

THE SELF AS PREDICTOR OF EQUITY COMPARISON AND JOB  
SATISFACTION

BY

IDAYAT BOLARINWA ADANIJO  
B. Ed. Biology (Benin)  
M.Sc. Psychology (Ibadan)

A THESIS IN THE DEPARTMENT OF PSYCHOLOGY

Submitted to the Faculty of the Social Sciences in partial  
fulfilment of the requirements

For the Degree of

DOCTOR OF PHILOSOPHY

UNIVERSITY OF IBADAN

September, 1987.

ABSTRACT

Perhaps one of the most unresearched subjects is the impact of the self on employees' perceptions of and reactions to inequity (Locke, 1976; Mowday, 1979; Brockner, 1985). Therefore the purpose of this research is to investigate the influence of the self on equity comparisons and job satisfaction.

The self variables in this study are the general and work-related aspects of the self; self-esteem, competence, ability and influence. Equity comparisons refer to: (1) the degree of equity perceived relative to others outside (POOEQ) or the self outside the organization (PSOEQ), (2) the kind of comparative referents selected in making pay equity evaluations (e.g. self or others inside or outside the organization). Questionnaires were used to collect data from 550 employees from 11 banks (275 bank workers) and 6 ministries (275 Government workers) in Ibadan. Sixty-six percent were males while thirty-four percent of the respondents were females. Their average age was 39.9 years and their median educational level was high school certificate or its equivalent.

Results of a series of hierarchical multiple regression analyses showed that as expected, competence thema and influence showed significant positive association with perceived self-outside and other-outside equity. Unexpectedly, self-esteem and ability showed negative relationship with perceived equity states. However, further analysis revealed that although both low self-esteem and ability groups made relatively more favourable evaluations, on the average, low and high self-esteem or ability groups all made equitable comparisons.

Expectedly, the self variables (except ability) showed significant positive associations with job satisfaction. An interesting finding was that this self variable set accounted for 25% ( $P < .001$ ) of the total variance in job satisfaction, with competence thema accounting for 16% ( $P < .001$ ). This is remarkable considering the little attention the self variable has been given in previous studies. Also consistent with expectations, both POOEQ and PSOEQ showed significant positive relationships with job satisfaction. In addition, the results showed that the comparison of many job outcomes have cumulative effect. Individuals who feel relatively more disadvantaged on many job outcomes exhibit less satisfaction than those who feel more advantaged on many jobs. Also, employees who used few



referents for pay equity evaluations tended to make more favourable equity comparisons than those who used multiple referents.

A series of 2 x 2 ANOVA revealed that employees who used self referents for pay evaluations are those who exhibit higher self-esteem and influence than those who used other referents. Also, individuals who used outside referents scored higher on ability and self-esteem than those who used inside referents. Stepwise multiple discriminant analysis showed that the most important predictors of referents' selection were competence theme and job tenure.

Finally, path analysis results suggested that consistent with the proposed model of association, the self exerted direct influences on both perceived equity and job satisfaction, and an indirect influence on job satisfaction through relationships with perceived equity. It was concluded that in order to enhance employees' affective responses to work, organizations must strive to satisfy employees' implicit needs by providing rewards (motivation) which constantly give them ample opportunities to fulfill those perceived characteristics of the self.



## ACKNOWLEDGEMENT

It is impossible to have carried out this kind of research work without being indebted to an endless list of people.

In particular, I wish to express my sincere gratitude to my supervisor, Professor D.C.E. Ugwueybu for his meticulous supervision of this research, advice and concern for my welfare throughout my postgraduate work. He also initiated me into the academic profession.

For their assistance and helpful comments at different stages of this thesis, my thanks go to Dr. Mark Anwuorah, Dr. J. Y. Opoku and Mr. Oyejese. My thanks also go to other members of staff; Dr. D. Uguru-Okorie, Dr. E. S. Shittu, Dr. Madau and Mr. A. Badejo for providing a warm and stimulating environment in which to work.

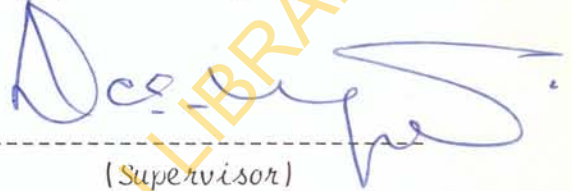
I am indebted to my friends; Retta Tobi, Gladys Aghoghobia, Tosan Ejueyitchie, Tomi Olatunji, Mrs. Abi Atanda and Julie Dickson who have helped in different ways at different stages of this research. My sister Bunmi and brother, Jabbar have also been of immense help. My thanks to Mr. Sali Isu who sent me some

important articles from the U.S. and Dr. Abumere who helped with the computer work. I would also like to acknowledge Mrs. T. O. Ejueyitchie for her motherly love and concern and also to Mr. Tunde King for his concern and encouragement.

Love and gratitude to my most loving parents, brothers and sisters who have given me moral support throughout my academic pursuit - they have been wonderful. A special note of appreciation is also due to my in-laws, the Udegbes and Mr. O. Ajayi and family for their concern. Finally, I wish to acknowledge my husband, Mr. Joe Udegbe, for his love, encouragement, support, patience and for being my 'self-appointed supervisor'.

CERTIFICATION

I certify that this work was carried out by  
Idayat Bolarinwa Adanijo  
in the Department of Psychology, University of Ibadan.



(Supervisor)

D.C.E. Ugwuegbu, B.A., M.A. (Wayne  
State University, Detroit, Michigan)  
Ph.D. (Kent State University, Ohio)  
Professor and Head, Department of  
Psychology,  
University of Ibadan,  
Ibadan, Nigeria.

September, 1987.



DEDICATION

To the glory of God

and

To my husband, Joe  
for being wonderful  
and always loving.

UNIVERSITY OF IBADAN LIBRARY

C O N T E N T S

	<u>PAGE</u>
<i>Title</i> .. .. .	<i>i</i>
<i>Abstract</i> .. .. .	<i>ii</i>
<i>Acknowledgement</i> .. .. .	<i>v</i>
<i>Certification</i> .. .. .	<i>vii</i>
<i>Dedication</i> .. .. .	<i>viii</i>
<i>Contents</i> .. .. .	<i>ix</i>
<i>List of Tables</i> .. .. .	<i>xii</i>
<i>List of Figures</i> .. .. .	<i>xiii</i>
 <i>CHAPTER ONE</i>	
<i>INTRODUCTION</i> .. .. .	<i>1</i>
1.1 <i>Purpose and relevance of study</i> .. .. .	<i>14</i>
 <i>CHAPTER TWO</i>	
<i>THEORETICAL BACKGROUND AND REVIEWS OF LITERATURE</i> .. .. .	
2.1 <i>The Self</i> .. .. .	<i>19</i>
2.1:1 <i>Definitions and Descriptions</i> .. .. .	<i>19</i>
2.1:2 <i>Theories of the self</i> .. .. .	<i>23</i>
2.1:3 <i>The development of the consciousness of self</i> .. .. .	<i>29</i>
2.1:4 <i>Symbolic Interactionism: The Social World and the Self within it.</i> .. .. .	<i>31</i>
2.1:5 <i>The Characteristics of the self</i> .. .. .	<i>32</i>
2.2 <i>Early Social Comparison theories</i> .. .. .	<i>36</i>
2.3 <i>Equity theory</i> .. .. .	<i>39</i>
2.4 <i>Job Satisfaction</i> .. .. .	<i>42</i>
2.4:1 <i>Job Satisfaction and Process theories</i> .. .. .	<i>43</i>
2.5 <i>Review of related studies</i> .. .. .	<i>48</i>
2.6 <i>Objectives of the study</i> .. .. .	<i>75</i>
2.7 <i>Hypotheses</i> .. .. .	<i>77</i>
2.8 <i>Operational Definition of terms</i> .. .. .	<i>80</i>





	PAGE
5.2 Conclusion .. .. .	145
5.2:1 Implications of the study .. .. .	148
REFERENCES .. .. .	152
APPENDICES	
APPENDIX A Job Perception Research Questionnaire .. .. .	166
APPENDIX B Factor matrix for sense of competence items .. .. .	166
APPENDIX C Factor matrix for items of Job satisfaction .. .. .	176
APPENDIX D Median ranks assigned to job factors .. .. .	177
APPENDIX E Breakdown of return rate for each of the banks sampled .. .. .	179
APPENDIX F Breakdown of return rate for each of the ministries sampled. .. .. .	180

## TABLES

1. Means, Standard Deviations and Intercorrelations of all Variables for the Total Sample.
2. Intercorrelations among all variables for the Government and Bank Samples.
3. Regression of Perceived self-*outside* Equity (PSOE<sub>E</sub>) on the Predictor Variables.
4. Regression of perceived other-*outside* Equity (POOE<sub>E</sub>) on the predictor variables.
5. Regression of Job satisfaction on the predictor variable.
6. Summary on Two-way ANOVA for competence Thema, Ability, Influence, and Self-Esteem for Referent Selection.
7. Mean scores for inside/*outside* and other/*self* Referents selection on competence Thema, Ability, Influence and Self-Esteem.
8. Significant Discriminant Functions of the Predictor variables of Referent selection.
9. Incremental variance in criterion variables accounted for by the Predictor Variable.

LIST OF FIGURES

1.	<i>A perceptual view of the self and its environment</i>	. . . . .	25
2.	<i>Schematic model of associations between variables</i>	. . . . .	76
3.	<i>Mean ratings on competence theme: Inside/outside by self/other referents' interaction</i>	. . . . .	119
4.	<i>Path diagram specifying the effects of self-variables on Perceived Equity and Job satisfaction for the Total Sample</i>		125
5.	<i>Path diagram specifying the effect of self-variables on Perceived Equity and Job satisfaction for the Government sample</i>	. . . . .	128
6.	<i>Path diagram specifying the effects of self-variables on Perceived Equity and Job satisfaction for the Bank Sample</i>	. . . . .	130



## CHAPTER ONE

### I N T R O D U C T I O N

People are seldom passive observers of events that occur in their environment. They form impressions of others and events that affect them cognitively or behaviourally, and on the basis of their evaluations, they respond positively or negatively. The employment situation is not different in this respect. Employees consciously or unconsciously evaluate events that occur in the work place. An employee's motivation, attitudes and behaviour at work are largely influenced by how he feels he is being treated compared to those around him (Mowday, 1979). The theoretical basis for these assumptions stem from the equity theory (Adams, 1963; 1965).

Equity theorists argue that an individual reacts to a situation or circumstance by consciously or unconsciously comparing it to that of a referent. In other words, a major share of motivated behaviour is based on the perceived situation. Specifically, an individual is expected to compare his ratio of inputs to outcomes to the ratio of a referent. Inputs are any relevant factor an employee brings to a job situation. Outcomes are any factor the individual

derives from the situation that is perceived to have some valence. In the work situation, inputs may include skill, effort and education, while outcomes may include fringe benefits, pay and supervisory conditions. The reference person or group is one that is comparable to the individual on one or more attributes. Equity is said to exist when a person perceives that his summary ratio of inputs to outcomes is equal to those of a chosen referent. Conversely, an individual experiences inequity when his ratio is unequal to a referent's. The consequence of inequity is a state of tension in the person which results in dissatisfaction and motivation to reduce the tension by altering one or more components of the ratio such as effort.

An important conclusion from equity theory seems justified. People do make equity comparisons and these comparisons are important. Equity comparisons have two foci. The first is that individuals do compare their job outcomes to those of some referents. These comparative referents may be others or personal experiences inside or outside the employees work setting (Goodman, 1974; Oldham, Nottenburg, Kassner, Ferris, Fedor, & Masters, 1982; Oldham, Kulik, Stepina, & Ambrose, 1986). The second is that an equity notion often does operate.



Equity notion holds that an individual may see himself as either undercompensated, overcompensated or equitably compensated. According to the equity theory predictions, undercompensation results in anger while overcompensation leads to guilt feelings. Both feelings are expected to result in dissatisfaction. However, although a considerable amount of laboratory research has examined the consequences of inequity, the results of these laboratory studies are not totally consistent especially with regards to the overpayment condition. Furthermore, except for a few studies (e.g., Oldham et al, 1982; 1986) there has been very little attempt to study the influence of equity perceptions in actual work settings in the Nigerian culture and the world at large.

In Nigerian industries and organizations, the influence of equity evaluations is obvious. Most workers, come out of these evaluations or comparisons with feelings of unfairness (inequity) of being cheated and dissatisfied with both their work and organizations. The now well known "monkey dey work, baboon dey chop" slogan may be a good example of equity comparisons (Eze, 1983). Although some psychologists (e.g., Eze 1983; Obikeguna, 1981) recognize the implication of equity comparisons in the Nigerian work setting, the extent to which this variable contributes to work attitude has been neglected.

While most of the studies which examined the influence of perceived inequity focused on pay comparisons, a few studies have established the fact that employees also compare other outcomes or job facets. These outcomes include supervisory behaviour (Oldham et al, 1986), job complexity (Patchen, 1961; Oldham & Miller, 1979; Oldham et al 1982; 1986) and intrinsic job aspects (Telly, French, & Scott, 1971). Moreover, while these studies further revealed that feelings of inequity on any of the jobs facets have implications for job performance and satisfaction, none of them examined the additive effect of inequity on the job facets on employee reactions. Thus it is not clear if employees' degree of perceived inequity on the different job facets have cumulative effect on their satisfaction.

Given the importance of equity comparisons in work motivation, it will also be useful to understand the factors that affect the selection of particular comparison referents and the perception of inequity in actual work settings. In his description of a framework for the selection of referents, Goodman (1974; 1977) suggested that the choice of referents is a function of both the availability of information and the relevance or attractiveness of the referents for comparison. He further suggested that the predictors of availability of information may be classified



as structural or individual in nature. In other words, this suggests that equity comparisons may in part be viewed within the context of the general personality development of the individual as he sees himself or the world around him. In line with this reasoning, Locke (1976) stressed that there is enormous individual differences in the manner with which people compare themselves with others, whom they choose to compare with, and in the significance which they attach to the differences they discover.

The problem can be better appreciated if one considers the problems of work motivation in the country. Negative work attitudes, mismanagement, high absenteeism and low productivity are common features of the indigenous industries and organizations (Etuk, 1981; Eze, 1983; Ubeku, 1978). Obi-Keguna (1984) noted that a sample of Nigerian studies of work motivation and job satisfaction have shown that pay per se is not a major cause of dissatisfaction and low productivity. He added that although there has been three wage increases in the last decade, yet negative reactions still persist. This shows that consistent with equity assumptions, it is not the actual pay packet that is important to employees, but the relative packet as perceived by the employees. For example, bank employees earn more money than other employees in some Nigerian



organizations because the banking industry still makes much profit despite the economic problems in the country. This notwithstanding, banks constantly lose their trained personnel to newer commercial banks. Interviews with bank workers revealed that the commercial banks operate similar policy with regards to salary. The workers recognize this fact, yet some still change jobs constantly. This may be explained in terms of individual or personality differences in processing information concerning job outcomes. According to Korman (1966), the choice of a certain set of social roles and the rejecting of others is dependent on the characteristics which one attributes to oneself on either a conscious or unconscious level. The performance on any social role is thus in part dependent on extent to which an individual "sees himself in the role" as "the role befitting himself". For example, what one individual may see as an equitable situation may be perceived by another individual as inequitable; this is because individuals differ in the kinds of referents they select and in their tendency to be satisfied with a job.

The influence of the self individual differences cannot be over-emphasized. The self as earlier mentioned concerns the individual's perception of what he is and how he conceptualizes his functions and his being. An

individual operates in the society on the basis of his self-concept. Although many industrial psychologists usually make the assumptions that there is a relationship between the self and job attitudes and behaviour, there is no well-developed theory relating these variables. As Mowday (1979) pointed out, "one area of research on equity that has received little attention is the impact of individual differences on employee perceptions and reactions to inequity." Furthermore, the few available research on the influence of individual differences have concentrated on sex and other demographic individual difference factors (Major & Deaux, 1982). Also, in an earlier article, Locke (1976) noted that the influence of the self on job attitudes and behaviour is one of the most unresearched subjects. Recent articles (e.g., Hatfield & Sprecher, 1984; Major & Deaux, 1982) have suggested that one personality variable that would seem to be especially relevant is the self-esteem. According to Rosenberg (1965; 1979) self esteem means the evaluation which the individual customarily maintains with regard to himself, and it expresses an attitude of approval or disapproval.

Basically, self-esteem is a perception of self-worth. This usually means that the person has some idea of how well he or she will do in a performance setting. A person with a

high self-esteem expects respect and admiration. He is confident of himself, and his own judgement makes him willing to behave in an autonomous fashion, independent of expectations and influences from others. A person with low self-esteem on the other hand anticipates disapproval and rejection.

The notion of self-esteem is an important source of work behaviour (Korman, 1970; 1976) and as such, is expected to have an influence on equity comparison and job satisfaction. For example one would expect a person who has a high self-esteem to select self-referents and to have a stronger tendency to maintain a satisfying state on the job. These expectations are related to Locke's (1976) predictions that high self-esteem people will be more likely to find pleasures resulting from achievement more intense and enduring, and less emotionally affected by criticisms. Some studies (Brockner, 1983; Brockner & Guare, 1983) showed that low self-esteem individuals are more susceptible to influences by external or social cues than individuals with high self-esteem. Also McFarlin and Blascovich (1981) showed that both high and low self-esteem people prefer to succeed, but people with high self-esteem expect to succeed more than people with low self-esteem. Although these are indirect evidences of the influence of self-esteem on equity



comparison, no direct evidence of the influence has been provided by previous research.

Some researchers have argued that self-esteem is multifaceted and that successful predictions from self-esteem measure is better attained when self-esteem measures are specific to the domain of interest (Gecas, 1982; Rosenberg, 1979). A work specific aspect of the self is an employee's sense of competence.

The term "sense of competence" refers to an individual's feelings and confidence about his abilities in mastering an organizational and work setting (Wagner & Morse, 1975). This term refers not to how competent organizational members actually are, but rather to their internal feelings about how competent they seem to themselves from engaging in a work environment and solving problems in it. Sense of competence is a multidimensional construct. Based largely on White's (1959) theory of effectance motivation, Wagner & Morse (1975) identified four theoretical factors which they argued constitute relatively independent components of an individual's work-specific sense of competence. The first factor is a general competence thema which reflects intrinsic gratifications that accrue from task mastery. The second is perceived ability or task knowledge and it taps the individual's

assessment of the extent to which task-related problems are understandable and solvable. It measures the extent to which the individual sees himself as possessing the necessary skills for doing his job well. The third factor is referred to as influence and it is a work-related index of the individual's locus of control. An individual who is high on this factor feels that he has adequate control and power to influence his work situation, while a person who is low does not feel in control of the situation at work, and he is more or less in awe of every situation or consequence of any action he takes. The last factor (confidence) taps feelings of trust and faith the respondent has in his or her self-sufficiency in the work setting. However, of the four factors, only the first three (competence theme, ability and influence) have been found to be highly reproducible across different samples and settings (Snyder & Morris, 1978).

An employee's affective and behavioural reactions to his work situation depends in part on the extent to which he sees the job as fulfilling his needs. Indeed, there exists a psychological contract between an employer and an employee (Argyris, 1960). This contract consists of a set of expectations constantly operating between both parties. On the part of the employee, he has expectations about such things as salary or pay rate, working hours, benefits and



privileges that go with the job. He also expects the organization to provide work and facilities which are need fulfilling rather than demeaning, to provide opportunity for growth and further learning. Some of the strongest feelings leading to labour unrest, strikes and employee turnover have to do with violations of these aspects of psychological contract. Thus, taking the negative attitude and poor image of the average Nigerian public servants into cognisance, the question is, what are the reasons for these negative attitudes? Perhaps these attitudes stem from negligence of psychological rewards in the organizations and also employees' perceptions of inequity in the administration of such rewards. Furthermore, the answer to this question calls for a careful analysis of the employees' perceptions of the extent to which their needs are met, their perception of their worth to the organization and also the implications of these perceptions for their job reactions. The results of a study (Etuk, 1981) carried out to examine the factors which motivate executive officers in the public sector in Cross River State revealed the importance of psychological factors in motivating workers. The results showed that individuals attach great importance to factors such as achievement, responsibility and opportunity for growth. This feeling was adequately expressed by the frustration of one of the participants as follows:

"There are very many young men and women who should devote more attention to their work or duties to the Government but there is little or no encouragement. Unlike what is holding in firms or private companies where people are really encouraged on their efforts, interest, and ability and output on their jobs, and are promoted even above and over those with lengthy degrees from universities... (pp. 558 - 559).

This shows that the way the individual sees his organization as fulfilling his needs dictates how he perceives and reacts to the work situation. According to White (1959; 1963), there is a basic or inherent psychological urge or drive in all individuals to influence and master their environment. He called this drive effectance, and its significance is the development of an individual's competence. Effectance drive is reflected in every domain in the individual's environment, the workplace inclusive. With respect to the work place, the effectance drive is reflected in the expectations emanating from the psychological contract, many of which are implicit and involve the individual's sense of dignity and worth (Schein, 1980). This sense of worth and dignity relate to the employee's self-esteem and competence on the job.

Self-esteem and sense of competence are evaluative in nature and they emerge from the reinforcement processes in an individual's environment. One assumption of this

research is that once the individual has been recruited, selected and placed, he constantly evaluates his work situation and his evaluation determines how he reacts to the situation. The reaction also in turn dictates how he perceives the situation. In other words, the influence of self-esteem and sense of competence is cyclical in nature, the environment influences the employees perception, while the perception and the resulting reactions also influence subsequent evaluations. A positively reinforcing environment produces individuals high in self-esteem and sense of competence while, a negatively reinforcing environment produces individuals low in these variables consequently, these positive self evaluations are expected to influence the employee's perception of equity and satisfaction. Unfortunately, as noted earlier, there is no information on the influence of these self variables on equity comparisons. With respect to the influence of the self on job satisfaction, the few studies available consists largely of low bivariate correlations whose results are contradictory (Tharenou, and Harker, 1982). Also no research has focused on the differential effects of the different dimensions of the sense of competence on job satisfaction. As Snyder and Morris (1978) noted, the different aspects of the sense of competence contribute



differently to the total score and thus to the work-related outcome in question. Moreover, in this culture, with the exception of a few studies (Ekpo-Ufot, 1979) there is no information on the influence of self-esteem and sense of competence on equity comparison and job satisfaction.

## 1.2 Purpose and Relevance of Study

Equity theory predicts that individuals who see themselves as disadvantaged or undercompensated will experience more dissatisfaction than those who feel equitably treated. Also, individuals who feel advantaged or overcompensated will experience more dissatisfaction than individuals who are equitably paid. However, the results of previous laboratory studies which tested these predictions have not been totally consistent especially with regards to the overpayment condition. The research studies were considered to be inconclusive because the results may have been caused by many factors other than equity (McCormick & Ilgen, 1980; Mowday, 1979). Many of the previous studies assumed that feelings of equity or inequity could be manipulated in a controlled setting by telling employees that they were qualified or not qualified for a job. The critics of this approach to the manipulation of inequity argued that underqualified subjects who were told that they were

unqualified might have worked or reacted in order to save face or prove themselves. Also, in attempts to create overpayment inequity without threat to the manipulation, the researchers found it extremely difficult to replicate the overpayment effect. Another problem also concerned the generalizability of the laboratory overpayment condition. The effect of overpayment on behaviour does not seem to be significant especially in actual work setting. Thus, one of the aims of this research is to investigate the influence of equity perception on job satisfaction of individuals in actual work settings.

Some of the previous studies (e.g., Austin & Walster, 1974; Pritchard, Dunnette, & Jurgensen, 1972) have concentrated on the influence of pay inequities on job satisfaction; and others examined other job facets such as job complexity and intrinsic work aspects (e.g. Oldham et al, 1982; Telly, French, & Scott, 1971). However a review of past studies revealed that previous studies have not examined the additive effects of job facet comparison on employee reactions. Consequently, it is not clear if employees who feel disadvantaged with regards to many job facets react more negatively than those who feel disadvantaged with regard to a few. Therefore, this research focused on the additive effect of inequity on five job facets; pay, supervisory



behaviour, job security, working conditions and intrinsic job aspects (how interesting the job is). This will contribute to our knowledge of equity theory and will also provide a valuable input into decisions about the design and implementation of human resource systems in organizations.

The central theme of this research is that the self can predict equity comparison and job satisfaction. As some researchers (Locke, 1976; Mowday, 1979) have pointed out the influence of individual characteristics or the self on job perception and attitudes have been neglected in previous studies. Thus this research investigated the magnitude of association between some self variables and equity comparison and job satisfaction. The research examined two important aspects of the self; self-esteem and sense of competence. The latter is made up of three consistent dimensions; competence theme, ability and influence. Thus this research went a step further than previous studies by examining the differential effects of these self variables on the dependent variables. (equity comparisons and job satisfaction) This present research is not without theoretical and practical implications. It will be helpful in predicting which individual will be satisfied with which job. In Nigeria, the need for studies in this area cannot be overemphasized. The subthemes of the Third Annual

Conference of the Nigerian Psychological Association (April, 1986) included:

- (1) the determinants of personality integration in the industrial context and,
- (2) the implications of self-esteem for national survival.

These themes stressed the need to understand the Nigerian personality and the consequences for motivation, satisfaction and productivity. Such understanding will form the basis for finding effective solutions to human and economic problems in our culture. The economic considerations under which most organizations operate place a premium on the efficient use of all their resources including human resources. The past trend in which people have been recruited and placed based on merits and credentials alone have proved inadequate (as reflected by high turnover, dissatisfaction and absenteeism). Thus a knowledge of the influence of personality factors on job satisfaction would be beneficial in selection and placement procedures.

Finally, in evaluating different job outcomes, an employee may select others or personal experiences inside or outside the organization as standards of reference. Unfortunately, very little is known about the predictors of

referent selection in making equity comparisons. Therefore, this study examined the role of self-variables in differentiating between classes of referents and also the predictive ability of the variables in determining what comparative referent an employee frequently selects in making equity evaluations. A knowledge of these relationships will provide insights into how to discourage the use of the least desirable referents in order to be able to increase job satisfaction and other human affective experiences at work.

UNIVERSITY OF IBADAN LIBRARY



## CHAPTER TWO

## THEORETICAL BACKGROUND AND REVIEWS OF RELEVANT LITERATURE

2.1 THE SELF2.1.1 Definitions and Descriptions

Every individual has a sense of self, and an awareness of being separate from both the social and the physical world. The self is a key factor in studying, understanding and explaining a wide spectrum of human behaviour. It is central to an individual's personality. The self has been defined in many ways with each writer trying to describe the construct according to his personal conceptualization.

William James (1890) has written with unequalled sensitivity and wisdom, of the self as an object of knowledge, and as a mental construction of the human organism. According to James, the self refers to all that a person is tempted to call by the name 'me' or 'mine'. The self includes a material self, a social self, and a spiritual self. The material self is an extended self which contains in addition to the individual's own body his family and possessions. The social self includes the views others hold of the individual and the spiritual self includes the individual's emotions and desires. All aspects of the self

are capable of evoking some emotions in the individual. He feels triumphant if they wax and prosper and feels let down if they dwindle and die away. These emotions are felt not necessarily in the same degree for each aspect but in much the same way for all.

Cooley (1902) defined the self as that which is designated in common speech by the pronouns 'I', 'me' 'mine' and 'myself'. He observed that what is labelled by the individual as the self produces stronger emotions than what is labelled as non-self, and it is through subjective feelings that the self can be identified. Cooley described our tendency to use others as a kind of 'looking-glass' in which we can view ourselves. According to Calkins (1917), the self is persistent, changes as it develops, is unique, is many sided, is groundwork of all its experiences and it is related to the physical and the social environment. The self in Calkins' view is not made up of body-mind, but rather it is mind and has a body. This dualism results in strong emphasis upon the role of self-awareness, and upon introspection as a method of psychological study.

Rogers' (1951) self cuts across the objective and subjective 'me', and views the self as a configuration of perceptions of being which are admissible to awareness. Allport (1955) also described the self as all regions of our



life that we regard as personally ours, this he called the 'proprium'. The proprium consists of those aspects of the individual which he regards as of central importance and which contribute to a sense of inward unity. The various meanings Allport attached to the term include the followings:

1. The self as preceiver of the outer world and of the internal thoughts and feelings.
2. A feeling of 'me' - a body sense which is variously located but often thought of as in the head.
3. The self as an object or image which is perceived.
4. The attitude or sentiment of self-esteem which can feel threatened or humiliated and which strives to exalt.
5. The self as an executive which wills the actions and fight for the individual's end.

Perhaps one of the simplest definitions of the self is that "the self is the individual as known to the individual" (Murphy, 1947). Generally, two distinct concepts appear in the various definitions available in literature. First, the self as the subject, the agent, the individual person and the living being. Second, the self as

the individual that is somehow revealed or known to himself. These two concepts seem distinct enough, but those who stress the second concept usually attribute to the self certain dynamic characteristics which at least seem to borrow from the first.

Many psychologists have stressed the importance of the self as a focal point in personality. As Asch (1952) put it, 'Psychological existence is for us existence in the form of a self. It is as a particular self that we stand before our fellow-men, before nature, and before ourselves' (p.275). He argued that what a person possesses in character, hope and suffering is intimately connected with the self. He noted that if we take away the self, much of the significance of our existence will vanish. Similarly, Epstein (1973) observed that the subjective feelings of the self tends to be taken for granted until it is absent, and when this occurs, the individual reports an overwhelming feeling of terror. Thus, the importance of the self in the determination of behaviour and as an integrative force for the whole of the personality structure cannot be overemphasized. The self is central to an individual's personality and so virtually all kinds of attributes become intertwined with the self. In other

words, the self is for the individual both the source and the end of experience.

### 2.1.2 Theories of the self

Field theory was introduced by Kurt Lewin (1935). According to Lewin, human behaviour and other psychological events are functions of the individual's 'life space'. This life space consists of a person and his environment, and it is viewed as one complex constellation of interdependent factors. An individual's life space is the psychological field in which he is located and this may consist of his nuclear family, extended family, and larger reference groups to which he belongs. The individual's behaviour then results from interactions between the forces in this environment or life space and the tension within the individual.

The ideal self is the core of Carl Rogers' (1951) theory of the self. He noted that the existence of large disparity between the perceived self and the ideal self is generally an unhealthy state of affairs. Put simply, the ideal self is self that one ought to have or ought to be. And individual who experiences a wide difference between the self that he or she perceives as the 'real self' and the ideal self experiences anxiety, self-hate and feelings of



inferiority. According to Rogers, there is a basic need to maintain and enhance the self, therefore one of the objects of psychotherapy is to help individuals attain a greater and fuller degree of self-acceptance. Katz and Zigler (1967) have raised some questions as to whether the existence of disparity between the ideal self and the real self should be considered a sign of poor mental health. In their study, they found that between the ages of 11 and 17, individuals experience increase in disparity between the ideal self and the real self, and this disparity is greater for intelligent children than less intelligent ones. Their findings suggest that as individuals become more mature and more aware of their potentialities, they develop higher expectations of themselves. Consequently, a certain degree of anxiety tend to accompany the disparity between the actual and potential accomplishment. A moderate degree of anxiety may tend to have positive value for optimum personal development and motivation. The problem then lies in keeping anxiety within reasonable limit. When anxiety reaches painful levels and begins to interfere with effective functioning of the individual, it is time to find ways to bring both the perceived self and the ideal self back into more comfortable relationship with each other.

The concept of the phenomenal self was introduced by Combs and Snygg (1959). They viewed the self-concept as the center of a system of percepts that they call the phenomenal environment. The phenomenal environment refers to the environment as perceived by the individual. The term phenomenal self was applied to the portion of the phenomenal environment that is perceived as being related or involved with the self (see figure 1).

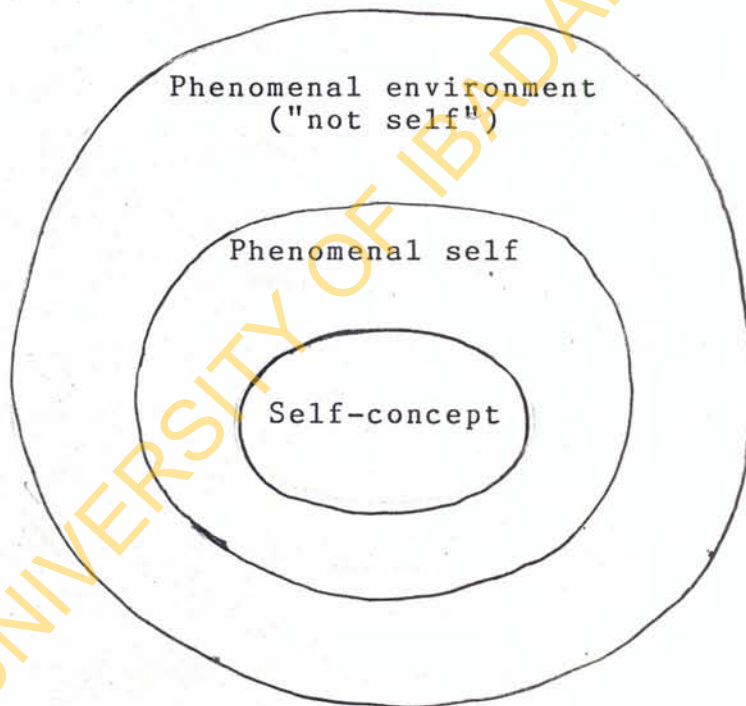


Fig. 1. A perceptual view of the self and its environment.  
(Combs & Snygg, 1959)

The part that is perceived as most important and vital to the individual is the part that he sees as the 'real me',

and this is the self-concept. The phenomenal self consists of objects and events that the individual sees as somehow important to him, while those that he does not consider as belonging to him are within the phenomenal environment. If an individual's prized possession (such as a car) is damaged, the individual may feel angry, or sad. To any detached observer, the possession is not part of the individual, but from a phenomenological point of view, it is an extension of the individual and hence may be considered as located within the boundaries of his phenomenal self. The individual who is outraged because his prized possession is damaged does so because he perceives that his phenomenal self is sustaining a threat. Like Rogers (1951), Combs and Snygg (1951) stated that the primary need of the organism is to enhance and maintain the phenomenal self, and anything that might interfere with one's ability to enhance and maintain the self is perceived as a threat.

The writings of Lewin (1935), Rogers (1951), Combs and Snygg (1955) can be referred to as cognitive theories of the self (Lindgren, 1973). Although each of their theories introduces elements that cause the theory to differ somewhat from others, the theories have much in common. They all emphasize perception, and conceived of the self as existing in and responding to a field of psychological forces.



The Freudian 'ego' forms the core of the psychoanalytic theory of the self. Unlike other theories, psychoanalytic theory tend to assign more importance to instinctual drives. Nonetheless, the theory has contributed to ideas relating to the nature of the self. Freud saw personality as being composed of three parts; the id, the ego and the superego. Of these, the ego is the part corresponding most nearly to the perceived self. The term ego was used in two different ways. Firstly, the ego refers to an entity or object. In other words, the ego is dominated by the id (instinctual processes) or by the superego (moral standards of the society as incorporated into the conscience). Secondly, the self refers to processes whereby the individual becomes aware of external reality and makes judgements or decisions about what actions are relevant or appropriate. The ego is said to play a central and vital role in an organism's attempt to deal with instinctual and moral forces, as well as with external reality. If the ego is faced with too much pressure from any of these sources, it is likely to operate ineffectively. Therefore, ego defences are evoked to protect the ego from injury. For example, an individual may employ ego defensive strategies such as repression to enable the ego to deny certain forbidden motives or may use projection to enable him to

attribute his own unworthy motives to others. A person is said to have "ego strength" if he has a firm grasp on reality but is said to have a "weak ego" if he is swayed from one extreme to another by the conflicting demands of the id and superego.

Although many writers use the term 'ego' to refer to the self, Freudian ego is not identical with the self. According to Asch (1952) the self is the conscious representative of the ego. The ego, he wrote, directs itself to things and asserts itself in action; it is the actor and the initiator. Often, it directs itself to the surrounding without rousing the self. For example, hunger, thirst, sex, pleasure and pain are initially parts of the organism, not of the self. He argued that they can be related to and represented in the self only if these tendencies and conditions are perceived in a particular way, as self-related. Similarly, Brown (1965) observed that for most part, Freud wrote about the ego as if it were a name for certain activities or processes of the organism, in particular perception and learning. In so far as these are oriented to external reality, in this usage, the ego is an aspect of the organism, a name for certain processes externally regarded. Sometimes however, Freud's usage of the concept of ego shifted and he wrote of it being judged

or evaluated by some other agency such as the superego. Where this occurs, the ego is an object rather than an agent and the term can be used in the sense in which one will use the term self.

### 2.1.3 The development of the consciousness of self

In the young child, the consciousness of self is a gradual and difficult achievement. According to William James (1890), the earliest consciousness is a big blooming, buzzing confusion. The young infant seems quite unaware of himself as a self. He treats his own body as if it were foreign to him; his toes are his toys and he may claw his own face until it bleeds. The boundary between his and not-his is unestablished and there is little or no self-organization. The conditions responsible for the infants lack of self-consciousness include:-

- (a) deficiency in early memory life. Recognition which occurs earlier than recollection is not clearly present until the later part of the first year.
- (b) deficiency in language. His concepts are dimly formed and he lacks capacity for sharply sculpturing thoughts with words.



(c) deficiency resulting from ungraded and undifferentiated character of the infant's emotional responses; affectively, he behaves whole-heartedly or not at all.

By the age of four self-consciousness is partially established. However, the infant still continues to confuse himself with his surroundings, take the role of others in play, and identify his private fantasies with objective facts.

Growth of consciousness of self increases with motor, cognitive and emotional development. For example, as recognition of recurring experiences (an aspect of cognitive development) and sense of familiarity develops, self-consciousness also develops. When an experience is felt as similar to a preceding experience, there is always at the time a vague sense of time-binding, and for the individual, the person having this conjoint experience of then and now can only be himself. With maturation also comes the development of proper social relationships first with parents, other siblings then peers and others in the environment. These features provide anchorage points for selfhood, and so, the influence of the social world in development of the self is very important.

2.1.4 Symbolic interactionism: The social world and the place of the self within it.

George Mead (1934) observed that the self is a product of our symbolic interaction with others and that we can perceive ourselves as reflection in the eyes of another. Mead suggested that people communicate not with gestures but with significant symbols, and a gesture becomes a significant symbol when it has the same effect on the individual making it as it has upon the individual to whom it is addressed. Thus this symbolic interaction involves a reference to the self of the individual making the gesture. An individual experiences himself "not directly or immediately, not by becoming a subject to himself, but only in so far as he first becomes an object to himself just as other individuals are objects to him or in his experience" (Mead 1934, p.138). Mead drew heavily on the writings of Cooley (1902), who described an individual's tendency to use others as a kind of looking glass in which he can view himself. Cooley noted that "in imagination, we perceive in another's mind some thought of our appearance, manners, aims, deeds, and character, friends, and so on, and are variously affected by it". He suggested that the thing that moves us to pride or shame is not the mere mechanical

reflection of others, but the imagined effect of this reflection on another's mind.

Although Cooley (1902) and Mead (1934) stressed the importance of the social context in the development of the self, it was Herbert Blumer who coined the term symbolic interactionism in 1937. Blumer noted that the concept refers to the peculiar and distinctive character of interaction as it takes place between human beings. He claimed that human beings interpret or define each other's actions instead of merely reacting to each other's actions. Their response is not made directly to the actions of one another but based on the meanings which they attach to such symbols. Consequently Blumer concluded that human interaction is mediated by use of symbols, by interpretation, or by ascertaining the meaning of one another's action.

#### 2.1.5 Characteristics of the self.

One consequence of being human is that a person becomes an object to himself. Because of man's possession of language and superior intelligence, he has a unique capacity for thinking about his body, his behaviour, and his feelings to other persons. It is convenient to think of a person's attitude toward himself as having three components; the cognitive, the affective and the behavioural. The cognitive



component represents the content of the self and it is illustrated by thoughts such as 'I am tall, intelligent and good looking'. The affective component represents one's feelings about oneself. This would include a general feeling of self-worth and evaluations of other aspects of the self. The behavioural component is the readiness to act toward oneself in various ways. For example, a person may behave in a self-depreciating or self-indulgent manner.

Generally, the self is a cohesive whole, functioning as a single unit. It presents a single image to those who view it at any given time. Middlebrook (1980) identified six characteristics of the overall self:

1. The self is organized and consistent. It presents to the world a set of traits, values and attitudes that are more or less coherent and unified.
2. The self is seen as the origin of behaviour. People need to see themselves as having control over their behaviour and fate, a tendency which has been emphasized in the theory of psychological reactance by Brehm (1966). Reactance concept emphasizes the fact that people attempt to maintain their freedom of action, and when this freedom is threatened, they do

whatever they can to restore it; reactance is aroused, and compliance or obedience is decreased.

3. The self is separate and unique. A person strives for an identity that makes him distinguishable from other people; being shown to be indistinctive has been found to upset individuals.
4. The self seeks actualization. People try to develop their actual self so that it will correspond closely to their ideal self, and this is a very important motive in human behaviour.
5. The self can view itself as an object. A person is in a state of subjective awareness when he attends to the outside environment, external stimuli, tasks and activities of other people. This subjectively aware state leads to feelings of mastery and control over the environment. A state of objective awareness results when a person concentrates upon various personal aspects as he focuses attention upon himself as an object. Objectively aware state leads to perception of shortcomings in one's ability to deal efficiently with the environment.

6. The self evaluates itself. This evaluation is the source of self-esteem. If the actual self and the ideal self match the person has a high self-esteem. Those that have high self-esteem feel they are worthy and that they can control events. Those with low self-esteem seem to lack confidence in their ability to achieve. They tend to be unhappy and see themselves as incompetent in variety of situations. They are more easily persuaded and influenced by criticisms.

The evaluative characteristic of the self is the focus of the present study. The study examined the general self-esteem and its work-related aspect (sense of competence) both of which reflect the amount of value ascribed to oneself in the every day life and in the work setting. They also result from a constant evaluation of the individual's well-being and self worth (see chapter one).



## 2.2

Early Social Comparison Theories

Before Adams (1965) came up with his equity theory, there were a number of theoretical approaches to social comparison (e.g., Festinger, 1954; Homans, 1961; Merton, 1957). One of the most influential papers on social comparison is Leon Festinger's (1954) article titled "A theory of Social Comparison". Festinger's major theme is that people have a drive to evaluate their abilities or opinions and that they select others similar in ability or opinions to accomplish this evaluation. He postulated that the greater the similarity, the greater the stability in the evaluations. He also discussed the effects of discrepancies in abilities or opinions between the evaluating person and the reference person and the drive to reduce the discrepancy. However, most of the controversy and research have focused on the similarity argument. The basic criticism is that the concept is not well specified and that there are other information - seeking strategies that an individual may select when evaluating some objects.

However, some useful observation of this theory can be made. Firstly, the comparison process is more complex than Festinger suggested. Individuals can use a wide range of different referents to evaluate their abilities and opinions. Secondly, the drive to evaluate oneself is only one of the motivating forces; feelings of self-esteem and self-enhancement are probably also important (Goodman, 1977). Thirdly, similarity can be an important referent when it involves a positive attribute, when the attribute's distribution is known, and when objective referents are unavailable (Pettigrew, 1967).

Two other concepts, reference groups and relative deprivation, were formulated at the time Festinger's theory was published. Reflecting a sociological rather than psychological viewpoint, they paralleled the Festinger's social comparison theory in some ways and they also provided new perspectives.

Reference groups are those groups which the individual belongs or aspire to belong to (Merton, 1957). They provide two general functions; a normative function that establishes and enforces standards or norms, and a comparative function that enables people to evaluate their attitudes and opinions against those of the group. It is the comparative function that parallels the social comparison theory of Festinger.

The classic research study titled "The American Soldier" (Merton 1957) provides a good example of the comparative function of groups. The data source for the project consisted of a series of studies about various phases of the life of the U.S. soldier during World War II. Some important themes of the studies concerned the relative satisfaction of different groups, and their satisfactions were explained in terms of the reference groups. The findings showed that although the positions of black soldiers stationed in the North were better than those stationed in the South, they were still less satisfied than the black soldiers in the South because instead of selecting black soldiers in the South as their reference groups they selected black civilians in the North. This shows that there are alternative comparison or reference groups and that predicting the level of satisfaction is not an easy task.

Out of these early studies on the American Soldier emerged the concept of 'relative deprivation'. The most cited example of this concept concerned the degree of satisfaction with promotion exhibited by two groups in the military. Promotion was rapid in the air corps and slow in the military police, yet air corps men were more frustrated over promotion. The concept of relative deprivation points



out that it is not the absolute level of promotion that is significant in producing satisfaction, but the relative discrepancy between what one attains and what one expects to receive. Among the American air corps, expectations for promotion were increased by the promotion rate. The main utility of this concept is that it focuses attention on the nature of discrepancy between the individual and the comparison group.

Homan's (1961) concept of distributive justice attempts to explain how people evaluate outcomes. According to this concept, a person in an exchange with another individual will expect outcomes to be directly proportional to his investments (what the individual contributes to work). Negative affects results when the rule of distributive justice is violated.

Distributive justice represents the sociological counterpart of equity theory (Goodman, 1977). Compared to equity theory, there has been less theorizing and empirical work in distributive justice.

### 2.3 Equity Theory

Adams (1965) equity theory concerns exchange relationships between participants in the distribution of available resources. When two individuals exchange anything, there is the possibility that one or both of them

will feel that the exchange was inequitable. The major components of exchange relationships in equity theory are inputs and outcomes. Inputs are those things a person contributes to the exchange. In a situation where a person exchanges his or her services for pay, inputs may include previous work experience, education, effort on the job and training. Outcomes are those things that result from the exchange. The most important outcome is likely to be pay in an employment situation. Other outcomes may include security, supervisory treatment, advancement opportunities and status. In order to be considered in evaluating exchange relationships, inputs and outcome must be considered relevant to the exchange and also the existence of an input and outcome must be recognized by one or both parties to the exchange. In other words, unless inputs and outcomes are both recognized and considered relevant, they will not be considered in evaluating an exchange relationship.

Adams suggested that individuals weigh their inputs and outcomes by their importance to the individuals. The ratio of a person's outcomes to inputs is compared to the ratio of outcomes to inputs of another individual (referred to as other). Equity is said to exist whenever the ratio of a Person's (P) outcome to input is equal to Other's (O)

outcome to input ratio. This can be represented by the equation below:

$$\frac{\text{P's Outcome}}{\text{P's Inputs}} = \frac{\text{O's Outcome}}{\text{O's Inputs}} = \text{Equity}$$

Inequity exists whenever the two ratios are unequal. Thus when:

$$\frac{\text{P's Outcomes}}{\text{P's Inputs}} < \frac{\text{O's Outcomes}}{\text{O's Inputs}} = \text{Inequity (underpayment)}$$

or

$$\frac{\text{P's Outcomes}}{\text{P's Inputs}} > \frac{\text{O's Outcomes}}{\text{O's Inputs}} = \text{Inequity (overpayment)}$$

The theory assumes that the conditions necessary to produce equity or inequity are based on the individual's perceptions of inputs and outcomes. Secondly inequity is considered to be a relative phenomenon. For instance, employees may exhibit satisfaction on a job that demands a great deal and for which they receive very little, if their comparison other is in a similar situation. Thirdly, inequity exists for a person when he is relatively underpaid or relatively overpaid, but the threshold for underpayment is lower than that for overpayment. In other words individuals are somewhat more willing to accept overpayment in an exchange relationship than they are to accept



underpayment. Finally, the subjective quality of inequity that is experienced when an individual is disadvantaged involves anger or resentment while guilt is experienced when he is advantaged. Equity theory is a theoretical wedge into problems of compensation and particularly useful in explaining some puzzling behaviours concerning pay (Weick, 1966).

#### 2.4. JOB SATISFACTION

People are rarely neutral about things they perceived or experience. Instead, they tend to evaluate most things negatively or positively. As suggested by Osgood, Suci and Tannenbaum (1957), this evaluative response is one of the most important factors in establishing meaningfulness of objects to people. Psychologists for many years have been concerned with measuring and understanding the feelings people have about their work, and many studies have been done on the satisfaction of organization members with their jobs. Job satisfaction is a specific subset of attitudes held by organization members (McCormick & Ilgen, 1980). It refers to one's affective response to work. Often the term job satisfaction and "work motivation" are used interchangeably as if they were the same. Although these two topics are related, they are quite distinct. Job

satisfaction is concerned with the feelings one has toward the job and work motivation is concerned with the behaviours that occur on the job.

The concept of a job is very complex and it has many facets such as the nature of the work, the supervisor, the company, pay, and promotional opportunities. Consequently, the attitude to a job, in this case job satisfaction, is the degree of satisfaction with a number of different dimensions of the job.

Locke (1976) presented a summary of job dimensions that have been consistently found to contribute significantly to employees' job satisfaction. He classified these dimensions into two general categories; the events (or conditions) and the agents. The events include the work itself, rewards (pay, recognition and promotions) and content of work (working conditions and benefits). The agents include the self, others in the company and others outside the company. These dimensions represent those job characteristics typically used to assess job satisfaction.

#### 2.4.1 Job satisfaction and Process theories

Process theories are those theories which attempt to identify relationships among variables in a dynamic state as they affect individual behaviour. Two important process

theories which have been used to explain job satisfaction are the expectancy theory and the equity theory. In these two theories, it is the relationship among inputs rather than inputs themselves that is the focal point.

Expectancy theory was introduced by Vroom (1964). Since that time the theory has been modified and expanded by others such as Campbell, Dunnette, Lawler, and Weick (1970) Lawler, (1973), Porter and Lawler (1968). The theory is a cognitive one, based on a rational-economic view of people. Expectancy theorists assume that people are decision makers who choose alternative course of actions by selecting the action that, at the time, appears most advantageous. / The theory posits that human behaviour is to a considerable extent a function of the interactive processes between the characteristics of an individual (such as personality traits, attitudes, needs, and values) and his or her perceived environment (such as supervisor's style, job or task requirements, and organization climate). The theory focussed on (1) the elements of cognitions that go into the decision and (2) the way in which individuals process these elements to reach a decision.

Expectancy theory has two important components. The first is referred to as valence; an individual's affective orientation toward particular outcomes. It can also be



defined as the value, or preference, which an individual places on a particular outcome. Valences may take on theoretical values of + 1.0 to - 1.0. That is a person may be very strongly attracted to a particular income such as pay raise, and may assign the outcome a high positive value, or the person may very strongly want to avoid an outcome, such as being fired or demoted, and may assign a negative valence to it.

Expectancy, the second major component can be defined as an action-outcome association (Vroom, 1964). It is a statement of the extent to which the individual believes that certain action will result in a particular outcome. Theoretically, an expectancy may take on the value of 0 (absolutely no belief that an outcome will follow a particular action) to 1 (complete certainty that an outcome will follow a particular action). This generalized concept of expectancy was later divided into two specific concepts by other theorists (Campbell et al, 1970; Lawler, 1973). (a) An effort → performance expectancy represents a belief that effort will lead to desired performance. That is, the closer the perceived relationship between effort and resulting performance, the greater the effort - performance expectancy. (b) Performance → outcome expectancies are beliefs or anticipations that an individual has concerning

the likelihood that performance will, in fact lead to particular outcomes.

In relation to job satisfaction, the theory posits that an employee determines the degree to which the job is satisfying by considering the extent to which the job leads to valued outcomes. The individual has a set of judgments about how much he values certain outcomes (such as pay, promotion or adequate benefits). The individual then estimates the extent to which holding the job leads to each of the outcomes. He or she finally arrives at an estimate of the satisfaction he or she feels will come from the job by weighting the perceived value or attractiveness of each outcome and considering all outcomes in the set. This process is also labeled instrumentally theory because it emphasizes the extent to which the job is instrumental to producing satisfaction. However, the use of this theory for job satisfaction is limited (McCormick & Ilgen, 1980). One reason is that it tends to focus on the future rather than on the present unlike job satisfaction which is a present-or past-oriented concept. Another reason is the very complicated cognitive process involved in weighting each outcome by its instrumentality. Finally, the question of how the valences of the outcomes were formed by the individual was not properly dealt with in the theory.

Equity theory is the second major process theory of job satisfaction (discussed in details in section 2.3 ). The theory suggests that an individual compares his inputs and outcomes to those of others and that an equitable comparison leads to feelings of satisfaction on the job. Similarly feelings of dissatisfaction results from inequitable comparisons. However the theory differs from many other theories of job satisfaction (including expectancy theory) in that it predicts that too much of an outcome is dissatisfying. That is, receiving more than is equitable will produce less satisfaction. This assumption of equity theory has been very controversial and has generated a lot of studies (see section 2.5).



## 2.5 Review of Related Studies

An employee evaluates his organizational rewards (such as pay) by comparing input/outcome ratios (Adams 1963; 1965). Following the general paradigm in equity theory, a person would compare his input/outcome ratio to some other input/outcome ratio. Adams (1965) suggested that the comparison other or referent may be the other party to the exchange or another individual involved in an exchange with the third party. He also acknowledged that a person could use himself as a referent by comparing his current situation to his future situation or with his past situation as experience in Nigeria has demonstrated.

Some early studies had found support for the fact that employees do compare their job outcomes to those of others. Homan's (1963) study of ledger clerks and cash posters showed that the ledger clerks felt inequitably treated because their inputs were too low, relative to the outcomes and inputs of cash posters. Similarly the classic research study titled "The American Soldier" (Merton 1957) provides a good example of the use of referents. The study showed that although promotions were rapid in the air-corps and slow in

amp

the military police, yet air-corps men were more frustrated over promotion. This was so because instead of using the military police as referents, they used their expectations as basis for comparisons. Thus the air corps expectations for promotion were increased by the rapid promotion rate previously experienced. Telly, French and Scott (1971) conducted a study of a large aerospace company and reported that employees actually do compare their intrinsic aspects (e.g. pride in accomplishment) to those of others.

Although these theorists and researchers argued that many individuals make comparisons of their job outcomes, until recently, very little was known about the nature of the actual comparative referents employees use in evaluating their job.

✓ Goodman (1974) advanced our understanding of comparative referents' selection in pay evaluations by identifying three classes of referents; other, system and self referents. "Other" referents refer to people who may be in a similar exchange either in the same organization (other-inside) or with some other organizations (other-outside). Goodman contended that in using self

referents, an individual may evaluate his outcome by considering past or expected future input/outcome ratios (self-history), by considering his own conception of the level of wages needed to maintain his family's standard of living (self-family) or by considering his conception of his self-worth, (self-internal). In addition, system referents refers to explicit or implicit contractual expectations between an employee and an employer. An individual may compare his input/outcome ratio to the promised stated structure in the contract (system structure) or he may consider the way the pay system is administered (system - administration). Goodman (1974) found that each of these referents described above were used in evaluating pay. Moreover, his results indicated that individuals used multiple referents in pay evaluations. Goodman's study represents an important step in increasing ones understanding about equity comparisons.

✓ In their study of 130 workers in a large manufacturing organization, Oldham, Nottenburg, Kassner, Ferris, Fedor and



Masters (1982) found that 75% of the individuals used referents for job comparison purposes. Their results showed that individuals who use referents for job comparison were significantly younger more desirous of growth satisfaction at work, more skilled (or at least perceived themselves as such) and more junior in their particular jobs. The referent users were also more educated and tend to have less company seniority than their non-user counterparts. However, the results showed that there exists a strong tendency for few referent categories to be used when making job complexity comparisons. This latter part of the result differs sharply from that obtained by Goodman (1974), who found that employees used multiple referents. The difference in the results of both studies could perhaps be accounted for by the fact that the studies focused on different job outcomes (job complexity and pay) and also used employees on different job levels. Furthermore, Oldham et al used self-future and self-past referent categories in contrast to self-family, self-history and self-internal categories used by Goodman.

In recent years, there has been more emphasis on non-system comparisons. Lawler's (1973) cognitive formulation of comparison model of satisfaction incorporates both social and self comparisons (this corresponds to

Goodman's other and self referents). The model notes that satisfaction is a function of discrepancy between the level of outcomes desired and perceived level of outcomes that usually exists.

Prior experience with various job outcomes as well as social comparisons are hypothesized to affect the desired or expected level of outcomes, while valuations of pay, working conditions, and job features are considered to be the determinants of actual outcomes received. Because the Lawler model is complex, this particular formular has attracted few studies (Staw, 1984). In terms of intraindividual comparison of outcomes, the clearest study, has been a laboratory experiment by Ilgen (1971). By manipulating the levels of performance over several trials, Ilgen created different levels of expectations in positive and negative directions. The results showed that satisfaction with one's performance was much a function of prior expectations as the aggregated level of feedback. Also Austin, McGinn and Susmilch (1980) compared the relative impact of intrapersonal and interpersonal comparisons on satisfaction. The interpersonal comparisons refers to rewards relative to others, while intraindividual comparisons are based on relative expectancy. Results

showed that both comparisons were related to perceived fairness and satisfaction. ✓

\* In their study, Oldham et al (1982) found that out of 99 referent users identified, only one respondent used system referent most frequently, while 21 used other. 37 used self-past and 40 used self future referents. They suggested that individuals primarily use non-system referents when making comparisons. Also, Oldham, Kulik, Ambrose, Stepina and Brand (1986) demonstrated that employees did not use system referents in the comparison of any of the four important facets studied; compensation, supervisory behaviour, security and complexity. Consequently in another study, Oldham, Kulik, Stepina and Ambrose (1986) examined the predictors of four non-system referents. namely: (1) self-inside, an employee's experiences in a different position inside a focal organization; (2) self -outside, an employee's experiences in a situation or position outside a focal organization; (3) other-inside, that is another individual, or group of individuals inside a focal organisation; and (4) other-outside, which refers to another individual or group of individuals outside a focal organization. These four broad categories represent comparative referents that have



been found to be consistently used by employees for pay and other job comparisons.

As suggested by the studies reviewed above, when an individual evaluates the fairness of his pay or other outcomes, he may compare his input/outcome ratio to the input/outcome ratio of a referent. The comparative referent may be others inside or outside the employees organization or may be his personal (self) experiences inside or expected outside the organization. According to the equity theory, equity exists when the employee perceives his input/outcome ratio as equal to the ratio of the comparative referent he selects. Inequity exists when the individual perceives his ratio to be greater or lesser than his referent's ratio. In other words, an individual can be said to be in a disadvantaged state when his outcome is lower or lesser than those of his referent (negative inequity), but in an advantaged state when his outcome is more than those of his referent's (positive inequity). An equitable state is one in which the individuals outcome are comparable or similar to those of his referent's. Furthermore, according to equity theory, the underpayment threshold is lower than that of the overpayment state. Thus inequity based on disadvantage is more stressful and more likely to contribute

directly to feelings of pay dissatisfaction (Adams, 1965; Goodman, 1974).

Some studies have focused on the relative frequency at which these states (disadvantaged, equitable and advantaged) are selected when comparing pay (Goodman, 1974; Lawler, 1965; 1972; Patchen 1961). In general, these studies show that individuals tend to place themselves in relatively disadvantaged states. For example, the study by Patchen (1961) showed that employees are likely to select referent others who make higher wages than themselves. In addition, Patchen demonstrated that people with low pay are even more likely to choose referents above them on this dimension than individuals with relatively high pay. Also, the data obtained by Goodman (1974) provided some indication that people select referents which indicate negative information about them. Specifically, like the results obtained by Patchen, low salary individuals select more inside referents and those referents indicate a condition of underpayment. The study by Oldham et al (1982) found that 60% of the employees interviewed selected referent jobs that were more complex than their own. The above studies indicate that employees are likely to select referents that cause them to be in disadvantaged or undercompensated conditions.



Thus far, research has shown that employees do indeed compare their outcomes to those of some referents who could be others or self inside or outside the focal organizations. Also an employee may select either disadvantaged, equitable or advantaged states relative to the chosen referent. What are the consequences of the selection of comparative referents and perceived inequity (disadvantaged, equitable or advantaged states)?

With respect to the consequences of the selection of comparative referents, very little research has been done. Goodman (1974) found that the referent - satisfaction relationship is stronger than the relationship between selected individual and organizational demographic variables and pay satisfaction. In other words, referents seem to be better predictors of satisfaction than other variables cited in literature. Furthermore, the results showed that three classes of referents (other, system and self) were significantly associated with pay satisfaction. However the regression analysis showed that other - outside referent had the strongest association with pay satisfaction while other - inside was not a significant predictor. Goodman suggested that other-inside must have been insignificant because of its covariation with other-outside. Other studies have found job satisfaction to be related to self and other



comparisons (Austin et al 1980; Ilgen 1971; Oldham et al 1982).

Specifically, Oldham et al (1982) found that individuals who used others as their referents were significantly less motivated and less productive than those who use self-referents. Moreover, individuals who used self referents scored higher (although not significantly) on growth and general satisfaction than those who used other referents.

Inequity exists when an individual is relatively disadvantaged or advantaged. Perceived inequity is expected to create tension in an individual and the tension created is proportional to the degree of inequity experienced. Equity theory contends that the quality of injustice that is experienced when an individual is disadvantaged involves anger, resentment and dissatisfaction whereas, guilt is experienced when an individual is being relatively advantaged. Underpayment is more common and in this case, the individual believes that, compared to others, he or she is not receiving sufficient amount of an outcome (e.g. pay) for the input invested in the job. Thus, dissatisfaction results and the individual is motivated to redress the inequity. Overpayment is less common but more interesting because, in contrast to the accepted notion of economic

people who seek to maximise rewards, it predicts that the individual will be less satisfied if he or she receives too much. However, Adams (1965) did recognize that there was a much greater tolerance of overpayment inequity than of underpayment. ✓

Many theorists have focused on the consequences of inequity, though their results have not been totally consistent, there does appear to be support for most equity theory predictions (Mowday, 1979). In many of these early laboratory studies, the researchers assumed that feelings of equity or inequity could be manipulated in a controlled setting by telling employees that they were either qualified or not qualified for a job. Presumably, those told they were qualified for a job used others like themselves as their comparison group while those told they did not have necessary qualifications assumed others did have them and, therefore were made to believe that what they brought into the job in terms of qualifications was less than what others brought. In general, results of research on the effect of hourly overpayment on employee reactions are mixed. While some studies have shown that individuals who were overpaid relative to a referent were more productive and less satisfied than equitably rewarded individuals (Adams & Rosenbaum, 1962; Austin & Walster, 1974), others have shown

that overpayment has very little impact on satisfaction and productivity (Lawler, 1968; Pritchard et al, 1972).

More consistent results appear in studies of underpayment. Specifically, underpaid hourly individuals are typically less productive and less satisfied than individuals who are equitably rewarded (Austin & Walster, 1974; Evans & Simmons, 1969; & Oldham et al, 1986; Pritchard et al 1972).

\* A similar trend was also found when job facets or rewards other than pay were studied. Telly et al (1971) examined the degree to which turnover related to intrinsic job inequity. Results showed a significant relationship between turnover and job inequity; employees in high turnover shops perceived significant higher job inequity than individuals in low turnover jobs. Patchen (1958) examined the impact of job comparisons on satisfaction levels of three groups of students. Students performed tasks that were either more desirable (advantaged group), equally desirable (equitable group), or less desirable (disadvantaged group) than the tasks performed by their classmates. Consistent with equity theory, results showed that students who were in the advantaged or disadvantaged groups experienced slightly lower levels of satisfaction than subjects who were treated equitably. Students in the



disadvantaged condition experienced the lowest level of satisfaction.

✓ Oldham and Miller (1979) conducted a study on the extent to which the complexity of co-workers jobs impacted on focal employee's reactions to their own job characteristics. Results were substantially in line with equity theory. ✓ Individuals who worked on jobs that were either more or less complex than the job assigned to the referents showed lower levels of satisfaction than those who worked on jobs comparable in complexity. Individuals in the advantaged condition performed at significantly higher levels than those who were in the equitable condition. In <sup>stop</sup> another study, Oldham et al (1982) found that employees in the equitable job condition were significantly more internally motivated than employees in either advantaged or disadvantaged job conditions. ✓ However with respect to satisfaction, a different trend was observed. Individuals who were in the advantaged state scored higher (although not significantly) on both growth and general satisfaction. // In a more recent study of relations between a variety of behavioural and attitudinal reactions and employee's feelings of equity, Oldham et al (1986) showed that employees who felt disadvantaged or under-rewarded on any of the job facets studied (compensation, supervisory behaviour,

complexity and security were less satisfied than those who felt equitably compensated or advantaged. Furthermore, individuals who felt advantaged relative to their referents did not differ behaviourally or attitudinally from those who felt equitably treated.

In a study of 692 managerial, professional and technical employees in a large American oil company, Dreher (1982) examined the degree to which salary satisfaction can be predicted using company - maintained information commonly available to salary administration. Results showed that both perceived internal and external equity were positively related to pay satisfaction. In this case, the higher the tendency to be in the advantaged state the higher the level of satisfaction. These results differ from earlier laboratory studies which showed that although being in the advantaged state is relatively more satisfying than disadvantaged state, individuals in the equitable state were still more satisfied than individuals in the advantaged state. One possible reason for this difference is that these earlier studies were laboratory studies in which the equity states and the referents were experimentally manipulated, whereas the last two studies were question-interview research where the individuals were free to express their feelings. Furthermore, according to the

equity theory, the threshold for overpayment is much higher than for underpayment, especially in actual work settings.

Given the importance of comparative referents and perceived equity in the process of evaluating job outcomes, it would be useful to understand the predictors of individuals' choices of comparative referents and the tendency to perceive inequity in job outcomes. Unfortunately, this aspect of equity has been neglected by previous studies.

Research available has examined only a few factors that might influence choices of referents used in pay evaluations. In a study of management attitudes toward pay, Andrew and Henry (1963) administered questionnaires to 490 managers in five firms. The results showed that lower middle managers were more dissatisfied with pay and were more likely to make external comparisons with outside groups than were middle and lower level managers. They also found that the highly educated or the younger the employee, the greater the tendency to compare his/her pay to those of persons outside their organization. Also, Goodman (1974) demonstrated that employees with low salary levels compared their pay to others inside the organization and individuals with higher education compared their pay to others outside.



✓ Using discriminant analysis, Oldham et al (1986) in a study of 265 employees examined the relationship between several situational factors (tenure, job level, departmental size and size of job classification) and the comparative referents employees use when evaluating four job facets. These job facets were compensation, job complexity, supervisory behaviour and security. Results showed that the situational factors had no effect on the referent categories selected when evaluating supervisory behaviour and security. However, employees who used other-inside referents to evaluate compensation or job complexity tended to have long organizational tenure while those who used self-outside referents for these facets had relatively short tenure. Two situational factors affected choices of referents for job complexity alone. Employees in high job levels or in a large job classification used other-outside referents when evaluating the complexity of their jobs.

✓ The results of these last two studies are generally consistent with Goodman's (1974, 1977) framework on selection of referents. In his framework, choice of referents is a function of both the availability of information about a referent and the relevance or attractiveness of the referent for the comparison. He suggested that referent selection can be predicted by either

structural or individual factors. The study by Oldham et al (1986) tested the effect of several structural factors but found only tenure and size of job classification to be related to choice of referents for comparison of compensation and job complexity. However, the influence of individual factors has received very little attention (Mowday, 1979; Reiss & Burns, 1982).

✓ In their study, Oldham et al (1982) suggested that individuals who used 'other' referents are more sensitive to social demands and work standards established by others. They argued that selection of primary referent reflects on the personal aspirations of an employee. For example, individuals who select 'self' referents may have higher levels of aspiration than those who used other referents. This view seems to be endorsed by Goodman's (1974) earlier suggestion that individuals may select self-internal referents in making pay evaluations. This self-internal referents refers to an individuals conception of his own worth. Goodman stated that the self internal referents:

"..... is entirely internal to the individual and represents a part of his general view of his self-worth."

(p.181).

An individual's perception of his self-worth refers to his self-esteem (Rosenburg 1965).

In the face of these observations, it would appear that an individual who is less sensitive, have a high level of aspiration and confidence (thus a high self-esteem) would tend to use his goals or perception of his real worth as a standard of reference in evaluating how fairly he is treated in his organization. In other words, an individual who has a high level of esteem (both general and work specific) would tend to use self referents. In line with this reasoning, Korman (1976) has suggested that "other" referents may be more predictive of satisfaction for low self-esteem individuals than for high self-esteem ones. For example, low self-esteem employees, not confident of their opinions, may base their judgement on other employees. Indeed, some studies have shown that persons possessing low self-esteem seem to be more dependent upon social and environmental cues in forming judgements and making decisions (Tharenou, 1979; Weiss, 1977; 1978). Similarly, in a recent review of the effects of self-esteem on task performance, Brockner (1983) reported that low self-esteem individuals are more behaviourally plastic; that is, their task performance is susceptible to influences by external cues than their high self-esteem counterparts.



Perceptions of competence and self-esteem are also likely to affect the tendency to select inside or outside referents. Individuals who have low self-esteem or low sense of competence, because they have little confidence in assessing their opinions and abilities (Wells and Marwell, 1976) are likely to test their pay and other job outcomes by using inside referents. On the other hand, given the high level of confidence, perceived skill and self-worth, individuals with high sense of competence or high self-esteem are more likely to select outside referents.

On the predictors of equity, Cummings (1982) suggested that feelings of guilt which is associated with overpayment indicate that an individual's self-image or self-esteem is involved in equity perception. In an earlier review of a series of articles designed to test various aspects of Festingers (1954) social comparison theory, Singer (1966) noted that any evaluation of an ability has implications for a person's image of himself. He states that:

"If two people are equally interested in evaluating X, their comparison choices might differ because of different levels of self-esteem. Thus "A" with a high stable self-image may eagerly seek out a firm evaluation of ability X with little concern for its self-image implications while "B" will react entirely differently about assessing X because he has a low unstable self-image (Singer, 1966, p.105).

Singer (1966) further suggested that when the relative standing of the person is certain, an individual with high self-esteem will compare himself with the highest rank even when he will compare unfavourably. On the other hand, when the relative standing is uncertain, both high and low self-esteem persons are likely to choose the highest rank or person as comparison since the probability of looking poor or relative to other person is lower or at least unknown. These claims have found some support (Wilson & Brenner, 1971). In their study of 291 undergraduates Wilson and Brenner found that when the relative standing of a subject is certain high self-esteem subjects tended to choose the highest ranking person for comparison.

Oldham et al (1982) suggested that an employee might select the equitable state to achieve a sense of balance or harmony in his or her perceptions of the work situation. Also the selection of the advantaged (positive inequity) or disadvantaged (negative inequity) states can serve to enhance the self image but in different ways. If the disadvantaged or negative inequity state is selected, self-image can be enhanced through the process of association. In this case, the self-concept is improved through self-association with a referent who possesses more of a desired or important work attribute. On the other

hand, the selection of an advantaged or positive inequity state can enhance an employee's self-image by increasing the probability that he or she feels superior to a referent on a relevant work attribute.

The views above (Cummings, 1982; Oldham et al, 1982; Singer, 1966) stressed one important factor in equity perception. This factor is the individual's self-image or self-esteem (and competence). The implication is that an individual who has a high self-esteem would feel superior or at least equal to his cohort or referent, and therefore would be more likely to make comparisons that would enhance his self-image by selecting an equitable or advantaged state. On the other hand, a person who has a low self-esteem or perceived competence would most likely compare himself to a referent who has some important work attributes or who is on a higher level than himself. The assumption is based on the understanding that individuals with low self-esteem are not accustomed to success and so success is threatening to them (Baumeister and Tice, 1985; Ellis & Taylor, 1983). Also low self-esteem individuals are less apt to believe they are worthy of overpayment (Brockner, 1983). On the other hand, high self-esteem persons strive to avoid failure because it is not consistent with their self-image (Baumeister and Tice, 1985). Indeed,



McFarlin, Baumeister and Blascovich (1984) showed that subjects high in self-esteem respond to failure with increased effort and persistence, even if that response is not productive. In line with the prediction of positive relationship between competence and perceived equity, Stake (1985) suggested that subjects high in achievement self-esteem are likely to be more interested in achievement experiences and so rate their achievement performances more positively than subjects low in achievement self-esteem.

However, Hatfield and Sprecher (1984) offered a different prediction. They claimed that the higher the self-esteem, the more likely the individual will become distressed over possible violations of self-expectations and moral standards. In this case, in responding to overpayment, a high self-esteem individual is apt to think "I am a good person" and a good person should "play fair" (Brockner, 1985). It follows then that high self-esteem individuals will be more likely to make greater effort in order to restore equity. Indeed, some studies have revealed that high self-esteem individuals, in order to restore equity into a relationship, were more productive than their low self-esteem counterparts in a positive equity (overpayment) condition (Brockner, Davy & Carter, 1985).

These self variables (self-esteem and sense of competence) have also been implicated in some job satisfaction studies; suffice it to say that like other areas of work behaviour, the influence of these self variables have not been extensively studied.

In Korman's (1970; 1976) outline of his consistency theory of work behaviour, two foci were stressed. The first was the balance notion. The theory stated that an individual will engage in and find satisfying those behaviours which maximize their sense of cognitive balance or consistency. In other words, a worker will be motivated to perform in a manner consistent with his self-image. Thus the second focus was the employee's self-image or self-esteem. The consistency theory predicted that high self-esteem individuals will choose to perform highly, will choose high prestige careers and the like in order to maintain a consistent and therefore satisfying state.

Similarly, Locke (1976) predicted that high self-esteem people will be more likely to find pleasures resulting from achievement to be more intense and enduring. Also they tend to be less emotionally affected by criticisms and will be more likely to experience fewer feelings of anxiety and conflicts on the job. According to Staw (1984), self-esteem moderates what has been referred to as the psychological

success cycle. Individuals possessing high self-esteem set higher goals, perform at higher levels, and experience more positive affect when performing well than do low self-esteem individuals. In essence, higher self-esteem individuals seem to gain the benefits of a self-reinforcing cycle of goal-performance - success-satisfaction - goals. Low self-esteem seems to reduce the chances of occurrence of such a cycle (Staw, 1984).

Tharenou's (1979) review supported a positive (.10 to .50) relationship between general job satisfaction and global self-esteem (although not consistent) and sense of competence. Some recent studies in agreement for the positive relationship between satisfaction and self-esteem (Kohn, 1977; Lopez & Greenhaus, 1978; Schmitt et al, 1979; Tharenou & Harker, 1982; Weiner et al, 1981) and for competence (James & Jone, 1980; La Rocco & Jones, 1978; Tharenou & Harker, 1982).

The study by Wiener et al (1981) examined the relationship between self-esteem and different aspects of satisfaction. Their study examined the role of career and work satisfaction as antecedents of mental health using two groups of employees; 85 staff professionals in a manufacturing firm and 257 store managers in a chain of stores. Results of the product moment correlation among the



variables for both samples revealed significant positive correlations between self-esteem and life satisfaction ( $r = .54$  and  $r = .38$ ), career satisfaction ( $r = .59$  and  $r = .40$ ) and satisfaction with work ( $r = .25$  for staff professionals). These values were all significant and .01 level.

In a study of 88 Clerical workers of a Government Ministry in Nigeria, Ekpo-Ufot (1979) investigated the influence of a concept similar to Korman's (1976) self-esteem. The study examined the relationship between the concept (self-perceived task-relevant abilities, SPART) and complaining behaviour. The result showed a correlation of  $-.30$  between SPART and complaining behaviour which may be seen as an indirect evidence of job dissatisfaction (Ekpo-Ufot, 1979).

Although the above studies show that there exist a positive relationship between satisfaction, self-esteem and sense of competence, these evidence consisted of low bivariate correlations. Thus, it would seem appropriate to utilize multivariate analysis to determine the relative efficacy of these variables and to assess the proportion of variance accounted for by these self variables in the prediction of job satisfaction.

To summarize the studies reviewed above, equity theory and the several studies it generated have suggested that people make comparisons when evaluating their pay and other job outcomes. These comparisons involve firstly, the use of comparative referents which may be others inside the organization or those outside or may be the individuals expectations (self) inside or outside the organization (Adams 1965; Goodman 1974, 1977; Oldham et al 1982, 1986). Secondly, in making such comparisons individuals may perceive different degrees of inequity; that is they may feel undercompensated (disadvantaged) equitably or overcompensated (advantaged).

Studies have indicated that these equity comparisons are related to satisfaction (Goodman 1974; Austin et al 1980; Lawler 1971; Ilgen 1971). Individuals who used others as referents were found to be less motivated, less productive and less satisfied than those who use self referents (Oldham et al 1982). Laboratory studies have also shown that individuals who felt disadvantaged were less satisfied and less productive than those who felt overcompensated or equitably compensated. However, although individuals who were disadvantaged produced more than those equitably treated, they were less satisfied. Equity theory noted that individual's tolerance of overpayment inequities

are much greater than underpayment inequities especially in real organizational settings (McCormick and Ilgen 1980). Thus it was not surprising to find a slightly different trend in the field studies. Results showed that equity perception was positively related to job-satisfaction. Individuals who felt undercompensated were less satisfied while those overcompensated were more satisfied with their pay (Dreher 1982).

Some studies have suggested that self variables may be important in equity comparisons (Goodman 1974; 1977; Oldham et al 1982; Weiss 1966). It was suggested that individuals who have low self-image, aspirations and are more sensitive to judgement of others tend to use other-referents. They also tend to select referents who are higher than them or possess desirable attributes thus placing themselves in disadvantaged position. Individuals who have higher level of aspiration or perception of self worth tend to be less sensitive to judgement of others so they utilize self referents.

These self factors also play an important role in determining job satisfaction. Researchers have suggested that individuals with high self-esteem tend to maintain a satisfying state (Korman 1970), experience fewer feelings of anxiety and are less affected by emotional criticisms (Locke



1976). Although some correlations have been found between general satisfaction and self esteem (e.g., Lopez & Greenhaus, 1978) and sense of competence (e.g. James & Jones, 1980), the results were based on bivariate analysis and thus, the interpretation and understanding of the nature of the relationships is restricted.

#### 2.6 Objectives of the Study

The main independent variables in this study are the self variables; self-esteem, competence, ability and influence while the dependent variables are perceived self-outside equity (PSOEQ), perceived other-outside equity (POOEQ) and job satisfaction. The expected model of association is summarized in Figure 2 below.

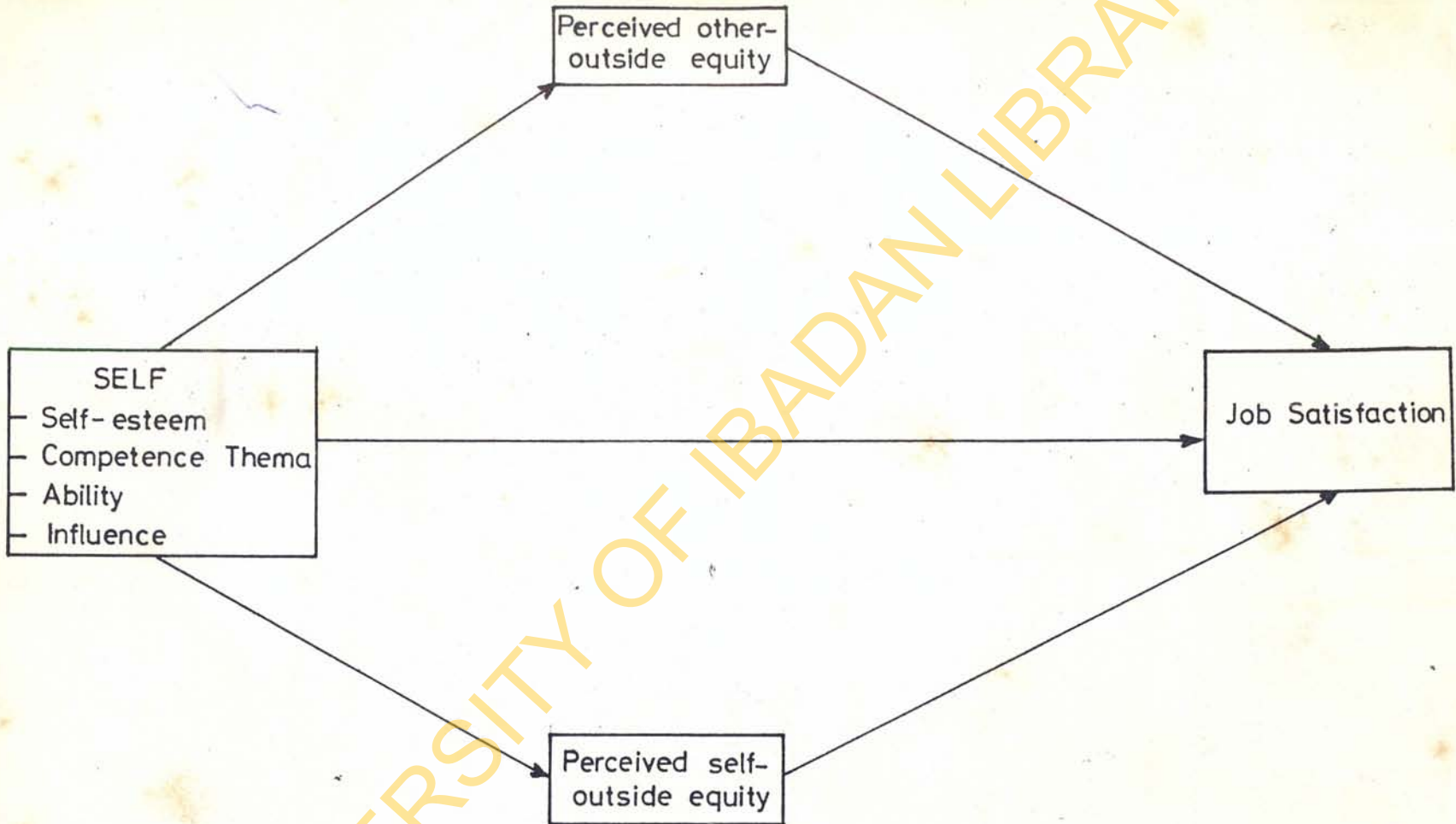


Fig 2: Proposed Model of association among variables .

As shown in the figure above, the self variables are expected to have direct relationships with equity comparison and job satisfaction on one hand, and indirect effects on job satisfaction through POOEQ and PSOEQ on the other. Thus one important goal of this research is to investigate the magnitude of association between the self variables, equity comparisons and job satisfaction. Furthermore equity comparisons (PSOEQ and POOEQ) are expected to be positively associated with job satisfaction. Following this expectations, the second goal of the study is to examine magnitude of association between these equity comparisons and job satisfaction. Finally, the influence of the self-variable, in differentiating between referent categories and the relative predictive ability of these variables in determining referent selection will be examined.

## 2.7 Hypotheses

From the literature reviewed above, three questions emerge (a) Will the employees' self-esteem and sense of competence predict the degree of equity perceived on the job and the amount of satisfaction with the job? (b) Will overpayment inequity lead to satisfaction or dissatisfaction with the job? (c) What effects do the



choice of referents have on individuals' self-esteem and sense of competence? Tentative answers to these questions are the following hypotheses:

1. Self-esteem, competence thema, ability and influence (self variables) will be positively related to perceived self-outside equity (PSOEQ).
2. Self-esteem, competence thema, ability and influence will be positively related to perceived other-outside equity (PSOEQ).
3. Self-esteem, competence thema, ability and influence will be positively related to job satisfaction.
4. Perceived self-outside equity (PSOEQ) and perceived other-outside equity (POOEQ) will both be positively related to job satisfaction.
5. Employees who use inside referents for pay evaluations will exhibit lower self-esteem, competence thema, ability and influence than those who select outside referents.
6. Employees who select 'self' referents will exhibit higher self-esteem, competence thema, ability and influence than those who select 'other' referents.
7. The self variables will be significant predictors of reference selection for pay equity comparisons.

The first three hypotheses form the core of this research and they examine the predictive ability of each of the self variables in the study. The hypotheses are new to the motivation literature and so constitute the distinctive feature of this study. Hypotheses 4 is also important in that it tests equity assumptions, particularly the overpayment-guilt effect in the actual work setting. Finally, hypotheses 5, 6 and 7 were intended to verify assumptions about the effect of self-perception on the choice of referents for pay equity comparisons.

## 2.8 Operational Definition of Terms

1. Perceived other-outside equity (POOEQ) - In the study, this refers to the degree of inequity felt (on five job outcomes) relative to others who do similar jobs, but outside the respondent's focal organization. The five job outcomes were pay, security, advancement opportunities, working conditions and intrinsic job aspects.
2. Perceived self-outside equity (PSOEQ) - this refers to the degree of inequity felt (on five job outcomes) relative to what the respondent would have got if he or she was working outside his present organization. The five job outcomes were also pay, security, advancement opportunities, working conditions and intrinsic job aspects.



3. Referents In this context, referents refers to the kind of individual selected as a standard in making pay equity comparisons. The referents may be: (a) self-inside, which refer to the employee's experiences in a different position inside a focal organization. (b) self-outside, which refer to an employee's experiences in a situation or position outside a focal organization. (c) other-inside which may be another individual or group of individuals inside the employee's focal organization. (d) Other-outside which refer to another individual or group of individuals outside the employee's focal organization.

## CHAPTER THREE

## METHODOLOGY

3.1 Setting

The participants for this study were employees from both private and public organizations in Ibadan. Both public and private sectors were included in the study to increase the generalizability of the results of the study and also to examine the differences between both samples. The study was limited to Ibadan for two reasons. First, it is possible that results might differ in samples of different geographical location. Second, economic constraints reduced the geographical spread of the sample.

The private sector was represented by the banking industry while the public sector was represented by Government Ministries. The banking industry was selected because, of all the organizations in the private sector, the banking industry is one which is relatively unaffected by the economic recession in the country. Furthermore, the bank employees have not been faced with problems of retrenchment as in the manufacturing organizations. The banks used for this study were randomly selected from a list of banks in Nigeria that have branches in Ibadan. The banks were:

Habib Bank of Nigeria Limited.

Nigerian Bank of Credit and Commerce.

Union Bank of Nigeria Limited.

Cooperative Bank Limited.

African Continental Bank Limited.

United Bank for Africa Limited.

Nigeria Merchant Bank.

First Bank of Nigeria Limited.

Societe General Bank (Nigeria) Limited.

Bank of the North.

Allied Bank Nigeria Limited.

The sample for the public sector was represented by ministries in the Oyo State Secretariat. The ministries included in the study were the Ministries of Education, Justice, Works and Transport, Internal Affairs, Agriculture, Information and Culture.

These ministries were randomly selected from a list of ministries presently existing in the State.

### 3.2 Subjects

The participants in the present study were 550 employees in the banks and ministries selected for the study. Participation in the research was made voluntary. In both samples, the participants ranged from clerks to managers (banks) and heads of units (ministries).



Among the bank workers ( $n = 275$ ) 60% were males and 40% were females. The average age was 37.3 years, ranging from 20 to 50 years. The bank sample was also made up of workers whose job tenure ranged from 1 to 35 years and had a mean of 6.1 years. Among the Government workers ( $n = 275$ ) 73% were males while 27% were females. The average age was 34.5 years, also ranging from 20 to 50 years. Their average job tenure was 7.7 years, ranging from 1 to 30 years.

The education level in both samples ranged from General Certificate of Education (G.C.E.) Ordinary Levels to postgraduate degree, with median education level being the higher school certificate or its professional equivalent (OND or AIB part I).

### 3.3 Instruments and Measures

#### 3.3.1 Self-esteem

Self-esteem was measured by the Adanijo and Oyefeso (1986) Self-Esteem Scale. The scale consists of 15 items to which the respondent expresses his or her degree of

agreement on a 5-point Likert-type scale. Principal factor analysis using varimax rotation yielded five factors; dependency, worth, adequacy, competence and acceptability. The authors report a test-retest reliability of  $r = .74$  and  $r = .92$  among undergraduates and high school students, and an internal consistency coefficient of  $.79$  among bank officials. The internal consistency coefficient for the present study was  $.78$  for the bank sample and  $.76$  for the Government sample.

### 3.3.2 Sense of Competence

A 3-factor version of the scale developed by Wagner and Morse (1975) and reduced by Snyder and Morris (1978) was used to measure the three important aspects of work-related sense of competence.

Snyder and Morris (1978) examined the replicability of the a priori four factor structure of the original sense of competence scale. The results showed that the factor structure of the measure was highly reproducible across different samples and setting but only for three factors; competence thema, ability and influence. This result was supported earlier by Wagner and Morse (1975) when they obtained eigen values greater than 1.00 for only these three factors.

Before the scale was used for the present study, the 15-item 3-factor scale was pretested among 75 public servants. Results of the principal factor analysis using varimax rotation reproduced the same factor structure for the 3-factor scale (See Appendix B). The internal consistency coefficients for the pretests were .79 for competence thema, .85 for ability and .88 for influence. In the present study, the internal consistency coefficients for the bank sample were .57, .71 and .66 for competence thema, ability and influence respectively. Among the Government workers the internal consistency coefficients obtained were .65, .79 and .56 respectively.

The first six items on the 15-item scale measure a general competence thema. The next five items measure the perceived task knowledge or ability while the last four items measure influence which is a work-specific index of the individual's locus of control. Agreement with each of the items is indicated on a 5-point Likert scale. A high score on each of the sub-scales indicates a favourable high level of each of the aspects of sense of competence.

### 3.3.3 Job Satisfaction

A short version of the Ugwuegbu (1981) 25 item Job Satisfaction questionnaire was developed by the researcher. Principal factor analysis with varimax rotation was



conducted using the responses of 75 public servants. The result yielded 4 factors; intrinsic work aspects, leadership, working conditions, and organizational factors (See Appendix C). The eigenvalues of the factors ranged from 7.66 to 1.02.

The 10-item version of the Job Satisfaction Scale showed a significantly high correlation with the original scale ( $r = .93, P < .001$ ). Also each of the ten items had significantly high positive correlation with the total score on the 25 items scale. The correlation coefficients obtained ranged from .62 to .70, all significant at .001 level.

Internal consistency coefficients of the 10-item scale obtained for the pretest was .75 while those obtained for the present study were .73 for the bank sample and .66 for the Government sample.

#### 3.3.4 Perceived Equity

Following the format used by Dreher (1982), respondents were asked to indicate on a 5-point scale the extent to which they consider themselves to be overcompensated or undercompensated on five important job outcomes. Respondents were asked to indicate if they thought they were a lot worse or a lot better off compared to others in similar jobs outside their organization (perceived

other-outside equity) or to what they themselves can have in another organization (perceived self-outside equity). The scores on each of the outcomes were then summed to form an overall measure of the perceived other-outside equity (POOEQ) and the perceived self-outside equity (PSOEQ).

The five job outcomes included in this study were obtained from results of two different pilot tests. In the first pilot test, a list of 28 job outcomes derived from literature were presented to 50 workers in an interview. Using the Thurnstone technique, individuals were asked to sort the outcomes into piles based on their importance to them on an 11-point scale. The least important items were scored 1 while the most important items were scored 11. Based on the scale values and the Q scores, the original pool of outcomes were reduced to ten items. These ten items were then presented in questionnaire forms to 75 public servants who participated in the pretests and validation of some other measures used in this research study. These participants ranked the ten outcomes in order of importance. The five items indicating the highest level of importance were selected for the study. The outcomes that emerged were; pay, job security, working conditions, opportunities for advancement and type of job (See Appendix D).



Previous studies have established that each of these facets or outcomes is considered important by individuals and that employees generally react negatively when underrewarded on any of the facets (Dittrich & Carell, 1979, Herzberg, Mausner, Peterson & Capwell, 1957; Jurgensen, 1978; Oldham et al, 1982; Oldham et al, 1986).

The internal consistency (Spearman-Brown) of the POOEQ for the present study is .96 for the bank sample and .90 for the Government sample. For PSOEQ, the internal consistency measures are .87 and .96 for the samples respectively.

### 3.3.5 Comparative Referent Selection

Employees were informed that in evaluating how fair or unfair their pay is, an employee may compare his or her pay to those of other people or his or her experiences. This information was followed by a list of descriptions of possible referents that an employee may select for pay comparisons. The list consists of 8 descriptions of the four categories of comparative referents by Oldham et al (1986).

The categories were (See Appendix A).

- (a) Other-inside referents - the pay of co-workers, senior workers, or junior workers in your organizations (items a - c).



- (b) Others-Outside referents - that is, the pay of friends or colleagues in other organizations (item d).
- (c) Self-inside referents - that is the pay you feel you should be earning in your organization or the pay you were getting in your organization (items e and f).
- (d) Self-Outside referents - that is the pay you will like to earn in another organization or the pay you were getting in another organization (items g and h).

The 8 items used to measure comparative referents were selected from an original pool of 24 items. Originally, each of the four referent categories were described in six different ways. The resulting 24 descriptions were then given to 50 judges (comprising of public servants) who rated the items on a 11 point scale following the Thurnstone technique. The rating was done in such a way that the most relevant referents they thought employees generally used in pay comparisons were scored 11 while those considered least important were scored 1. The final items were selected based on their scale values and their Q scores.

For the present study, the list of referents yielded two scores. Individuals were asked to select one or more

referents they use as comparisons in evaluating their pay. This first measure indicated the complexity of referents selected.

The most important measure was the primary referent measure. Following the format by Oldham et al (1982; 1986), the employees were asked to indicate (if they circled more than one referent) which of them they consider most important or used most frequently in pay comparisons. The responses given yielded the primary referent measure for each respondent. Other inside referent was coded 1, other outside was coded 2, self-inside was coded 3 and self-outside was coded 4.

### 3.4 Other Measures

#### 3.4.1 Sex

Male was scored 1 while female was scored 2.

#### 3.4.2 Age

Age was scored 1 for those under 30, 2 for those between the ages of 31 and 40, 3 for those between the ages of 41 and 50, and 4 for those above 50 years.

#### 3.3.3 Income per annum

Scores of 1 to 9 were assigned to income levels. Employees whose income per annum fell below N2,000 were scored 1, those within the range of N2,001 and N4,000 were

scored 2, within N4001 and N6,000 were scored 3, within N6,001 and N8,000 were scored 4, within N8,001 and N10,000 were scored 5, within N10,001 and N12,000 were scored 6, within N12,001 and N14,000 were scored 7 within N14,001 and N16,000 were scored 8 and those who earned more than N16,000 were scored 9.

#### 3.4.4 Promotion index

Promotion index was based on the respondent's responses to the question "When last were you promoted?" The responses ranged from 0 (never) to 8 years.

#### 3.4.5 Educational level

Educational level was scored 1 for secondary school education (G.C.E. Ordinary Level), 2 for higher school education, Ordinary National Diploma or its equivalent, 3 for University education, Higher National Diploma or its equivalent and 4 for post-graduate education.

#### 3.4.6 Job Tenure

Job tenure was based on the responses to the question "How long have you been with this organization." The actual number of years was stated by the respondents.



### 3.5 Variables

The independent variables of primary interest in this study were self-esteem, competence thema, ability and influence. Other independent variables were age, sex, promotion, job tenure, education and income. The dependent variables were perceived self- outside equity, perceived other-outside equity, referents' selection, and job satisfaction. However, the statuses of these variables changed slightly in the examination of hypotheses 4, 5 and 6.

Hypothesis 4 states that perceived self- outside equity (PSOEQ) and perceived other - outside equity (POOEQ) will both be positively related to job satisfaction. Therefore, in the analysis of this hypothesis, both PSOEQ and POOEQ served as independent variables while job satisfaction remained the dependent variable. In hypothesis 5 and 6 where the self variables were predicted to vary with the individuals choice of referents, referents' selection was the independent variable while the self variables (self-esteem, competence thema, ability and influence) were the dependent variables.

### 3.6 Design .

There were two groups of subjects in this study, 275 bank workers and 275 Government workers. Each of the respondents had scores on each of the independent and dependent variables. Consequently, a multivariate design results. The major part of the analysis (hypotheses 1,2,3,4, and 7) involved running the battery of scores on the independent variables against those of the dependent variables in regression, discriminant and path analyses.

For hypotheses 5 and 6 there were four groups of individuals. They were respondents who used (1) self-inside (2) self-outside (3) other-inside and (4) other-outside referents. This resulted in a 2 (other and self) x 2 (inside and outside) factorial design.

### 3.7. Procedure

Questionnaires were used to collect data from participants in the study, and this was done by the investigator and two female research assistants. The research assistants had previous experiences in data collection and were also given adequate training in the administration of the present questionnaire. They were required to understand the demands of each question in order

to be able to clarify any problem the respondents might have in completing the questionnaires.

The technique used in obtaining participants for this study is the multistage sampling procedure. First the banks and ministries to be used in the study were randomly selected from lists of banks and ministries in Nigeria. In the bank sample, all the branches (in Ibadan) of the banks selected were visited while in the Government sample, all units of the ministry chosen were used in the study. Each of these branches and units was then visited by the researcher, and permission was obtained from the management before data was collected. In all the organizations, data was collected on site by the investigator and the research assistants during office hours. In both samples, all employees occupying clerical positions and above were approached. The employees were informed that the purpose of the research was to find out their feelings about some work issues and were also asked if they would participate. Participation was voluntary and confidentiality in the treatment of responses was assured. Those employees who were willing to participate were served questionnaires and were encouraged to fill them out as soon as possible. 10% of the people approached refused to participate. The reasons given for refusal to participate include (a) heavy work load (b)



laziness in filling questionnaires (c) negative attitude to questionnaires. (d) ignorance of the relevance of questionnaires.

In every case, a copy of questionnaires titled "Job Perception Research" was given to each participant (see Appendix A). The questionnaire consisted of four sections. The first section (A) consisted of 40 items measuring competence theme (items 1-6), influence (items 7-11), ability (items 12-15), job satisfaction (items 16-25) and self-esteem (items 26-40). These five scales were combined to form a 40-item section for two reasons. Firstly, the five scales have the same response format, and so, combining the scales will prevent boredom in reading the same format instructions five times in the questionnaire. Secondly, the new format will prevent individuals from guessing what sections measure which construct, an effect which may bias responses. Section B consists of 10 items, the first five measured perceived self- outside equity while the last five items measured perceived other-outside equity. In Section C, respondents were required to indicate the kind of referent they selected in making pay comparisons, while Section D required information on personal data such as age, sex, job tenure and income (see Appendix A). Although the questionnaires contained instruction about how to fill them,



the investigator and the research assistants were available to clarify any problem the respondents had. In all, only 5% of the respondents required further explanation on how to fill the questionnaires.

After five working days, the investigators and research assistants went round to collect completed questionnaires. However, only in 50% of the case were respondents ready with the questionnaires. Majority of the participants had forgotten to complete the questionnaires while others claimed that they left theirs at home, therefore, the researcher had to give three more days for the completion of the questionnaires. On the average, the Government workers completed their questionnaires in five days while the bank workers completed theirs in eight days.

Altogether, 800 questionnaires were distributed; 400 for each of the two samples. However, only 580 (73%) of the questionnaires were returned to the researcher. Of the 580 returned, 8 were unfilled while 22 were incompletely filled. This resulted in 275 respondents for the Government sample and 277 respondents for the bank sample. In order to have equal number of subjects in both samples, two questionnaires were randomly removed from the bank sample. Consequently, the final sample consisted of 275 (50%) respondents for the bank sample and also 275 (50%) for the Government sample. A breakdown of the return rate for each bank and ministry is shown in Appendices E and F.

### 3.8 Statistical analysis

Several types of statistical tools were employed in the interpretation of the data. First, means, standard deviations and intercorrelations for all the variables were calculated.

To test hypotheses 1,2,3 and 4 which purport to examine the extent to which the self variables and other variables in the study can predict perceived equity and job satisfaction, hierarchical multiple regression was utilized. These analyses were performed for the total sample and each of the samples.

For hypotheses 5 and 6, a 2 (inside/outside) x 2 other/self) ANOVA was carried out to determine whether the self variable varied by the type of comparative referent chosen.

To test hypothesis 7, Stepwise multiple linear discriminant analysis was performed to examine the extent to which the variables in the study can be predicted by the selection of the primary referent category. The stepwise procedure first selected the best predictor variables, and finally the variables selected were used in arriving at the discriminant functions.

Finally, Path analysis was utilized to make explicit the set of regression calculations. For each dependent



variable, those predictors with significant betas were preserved for incorporation into a path diagram and subsequent path analysis (Heise 1975). The a priori ordering of the variables which guided this analysis assumed that job satisfaction represent the final dependent variable, preceded immediately by both perceived self and other equity. The remaining variable were examined in order of their measurement. Self-esteem, competence thema, ability and influence were assumed to be capable of direct effects on satisfaction and indirect effects through perceived self and other equity (See Fig. 1)

## CHAPTER FOUR

## RESULTS

Table 1 shows the means, standard deviations and zero-order correlations among the variables in the study for the total sample.

The self variables (self-esteem, competence theme, ability and influence), perceived self-outside equity (PSOEQ) and perceived other-outside equity (POOEQ), showed significant positive correlations with job satisfaction. The correlations were .19, .24, .21, .35, .25 and .25 respectively. Among the demographic and organizational variables, only sex, income and promotion were significantly correlated with job satisfaction. Income showed a positive correlation with job satisfaction while sex and promotion showed negative correlations. PSOEQ and POOEQ showed significant positive correlations with competence theme and influence while self-esteem and ability showed no significant associations with these variables. PSOEQ was negatively related to income, promotion, education and self-outside referents' selection. POOEQ also showed negative correlations with promotion, education and other-outside referents' selection. While a variety of

71

TABLE 1

MEANS, STANDARD DEVIATIONS AND INTERCORRELATIONS OF ALL VARIABLES FOR THE TOTAL SAMPLES

	VARIABLES																		MEAN	SD
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
1. Sex	-																		1.35	.50
2. Age	.00	-																	1.60	.70
3. Income	-.02	.41	-																2.75	1.48
4. Promotion	-.03	.20	-.08	-															3.22	2.10
5. Education	.00	.10	-.50	.21	-														1.93	.97
6. Job tenure	.03	.69	.30	.40	-.08	-													6.92	5.32
7. Referent Complexity	.02	-.10	-.02	-.05	-.06	-.13	-												2.09	.97
8. Self-esteem	.04	.01	.26	-.06	.30	-.03	-.04	-											55.00	7.86
9. Competence therna	-.05	.04	.10	-.01	.01	.03	-.04	.18	-										23.44	3.69
10. Ability	-.11	.05	.08	-.02	.08	.08	-.02	.24	.39	-									16.99	2.50
11. Influence	-.05	.05	.23	.00	.12	.06	-.06	.29	.23	.12	-								16.45	3.66
12. POOEQ	-.01	.04	.04	-.12	-.23	.02	-.06	-.08	.15	-.02	.10	-							16.34	3.84
13. PSOEQ	-.05	-.07	-.09	-.12	-.30	-.02	-.13	-.08	.16	-.04	.14	.71	-						17.15	4.27
14. Other-inside	-.00	-.03	-.05	-.07	-.06	.04	-.16	-.15	-.08	-.13	-.03	.07	.09	-					.44	.26
15. Other-outside	-.00	-.02	-.08	.07	-.00	.01	-.13	.01	.08	.09	.07	-.12	-.08	-.44	-				.41	.37
16. Self-inside	-.00	.08	.08	-.04	.04	.03	-.09	.06	.01	.00	.07	.08	.03	-.30	.39	-			.40	.21
17. Self-outside	-.07	.12	.12	.02	.16	-.05	.03	.13	-.04	.07	.09	-.07	-.11	-.19	-.24	-.16	-		.29	.09
18. Job satisfaction	-.09	.16	.16	-.13	.04	.04	.00	.19	.24	.21	.35	.25	.25	.02	.03	.01	-.02		33.49	6.17

Note. N = 550; r required for significance at P .05 is .09 and at P .01 is .12.



TABLE 2

102

INTERCORRELATIONS AMONG ALL VARIABLES FOR THE GOVT AND BANK SAMPLES (BANK IN PARENTHESES)  
VARIABLES

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Sex	-																
Age	-.03 (-.03)	-															
Income	-.02 (.03)	.45 (.47)	-														
Promotion	-.12 (.06)	.25 (.15)	.00 (.15)	-													
Education	-.02 (.01)	.11 (.04)	.58 (.50)	-.16 (-.29)	-												
JOB Tenure	.01 (.01)	.67 (.71)	.25 (.44)	.45 (.32)	-.11 (.09)	-											
Referent Comp- lexity	.08 (.02)	-.15 (.04)	.03 (.01)	-.07 (.03)	.11 (.03)	-.14 (.09)	-										
Self -Esteem	.02 (.11)	.08 (.02)	.35 (.11)	-.07 (.05)	.38 (.22)	.04 (.01)	.11 (.05)	-									
Competence thema	.03 (.16)	-.009 (.01)	.07 (.10)	.01 (.03)	.02 (.06)	.08 (.01)	.04 (.06)	.19 (.14)	-								
Ability	.12 (.08)	.10 (.01)	.10 (.03)	.01 (.00)	.12 (.04)	.12 (.09)	.01 (.05)	.14 (.23)	.48 (.28)	-							
Influence	.03 (.08)	.14 (.01)	.22 (.22)	.01 (.03)	.17 (.10)	.09 (.06)	.01 (.15)	.32 (.24)	.22 (.22)	.09 (.14)	-						
POEQ	.05 (.01)	.09 (.05)	.15 (.01)	-.05 (.18)	-.27 (.14)	.11 (.03)	-.05 (.10)	.11 (.08)	.13 (.14)	.11 (.07)	.07 (.09)	-					
PSOEQ	.04 (.05)	.02 (.04)	-.26 (.06)	.09 (.15)	.36 (.17)	.08 (.03)	-.14 (.18)	.20 (.04)	.07 (.22)	-.18 (.10)	.08 (.15)	.80 (.59)	-				
Other-Inside	.00 (.02)	.04 (.03)	.12 (.01)	.12 (.07)	.08 (.04)	.01 (.06)	.13 (.20)	.15 (.26)	.19 (.07)	.22 (.01)	.07 (.02)	.07 (.07)	.14 (.08)	-			
Other-Outside	.03 (.06)	.07 (.02)	.11 (.04)	.07 (.06)	-.08 (.07)	.01 (.02)	.15 (.20)	.03 (.07)	.14 (.02)	.15 (.02)	-.10 (.02)	.10 (.13)	-.05 (.09)	-.48 (.41)	-		
Self-Inside	.00 (.01)	.03 (.05)	.10 (.06)	.01 (.08)	.07 (.02)	.00 (.07)	.07 (.11)	.08 (.03)	.05 (.04)	.01 (.01)	.07 (.07)	.05 (.09)	.04 (.08)	.29 (.30)	.39 (.39)	-	
Self-Outside	-.15 (.01)	.10 (.02)	.07 (.07)	.03 (.00)	.20 (.08)	.04 (.09)	.01 (.05)	.14 (.11)	-.06 (.02)	.09 (.04)	.08 (.12)	-.07 (.05)	-.10 (.08)	-.21 (.16)	.28 (.21)	-.17 (.15)	-
Job Satisfaction	.05 (.12)	.05 (.12)	.02 (.28)	-.13 (.13)	-.02 (.16)	.01 (.11)	-.04 (.03)	.19 (.17)	.44 (.39)	.21 (.19)	.31 (.39)	-.24 (.25)	.19 (.28)	-.00 (.06)	.03 (.09)	-.06 (.08)	-.08 (.07)

Note: N = 275 (Both of the samples); r required for significance at P.05 is .09 and at P.01 is .12.

these variables are correlated, there are no instances of extreme multicollinearity.

Table 2 shows the results of the sub-group analysis of intercorrelations among the variables. As observed for the total sample, the self variables, POOEQ & PSOEQ showed significant positive correlations with job satisfaction in both samples. Among the Government samples, none of the demographic or organizational variables (except income) was significantly correlated with job satisfaction. However in the bank sample, age, income, education and job tenure were positively related to job satisfaction, while sex and promotion showed negative relationship. In other words, female employees tended to be less satisfied than males and also, the longer the duration of the last promotion the less satisfied the bank employees.

Hypothesis 1 which predicted that self-esteem, competence theme, ability and influence could be positively related to perceived self-outside equity (PSOEQ) was examined using the hierarchical multiple linear regression analysis. The results obtained for the total sample and the subgroups (bankers and Government workers) are presented in Table 3.



TABLE 3

REGRESSION OF PERCEIVED SELF-OUTSIDE  
(PSOEQ) ON THE PREDICTOR VARIABLES.

Step	Predictors	TOTAL n=550		GOVT n=275		BANK n=275	
		$\beta$	$\Delta R^2$	$\beta$	$\Delta R^2$	$\beta$	$\Delta R^2$
1.	Self-Esteem	-.14**		-.22***		-.11	
	Competence thema	-.18***		.19**		.19***	
	Ability	-.02**		-.23***		.06	
	Influence	.15***	.07***	.12**	.11***	.13**	.07**
2.	Other-inside	-.22**		-.14**		-.24	
	Other-outside	-.34		-.25		-.25	
	Self-inside	-.23		-.22		-.19	
	Self-Outside	-.25**		-.19		-.22	
	Ref. Complexity	-.20***	.04**	-.16***	.03	-.28**	.06**
3.	Income	-.11**		-.22***		-.11	
	Promotion Index	-.14***	.03***	-.10**	.06	-.13	.04**
4.	Sex	-.04		-.01		-.01	
	Age	-.09*		-.02		-.05	
	Education	-.16***	.02**	-.09	.01	-.01	.01

$\beta$  Standardized regression weights computed at the end of each step.

\*  $P < .05$

\*\*  $P < .01$

\*\*\*  $P < .001$



The results show that the self variables are significantly related to PSOEQ. As predicted, competence thema and influence showed positive linear relationships with PSOEQ. In other words, the higher the employee's score on competence thema or influence, the higher the tendency to consider himself advantaged relative to what he may get outside the organization.

On the other hand, self-esteem and ability showed negative relationship with PSOEQ. If this is interpreted to mean that individuals with high self-esteem or ability see themselves as disadvantaged, then one would be going beyond the data. This is because the PSOEQ measure is such that the perceived equity response ranges from 1 (disadvantaged) through 3 (equitable) to 5 (advantaged) (See Chapter 3). In generating hypothesis 1, it was assumed that employees who have high ability or high self-esteem would tend to see themselves as advantaged or equitably compensated relative to what they would get outside, while those who score low on these variables would consider themselves relatively disadvantaged. Thus, in order to make explicit the observed relationship between the variables (self-esteem and ability), the samples were dichotomised (at the median) into low and high self-esteem on one hand, low and high ability on the other. The means of the subgroups were then

computed. The mean PSOEQ score for the low self-esteem group was 16.73 (SD = 3.85) while that for the high self-esteem group was 15.84 (SD = 3.64). Also, the mean PSOEQ scores for those with low and high ability were 17.05 (SD = 3.85) and 17.30 (SD = 4.20) respectively. The data show that although there are slight differences in the means of the subgroups, on the average, both low and high self-esteem on one hand and low and high ability groups on the other tend to consider themselves equitably compensated, relative to what they might receive outside the focal organization.<sup>1</sup>

The trend of results obtained for the Government sample was similar to that of the total sample. However, for the bank sample, only competence, thema and influence were significantly and positively related to PSOEQ. Self-esteem

- 
1. Since the total score was based on responses to 5 items, the average score on each item for low and high esteem groups were 3.35 and 3.17 respectively while those for low and high ability groups were 3.41 and 3.46 respectively. These scores are closer to the equitable score (3) than to the disadvantage (1) or advantage (5) scores.

and ability had no significant influence on PSOEQ among the bank workers. On the whole, hypothesis 1 was partially supported.

Table 3 also shows that referent complexity has a negative relationship with PSOEQ in all the samples ( $P < .001$ ). This suggests that individuals who use a few referents generally make more favourable equity evaluations than individuals who use multiple referents.

Altogether, the self variables accounted for a significant proportion of the variance in PSOEQ. Among the Government employees, this variable set accounted for 11% of the total variance ( $R^2 = .11$ ,  $F(4,270) = 8.27$ ,  $P < .001$ ) while for both the total and the bank sample only 7% of the variance was accounted for ( $R^2 = .07$ ,  $F(4,545) = 9.53$ ,  $P < .01$  and  $R^2 = .07$ ,  $F(2,270) = 5.15$ ,  $P < .01$  respectively).

Table 3 also showed that other-inside and self-outside referents' selection, referent complexity, promotion index, income, age and education were significantly negatively related to PSOEQ for the total sample. The same trend was observed for the two subgroups except that the influence of self-outside referent was not significant in the Government sample. Also, none of the referent categories had a significant influence on PSOEQ among the bank workers.



Hypothesis 2 stated that self-esteem motivation, ability and influence would be negatively related to perceived other-outside equity (POOEQ). Table 4 shows the regression of POOEQ on the self and other predictor variables.

UNIVERSITY OF IBADAN LIBRARY

TABLE 4  
REGRESSION OF PERCEIVED OTHER-OUTSIDE EQUITY  
(POOEQ) ON THE PREDICTOR VARIABLES:

Step	Predictors	TOTAL		GOVT		BANK	
		$\beta$	$\Delta R^2$	$\beta$	$\Delta R^2$	$\beta$	$\Delta R^2$
1.	Self-Esteem	-.12**		-.13**		-.14	
	Competence thema	.18***		.22***		.22**	
	Ability	.07*		-.18***		.06	
	Influence	.11**	.05**	.09*	.07**	.09	.04*
2.	Other-inside	.17		-.13		-.19	
	Other-outside	-.30**		-.25*		-.31*	
	Self-inside	-.13		-.12		-.13	
	Self-outside	-.18**		-.14		-.16	
	Referent Complexity	-.12**	.03**	-.07	.02	-.18	.04*
3.	Income	-.05		-.14*		-.03	
	Promotion	-.12**	.02**	-.05	.02**	-.19	.03**
4.	Sex	.03		.02		.02	
	Age	.09*		.06		.05	
	Education	-.05	.01	-.02	.00	-.09	.01

N (TOTAL) = 550

n (GOVT) = 275

n (BANK) = 275

$\beta$  Standardized regression weights computed at the end of each step.

\*  $P < .05$ \*\*  $P < .01$ \*\*\*  $P < .001$

Results presented in Table 4 showed that as observed for PSOEQ (hypothesis 1), competence thema and influence were significantly and positively related to POOEQ. That is, the higher an individual's level of competence thema or influence, the higher his POOEQ.

On the other hand, self-esteem and ability showed negative relationship with POOEQ. Hypothesis 2 assumed that those high on ability or self-esteem would tend to perceive their job situations as equitable or relatively advantageous, while those low on the variables would see themselves as disadvantaged. The mean POOEQ scores for both low and high self-esteem individuals were 16.73 (SD = 3.85) and 15.84 (SD = 3.64) respectively while the mean POOEQ scores for low and high ability subgroups were 16.22 (SD = 3.59) and 16.30 (SD = 3.98) respectively. In both cases, although those who scored low on self-esteem and ability tended to make more favourable comparisons, on the average, the groups consider themselves as equitably<sup>1</sup> compensated.

- 
1. The POOEQ mean scores on each of the 5 items of the POOEQ scale were 3.35 and 3.17 for low and high self-esteem groups, and 3.25 and 3.26 for low and high ability groups. These scores are closer to the equitable score (3) than the disadvantage (1) or advantage (5) scores.



relative to others, working on similar jobs outside the organization

Subgroup analysis showed the same trend for the Government sample. But in the bank sample, only competence thema and influence had significant effects on POOEQ.

The self variables accounted for significant proportion of variance in POOEQ in all the samples. In the total sample, the variable set accounted for 5% of the variance ( $R^2 = .05$ ,  $F(4,545) = 6.98$ ,  $P < .01$ ), in the Government sample, 7% of the variance was accounted for ( $R^2 = .07$ ,  $F(4,270) = 5.01$ ,  $P < .01$ ) and in the bank sample, 4% of the variance was accounted for ( $R^2 = .04$ ,  $F(4,270) = 2.90$ ,  $P < .05$ ).

Table 4 also shows that other-outside and self-outside referents' selection, referent complexity and promotion index were significantly and negatively related to POOEQ while age was positively related to POOEQ. Subgroup analysis showed that self-outside referent selection and age had no significant influence on POOEQ in both Government and bank sample. In addition, in the bank sample, income was negatively related to POOEQ.

Hypothesis 3 stated that self-esteem, competence thema, ability and influence will be positively related to job satisfaction. The results are shown in Table 5.

TABLE 5

## REGRESSION OF JOB SATISFACTION ON THE PREDICTOR VARIABLES.

Step	Predictors	TOTAL		GOVT		BANK	
		$\beta$	$\Delta R^2$	$\beta$	$\Delta R^2$	$\beta$	$\Delta R^2$
1	Self-Esteem	.04**		.10**		.06**	
	Competence thema	.34***		.32***		.30***	
	Ability	.04		.06		.05	
	Influence	.26***	.25***	.20***	.24	.30***	.25
2.	POOEQ	.19***	.04***	.17***	.03***	.18***	.03
3.	Other-Inside	.06		-.13		.14	
	Other-Outside	.01		-.22		-.07	
	Self-Inside	.02		-.26		.14	
	Self-outside	.03		-.22*		.08	
	Ref. Complexity	.04	.01	-.02	.03	.03	.01
4.	Income	.05		-.03		.10**	
	Promotion	.09	.01*	-.12*	.02*	-.06	
5.	Sex	.07		-.09		-.06	
	Age	.01		.01		.04	
	Education	.02	.01	.03	.01	.05	.01
a	PSOEQ	.19	.04	.18***	.03	.15	.03

a Computed in separate regression runs to avoid multicollinearity effect.

$\beta$  Standardized regression weights computed at the end of each step.

N (TOTAL) = 550      n (GOVT) = 275      n (BANK) = 275

\*  $P < .05$       \*\*  $P < .01$       \*\*\*  $P < .001$



The results indicated that self-esteem, competence theme and influence were significantly related to job satisfaction. These relationships were in the predicted positive direction. Thus, the higher the individual's self-esteem, competence theme or control (influence) on job events, the higher the tendency to be satisfied with his or her job. However, although a positive relationship existed between ability and job satisfaction, the relationship was not significant. Subgroup analysis also showed the same trend of results for both Government and bank employees. Hence, hypothesis 3 was supported.

Altogether, the four self-variables accounted for a significantly high proportion of variance in job satisfaction in the total sample ( $R^2 = .25$ ,  $F(4,545) = 46.05$ ,  $P < .001$ ). This variable set also accounted for high proportion of variance in both Government and bank samples ( $R^2 = .24$ ,  $F(2,270) = 21.75$ ,  $P < .001$  and  $R^2 = .25$ ,  $F(2,270) = 23.01$ ,  $P < .001$  respectively).

Hypothesis 4 was also supported in that the higher the employee's POEEQ or PSOEQ the higher his job satisfaction. Details of these results are shown in Table 5. POEEQ and PSOEQ showed significant positive relationships ( $P < .001$ ) with job satisfaction. This relationship was consistent for both the bank and Government employees. The amount of



variance in job satisfaction accounted for by POOEQ or PSOEQ varied from 4% ( $P < .001$ ) to 3% ( $P < .001$ ).

Referents' selection, age, sex and education had no significant influences on job satisfaction in all the samples. Self-outside referent selection (only in the Government sample) and promotion showed a significant negative relationship with job satisfaction. Also, income showed a positive relationship with job satisfaction, but only for the bank sample.

In order to examine the possibility that the level of self-esteem, competence theme, ability and influence varied by the choice of referents, 2 (inside and outside) by 2 (other and self) ANOVA was done. Results on each of the self variables are summarized in Table 6.

TABLE 6

Summary on Two-way ANOVA for competence Thema, Ability, Influence and Self-Esteem for the referent Selection.

		<u>DEPENDENT MEASURE</u>								
<u>Source</u>		<u>Competence thema</u>		<u>Ability</u>		<u>Influence</u>		<u>Self-esteem</u>		
Total	Inside/Outside ref. (A)	1	26.73	1.93	71.11	11.26***	.56	.04	557.87	9.51**
	Other/Self ref (B)	1	.23	.01	20.21	3.19	97.37	7.58	896.87	1529***
	AxB	1	51.76	3.77**	2.87	.45	5.19	.72	.003	.00
	Error	501	1.73		31		12.85		58.64	
Govt	A	1	69.15	3.91	117.38	14.56**	.39	.03	205.87	3.04
	B	1	5.80	.33	23.12	2.87	70.03	5.14*	680.85	10.06*
	A x B	1	136.48	7.71	7.85	.97	1.01	.07	2.05	.03
	Error	258	17.71		8.06		13.62		67.62	
Bank	A	1	.61	.07	1.01	.24	1.24	.11	394.24	8.21**
	B	1	6.08	.70	.78	.19	28.30	2.47	259.57	5.41*
	Ax B	1	5.80	.67	336	.08	17.23	1.50	.72	.02
	Error	239	8.66		4.22		1.46		48.01	

\*  $P < .05$ \*\*  $P < .01$ \*\*\*  $P < .001$

Significant main effects were observed for inside/outside referents on ability ( $F(1,501) = 11.26$ ,  $P < .001$ ) and self-esteem ( $F(1,501) = 9.51$ ,  $P < .01$ ). The main effects of inside/outside referent were significant for the influence and competence theme variables. The results also indicate significant main effects for other/self referents on influence ( $F(1,501) = 7.58$ ,  $P < .01$ ) and self-esteem ( $F(1,501) = 15.29$ ,  $P < .001$ ).

Subgroup analysis show that the results of the Government sample is similar to that of the total sample. But in the bank sample, the main effects (both inside/outside and self/others) for only the self-esteem variable was significant.



TABLE 7

Means scores for inside / outside and other/self referents' selection on competence thema, Ability, influence and self-Esteem.

		TOTAL n=550	GOVT n=250	BANK n=250
Dependent Measure	Source			
Ability	Inside	16.63	16.11	
	Outside	17.39	17.43	n.s
	Grandmean	17.01	16.80	
Competence thema	Inside	23.18	22.34	
	Outside	23.72	23.58	n.s
	Grandmean	23.44	22.99	
Influence	other	16.17		
	self	17.16	n.s	n.s
	Grandmean	16.49		
Self-Esteem	Inside	54.00	53.38	54.66
	Outside	55.86	54.91	57.20
	Other	54.05	53.13	55.08
	Self	56.10	56.49	57.39
	Grandmean	54.99	54.18	55.86

An examination of the means (Table 7) shows that employees who selected inside referents, contrary to those who selected outside referents scored lower on ability (16.63 versus 17.38) and self-esteem (54.00 versus 55.86). Also, employees who selected self referents scored higher on influence (17.16 versus 16.17) and self-esteem (56.10 versus 54.05). These results are in consonance with hypothesis 5.

Table 7 also shows significant interaction between inside/outside and other/self referents' selection on competence theme. Figure 3 below graphically illustrates the interaction.

○ ——— ○ self referent users  
 ○ ——— ○ other referent users

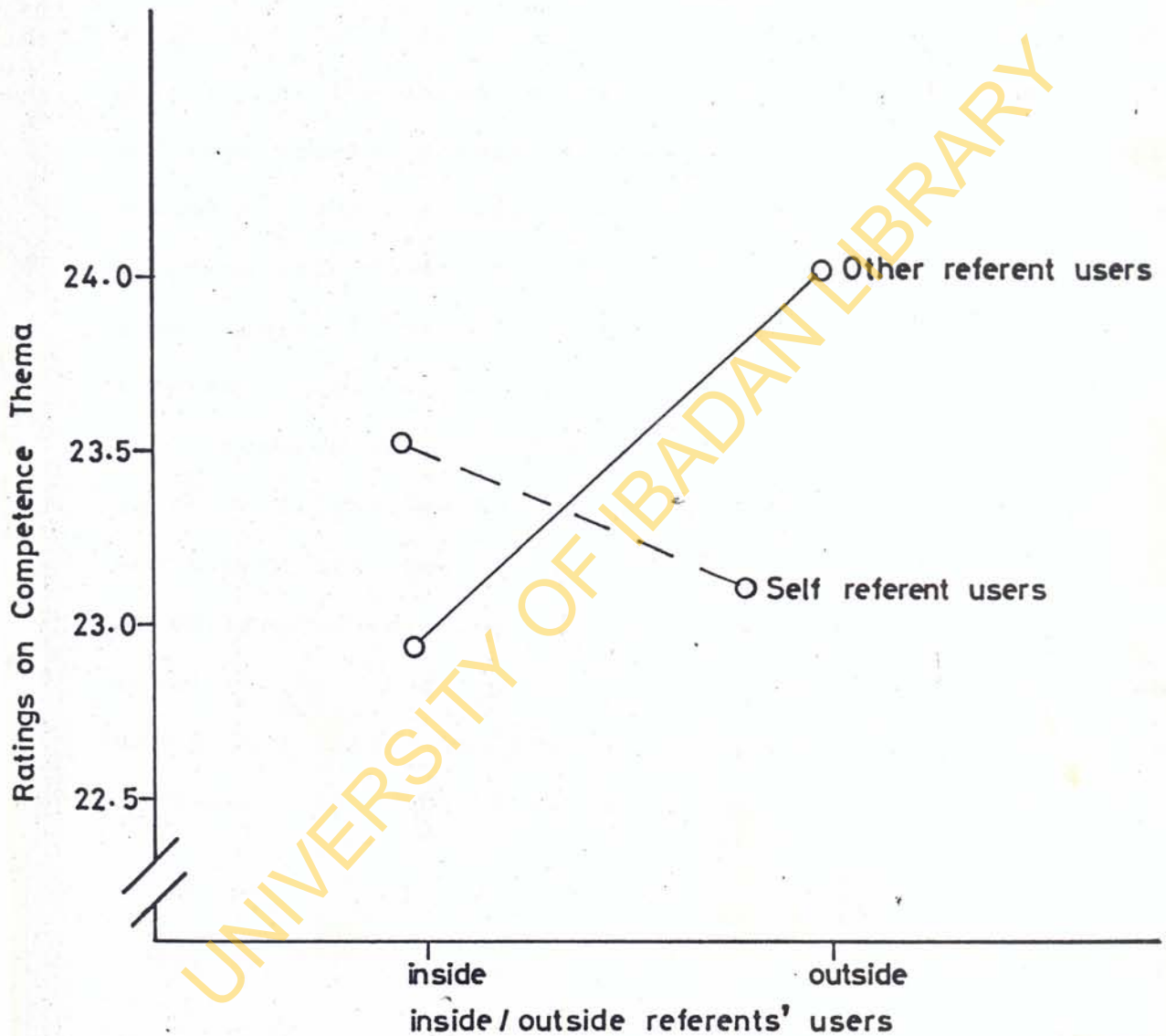


Fig 3 : Mean ratings on competence thema : inside / outside by self / other referents' interaction .



Figure 3 reveals that the employees who used other-inside referents scored lower on competence theme than those who used self-inside referents, while those who selected other-outside referents scored higher than those who selected self-outside referents. In other words, outside referent users scored higher on competence theme than employees who use inside referents only if they use other-outside referents. On other hand, they scored lower than inside-referent users when they are other-inside referent users.

Stepwise multiple discriminant analysis was carried out in order to examine the extent to which the self-variables and other variables in the study can predict the selection of referents for pay equity comparisons. The analysis involved the four referent categories as the dependent variables; other-inside, other-outside, self inside and self-outside. Table 8 shows the results of the analysis.

TABLE 8  
SIGNIFICANT DISCRIMINANT FUNCTIONS OF THE PREDICTOR VARIABLES OF REFERENT SELECTION.

Independent Variables	TOTAL		GOVT		BANKERS		
	I	II	I	II	I		
	W	W	W	W	W		
1. Self-Esteem	.42	-.05	1	-.35	-.61	1	-.65
2. Competence Thema	-.10	-.53	2	.01	-.64	2	.05
3. Ability	.41	-.21	3	-.34	-.47	3	-
4. Influence	.22	.40	4	-.27	-.21	4	-
5. POOEQ <sup>a</sup>	-.13	.50	5	-.10	.37	5	.36
6. Job Satisfaction	-.23	.02	6	.46	.09	6	.19
7. Income	.32	.48	7	-.50	.26	7	-
8. Promotion	.37	-.21	8	-	-	8	-
9. Tenure	.82	.05	9	-	-	9	.90
10. Age	.52	-.10	10	-	-	10	-.86
11. Proportion of discriminable variance	.64	.30	11	.14	.08	11	.71
12. Significant levels of the functions	.001	.05	12	.001	.023	12	.04
13. Group means on discriminant Vector							
(a) Other-Inside	7.26	22.92	13	a) 2.25	21.75	13	a) 6.61
(b) Other-Outside	6.98	23.83		b) 2.32	23.79		6.04
(c) Self-Inside	7.18	23.54		c) 2.79	23.48		6.74
(d) Self-Outside	6.10	23.00		d) 3.27	22.30		4.67

(a) Similar result were obtained when PSOEQ was entered However, only one was used to avoid multicollinearity effect  
W - Discriminant coefficients.



Calculation of the discriminant analysis resulted in 3 discriminant functions out of which only two were significant ( $P < .001$  and  $P < .05$ ). Both significant functions accounted for 94% of the discriminable variance. Table 8 shows that job tenure (.82) primarily characterizes the first discriminant function. An inspection of the group means (7.26 versus 6.10) indicates that employees who used the other-inside referents for pay comparison had the longest job tenure and those who used the self-outside pay referents had the shortest tenure. The second discriminant function is primarily characterised by competence thema (.53). An inspection of the groups means (23.83 versus 22.92) reveals that employees who used other-outside referents had the highest competence thema, while those who had the lowest competence thema were those who used other-inside referents.

For the Government sample, two significant discriminant functions were found ( $P < .001$  and  $P < .03$ ). But they were primarily characterized by income and competence respectively. Individuals who had the highest income were those who used self referents while those who used other referents earned lower incomes. Other-inside referent users earned the least income.



For the bank sample, only one significant discriminant function was found. This function, like the first function for the total sample was characterised by job tenure. Bank employees who used self-inside referents had higher job tenure while those who used self-outside referents had the least job tenure.

Generally, the results of the discriminant analysis showed that job tenure and competence theme were the most important (of all the variables under study) in choice of comparative referent for pay comparisons. Although all the other variables were included in the first set of the best discriminating variables, they were not as important as job tenure and competence theme.

#### Summary of the Regression Results

Path analysis was utilized to make explicit the rationale for the set of regression results observed for the self variables, equity comparisons and job satisfaction. Table 9 reports the main results of the specified multiple regression used to estimate the path coefficients. The results of the path analysis for the total sample are presented in Fig. 4.

TABLE 9

Incremental Variance in criterion Variables  
accounted for by the Predictor Variables,

Criterion	Predictors	TOTAL $\Delta R^2$	GOVT $\Delta R^2$	BANK $\Delta R^2$
PSOEQ	Self-Esteem	.01**	.04***	.00
	Competence Thema	.03***	.01**	.05***
	Ability	.01**	.04***	.00
	Influence	.02***	.01**	.02**
	Other-Inside	.01**	.01**	.00
	Self-Outside	.01**	.00	.00
POOEQ	Self-Esteem	.01**	.01**	.00
	Competence thema	.03***	.03***	.02
	Ability	.01*	.03***	.00
	Influence	.01***	.01*	.00
	Other-Outside	.01**	.01*	.01*
	Self-Outside	.01**	.00	.00
Job Satis- faction	Self-Esteem	.04**	.03**	.03**
	Competence thema	.16***	.17***	.14***
	Influence	.06***	.04***	.08***
	POOEQ	.04***	.03***	.03***
	PSOEQ	.03***	.03***	.03
	Self-Outside	.00	.00	.01*

N (TOTAL) = 550

n (GOVT) = 275

n (BANK) = 275

\*  $P < .05$

\*\*  $P < .01$

\*\*\*  $P < .001$

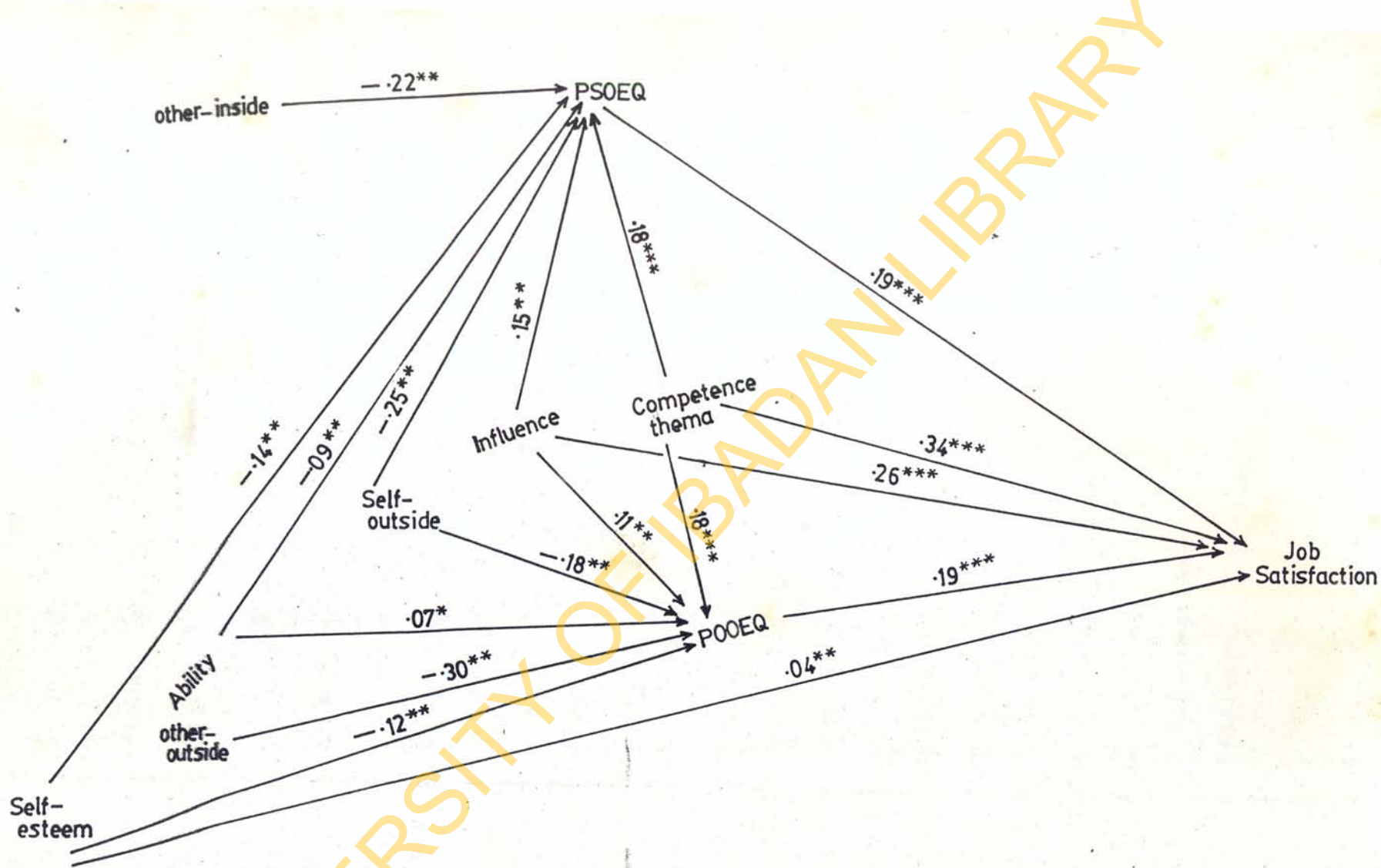


Fig. 4: Path diagrams specifying the effects of the Self variables on Perceived equity and Job Satisfaction for the Total sample.

\*  $P < .05$

\*\*  $P < .01$

\*\*\*  $P < .001$



Consistent with expectations, self esteem, competence thema and influence had direct effects on job satisfaction. These variables also had indirect effects on perceived self-outside equity (PSOEQ) and perceived other-outside equity (POOEQ). Although, ability did not have a direct effect on job satisfaction, it exerted an indirect effect through its direct effect on PPOEQ and PSOEQ.

Also consistent with expectations, PPOEQ and PSOEQ were directly linked to job satisfaction, and these influences were in the positive direction. Unexpectedly, none of the comparative referent categories (self-inside, self-outside, other-inside and other outside) had a direct influence on job satisfaction. However, other-outside and self-outside referents' selection had direct effects on PPOEQ, while self-outside and other-inside referents' selection had direct influences on PSOEQ. Employees who use other-outside and self-outside referents tend to see themselves as more disadvantaged relative to others outside. Also, those who used self-outside and other-inside referents saw themselves as relatively less advantaged compared with what they expect to have outside their organizations.

In sum, the self variables accounted for 25% of variance in job satisfaction while PPOEQ and PSOEQ accounted for 6% of the variance. For each of the perceived equity

states (POOEQ and PSOEQ) the self variables accounted for only 5% of the variance.

Figure 5 shows the path diagram for the Government sample.

UNIVERSITY OF IBADAN LIBRARY

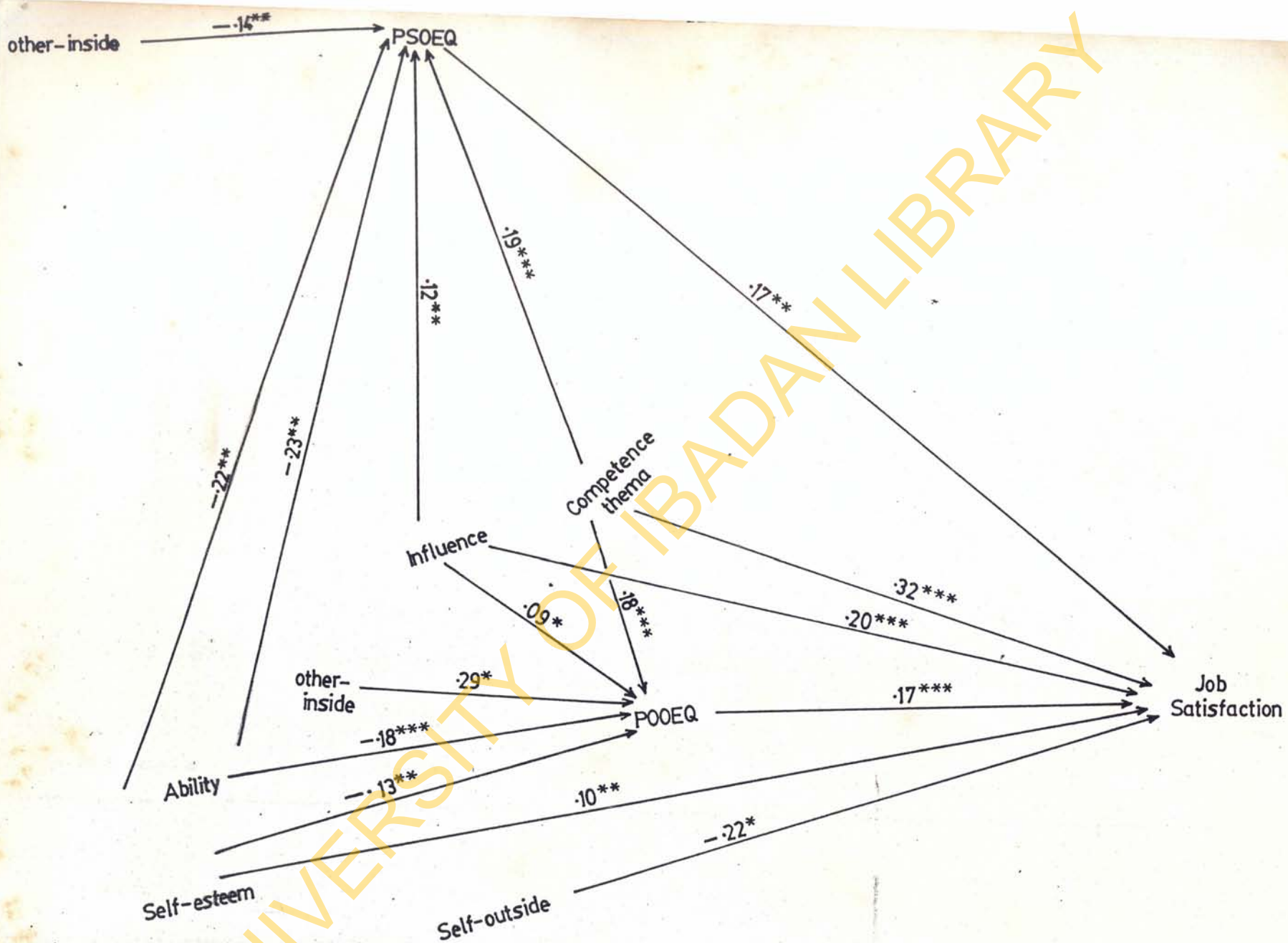


Fig. 51: Path diagrams specifying the effects of the Self variables on Perceived equity and Job Satisfaction for the Government sample.

\*  $P < .05$

\*\*  $P < .01$

\*\*\*  $P < .001$



The pattern of results obtained for the Government sample was similar to those for the total sample. One important difference however, was the significant negative effect exerted on job satisfaction by the self-outside referent category ( $P < .01$ ). Unlike the total sample, it did not have direct effects on P00EQ and PS0EQ.

UNIVERSITY OF IBADAN LIBRARY

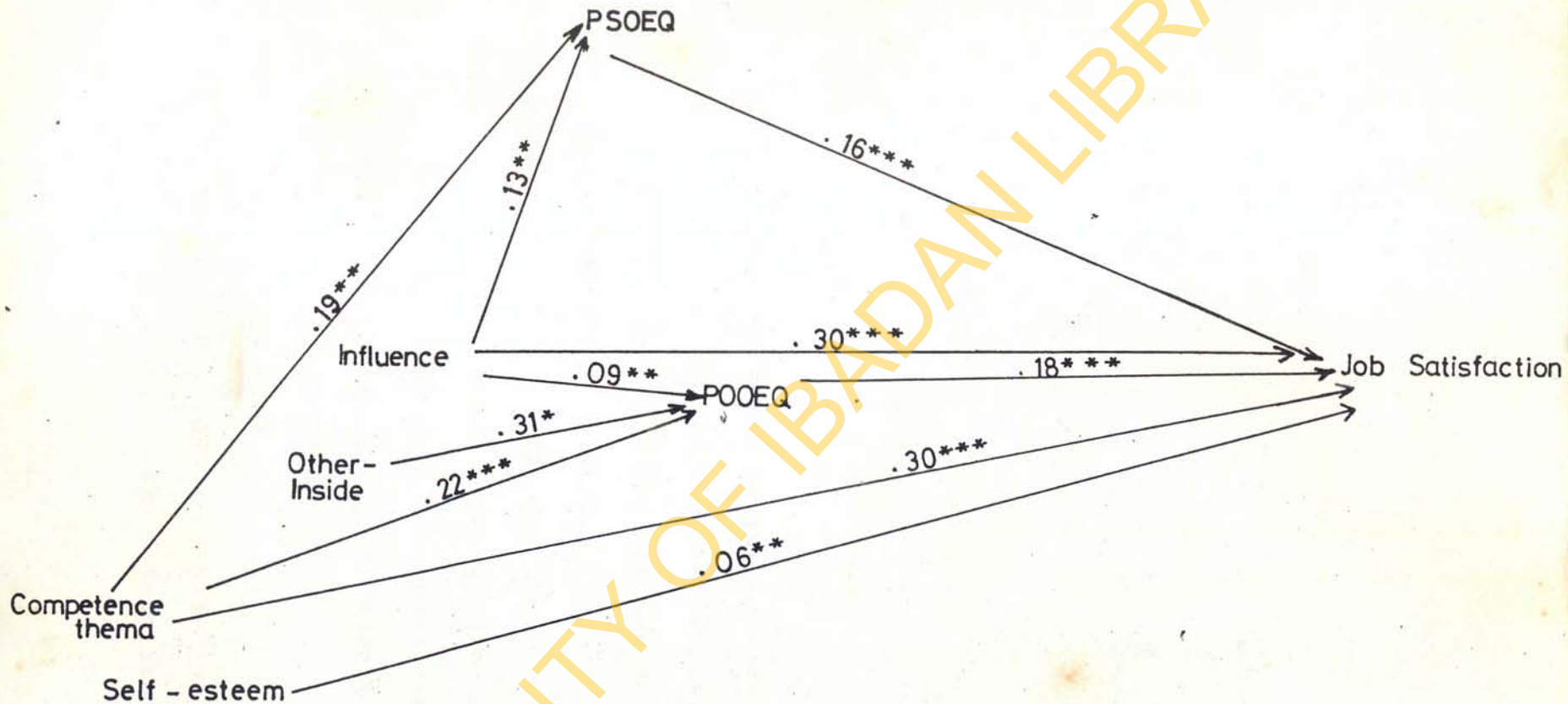


Fig 6: Path diagram specifying the effects of the Self variables on Perceived equity and Job Satisfaction for the Bank sample.

\*  $P < .05$

\*\*  $P < .01$

\*\*\*  $P < .001$

For the bank sample (see Figure 6) ability, was not causally linked to either P00EQ, PS0EQ or job satisfaction and so did not appear in the path diagram. In addition, self-outside and other-inside referents' selections did not have direct influences on P00EQ, PS0EQ and job satisfaction.

In both Government and bank samples, the self variables accounted for significant proportion of variance in satisfaction (24% and 25% respectively). The variance explained in P00EQ by the self variables was 7% for the Government sample and 4% for the bank sample. For PS0EQ, this variable set accounted for 11% of the variance among the Government workers and 7% among the bank workers.



## CHAPTER FIVE

## DISCUSSION AND CONCLUSION

5.1 Discussion

This research examined the extent to which the self can predict employees' perceptions of equity and job satisfaction. The self variables in the study were self-esteem, competence thema, ability and influence. The results showed that the self is an important predictor of: (a) the degree of equity perceived relative to both self (PSOEQ) and others (POOEQ) outside the employee's focal organization; (b) comparative referent selection for pay equity comparisons and; (c) job satisfaction. Of the seven hypotheses examined hypotheses 3 and 4 received full support while the other hypotheses received partial support.

Hypothesis 3 predicted that the self variables would predict job satisfaction. In line with this prediction, self-esteem, competence thema and influence were significant predictors of job satisfaction. These variables were positively related to job satisfaction. Although ability had a positive relationship with job satisfaction, the relationship did not approach significance. The fact that ability was not a significant predictor in the regression analysis may be explained by its covariation with competence

thema and influence which had the strongest association with job satisfaction. This point was systematically verified by demonstrating that the relationship of ability with job satisfaction was significant when competence and influence were excluded from the analysis.

The results indicated that the higher the employee's self-esteem, the higher his or her level of job satisfaction. This result is consistent with bivariate studies on the relationship between job satisfaction and esteem (Kohn, 1977; Lopez & Greenhaus, 1978; Schmitt et al, 1979; Tharenou & Harker, 1982; Weiner et al, 1981). Also, the results can be considered to be a confirmation of the predictions on high self-esteem individuals by Korman (1976) and Locke (1976). They suggested that high self-esteem individuals will choose to maintain a satisfying state and will be more likely to find pleasures resulting from achievement to be more intense.

The results also indicated that employees who have high sense of competence exhibited higher levels of satisfaction with their jobs. Previous studies are in agreement with this observation (James & Jones, 1980; La Rocco & Jones, 1978; Tharenou & Harker, 1981). The predictive capability of the measures of competence in determining job satisfaction is inherent in the fact that feelings of



competence result in subjective feelings of satisfaction. According to White (1959; 1963), individuals have independent ego energies to explore, learn about, influence, and master the external environment, and the successful expenditure of this energy results in subjective feelings of satisfaction.

An important finding of this research is that the self variable set accounted for a substantial proportion (25%,  $P < .001$ ) of the variance in job satisfaction. This proportion is considerable given the little emphasis placed on the self variables in the prediction of job satisfaction in the past. These findings generally support the fact that implicit in the psychological contract between an employee and an employer is the individual's expectation of positive growth of his self-worth and dignity (Schein, 1980).

Hypotheses 4 which proposed that perceived self (PSOEQ) and other-outside (POOEQ) equity would be positively related to job satisfaction was also fully supported. Consistent with equity predictions, individuals who considered themselves to be disadvantaged relative to what they expect to get outside or relative to others working elsewhere tended to be less satisfied with their jobs. Furthermore, an important feature of this study is that the results revealed a cumulative effect of comparisons on the five job



facets (pay, security, working conditions, advancement opportunities and intrinsic job aspect). In other words, employees who feel disadvantaged with regards to many job facets react more negatively than those who feel disadvantaged on only a few. These results are supported by previous studies which found that individuals who were underpaid relative to others were less satisfied (Austin & Walster, 1974; Pritchard et al, 1972). Other studies also showed that subjects who were disadvantaged on non-pay outcomes such as complexity and intrinsic aspects of the job were less satisfied (Oldham & Miller, 1979; Oldham et al, 1982; 1986; Telly et al, 1971).

The findings also indicated that the higher the tendency of an employee to select an advantaged state, the higher his or her job satisfaction. This result differs from those obtained by previous laboratory studies which found that individuals who were advantaged relative to others were less satisfied than those who were equitably compensated (Mowday, 1979). However, the results of the present research agrees with Adams' (1965) assertion that individuals' tolerance of overpayment inequities are much greater than for underpayment inequities. Also methodological differences in the laboratory studies and this present study explain the observed differences. As

McCormick and Ilgen (1980) noted, the effect of overpayment on behaviour and attitude does not seem to be significant especially in organizational settings. They argued that this is due to the fact that the possible amount of inequity is so controlled because of salary schedules that it is seldom great enough to have an effect. This observation and the findings of this research are in line with the results of a study carried out by Dreher (1982) which found that external and internal equity had linear positive relationship with job satisfaction.

Hypotheses 1,2,5,6 and 7 received partial support. As predicted in hypotheses 1 and 2, competence theme and influence showed positive relationship with PSOEQ and PSOEQ. Employees who possessed high level of subjective gratification from doing a job well (competence theme) or who felt they possessed relatively high power to control and influence features in their work settings tended to consider themselves more advantaged relative to others outside the organization and relative to what they would have got if they were working elsewhere. Generally, an individual will seek to maintain high level of mastery and control of his job (Wagner and Morse, 1975) and when he succeeds, he may feel adequately rewarded and therefore consider himself advantaged compared to what he would get outside or what

others doing similar jobs get outside. The finding that competence theme and influence showed positive relationship with POOEQ and PSOEQ supports the association posited by Stake (1985). Stake suggested that individuals who are high in achievement self-esteem (e.g. sense of competence) are expected to be more interested in achievement experiences and so rate their performances more positively than would subjects low in achievement self-esteem.

In contrast with the positive associations found for competence theme and influence, self-esteem and ability showed negative relationship with POOEQ and PSOEQ. The results showed that individuals who have low self-esteem and ability made more favourable comparisons than individuals who have high self-esteem or ability. Further analysis revealed that while individuals with low self-esteem and ability made more positive comparisons, on the average both low and high self-esteem individuals on one hand and low and high ability individuals on the other, tended to make equitable comparisons. Thus, the results suggest that high self-esteem or ability individuals make fair comparisons, a finding which is consistent with the predictions in Brockner (1985) and Hatfield and Sprecher (1984) studies.

Contrary to expectations, low self-esteem and low ability individuals made equitable comparisons, and the



comparisons were even more favourable than those who score high on these self variables. This finding was not consistent with predictions that low self-esteem are less apt to think they are worthy of overpayment (Brockner, 1983) and that low self-esteem individuals expect failure (Baumeister and Trice, 1985). Rather, it is consistent with the finding that low self-esteem individuals want to succeed as much as those with high self-esteem (McFarlin and Blascovich, 1981). Another possible reason for this result may be due to environmental differences. In a deprived environment, one would expect a high self esteem employee to be more likely to perceive himself as relatively disadvantaged than one who has a low self-esteem. This environment variable was not effectively controlled in this research, thus future research need to examine possible effects of environmental differences on employee's perception of equity.

Competence thema and influence showed positive relationship with POOEQ and PSOEQ, while self-esteem and ability showed negative effects. Also both variables were more predictive of the degree of equity perceived than self-esteem and ability. One possible reason for this observation is that unlike self-esteem and ability which describe the individual's general perceptions of himself in

his environment, competence theme and influence relate more specifically to the individual's present job. Morse and Wagner (1975) claimed that influence is job specific and a person scoring high on this factor actively engages and feels potent to that environment while a person scoring low feels that the environment is dormant. Similarly, competence theme results from doing his particular job well. Since these factors are relatively more job specific, the fact that an individual scores high on either factor does not guarantee such high level in another job outside the organization. Rather the individual will seek to maintain his high level of mastery and control of his present job (Wagner and Morse, 1975) and therefore consider himself relatively more advantaged compared to what others get doing similar jobs outside.

Referent complexity showed significant relationships with both perceived self-outside and other-outside equity. This finding provide some indication that individuals who use few referents in making pay equity evaluations tend to make more favourable equity comparison than those who use multiple referents.

As mentioned earlier, hypotheses 5 and 6 received partial support. As expected, individuals who use self-referents were those who had higher self-esteem or perceived themselves to have more influence or control in their jobs. This supports the view that individuals who have low self-esteem tend to be more sensitive to social demands and the work standards established by others, whereas individuals who use self referents are less sensitive to social demands, have higher aspirations and self-esteem (Brockner, 1983; Brockner & Guare, 1983; Oldham et al, 1983).

Furthermore, as predicted in this study, results showed that individuals who select inside referents were those who scored lower on ability and self-esteem. This is expected because individuals who have low levels of self-esteem or ability are likely to feel less able to compete with others who work in other jobs outside - particularly on jobs that require more skill. However, they tend to compare themselves to cohorts who have progressed in their organisation. This finding can be likened to the study by Goodman (1974) which found that individuals with low level of education and salary tended to select more inside referents. The results of this research however did not support the prediction that self-referents' users would



score significantly higher on ability than other-referents users. Also, the inside-referents users did not differ significantly from outside-referents users on the influence variable. Results revealed that the observed differences were in the predicted direction although, the differences did not approach significance. For the competence theme on the other hand, an interaction was observed. Individuals who used other referents for pay equity comparisons perceived a higher level of competence on their job only if they were other-outside referents users. Those who used others inside the organization for pay equity comparisons were those who exhibited the lowest competence theme.

Hypothesis 7 which predicted that the self variables would be significant predictors of referents' selection was also only partially supported. Of all the self variables only competence theme emerged as a primary predictor of referent categories. Results of multiple discriminant analysis resulted in two discriminant functions primarily characterised by job tenure and competence theme. With respect to job tenure, results revealed that individuals who used other-outside referents to evaluate pay tended to have long organizational tenure while those who used self-outside referents had the shortest tenure. This finding replicates those of Oldham et al (1986). Furthermore, as indicated by

the second discriminant function and interaction effects on competence, individuals who used other-outside referents possess the highest level of competence theme while those who use other-inside referents had the least. Based on Goodman's (1968) finding that individuals with higher levels of aspirations tended to seek out more information than those with lower levels of aspiration, it is possible that individuals who score low on competence theme tend to seek less information about others in other jobs because of their low level of competence.

Competence was a significant predictor of choice of referents in both the total and Government samples but among the bankers, this variable had no significant effect on referents' selection. A possible explanation for this is that unlike the Government establishments studied, the bank is a profit making industry and there is a greater emphasis on the competence of employees. Promotion and pay administration is based primarily on competence and performance whereas, in the Government establishments, greater emphasis is placed on tenure. As such, employees in the bank tend to strive to achieve a high level of competence more than the Government employees who are more interested in seniority. Evidence of this difference is reflected by the means of the two groups on competence

thema. For the bank sample, the mean was 23.91 (SD = 2.93) while the mean for the Government sample was 22.99 (SD = 4.28).

Path diagrams (Figures 3, 4 and 5) generally support the earlier proposed model of associations among variables in the study (Fig.1). As predicted, the self variables (except ability) were positively related to job satisfaction. This finding is consistent across the three samples. This variable set also showed positive direct effects on POOEQ and PSOEQ. These effects were similar for both the total and Government samples. In these two samples, the four self variables were significant predictors of perceived equity while among the bank workers only competence thema and influence had direct effects on the equity states. As noted earlier, the banking industry is a profit making venture and as such, positive job specific attributes are rewarded. It is possible that from constantly evaluating the environmental cues, the bank workers have learnt to lay less emphasis on general aspects of the self (self-esteem) in pay evaluations; rather they tend to lay more emphasis on work-related aspects of the self.

Path diagrams show that individuals who select other-inside and self-outside referents were those who consider themselves outside, while those who consider



themselves disadvantaged relative to others outside were those who select other-outside and self-outside referents. Generally, the different categories were negatively related to perceived equity. In other words, individuals selected referents which indicate negative information about them. This is consistent with the findings of previous studies which found that individuals tend to place themselves in relatively disadvantaged states (Goodman, 1974; Lawler, 1965, 1972; Martin, 1981; Patchen, 1961). Furthermore, Goodman (1974) suggested that negative information about certain classes of referents are more likely to be avoided than other classes. Particularly, negative information about the self is more likely to be avoided than negative information about others. This trend was observed in the study in that on the whole, individuals who used others as referents made more unfavourable pay equity evaluations than those who used self referents. This is because negative information about the self is more threatening to the individual's self-image.

Overall, this study has made some important contributions to research in motivation both in Nigeria and the world at large. Interestingly, the results of the study yielded three unique findings. Firstly, low self-esteem and low ability individuals made more favourable equity

comparisons (considered themselves relatively more advantaged) than those with high self-esteem and high ability. Secondly, among the Government workers, income and competence themes emerged as the best predictors of referent selection while job tenure was the best predictor among the bank workers. Thirdly, contrary to equity theory assumptions, there was absence of overpayment-guilt effect in both samples. Finally, the research results extend our knowledge about the role of the self in predicting perceptions of equity and job satisfaction.

## 5.2 Conclusion

The main conclusions of this research may be summarized as follows:

1. The self is an important predictor of the degree of equity perceived on the job. The higher the individual evaluates his competence, the more favourable his perception of equity in his job situation.
2. Low self-esteem and low ability individuals make more favourable equity comparisons than individuals who have high self-esteem or high ability.
3. The self is also a very important predictor of job satisfaction. The more favourable an

employee's perception of his level of self-esteem or competence, the higher his level of satisfaction on the job. The importance of the self variable set is reflected by the fact that it accounts for 25% of the variance in job satisfaction. Of this, competence theme accounted for 16%.

4. The more complex the referents used for pay equity comparisons the higher the tendency for the employee to see himself as relatively undercompensated. In other words, employees who use few referents for pay evaluations tend to make more favourable or equitable comparisons than those who used multiple referents.
5. There was absence of overpayment-guilt effect among the employees used in the study. In other words, the more favourable the equity evaluation, the higher the individuals level of satisfaction. Individuals who see themselves as disadvantaged relative to others doing similar jobs outside the organization or relative to what they themselves would have been getting elsewhere



experience less satisfaction than individuals in relatively equitable or advantaged states.

Also, comparisons of different outcomes have cumulative effect. Employees who feel disadvantaged with regard to many job outcomes react more negatively than those who feel disadvantaged on only a few outcomes.

6. The nature of comparative referents used by employees when contrasting their pay also related to self variables. Employees who used 'self' referents compared to those who used 'other' referent scored higher and more favourably on self-esteem and perceived influence. Also employees who used 'outside' referents other than 'inside' referents scored higher (favourably) on ability and self-esteem.
7. The most important predictors of choice of referents for pay equity comparison for the total sample were job tenure and competence thema. However, among the Government sample, income and competence thema were the best predictors while for the bank sample, job tenure emerged as the best predictor.

### 5.2.1 Implications of the Findings

The result of this research clearly confirm and extend our knowledge about equity theory in Nigeria and the world at large.

The research showed that in evaluating their job situations, employees compare their outcomes to those of some standard of reference. Accompanying this comparison is the subjective assessment of the degree of equity existing in the exchange relationship. In other words, the immediate consequence of pay evaluation is the perception of equity or inequity. The employee may decide that he is either advantaged, disadvantaged or equitably compensated. The validity of this perceptions of equity can further be documented by the fact that it predicts the employee's level of satisfaction on the job. If an employee considers himself undercompensated or disadvantaged, he will tend to be less satisfied with his job. Furthermore, the results showed that individuals compare many outcomes (pay, job security, working conditions, opportunities for advancement and intrinsic job aspect) in making equity evaluations, and these comparisons have cumulative effect. An employee who feels disadvantaged with regards to many job outcomes exhibit less satisfaction than those who feel disadvantaged with regard to a few. Research has shown that some of the

strongest employee reactions to feelings of inequity include labour unrests, strikes, low morale, low productivity and high employee turnover. Hence, this emphasizes the need for managers to be aware of social comparison processes in the organization and to view employee attitudes and performance in terms of their perception of equity.

One serious factor which generates feelings of inequity among employees in many organizations in this country is the existence of multiple standards in appraisal systems and administration of incentives. This is very common in Government parastatals and in new organizations where many of the policies are still fluid. There are many cases where demands are approved for some individuals who have access to the top management while these same demands are not approved for others. This fuels feelings of inequity and dissatisfaction among employees. Thus, it is necessary for the management to consider using intervention strategies to ensure that employees believe that they are equitably treated. These strategies may include routinely increasing employees awareness of the nature of appraisal and pay administration systems, and also following the specified guidelines agreed upon by the management and the employees.

The present research findings suggest that contrary to observations made from laboratory studies, overpayment



rarely leads to guilt feelings in the real work settings. Rather, it increases the employees' level of satisfaction with the job. This is because the salary schedules are seldom enough to have an overpayment-guilt effect. It must be noted that this is an important contribution to the overpayment-guilt debate which unfortunately has been tested only in the laboratory settings with hourly paid subjects.

Clearly, the study implies that the self is an important predictor of the degree of equity perceived on the job and the employees' job satisfaction. This research showed that a significant proportion of variance in job satisfaction can be accounted for by the self variables in the study (sense of competence and self-esteem). The import is that understanding the characteristics of the self facilitates our ability to predict perceived equity, job satisfaction and consequently other job attitudes and behaviours. This is a very important finding, given that the self variables have been neglected in the past.

Specifically, high sense of competence and self-esteem increase the individual's tendency to exhibit positive affective response, about the job. Research has suggested that the development and growth of positive characteristics of the self depend a lot on the activities and experiences present in the work setting. As noted earlier, the

individual's positive subjective feelings about his abilities and competence result from cumulative interactions in a positively reinforcing job or work settings. This implies that, it is not money per se which motivates people to work, but the opportunity to work in a setting which provides intrinsic psychological reward and growth of the self. This point is noteworthy and relevant to a battered economy like ours in Nigeria and especially in Government organizations in which salary structures and other incentives are not as attractive as those in the private sector. Therefore, organizations must strive to satisfy the employees' implicit needs by providing rewards which constantly give them ample opportunities to fulfill their perceived characteristics of the self.

Furthermore, the results of this thesis suggest that it is no longer sufficient to place individuals indiscriminately in jobs based on qualifications. Rather, a proper test of abilities, talents and interests should be taken into consideration in selection and placement procedures. This will facilitate the development and growth of feelings of competence and esteem which will consequently result in the development of desirable job attitudes and behaviours. Although, this type of procedure may be time consuming and expensive, it would seem to be warranted,

since the negligence of such procedure will result in nonactualization of either the individuals or the organizational goals.

While the findings of this research have obvious implications for industries and organizations, any implications must be made with the caution that only banks and Government workers in Ibadan were used for the study. Furthermore, this study is one of the pioneer studies on the influence of self on equity comparison and job satisfaction. Therefore, a more extensive study with a larger geographical spread will have to be conducted to find out whether the present findings can be replicated in a wider domain.

UNIVERSITY OF IBADAN LIBRARY



REFERENCES

- Adams, J. S. (1963) Toward an understanding of inequity. Journal of Abnormal and Social Psychology, 67, 422 - 436.
- Adams, J. S. (1965) Inequity in Social exchange. In L. Berkowitz (Ed.), Advances in experimental social Psychology. New York: Academic Press, Vol. 2.
- Adams, J. S., & Rosenbaum, W. B. (1962) The relationship of worker productivity for cognitive dissonance about wage inequities. Journal of Applied Psychology, 46, 161 - 164.
- Adanijo, I. B., & Oyefeso, A. (1986) Developing a Self-Report scale of self-esteem. Paper presented at the Annual Conference of the Nigerian Psychological Association. Nsukka, 23 - 26 April
- Allport, G. W. (1955) Becoming: Basic considerations for Psychology of Personality. New Haven: Yale University Press.
- Andrews, I. R. (1967) Wage inequity and job performance: An experimental study. Journal of Applied Psychology, 51, 39 - 45.
- Andrews, I. R., & Henry, M. M. (1963) Management attitudes toward pay. Industrial Relations, 3, 29 - 39.
- Argyris, C. (1960) Understanding Organizational Behaviour. Ill.: Dorsey.

- Asch, S. E. (1952) Social Psychology Englewood Cliffs, New Jersey: Prentice-Hall, Inc.
- Austin, W., McGinn, N. C., & Susmilch, C. (1980) Internal standards Revisited: Effects of social comparisons and expectancies of Judgements of Fairness and Satisfaction. Journal of Experimental Social Psychology, 16, 426 - 441.
- Austin, W., & Walster, E. (1974) Reactions to confirmations and disconfirmations of expectancies of equity and inequity, Journal of Personality and Social Psychology, 30, 208 - 216.
- Baumeister, R. F., & Tice, D. M. (1985) Self-esteem and responses to success and failure: Subsequent performance and intrinsic motivation. Journal of Personality, 53, 450 - 467.
- Blumer, H. (1962) Society as Symbolic interaction. In A. M. Rose (ed.), Human Behaviour and Social Process. London: Routledge & Kegan Paul.
- Brehm, J. W. (1966) A theory of Psychological reactance New York: Academic Press.
- Brockner, J. (1983) Low Self-esteem and behavioural plasticity. In L. Wheeler & P. R. Shaver (Eds.), Review of Personality and Social Psychology Beverly Hills CA: Sage, Vol.4.
- Brockner, J. (1985) The relation of trait self-esteem and positive inequity on productivity. Journal of Personality, 53, 517 - 529.

- Brockner, J., Davy, J., & Carter, C. (1985) Lay-offs, self-esteem and survivor guilt: Motivational, affective and attitudinal consequences. Organizational Behaviour and Human Decision Processes, 36 229 - 244.
- Brockner, J., Grenberg, J., Brockner, C., Bortze, J., Davy, J., & Carter, C. (1986) Lay-offs, Equity theory and work performance Further evidence of the impact of survivor guilt. Academy of Management Journal 29, 373 - 384.
- Brockner, J., & Guare, J. (1983) Improving the performance of low self-esteem individuals: An attributional approach. Academy of Management Journal, 26 642 - 656.
- Brown, R. (1965) Social Psychology New York: Free Press.
- Calkins, M. W. (1917) Psychological Review, 24, 279 - 300.
- Campbell, J. P., Dumette, M. D., Lawler, E. E. & Weick, K. E. Jr. (1970) Managerial behaviour, performance and effectiveness. New York: McGraw-Hill.
- Campbell, J. D., Fairey, P. J. & Fehr, B. (1986) Better than me or better than thee? Reactions to intrapersonal and interpersonal performance feedback. Journal of Personality, 54, 479 - 493.
- Combs, A. W., & Snygg, D. (1959) Individual Behaviour rev. ed. New York: Harper.
- Cooley, C. H. (1902) Human nature and social order. New York: Scribners (Reprinted by Free Press, New York, 1965).



- Cummings, L. L. (1982) Organizational behaviour. Annual Review of Psychology, 33, 54 - 541 - 579.
- Ditrich, J. E. & Carell, M. R. (1979) Organizational Equity perceptions, employee job satisfaction, and departmental absence and turnover rates. Organizational Behaviour and Human Performance, 24, 29 - 40.
- Dreher, G. F. (1981) Predicting the salary satisfaction of exempt employees. Personnel Psychology, 34, 579 - 589.
- Ekpo-Ufot, A. (1979) Self-perceived task-relevant abilities, rated job performance and complaining behaviour of junior employees in a government ministry. Journal of Applied Psychology, 64, 429 - 434.
- Ellis, R. A., & Taylor, M. S. (1983) Role of Self-esteem within the job search process. Journal of Applied Psychology, 68, 632 - 640.
- Etuk, E. J. (1981) Factors that motivate Executive Officers in the public and private sector: The case of Cross Rivers State. In Ugwuegbu D.C.E. (Ed.) Organizational Behaviour and Management, University of Ibadan.
- Evans, W. M. & Simmons, R. G. (1960) Organizational effects of inequitable rewards: Two experiments in status inconsistency. Administrative Science Quarterly, 14, 224 - 237.
- Eze, N. (1983) Work Motivation, job satisfaction and job involvement in Nigerian industries and organisations. Keynote lecture delivered at the First National Conference of the Association of Nigerian Industrial

Organisational Psychologists, University of Lagos, 18 - 20 May.

- Festinger, L. (1954) A theory of social comparison process. Human Relations, 7, 117 - 140.
- Gecas, V. (1982) The self-concept. Annual Review of Sociology, 5, 1 - 33.
- Goodman, P. S. (1974) An examination of the referents used in evaluation of pay. Organizational Behaviour and Human Performance, 12, 170 - 195.
- Goodman, P. S. (1977) Social comparison processes in organizations. In B. Staw and Salancik (Eds.), New directions in organizational behaviour. Chicago: St. Clair. Pp. 97 - 132.
- Hatfield, E., & Sprecher, S. (1984) Equity theory and behaviour in organizations. Research in Sociology of organizations, 3, 95 - 124.
- Heise, D. R. (1975) Causal analysis. New York: John Willey & Sons.
- Herzberg, F., Mausner, B., Peterson, R. O., & Campbell, D. F. (1957) Job Attitudes: Review of Research and Opinions. Pittsburgh: Psychological Service of Pittsburgh.
- Homans, G. (1961) Social behaviour. New York: Harcourt, Brace & World.
- Homans, G. C. (1963) Status among Clerical Workers. Human Organizations, 12, 5 - 10.

- Ilgen, D. R. (1971) Satisfaction with performance as a function of the initial level of expected performance and the deviation from expectations. Organizational Behaviour and Human Performance, 6, 345 - 361.
- James, L. A., & Jones, A. P. (1980) Perceived job characteristics and job satisfaction: An examination of reciprocal causation. Personnel Psychology, 33, 97 - 135.
- James, W. (1890) The Principles of Psychology New York: Holt, Vol. 1.
- Jurgensen, (1978) Job Preferences (What makes a job good or bad). Journal of Applied Psychology, 63, 262 - 276.
- Katz, P., & Zigler, E. (1967) Self-image disparity. Journal of Personality and Social Psychology. 155, 186-195.
- Kohn, M. L., (1977) Class and conformity: A study in values with a reassessment. Chicago: University of Chicago Press.
- Korman, A. K. (1966) Self-esteem variable in vocational choice. Journal of Applied Psychology, 50, 479 - 486.
- Korman, A. K. (1970) Toward a hypothesis of work behaviour. Journal of Applied Psychology, 54, 31 - 41
- Korman, A. K. (1976) Hypothesis of work behaviour revisited and an extension. Academy of Management Review, 1, 50 - 63.
- La Rocco, J. M. & Jones, A. P. (1978) Co-worker and leader support as moderators of stress-strain relationships in work situations. Journal of Applied Psychology, , 63, 629 - 634.



- Lawler, E. E. (1965) Managers' Perception of their subordinates' pay and their superiors' pay. Personnel Psychology, 18, 413 - 422.
- Lawler, E. E. (1971) Pay and organizational effectiveness: A psychological view. New York: McGraw-Hill.
- Lawler, E.E. (1972) Secrecy and the need to know. In H. Tosi, R. House, & M. Dunnette (Eds.), Managerial Motivation and Compensation. East Lansing, Mich: Michigan State University Graduate School of Business Administration.
- Lawler, E. E. (1973) Motivation in work organizations. Belmont, Calif: Brooks/Cole,
- Lewin, K. (1935) A dynamic theory of personality. New York.: McGraw-Hill.
- Lindgren, H.C (1973) An introduction to social Psychology. (2nd Ed.). New York.: John Wiley and Sons.
- Locke, E. A. (1976) The nature and causes of job satisfaction. In M.D. Dunnette (Ed.), Handbook of industrial and organizational psychology. Chicago: Rand Mc Nally.
- Lopez, E. M., & Greenhaus, J. H. (1978) Self-esteem, race, and job satisfaction. Journal of Vocational Behaviour, 13, 75 - 83.
- Major, B., & Deaux, K. (1982) Individual differences in justice behaviour. In J. Greenberg & R. L. Cohen (Eds.), Equity and justice in social behaviour. New York: Academic Press,

- Marcicek, J., & Mette, D. (1972) Avoidance of continued success as a function of self-esteem, level of esteem certainty, and responsibility for success. Journal of personality and social psychology, 22, 98 - 107.
- Martin, J. (1981) Relative deprivation. A theory of distributive injustice for an era of shrinking resources. In L. Cummings & B. Staw (Eds.), Research in organizational behaviour. Greenwich, Conn.: JAI Press, Vol. 3.
- McCormick, E. J., & Ilgen, D. (1980) Industrial Psychology (7th Ed.). Englewood Cliffs. N. J: Prentice - Hall.
- McFarlin, D., Baumeister, R. F., & Blascovich, J., (1984) On knowing when to quit: Task failure, self-esteem, advice and non productive persistence. Journal of Personality, 52.
- McFarlin, D. B., & Blascovich, J. (1981) Effects of self-esteem and performance feedback on future affective preferences and cognitive expectations. Journal of Personality and Social Psychology, 40, 521 - 531.
- Mead, G.H. (1934) Mind, Self and Society. Chicago: University of Chicago Press.
- Mette, D. (1971) Rejection of unexpected success as a function the negative consequences of accepting success. Journal of Personality and Social Psychology, 17, 332 - 341.
- Mettee, D., & Smith, G. (1977) Social comparison and interpersonal interaction. In J. Suls & R. Miller (Eds.), Social comparison theory: Theoretical empirical perspectives. Washington, D. C.: Hemisphere/Halsted.

- Merton, R. K. (1957) Social theory and social structure (Rev. ed.) Glencoe, ill.: Free Press,
- Middlebook, P.N. (1980) Social Psychology and Modern Life. New York: Alfred A. Knopf.
- Mowday, R. T. (1979) Equity theory predictions of behaviour in organizations. In R. Steers & L. Porter (Eds.), Motivation and work behaviour. New York: McGraw-Hill. 2nd ed.
- Morse, J. (1976) Sense of competence and individual managerial performance. Psychological Reports, 38, 1195 - 1198.
- Murphy, G. (1947) Personality: a bio-social approach to origins and structure. New York: Harper & Row.
- Obi-Keguna, H. U. (1981). A survey of Job satisfaction in Two Nigerian establishments'. In Ugbwuegbu D. C.E. (Ed.) Organizational Behaviour and Management, University of Ibadan.
- Obi-Keguna, H. U. (1984) Work motivation research in Nigeria: Problems and prospects. Paper presented at the inaugural conference of the Nigerian Psychological Association. Benin-city, 4 - 7 April.
- Oldham, G. R., Kulik, C. T., Ambrose, M. L. Stepina, L. P., & Brand, J. F. (1986) Relations between Job facet comparisons and employee reactions. Organizational Behaviour and Human Decision Processes, 38, 28 - 47.



- Oldham, G. R., Kulik, C. T., Stepina, L. P., & Ambrose, M. L. (1986) Relations between situational factors and the comparative referents used by employees. Academy of Management Journal, 29, 599 - 608.
- Oldham, G. R. & Miller, H. E. (1979) The effect of significant other's job complexity on employee reactions to work. Human Relations, 32, 247.
- Oldham, G. R. & Norttenburg, G. Kassner, M. K., Ferris G. Fedor D. & Masters, M. (1982) The selection and consequences of job comparisons. Organizational Behaviour and Human Performance 29, 84 - 111.
- Osgood, E. C. Suci, C. J. & Tannenbaum, P. H. (1957) The Measurement of Meaning. Urbana, Illinois: University of Illinois Press.
- Patchen, M. (1958) The effect of reference group standard on job satisfaction. Human Relations 1, 303 - 314.
- Patchen M. (1961) The choice of wage comparisons. Englewood Cliffs, N. J: Prentice-Hall.
- Pettigrew, T. F. (1967) Social evaluation theory: Convergences and applications. In J. D. Levine Ed.) Nebraska Symposium on Motivation. Lincoln: University of Nebraska Press Vol. 15.
- Porter, L. W. & Lawler, E. E. III (1968) Managerial attitudes and performances. Homewood, Illinois: Dorsey Press.
- Pritchard, R. D. (1969) Equity theory: A review and critique. Organizational Behaviour and Human Performance, 4, 176 - 211.

- Pritchard, R. D., Dunnette, M. D., & Jorgenson, D. O. (1972) Effects of perceptions of equity and inequity on worker performance and satisfaction. Journal of Applied Psychology, 56, 75 - 94. (Monograph No. 1).
- Reiss, H. T., & Burns, L. B. (1982) The salience of the self in responses to inequity. Journal of Experimental Social Psychology, 18, 464 - 475.
- Rogers C.R. (1951) Client Centered therapy; Its current practice, implications, and theory. Boston: Houghton Mifflin.
- Rosenburg, M.: (1965) Society and Adolescents self image. Princeton, N. J. Princeton University Press,
- Rosenburg, M. (1979) Conceiving the self. New York: Basic Books.
- Schein, E. G. (1980) Organizational Psychology. (3rd Ed.). Englewood Cliffs, N. J. Prentice-Hall,
- Schmitt, N, White, J. K., Coyle, B. W., & Rauschenberger, J. (1979) Retirement and life satisfaction. Academy of Management Journal. 22, 282 - 289.
- Singer, J. E. (1966) Social comparison - progress and issues. Journal of Experimental and Social Psychology, 1, 103 - 110.
- Staw, B. M. (1984) Organizational Behaviour: A review and reformulation of Fields's outcome variable. Annual Review of Psychology, 35, 627 - 666.
- Snyder, R. A., & Morris, J. H. (1978) Reliability of the factor structure of the Wagner and Morse

- competence index. Psychological Reports, 43, 419 - 425.
- Stake, J. E. (1985) Predicting reactions to everyday events from measures of self-esteem. Journal of Personality 53, 530 - 542.
- Telly, C. S., French, W. L., & Scott, W. G. (1971) The relationship of inequity to turnover among hourly workers. Administrative Science Quarterly, 16, 164 - 172.
- Tharenou, P. (1979) Employee self-esteem: A review of the literature. Journal of Vocational Behaviour, 15, 1 - 29.
- Tharenou, P., & Harker, P. (1982) Organizational correlates of employee self-esteem. Journal of Applied Psychology, 67, 797 - 805.
- Thibaut, J. W., & Kelly, H. H. (1959) The Social Psychology of Groups. New York: John Wiley and Sons.
- Ubeku, A. (1978) Productivity, Wages, Prices and Continued Employment. Management in Nigeria, 14, 4 - 35.
- Ugwuegbu, D.C.E. (1981) The impact of cultural predisposition on employee work satisfaction. In Ugwuegbu D. C. E. (Ed.) Organizational Behaviour and Management, University of Ibadan.
- Vroom, V. H. (1964) Work and Motivation. New York: Wiley & Sons.
- Wagner, F. R., & Moise, J. J. (1975) A measure of individual sense of competence. Psychological Reports, 36, 451 - 459.



- Wells, L. E., & Marwell, G. (1976) Self-esteem: its conceptualization and measurement. Beverly Hills, CA: Sage.
- Weick, K. E. (1966) The concept of equity in the perception of pay. Administrative Science Quarterly, 11, 414 - 439.
- Weiner, Y., Vardi, Y., & Muczyk, J. (1981) Antecedents of employees' mental health - the role of career and work satisfaction. Journal of Vocational Behaviour, 19, 50 - 160.
- Weiss, H. M. (1977) Subordinate imitation of supervisor behaviour: The role of modelling in organizational socialization. Organizational Behaviour and Human Performance, 19, 89 - 105.
- Weiss, H. M. (1978) Social Learning of Work values in organizations. Journal of Applied Psychology, 63, 711 - 718.
- White, R. W. (1959) Motivation reconsidered: the concept of competence. Psychological Review, 5, 297 - 333.
- White, R. W. (1963) Ego and reality in psychoanalytic theory. Psychological issues, 3, No.3.
- Wilson, S. R. & Brenner, L. A. (1971) The effects of self-esteem and situation upon comparison choices during ability evaluation. Sociometry, 34, 381 - 387.

APPENDIX 'A'  
 JOB PERCEPTION RESEARCH  
 DEPT. OF PSYCHOLOGY  
 UNIVERSITY OF IBADAN

Dear Respondent,

This research is for a Ph.D thesis, and it is designed to find out your feelings about some work issues. People differ in the way they feel about these issues and so we are interested in your own honest opinions. It is important that you answer all the questions. Names are not required therefore your answers will be strictly confidential.

We thank you for participating.

I. B. ADANIJO  
 Researcher

SECTION 'A'

Using the format below, please circle the letter which correspond to your responses about your present job.

SA                    A                    U                    D                    SD

Strongly Agree    Agree    Undecided    Disagree    Strongly disagree

1. Doing this job well is a reward  
 in itself.

SA    A    U    D    SD

2. Understanding this job meant  
 a lot to me

SA    A    U    D    SD

3. This job offers me a chance  
to test myself and my abilities SA A U D SD
4. I can get so involved in my work  
that I forget what time it is  
and even where I am. SA A U D SD
- \*5. My talents, or where I can  
concentrate my attention best,  
are found in areas that are not  
related to this job. SA A U D SD
6. This type of work satisfies  
different needs in different  
people, but I do this job simply  
because I enjoy doing it. SA A U D SD
- \*7. A difficult problem in this job  
is not knowing the results or  
one's actions. SA A U D SD
- \*8. I go home the same way that I  
arrive in the morning, feeling  
that I have not accomplished a  
lot. SA A U D SD
- \*9. I don't know why it is, but  
sometimes when I am supposed to  
be in control I feel more like  
the one being controlled. SA A U D SD



- \*10. Sometimes I feel like I am not getting anything done. SA A U D SD
- \*11. Unfortunately, an individual's worth often passes unrecognized no matter how hard he or she tries. SA A U D SD
12. Considering the time spent on the job, I feel thoroughly familiar with my tasks. SA A U D SD
13. I honestly believe I have all the skills necessary to perform this task well. SA A U D SD
14. I possess the skills (or expertise) which I personally feel are required for doing this job. SA A U D SD
15. I would make a fine example for my juniors to copy in order to learn the skills they would need to succeed. SA A U D SD
16. Actually, my job is very appealing and desirable. SA A U D SD
17. My supervisor (boss) is very understanding. SA A U D SD

18. I am given many opportunities to participate in decision-making processes. SA A U D SD
19. The cooperation and group effort provided by my fellow employees is quite high. SA A U D SD
20. I am given plenty of opportunities to make decisions. SA A U D SD
- \*21. The opportunity for professional and other advancement is quite restricted. SA A U D SD
- \*22. The distribution of work and work load, is quite unsatisfactory. SA A U D SD
- \*23. The work schedule is not satisfactory. SA A U D SD
- \*24. Foresight and planning by the high administrative levels is quite satisfactory. SA A U D SD
- \*25. The organization makes little effort to provide staff members with information concerning new departments. SA A U D SD
- \*26. I always try to lead any group I find myself. SA A U D SD

- \*27. In order to get along and be liked, I tend to be what people expect me to be rather than be my true self. SA A U D SD
- \*28. I rely on my friends to advice me on how to solve my personal problems. SA A U D SD
- \*29. My effort always produce poor results. SA A U D SD
- \*30. When I am in a group, I'm unlikely to express my opinion for fear others may not think well of me. SA A U D SD
- \*31. I feel inferior to some of my friends. SA A U D SD
- \*32. If I hear that someone expresses a poor opinion of me, I do my best to please him or her the next time I see him or her. SA A U D SD
33. I think I am confident enough to speak in front of a group. SA A U D SD
- \*34. I feel self-conscious when I am with people who have superior position to mine at work or in



- school. SA A U D SD
- \*35. I often criticize myself afterwards for acting silly or inappropriately in some situations SA A U D SD
- \*36. I become panicky when I think of something I might do wrong in future. SA A U D SD
- \*37. I don't believe much in ability. SA A U D SD
- \*38. When I'm in a group, I usually don't say much for fear of saying the wrong things. SA A U D SD
- \*39. I live too much by other people's standards. SA A U D SD
- \*40. Although people sometimes compliment me, I feel that I do not really deserve the compliments. SA A U D SD

## SECTION B

To know how fair or unfair your pay, working conditions etc. are, you may compare them with those of other people or other situations.

Using the format below, please indicate whether your pay etc. is higher or lower than those of the situations stated in questions A & B.

WW	W	EQ	B	BB
A lot worse	Slightly worse	Equal or about the same	Slightly better	A lot better

(a) If I compare my present job with another job I can have in another organization, I would think that in my present job;

- |   |    |   |    |   |    |
|---|----|---|----|---|----|
| (i) My pay is                                       | WW | W | EQ | B | BB |
| (ii) My job security is                             | WW | W | EQ | B | BB |
| (iii) My working conditions are                     | WW | W | EQ | B | BB |
| (iv) My opportunities for advancement are           | WW | W | EQ | B | BB |
| (v) The type of work I do (i.e. how interesting) is | WW | W | EQ | B | BB |

(b) If I compare my job with those of other people who do similar jobs in other organizations, I would say.

- |   |    |   |    |   |    |
|---|----|---|----|---|----|
| (i) My pay is                                       | WW | W | EQ | B | BB |
| (ii) My job security is                             | WW | W | EQ | B | BB |
| (iii) My working conditions are                     | WW | W | EQ | B | BB |
| (iv) My opportunities for advancement are           | WW | W | EQ | B | BB |
| (v) The type of work I do (i.e. how interesting) is | WW | W | EQ | B | BB |

## SECTION C

1. When a person evaluates how fair or unfair his/her pay is, he may compare his/her pay with those of other people or his previous pay.

Please circle one or more of the following people or situations you have been using as comparisons in evaluating your pay.

- a. Coworkers in your organization.
- b. Senior workers in your organization.
- c. Junior workers in your organization.
- d. Friends or colleagues in other organization.
- e. The pay you feel you should earn in your organization.
- f. The previous pay you were getting in your organization.
- g. The pay you will like to earn in another organization.
- h. The pay you were getting in another organization.

2. If you circled more than one response above, which do you consider most important.: a,b,c,e,f,g or h



## SECTION D

1. Sex: (a) Male (b) Female
2. Age: (a) 20 - 30 (b) 31 - 40 (c) 41 - 50  
(d) above 50
3. Income per annum: (a) N2,000 & below  
(b) N2,001 - N4,000  
(c) N4,001 - N6,000  
(d) N6,001 - N8,000  
(e) N8,001 - N10,000  
(f) N10,001 - N12,000  
(g) N12,001 - N14,000  
(h) N14,001 - N16,000  
(i) Above N16,000
4. When last were you promoted? 1yr 2yrs 3yrs 4yrs  
5yrs 6yrs
5. Highest educational qualifications: .....
6. How long have you been with this organization:.....

KEY

1. \* All asteriked items were scored in reverse order.

2. Measures

- a. Competence thema: items 1 - 6
- b. Influence : items 7 - 11
- c. Ability : items 12 - 15

- d. Job Satisfaction: items 16 - 25
- e. Self-Esteem : items 26 - 40
- f. Perceived Other-  
Outside-Equity : Section B(1)
- g. Perceived Self-  
Outside-Equity : Section B(2)

UNIVERSITY OF IBADAN LIBRARY

APPENDIX BFACTOR MATRIX FOR SENSE OF COMPETENCE ITEMS

ITEM	NO	FACTORS		
		I	II	III
1	21	.716	-	-
2	23	.693	-	-
3	12	.581	-	-
4	22	.521	-	-
5	16	.533	-	-
6	13	.544	-	-
7	15	-	.552	-
8	14	-	.432	-
9	05	-	.557	-
10	11	-	.749	-
11	07	-	.368	-
12	17	-	-	.230
13	10	-	-	.733
14	04	-	-	.831
15	08	-	-	.381
Eigen values		4.194	1.446	1.089
Percentage of variance		57.5	19.8	14.9

A Item numbers correspond with those of the present study (Appendix A)

B. Item numbers correspond with Wagner and Morse (1975)



## APPENDIX C

## FACTOR MATRIX FOR ITEMS OF JOB SATISFACTION.

ITEM NO		FACTORS			
A	B	I	II	III	IV
16	3	.632	-	-	-
18	11	.694	-	-	-
20	15	.690	-	-	-
22	19	.569	-	-	-
23	21	.	.662	-	-
24	23		.731	-	-
25	25		.558	-	-
19	14			.587	-
21	16	-			
17	4	-	-	-	.699
	*1	.349	.391	.106	.182
	*2	.23	.288	.253	-.035
	*5	.388	.043	.351	.314
	*6	.430	.011	.114	.065
	*7	.255	.178	.366	.370
	*8	.171	.333	.143	.188
	*9	.023	.403	.088	.395
	*10	-.003	-.009	.494	.401
	*12	.064	.109	.093	.093
	*13	.223	.075	.043	.40
	*17	.182	.423	.053	.104
	*18	.365	.238	.173	.078
	*20	.247	.230	-.078	-.050
	*22	.209	.182	.070	.176
	*24	.257	.364	.408	.095
Eigenvalue		7.66	1.58	1.35	1.02
Percentage of variance		55.3	11.5	9.8	7.4

A Item number correspond with those of the present study (Appendix A).

R Item numbers correspond with Ugwuegbu (1981).

\* Discarded items.

Note that Pearson correlation short version and original items is .93 (P .001)

APPENDIX DMEDIAN RANKS ASSIGNED TO JOB FACTORS.

Job Factor	Median Rank
Security	3.57*
Working Conditions	4.08*
Pay	4.00*
Advancement opportunities	4.60*
Fringe benefits	5.41
Company policy	5.95
Co-workers	5.00
Hours	5.67
Supervisor	5.16
Type of work	4.81*
N	75

\* Selected items.

APPENDIX EBREAKDOWN OF RETURN RATE FOR EACH OF  
THE BANKS SAMPLEDQuestionnaires

<u>Organization</u>	<u>Administered(n)</u>	<u>Returned(n)</u>	<u>% Returned</u>
Habib	15	12	80
BCCI	20	19	95
Union	80	55	69
Coop	40	35	88
ACB	40	34	85
UBA	60	35	58
NMB	10	8	80
First Bank	80	57	71
Societe Generale	25	12	48
Bank of the North	15	10	66
Allied Bank	15	06	40
	<hr/>	<hr/>	
	400	275	
	<hr/>	<hr/>	



APPENDIX FBREAKDOWN OF RETURN RATE FOR EACH OF  
THE MINISTRIES SAMPLEDQuestionnaires

<u>Organization</u>	<u>Administered(n)</u>	<u>Returned(n)</u>	<u>% Returned</u>
Education	80	53	66
Justice	65	48	74
Works	55	30	55
Internal Affairs	50	39	78
Agric	65	49	75
Info & Culture	85	56	66
	<hr/> 400 <hr/>	<hr/> 275 <hr/>	