

# ORGANIZATIONAL BEHAVIOUR

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Learning Outcome 2 and 3

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# Equity Theory

- This theory puts forward the view that employees make comparisons of their job inputs ( effort, experience, education and competence) and the outcomes (salary levels, raises and recognition) and compare this to other persons.
- We compare our output –input ratio to that of other persons.
- If we compare ourselves to others who we believe are at the same level then a state of equity exists.

# The equity Theory

- We compare ourselves against other persons using a four tier approach:
- Self inside-This is where the employee makes comparison to how he/she sees herself growing in the organization in different positions.

# The equity Theory

- Self Outside – The employee makes comparisons with his/herself in a position outside of the organization. For example another position outside the organization.
- Other inside- The employee makes a comparison to another individual or group inside the employees organization.

# The equity Theory

- Other-outside

This is where the employee compares him/herself to another person or group outside the organization.

The employee referring to others, is based on the premise that the employee may have information on the other persons.

# The equity Theory

- Women may compare themselves against women in the same category /higher or lower.
- There may be cross-comparisons across gender.
- The comparisons that take place may also be triggered by the length of time working with the organization and visa versa.

# The equity theory

- The comparisons may lead the employee
  1. Change their inputs ( they may not exert much effort).
  2. Change their outcomes(they may work even harder).
  3. Change how they perceive themselves( employees may change their perception of self to work even harder).
  4. Distort their perception of others( they may downgrade their perception of the jobs held by other persons).
  5. Choose to refer to someone else.
  6. They may end up resigning.

# The equity Theory

- The theory has made a number of propositions concerning inequitable pay:
  1. Given payment based on the time that is put in the job over rewarded employees will produce more than persons who receive equitable pay.
  2. Payment due to the quantity of production, over rewarded employees will produce fewer but higher quality units than will equitably paid employees.

# The equity Theory

- Payment by time, employees will produce less if they are under rewarded or the quality of the output will be significantly reduced.
- Payment by the quantity of production, under-rewarded employees will produce a large number of low quality units.

# The Implications for Management

- Managers are to be more aware of how motivation affects performance. Motivation is invariably linked to a number of factors in an organization and as such the following needs to be considered:-
- The employee benefits package to include retirement plans, vacations bonus plans etc. Although this is expensive organizations need to focus on this as a means of motivating staff to get results. This results in increased security for the employee and them not have to worry about out of pocket expenses that come about as a result of a job without a benefits package.

# The Implications for Management

- An employee benefits package is another way of reducing turnover and attracting the best performing employees.
- Providing flexible work schedules is important for keeping workers motivated because it gives workers greater levels of flexibility.

# The Implications for Management

- Management needs to provide employees with adequate job related experiences to encourage growth and learning.
- The implementation of new technologies in the work place that will stimulate worker motivation.
- (Draft and Noe, 2001)

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# Emotional intelligence

- This refers to one's ability to identify and manage emotional cues and information.
- The five dimensions of emotional intelligence are:
- Self Awareness- Being aware of what you are feeling,
- Self Management- The ability to manage your own emotions and the impulses that you feel.
- Self Motivation- The ability to persist in the face of setbacks (Robbins, 2005).

# Emotional intelligence

- Empathy: The ability to sense how others are feeling.
- Social Skills: The ability to manage the emotions of others. (Robbins, 2005)
- The implications of emotional intelligence is that it has an impact on decision making, motivation, leadership and interpersonal conflict.

# Emotional Intelligence

- Decision making:
- People will make different choices depending on their emotions that they are feeling at a given moment in time. When people are angry about a situation they may make poor choices in comparison to if they were feeling calm. (Robbins, 2005).
- Negative emotions can lead to limited thought as it relates to the search for meaningful alternatives. On the other hand positive emotions greater problem solving.

# Emotional Intelligence

## Motivation

People's emotions are generally concentrated in how motivated they feel. People who are highly motivated generally demonstrate a high level of integration in the jobs that they will perform. In other words they are emotionally connected to their jobs.

# Emotional Intelligence

- Leadership
- Leaders with a high level of emotional intelligence may be able to energize their subordinates, get them to look at their jobs optimistically and help their subordinates to enjoy their jobs.
- Leaders always seek employees to buy into the companies vision, and as such a degree of emotional intelligence aids in making the vision appealing and doable for employees. (Robbins, 2005).

# Emotional Intelligence

- Interpersonal conflict
- Conflict management is yet another important facet of emotional intelligence. The ability of a leader/manager to control this type of behaviour leads to greater harmony and productivity within the organization. (Robbins, 2005).

# Task Leadership

- Task-Oriented Leadership Theory
- This theory proposes that the leader is predominantly concerned with accomplishing the tasks of the organization. He/she is motivated by the drive or desire to accomplish the tasks. The task-oriented leader is involved in the creation of policies and procedures, informs subordinates of these procedures and develops ways for evaluating successful employee performance.

# Task Leadership

- Task-oriented leaders may organize their time around a schedule of events in an organization or the needs that are to be accomplished.

# Relationship- Oriented Leadership

- Relationship-Oriented Leadership Theory
- Relationship-oriented leadership theory describes a leader who uses a high level of emotional intelligence in relating to the varied personalities. This type of leader chiefly motivated by and concerned with her interactions with people. Relationship-oriented leaders often act as mentors and coaches to their subordinates.

# Relationship- Oriented Leadership

- They schedule time to talk with employees and incorporate their feedback into decisions. They also often try to make the work experience enjoyable and attempt to foster a harmonious working relationship with persons.

# Distinction between work groups and teams

- A work group is a group of persons who come together primarily to make decisions and help each other to perform in their respective areas.
- A work team in contrast is a group of persons that generate positive synergies through efforts that are co-ordinated. The effort exhibited by the team is greater than that exhibited by individual contributions. ( Robbins, 2005)

# Distinction between a group and team

Group	Team
Has a designated or strong leader	Shares or rotates leadership roles
Individual accountability	Individual and mutual accountability
Identical purpose for the group and the organization	Specific team vision or purpose
Runs efficient meetings	Meetings encouraged open ended discussion
Influence indirectly on the business	Influence through collective work
Discusses and delegates work to individuals	Discusses, decides and shares work

# Different types of organizational teams

- Use the next few minutes to brainstorm the differences between the following types of teams:
- Problem solving teams
- Cross functional teams
- Virtual teams

# Problem Solving Teams

- This is a group of approximately 5-20 hourly paid workers who come from the same department and join together for a few hours in order to discuss ways in which they can improve the quality of the outputs and how they can operate more efficiently. Through meetings that are held they offer suggestions for forms of improvement. (Robbins, 2005).

# Cross Functional Teams

- A cross functional team is one which comprises of employees who come from varied functional areas. This gives persons the opportunity that they would not normally have to come together and solve problems and co-ordinate or merge tasks as the need requires. (Robbins, 2005). This type of team is very diverse and can also be very complex in terms of how it is arranged. Building trust and co-operation within this type of team structure may take some time based on the persons in the group or even the culture.

# Virtual Teams

- This type of team uses computer technology as a means of grouping persons who may be in more than one geographical location. They communicate through an online forum using video conferencing and email as a means of collaboration. (Robbins, 2005)

# Virtual Teams

- Virtual teams perform in the same or similar fashion to regular teams but the difference is that they work from different locations.
- Verbal and non verbal queues may be intonated differently. This means that face to face meetings there is a higher probability of using hand movements and gestures and tone to express thoughts and ideas. However in virtual teams this may not be the case.

# Virtual Teams

- The virtual team has the ability to overcome time and space constraints by being able to meet irrespective of their geographical time zones or location.
- There is a limited social context for virtual teams in comparison to virtual teams. In other words virtual teams are more task oriented and gravitate less to each other from a social standpoint. (Robbins, 2005)

# Self Managed Work Teams

- These are teams of 10-15 persons who perform highly related or interdependent jobs who take on the roles of their former supervisors( Robbins, 2005). This includes the scheduling of tasks and assigning of tasks to team members. This type of team takes collective control over the pace of work (Robbins, 2005)