by giving employees the opportunity to appeal decisions that affect them.

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Practical lessons from equity theory are employees' beliefs and attitudes affect job performance. Managers should pay attention to employees' perceptions of distributive, procedural and interactional justice. This is very important and as we conclude, this is one of the takeaways which you should have from this presentation. Managers should pay attention to employees' perceptions of distributive, procedural and interactional justice because this may affect many different employee outcomes. A lot of them are not even being adequately recognized.


Managers benefit by allowing employees to participate in making decisions about important work outcomes after a suitable preparation. Perceptions of fairness are increased by giving employees, the opportunity to appeal decisions that affect them.

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**PRACTICAL LESSONS FROM EQUITY THEORY (CONTINUED)**

- Employees are more likely to accept change when they believe the organization is treating them fairly and equitably.
- Managers can promote cooperation and teamwork among work group members by treating them equitably.
- Treating employees inequitably can lead to litigation and costly court settlements.
- A climate for justice is associated with positive employee outcomes.

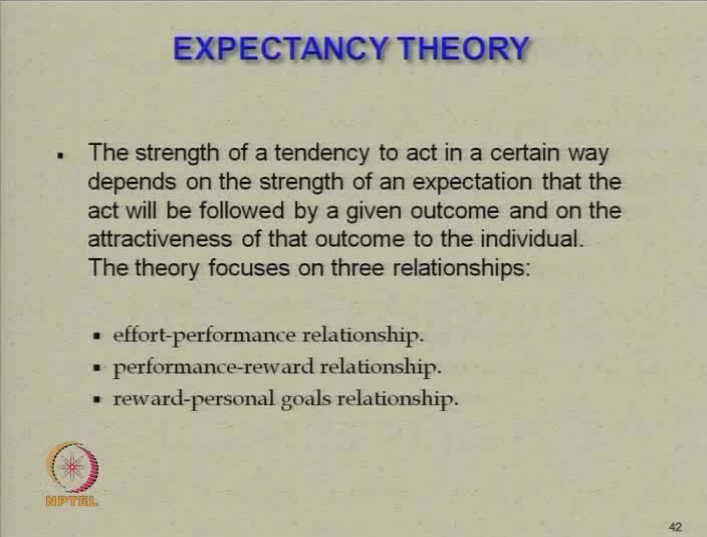
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Employees are more likely to accept change when they believe the organization is treating them fairly and equitably. Managers can promote cooperation and mind you, there will be people fighting against it because cliques and factions survive in creating an unfair situation because that is how their cliques' grow and the bigger tragedy may be that people do not appreciate equity, when it is practiced. Alas, this is a truism from field work on organizations because each one expects a special treatment not a fair treatment. Therefore, they tend to gravitate towards the cliques and factions, but again the same argument which appraise to dishonesty, honesty debate. You can run an organization on basis of cliques and factions, but in the long run it is going to destroy the organization and whereas, in the short run people may not appreciate fairness as much as they should because they all want disproportionate advantages. Again in the long run, that is what survives. So, it is a question of whether you have a short term vision of the growth of the organization or a long term vision of the growth of the organization.


A climate for justice associated with positive employee outcomes.

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**EXPECTANCY THEORY**

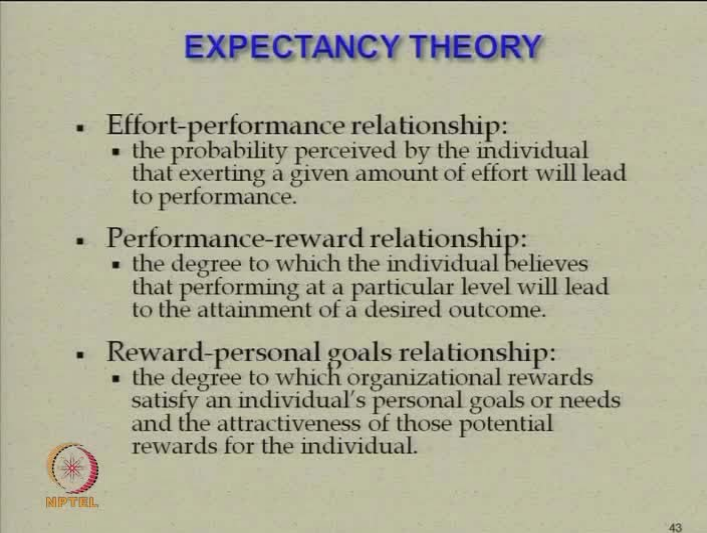
- The strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual. The theory focuses on three relationships:
  - effort-performance relationship.
  - performance-reward relationship.
  - reward-personal goals relationship.

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Then there is the expectancy theory: the strength of a tendency to act in a certain way depends upon the strength of expectation that the act will be followed with a given outcome - that is, expectancy. If I do well, I will be rewarded. If I do not perform sensibly, I will be punished and that should be an inexorable logic.


There should be effort-performance relationship, performance-reward relationship, reward-personal goals relationship. These are 3 very valid principles of organization management which arise from the sociocultural factors of work and behaviour.

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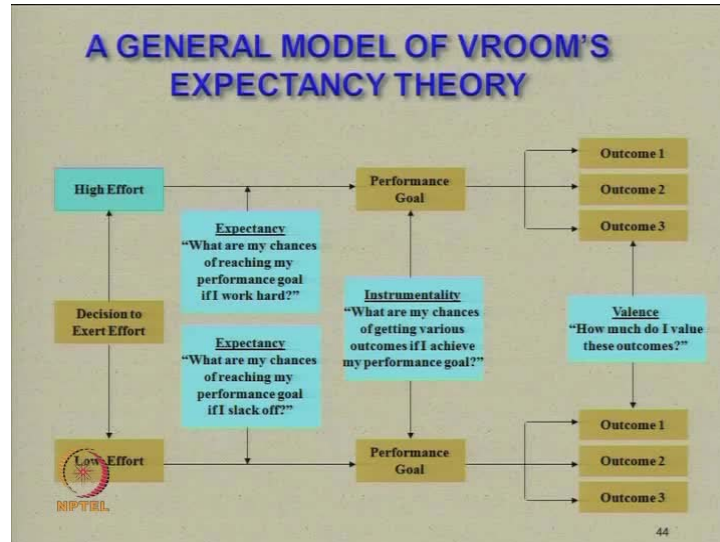
**EXPECTANCY THEORY**

- **Effort-performance relationship:**
  - the probability perceived by the individual that exerting a given amount of effort will lead to performance.
- **Performance-reward relationship:**
  - the degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome.
- **Reward-personal goals relationship:**
  - the degree to which organizational rewards satisfy an individual's personal goals or needs and the attractiveness of those potential rewards for the individual.

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Expectancy theory talks of effort-performance relationship, performance-reward relationship, as I just mentioned and reward-personal relationship.

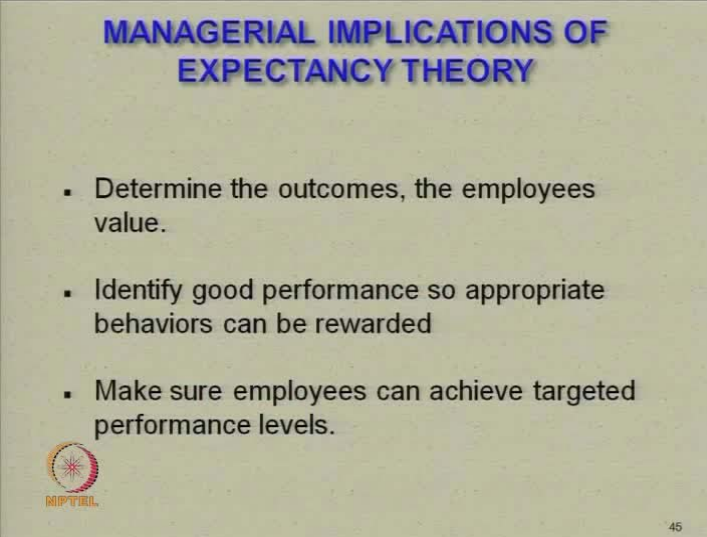
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This is a general model of Vroom's expectancy theory where you have got high effort, decision to exert effort, low effort, expectancy - what are my chances of reaching my goals performance, if I work hard; expectancy - what are my chances of reaching my performance goals, if I slack off; these 2 questions have to be answered.


There are performance goals. There are instrumentalities and the instrumentalities are, what are my chances of getting various outcomes, if I achieve by performance goal. So, outcomes valence - how much do I value these outcomes and this is the model which should be the basis of running an organization based on a sensitive understanding of sociocultural variables.

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**MANAGERIAL IMPLICATIONS OF EXPECTANCY THEORY**

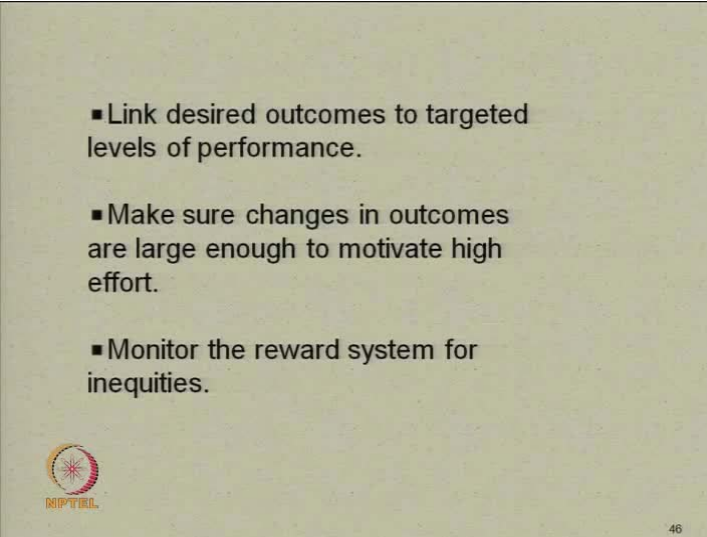
- Determine the outcomes, the employees value.
- Identify good performance so appropriate behaviors can be rewarded
- Make sure employees can achieve targeted performance levels.

 MPTVLL


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Determine the outcomes, identify the good performance and make sure the employees achieve targeted performance levels.

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- Link desired outcomes to targeted levels of performance.
- Make sure changes in outcomes are large enough to motivate high effort.
- Monitor the reward system for inequities.

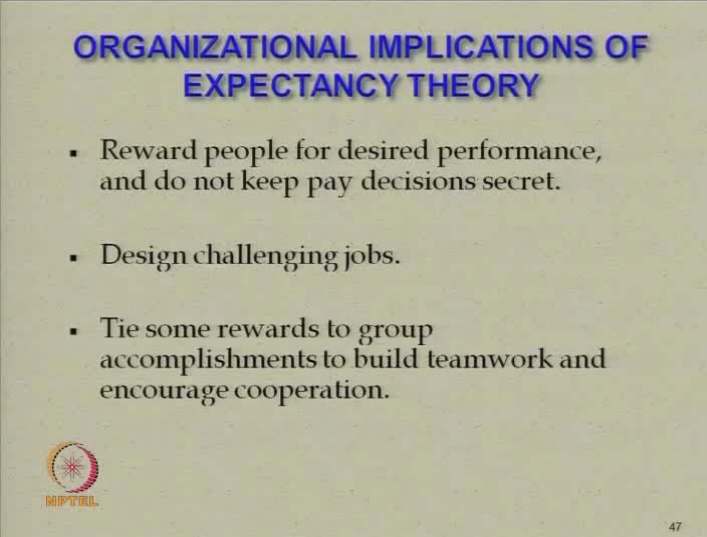
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Link desired outcomes to targeted levels; make sure changes in the outcomes are large enough and monitor the reward system for inequities. These are operational methods of enabling the system to work.




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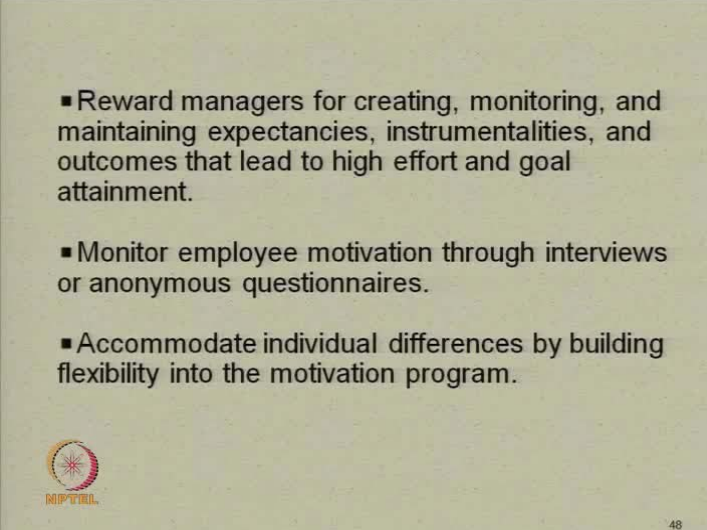
**ORGANIZATIONAL IMPLICATIONS OF  
EXPECTANCY THEORY**

- Reward people for desired performance, and do not keep pay decisions secret.
- Design challenging jobs.
- Tie some rewards to group accomplishments to build teamwork and encourage cooperation.


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Organizational implications affect the theory which means, ultimately, you have to design challenging jobs; you have to tie some rewards to the group, reward people for desired performance and do not keep pay decisions secret. So, practical takeaways into what a manager needs to know, reward managers for creating, monitoring, maintaining expectancies. Monitor employee's motivation; accommodate individual differences by building flexibility into the motivation program.

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- Reward managers for creating, monitoring, and maintaining expectancies, instrumentalities, and outcomes that lead to high effort and goal attainment.
- Monitor employee motivation through interviews or anonymous questionnaires.
- Accommodate individual differences by building flexibility into the motivation program.

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This means you can build bridges between sociocultural variables and variables of work and behaviour with the tools, which I have just outlined. I hope some of this will have practical utility for you in your practice of the craft of management.

Thank you.