

# The impact of perceived equity on employee performance: The moderating role of equity sensitivity

Yousif Riyadh Mahmood

College of Administration and Economics , AL-qadisiyah university, Iraq

## ABSTRACT

Studies about individuals commitment to organizations acquire renewed interest in light of the changes imposed by new organizational structures and 'boundary-less' careers. The need to identify and retain individuals who add value to the organization constitutes an increasing challenge facing human resource professionals. In this context it is necessary to establish stronger links between the individuals and the organization they work for. Therefore, the destination of the current scientific paper is to investigate the liaison between employee perceived equity and employee performance in the AL-qadisiyah university. Data were gathered using a questionnaire of 105 employees (administrative employee, Tutors, lecturer, Assistant Professors, Associate Professors and Professors) at five colleges. Findings revealed high degree of liaison between perceived equity and employees performance, where a "motivator" was employee outcome and equity sensitivity. The study also revealed that there was correlation between perceived equity and employee performance with consideration employees characteristics. Inconclusive sentences, preliminary research and below discussed the implications and limitations .

**Keywords:** affective organizational commitment; perceived justice; perceived equity; The Equity Sensitivity

## ORIGINAL RESEARCH ARTICLE

ISSN : 2456-1045 (Online)  
(ICV-BM/Impact Value): 72.30  
(GIF) Impact Factor: 5.188  
Publishing Copyright @ International Journal Foundation  
Journal Code: ARJMD/BM/V-33.0/I-1/C-1/JAN-2019  
Category : BUSINESS MANAGEMENT  
Volume : 33.0 /Chapter- I /Issue -1 (JANUARY-2019)  
Journal Website: [www.journalresearchijf.com](http://www.journalresearchijf.com)  
Paper Received: 06.01.2019  
Paper Accepted: 21.01.2019  
Date of Publication: 05-02-2019  
Page: 01-09

### Name of the Corresponding author:

**Dr. Yousif Riyadh Mahmood**  
College of Administration and Economics ,  
AL-Qadisiyah University, Iraq  
E-mail: [yousif.riyadh@qu.edu.iq](mailto:yousif.riyadh@qu.edu.iq)

## CITATION OF THE ARTICLE



Mahmood YR (2019) The impact of perceived equity on employee performance: The moderating role of equity sensitivity.; *Advance Research Journal of Multidisciplinary Discoveries*. 33(1)pp. 01-09

## INTRODUCTION

In organizational context, the term 'performance' refer to the efforts of an employee towards the function. The result of such efforts is known as performance. In the present day business world, talented and knowledgeable employees are the most valuable assets of any organization. The performance and competencies of all such employees needs to be evaluated and enhanced on a regular basis to further develop them and to reward employees according to their performance. employee performance could be illustrated as an employee's conduct towards his function (Brief, 1998). it has been reported that function performance as an essential indicator of several vital negative and affirmative work outcomes. negative outcomes of work have negative liaison with Function performance such as absenteeism (Chee & Haddad, 2007; Falkenburg ,Alfonso & Andres, 2007;& Schyns, 2007; Wagner, 2007). Reversely; affirmative work outcomes has affirmative liaison with function performance such as affectivity and efficiency (Keller & Julian, 1996; Neff, 2003). employee performance as per Herzberg (1959: 3), is affected by what he called "equity of motivators". These motivators include: achievement, recognition, work itself, responsibility, advancement, and growth. Reversely, dissatisfaction is caused by "equity of hygiene factors". These factors include: company policy and administration, supervision, correlation with supervisor, work conditions, salary, liaison with peers, personal life, correlation with subordinates, status, and security. Because of this importance of employee performance as a indicator of critical work outcomes, it has always been a variable of interest. Employee performance has been extensively studied as a function of many antecedents. Perhaps one of the extensively-covered antecedents of employee performance in research is an employee's equity perception.

According to Adams (1963), equity perception is the extent to which an employee perceives that he is treated fairly relative to comparable others inside and outside the organization. An employee's equity perception is determined through comparing his inputs/outcomes ratio to that ratio of others inside and outside the employing organization. On the one side, inputs here include all the contributions that the employee brings to the organization such as experience, time, effort, education, abilities, ideas, etc. On the other side, outcomes include all the rewards/outputs (direct or indirect) like basic salary, bonus, promotion, recognition, security, benefits, personal development and so on; that the employee receives from his organization in return to his contributions, and these include motivators and hygiene factors. Most of the research that investigated the correlation between equity perception and employee performance illustrated a high degree of correlation between the two variables (McIntyre, Bartle, Landis, & Dansby, 2002; Paik, Parboteeah, & Shim, 2007; Lambert, Hogan, & Griffin, 2007; Deconinck & Bachmann, 2007). When an employee perceives that he is treated fairly, it is logical that he consequently feels satisfied with the function. This can be spotted in the works of McIntyre et al., 2002; Rifai, 2005; Paik, Parboteeah, & Shim, 2007; Lambert, Hogan, & Griffin, 2007; Deconinck & Bachmann, 2007. Although there has been sufficient research on employee performance as a function of equity perception, there has not been sufficient research to investigate the relative importance of different aspects of equity perception in predicting employee performance. So far, little has been done about whether there is a genuine correlation between employee perceived equity and employee performance among employees in different colleges in the University. To fill these gaps in knowledge, the main objective of this study was to investigate the liaison between equity perceptions, where a motivator is the outcome in the comparison, as independent variables and employee performance as a dependent variable among academic employees of the University. To do so, the study was designed to answer the two following research questions: (1) What are the liaison between equity perceptions, where one of the outcome (direct and indirect) in the comparison, as independent variables and employee performance as a dependent variable among employees at University? and (2) What are the liaison between equity perceptions, where equity sensitivity, as independent variables and employee performance as a dependent variable among employees at University? Where: The employee's equity perception will be determined by comparing his perception of the ratio of the outcomes he receives from the organization to the inputs he contributes to the organization compared to the same ratio of comparable others' outcomes to their inputs in the same organization and other organization. The narrower the employee perceives the gap between his own outcomes/inputs ratio and the same ratio for others, the more his equity perception will be.

ADVANCE RESEARCH JOURNAL OF MULTIDISCIPLINARY DISCOVERIES

## II. IMPRACTICAL BACKGROUND AND HYPOTHESES OF STUDY

### 2.1. Perceived equity

(In 1978, Walster et al) illustrated that If an organization is able to compensate its employees based on their qualifications, experiences, skills, knowledge, performance etc. then it is called internal equity and if an organization compensates its employees as per company standards or comparatively equal to their competitors then it is called external equity. According to Adams (1963), an employee will compare his ratio of the outcomes he gets from his employing organization to the inputs he contributes to the organization with the same ratio for others inside and outside the organization. The following equation illustrates the comparison that an individual employee will use to assess equity:

$$\frac{\text{Individual's Outcomes}}{\text{Individual's Inputs}} \text{ vs } \frac{\text{Comparison Person Outcomes}}{\text{Comparison Person Inputs}}$$

Adams (1963) also illustrated that an employee will seek to maintain equity between the perceived inputs that he contributes to a function and the perceived outcomes that he receives from it against the perceived inputs and outcomes of others. The theory also illustrated that a person will feel de-motivated if he feels unfair treatment compared to others inside or outside the organization that employed him.

Further, Adams (1963) states that an employee will perceive case of equity if he perceives the ratio of his inputs to his outcomes to be equal to those inside and outside the organization he works for. The equity is accepted by the employee if the more output which received by a comparable employee due to contribute more input. For instance, everything else equal, if another employee with more experience (more input) receives a higher compensation (more output) then an employee would be satisfied.

As per Walster, Traupmann, and Walster (1978), a participant's contributions to the relational exchange are considered inputs here and are viewed as "entitling him to rewards or costs". Inputs typically involves education, time, effort, loyalty, qualifications, flexibility, tolerance, determination, enthusiasm, personal sacrifice and others.

Outputs include all of the consequences of a participant's correlation with the organization employing him. Typical outcomes include some hygiene factors and some motivators. This comparison might result in one of the following three outcomes:

1. Overpaid Inequity: When the person perceives that his outcomes are more as compared to his inputs in relations to others. Thus, the correlation is given below.

$$\frac{\text{Person's outcomes}}{\text{Person's inputs}} > \frac{\text{Other's outcomes}}{\text{Other's inputs}}$$

In this case, the employee perceives his ratio to be higher than comparable others' ratios (Unfairness)

2. Underpaid Inequity: The person perceives that his outcomes are lower as compared to his inputs in correlation to others.

$$\frac{\text{Person's outcomes}}{\text{Person's inputs}} < \frac{\text{Other's outcomes}}{\text{Other's inputs}}$$

Here, the employee perceives his ratio to be lower than comparable others' ratios (Unfairness).

3. Equity: The person perceives that his outcomes in relation to his inputs are equal to those of others.

$$\frac{\text{Person's outcomes}}{\text{Person's inputs}} = \frac{\text{Other's outcomes}}{\text{Other's inputs}}$$

In this case, the employee perceives his ratio to be equal comparable others' ratios (Fairness) Further, Adams (1963, 1965) suggests that employees will always seek fair (equitable) treatment. If the employee perceives that his ratio is less than the comparison person's ratio, he will feel distress in the form of anger or a feeling of humiliation. Conversely, if the employee perceives that his ratio is higher than the ratio of the comparison person, he will feel distress in the form of a sense of guilt. When the employee perceives that his ratio is higher than the ratio of the comparison person, he will feel distress in the form of a sense of guilt and he will shift to one of the following ways (Carrell & Dittrich,1978).

1. Changing his Inputs: Inputs can be changed to lower or higher extent to match the outcomes (in case of under paid inequity or over paid inequity).
2. Changing Perceptions about Inputs and Outcomes: A person may re-establish equity between his inputs and outcomes by changing his perception.
3. Changing his Outcomes: The person may attempt to change his outcomes by persuading/pressuring those who are responsible for the decision of outcomes.
4. Changing Inputs and Outcomes of Others: The person may try to re-establish equity by persuading other persons to change their inputs or by changing this perceiving about the inputs/outcomes correlation of others.
5. Changing the Persons Compared: If correlation produces inequity, while comparing with the particular people, then the persons may be replaced by someone else whose correlation produces equity.
6. Changing the Situations: The person can try to change the situation in which he perceives inequity, he may opt for transfer to another department or location in the same organization or may leave the organization itself.

The perceived inequity and the distress the employee will feel are high degree ofly related. Thus, the greater the inequity perceived, the more distress the employee will feel and the more he will try to restore equity (Walster et al., 1978) either by distorting inputs and/or outcomes in his own mind "cognitive distortion", directly altering inputs and/or outcomes, or leaving the organization (Carrell & Dittrich,1978).

### 2.2. Employee performance

Employee performance can be generally illustrated as the employee's feelings towards his/her function. Employee performance has been illustrated as a pleasurable emotional state resulting from the appraisal of one's function (Locke, 1976) and as an attitudinal variable that can be a diagnostic indicator for the degree to which people like their function (Spector, 1997).

Several scales have been developed to measure employee performance ; the Likert-scale of Rensis Likert, the Function Descriptive Index (JDI) of Smith, Kendall, and Hulin (1969); the Function in General Index, the Minnesota Satisfaction Questionnaire (MSQ), the Employee performance Survey (JSS), and the Faces Scale.

On the one side, employee performance has been illustrated as a beneficial indicator of several essential negative and affirmative of work outcomes. Employee performance has negative liaison with negative work outcomes such as absenteeism (Alfonso & Andres, 2007; Chee & Haddad, 2007; Falkenburg & Schyns, 2007; Wagner, 2007). On the other side, the affirmative work outcomes has affirmative liaison such as productivity with employee performance (Keller & Julian, 1996; Neff, 2003).

The effect of labor turnover on employee performance with respect to the moderation role of employee characteristics has been analyzed by Alfonso and Andres (2007) . Using data from the first two waves of the Swiss Household Panel (1999 and 2000), they illustrated that employee performance was a beneficial indicator of future quits. They also illustrated a significant effect of employee characteristics as a moderating variable of the correlation between employee performance and perceived equity.

Chee and Haddad (2007) examined the usage of 15 human resource management practices among 52 hotels in the United States. Their findings revealed that conducts such as employee performance were significantly related to perceived equity. In a similar study, Falkenburg and Schyns (2007) illustrated that organizational commitment has a moderating effect on perceived equity in a study that was investigating the effect of work satisfaction and organizational commitment on withdrawal behaviors among Dutch and Slovakian employees.

In an attempt to compare the relative advantages of organizational commitment against perceived equity in predicting employee performance, Wagner (2007) illustrated that both perceived equity and organizational

ADVANCE RESEARCH JOURNAL OF MULTIDISCIPLINARY DISCOVERIES

commitment are beneficial indicators of employee performance among employees.

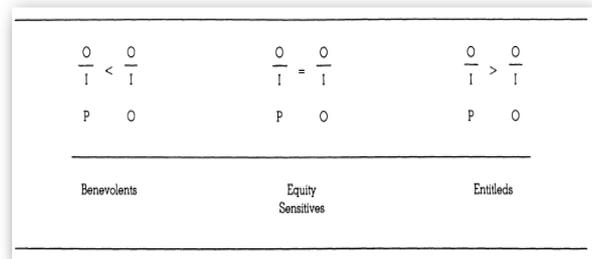
Keller and Julian (1996) examined the importance of work climate and employee performance as indicators of research and development (R&D) employees' productivity. Employee performance was found to be an important indicator of productivity of R&D workers. Also, Neff (2003) examined the importance of employee motivation and employee performance as tools to increase productivity and build stronger liaison with customers. He illustrated a significant high degree of correlation between the 2 variables.

### 2.3 The Equity Sensitivity

The Equity Sensitivity Construct As indicated, research on individual differences suggests that a number of demographic and psychological variables affect how individuals allocate to themselves and/or others, as well as how they react to inequitable treatment. With few exceptions (e.g., The Protestant Work Ethic), these variables are conceptually independent of equity itself. The equity sensitivity construct proposed here relates directly to equity theory and suggests that individuals react in consistent but individually different ways to both perceived equity and inequity because they have different preferences for (i.e., are differentially sensitive to) equity. Figure 1 presents a continuum of these preferences with three classes of individuals represented along the continuum:

- (a) Benevolent: those who prefer their outcome/input ratios to be less than the outcome/input ratios of the comparison other. The conceptual roots of benevolence can be traced to the psychology of individuals by Alfred Adler (Adler, 1935; Ansbacher & Ansbacher, 1956; Rychlak, 1973), who typed individuals by their reactions to others in interpersonal liaison. Salient among Adler's types is the "socially beneficial," the individual who "thinks more of giving than receiving" (Rychlak, 1973, p. 116) . Benevolents are satisfied when under-rewarded and experience guilt when either equitably- or over rewarded.
- (b) Equity Sensitive's, those who, conforming to the traditional norm of equity, prefer their outcome/input ratios to equal those of comparison others. Equity Sensitive individuals feel distress when either over rewarded or under rewarded. Equity Sensitive's are most content when their outcome/input ratios equal those of the comparison other. Equity Sensitive's feel "distress" when under-rewarded and guilt when over rewarded. This is the only group that experiences both of these feelings.
- (c) Entitleds, those who prefer their outcome/input ratios to exceed the comparison other's.

Figure 2. The equity sensitivity continuum



P = Person ,O = Comparison other

Entitleds are satisfied when over rewarded and feel "distress" when under- or equitably-rewarded. (Coles,1977a, p. 85). Greenberg and Westcott (1983) extended Coles' concept of entitlement to the general population; they described Entitleds as having high thresholds for feeling indebted: "Whatever aid [outcomes] they receive their due, and therefore they feel little or no obligation to reciprocate. They exist in a world where all but one are debtors" (p. 105).

Therefore, Entitleds are getters: They subscribe to the exploitative equity correlation described by Hatfield and Sprecher (1983), where their own outcome/input ratios exceed those of comparison others. Distress would occur if they were not "getting a better deal" than their comparison other.

The equity sensitivity construct possess a number of implications for equity research in organizations. Three general propositions describing posited liaison between perceived equity and an important organizational outcome function satisfaction for Benevolent, Equity Sensitive, and Entitles are presented.

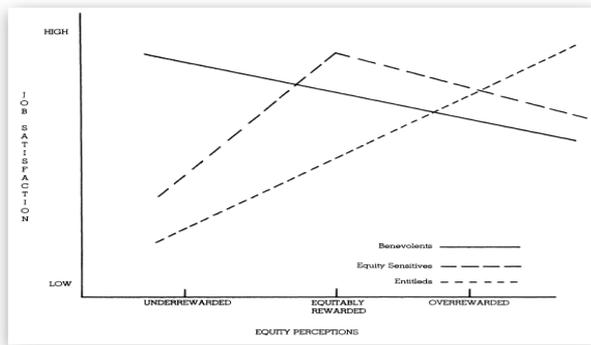
Equity research has examined the impact of perceived equity/inequity on a number of organizational outcome variables, including quantity and/or quality of work (Andrews, 1967; Good-man & Friedman, 1968; Valenzi & Andrews, 1971); turnover and absenteeism (Carrell & Dittrich, 1976; Telly, French, & Scott, 1971); and function satisfaction (Farr, 1976; Jenkins & Lawler, 1981; Pritchard, Dunnette, & Jorgenson, 1972). A major implication of equity sensitivity for equity research in organizations is suggested by developing three further propositions concerning the correlation between equity and function satisfaction for Benevolents, Equity Sensitive, and Entitleds.

Equity theory proposes that, as a result of the distress of either over reward or under reward, inequitably rewarded individuals should experience lower levels of function satisfaction than equitably rewarded individuals (Adams, 1965; Locke, 1976; Pritchard et al., 1972). Adams (1965) also argued that the threshold for inequity presumably would be higher for over rewarded individuals, who might rationalize their over reward as "good fortune" without the attendant distress. Thus,

ADVANCE RESEARCH JOURNAL OF MULTIDISCIPLINARY DISCOVERIES

following general equity theory predictions, it is expected that the correlation between perceived equity and function satisfaction will be inverted and u-shaped, similar to that shown for Equity Sensitive's in Figure (3)

Figure 3. indicated function satisfaction levels for equity sensitivity orientations. individuals should report low satisfaction levels; equitably rewarded individuals, high satisfaction; and overrewarded individuals, low to moderate satisfaction.



#### 2.4. Research on the correlation between Equity perception and Employee performance

The literature about the correlation between equity perception and employee performance is rich. Equity in research has had more than one form they are pay equity, procedural and distributive justice, function security and complexity, pay administration equity, pay level equity, promotion opportunities equity, evaluation criteria equity, etc (Roberts, Cooper, & Lawrence, 1999). The correlation between equity perception and employee performance has been investigated by several researchers (McIntyre, 2002; Rifai, 2005; Paik, Parboteeah, & Shim, 2007; Lambert, Hogan, & Griffin, 2007; Deconinck & Bachmann, 2007). McIntyre et al. (2002) examined a causal hypothesis relating the USA military personnel conducts toward equal opportunity (EO)-related fairness to employee performance, organization commitment, and perceptions of work group efficacy. McIntyre et al illustrated that the 5000 respondents' perceptions of work group EO fairness had high degree of liaison with their employee performance, organizational commitment, and perceived work group efficacy. In an identical study, Rifai (2005) experience the aspects which impact citizenship behaviors of organizational performance. The findings of Rifai's study concluded that there are significant liaison between procedural justice and distributive justice as independent variables and employee performance as a dependent variable. Paaik et al. (2007) used the Equity Theory to examine the effects of perception of compensation equity between host country workers and expatriates on employee performance and function performance. According to domain surveys and thorough investigation of Korean exiled and Mexican workers, the investigators inferred equity gaps. They also illustrated a significant negative effect of perceived compensation gaps on employee performance.

Lambert et al. (2007) studied the effects of distributive and procedural justice on function stress, employee performance and organizational commitment among correctional staff. Procedural justice, but not distributive justice was illustrated to have a significant impact on employee performance. Deconinck and Bachmann (2007) analyzed the correlation among perceived pay fairness, employee performance, organizational commitment, and turnover intentions among marketing managerial personnel. Perception of pay fairness was illustrated to have a great impact on organizational outcomes such as employee performance (high degree of correlation). Marketing managers who perceived that rewards were allocated equitably illustrated higher levels of employee performance which in turn affirmatively affected organizational commitment and negatively affected intention to leave.

Apparently, most of the researches that were conducted to test the correlation between equity perception and employee performance illustrated a high degree of correlation between the two variables. Adams (1963) claimed that if the employee perceives that his ratio is less than the comparison person's ratio, he will feel distress in the form of anger or a feeling of resentment or humiliation. On the other side, if the employee perceives that his ratio is higher than the ratio of the comparison person, he will feel distress in the form of a sense of guilt. The greater the inequity, the more distress the employee will feel and the more he will try to restore equity (Walster et al., 1978). Distress in turn will increase function dissatisfaction (Jain & Lall, 1996).

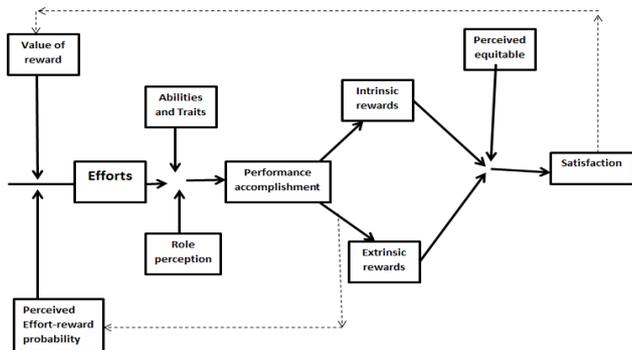
(Porter and Lawler, 1973) proposed a multivariate model to explain the complex correlation that exists between function conducts and function performance. This model suggests that managers should carefully assess their reward structures and that through careful planning and clear definition of role requirement, the effort Performance - reward - satisfaction system should be integrated into an entire system of managing.

1. Effort refers to the amount of energy exerted by an employer on a given task. Perceived reward probability refers to the individuals perception of the probability that differential rewards depend upon differential amounts of efforts. These two factors-values of reward and perception of effort-reward probability-determine the amount of effort that the employee will put in.
2. Performance is determined by the amount of effort and the ability and role perception of the individual. If an individual has little ability and or in accurate role perception, his performance may be ineffective in spite of this putting in great efforts.
3. Rewards . Performance is seen as leading to intrinsic rewards (sense of accomplishment and actualization, etc0) and extrinsic rewards (states and working conditions). Intrinsic rewards are much more likely to produce conducts about satisfaction that are related to performance the perceived

equitable reward virtually affect the performance - satisfaction correlation. They reflect the fair level of rewards that the individual feelings should be given for a given level of performance.

4. Satisfaction . If actual rewards meet or exceed perceived equitable rewards, the individual will feel satisfied. But if the actual rewards do not meet the perceived reward then he will be dissatisfied. performance is more dependent on Satisfaction then performance is on equitable rewards (intrinsic or extrinsic).

The figure (1) suggested by (Porter and Lawler,1973) shows the correlation between employee performance , function satisfaction and perceived equity which shown below .



The figure (1) suggested by (Porter and Lawler,1973) shows the correlation between employee performance , function satisfaction and perceived equity which shown below.

**2.5. Study Hypotheses**

Summarizing all of the discussions above, perception of equity was illustrated to have a affirmative correlation with employee performance. Thus, the following postulates were examined:

H1: Among the academic employees of the University, there are high degree of liaison between perceived equity and employee performance and employees characteristics when the outcome in the comparison is rewards (intrinsic and extrinsic).

H2: Among the academic employees of the university, there are no significant liaison between perceived equity and employee performance and employees characteristics when the outcome is one of rewards (intrinsic and extrinsic).

**III. RESEARCH METHODOLOGY**

**3.1. Measures**

The Data that were needed to test the hypotheses of this study included random data of the respondents, the respondents' perceptions of equity and the respondents' employee performance.

**3.1.1.The perception of equity questionnaire (independent measures)**

Each of the perceived equity dimensions and equity was measured using one clause. The perceptions equity included: perception of recognition equity, perception of advancement equity, and perception of growth equity, perception of work conditions equity, perception of salary equity, perception of status equity and perception of security equity. Employees' responses to each clause were obtained on a 5-point response scale where 1 = Strongly disagree and 5 = Strongly agree.

**3.1.2.The employee performance questionnaire (dependent measures)**

Employee performance was measured using a modified version of Smith, Kendall, and Hulin's Function Descriptive Index questionnaire (1969). Respondents were asked to rate their satisfaction with 10 function aspects using 5-point Likert scales where 1 = Not at all Satisfied and 5 = Very Satisfied. The function aspects included: quality of the work, productivity, absenteeism, relationship with the peers and supervisors, function loyalty, rules commitment, create the troubles, innovation and creation, decision participation, and graveness.

**3.2. Sampling and Data Collection**

The population of this study included sample of the teaching staff (Tutors, Lecturers, Assistant Professors, Associate Professors, and Professors) at university. the Information needed for this study has been obtained through intrinsic survey in which the study's questionnaire was administered to105 randomly-chosen teaching employees at three colleges. Around 69.5% of the respondents were males and 30.5% were females. The respondents' academic ranks ranged from teaching assistants to professors. Age ranged from 27 years old to 65 years old. Table 1 shows the demographic characteristics of the respondents.

**Table 1. respondents Characteristics**

Description	Frequency	Percentage (%)
27-30	20	62.5
31-40	37	13.75
41-50	30	17.5
More than 50	18	6.25
<b>Academic Rank</b>		
Tutors	13	12
Lecturers	60	57
Assistant Professors	22	21
Associate	7	0.06
Professors	3	0.03
<b>Gender</b>		
Male	69	66
Female	36	34
<b>Equity sensitivity</b>		
Benevolent	24	23
Equity sensitive's	78	74
Entitled	3	0.03

ADVANCE RESEARCH JOURNAL OF MULTIDISCIPLINARY DISCOVERIES

**3.3. Data Analysis and Results**

Two separate multiple regression analyses were conducted to test the study hypotheses. The first hypothesis was tested using multiple regression analysis with employees' performance as the dependent variable and perceptions of equity as the independent variables. See Table 2 for the matrix of liaison among the study's variables.

**Table 2. Matrix of Liaison**

Perception	Employee performance
Perception of Recognition Equity	0.63
Perception of Advancement Equity	0.48
Perception of Growth equity	0.43
Perception of Working Conditions Equity	0.5
Perception of Status Equity	0.46
Perception of Security Equity	0.47
Perception of Salary Equity	0.54

sum liaison significant  $R > 0.5$

As shown in Table 2 the value of correlation coefficient  $R > 0.5$  then Hypothesis 1 was supported. There is high degree of correlation between Perceptions of equity and employees performance. Around 45% of the distinction in employee's performance could be interpreted by perceptions of equity. These findings partially support the findings of research that illustrated affirmative a relationship between perception of equity and employees performance (McIntyre et al., 2002; Rifai, 2005; Paik at al., 2007; Lambert at al., 2007; Deconinck & Bachmann, 2007). The farthest important perception of equity affects employee's performance here was perception of recognition equity and The least important perception of equity effect employees performance here was perception of growth equity.

**IV. INFERENCE AND RECOMMENDATIONS**

**4.1 Inference**

1. The farthest important perception of equity in predicting employee performance as shown in table 2 was perception of recognition equity. The least important perception of equity in predicting employee performance here was perception of growth equity.
2. as it shown in table 2 which reveals that perception of salary equity is the more important equity perception after perception of recognition equity in predicting employee performance -which partially supports researches that illustrated a affirmative correlation between perceived pay equal ness and employee performance.

3. As shown in Table 2, Hypothesis 1 was supported. Perceptions of equity were affirmatively related to function satisfaction. Around 45% of the distinction in employee performance could be interpreted by perceptions of equity. These findings support the findings of research that illustrated affirmative a correlation between perception of equity and function performance (McIntyre et al., 2002; Rifai, 2005; Paik at al., 2007; Lambert at al., 2007; Deconinck & Bachmann, 2007).
4. People receive the equity and make conclusion according to their equity sensitivity (Benevolent, Equity Sensitives, Entitleds ) this reveals that there is correlation between equity sensitivity and equity perception, Benevolent are satisfied when their outcome/input ratios to be less than the outcome/input ratios of the comparison other while Equity Sensitives individuals feel "distress" when under-rewarded and guilt when over rewarded and satisfied when they perceived equality to the comparison other while Entitleds are satisfied when over rewarded and feel "distress" when under- or equitably-rewarded.
5. As it was shown in table 1 farthest of the respondents are equity sensitives as they configure 74% of the sum of respondents whereas benevolent constitute 23% of the total of respondents while entitleds constitute 3% out of the respondents .

**4.2 Recommendations**

This study aimed at manifesting the liaison between employee perceived equity and employee performance in the University. The study assumed that there would be affirmative liaison between perceived equity and employee performance when the outcome in the equity comparison is one of rewards (intrinsic and extrinsic). The study also assumed that there would be significant liaison between perception of equity and employee characteristics (employee sensitivity toward the organizational equity). The significant objective of this study includes attracting qualified personnel , resolve and prevent inter group conflicts, encouraging employees to perform better and to maintain culture and policies that boost their morale at work place.

1. Supervisors should ensure that their employees will always perceive equal treatment when they compare themselves to employees inside and outside their college. Employees are rewarded according to their qualification , skills, knowledge, experiences , abilities and the desired performances expected from his role and the link between his function and organizational goals.
2. Create individuals ability and accurate role perception must be created in employee mind by Assuring that employees precisely know the inputs (such as function effort and performance, experiences, education, skills, abilities, etc) that other employees participate to their college, so that they would not over assess or under

ADVANCE RESEARCH JOURNAL OF MULTIDISCIPLINARY DISCOVERIES

assess them, which lead to an unsound perception of inequity.

3. Top management should regularly observe the competitors' policies with regard to "compensation system" then framing competitive compensation system which aids the university in retaining and enhancing employee performance so that the desired goals can be achieved efficiently. Performance-reward-satisfaction system should be integrated into entire system university.
4. After performance evaluation feedback is provided to each individual on their respective performances . feedback provides information to the employee regarding their inputs participated by his/her peers to avoid unsound perceptions of inequity. This information makes employee clear about the various activities he needs to take up in his function and it helps to motivate employee toward higher performance .
5. Management should support the employee to boost their inputs (knowledge, skill , experiences, education, abilities, etc. by providing effective development programs which result to increase their outcome (intrinsic and extrinsic) then employee would be high satisfied with their job that reflect on their performance and accomplishment of organization goals .
6. selection , induction programs must to be precisely developed and selected in such way they assist to opt the right employee (benevolent and equity sensitives ) with high competencies and induct them in right place.

## V. REFERENCES

- [1] Carrell, M. R. & J. E. Dittrich (1978) "Equity Theory: The Recent Literature, Methodological Considerations, and New Directions." *The Academy of Management Review* 3(2): 202-210.
- [2] Chow, C., Haddad, K. & G. Singh (2007) "Human Resources Management, Function Satisfaction, Morale, Optimism and Turnover. *International Journal of Hospitality and Tourism Administration* 8(2): 73-88.
- [3] Deconinck, J. & D. Bachmann (2007) "The Impact of Equity Sensitivity and Pay Fairness on Marketing Managers' Function Satisfaction, Organizational Commitment and Turnover Intentions." *Marketing Management Journal* 17(2): 134-141.
- [4] Ewen, R., Hulin, C.L., Smith, P. & E. A. Locke (1966) "An Empirical Test of the Herzberg Two-Factor Theory." *Journal of Applied Psychology* 50(6): 544-550.
- [5] Falkenburg, K. & B. Schyns (2007) "Work Satisfaction, Organizational Commitment and Withdrawal Behaviors." *Management Research News* 30(10): 708-723.
- [6] Gardner, G. (1977) "Is There a Valid Test of Herzberg's Two-factor Theory." *Journal of Occupational Psychology* 50(3): 197-204.
- [7] Gordon, M. E., Pryor, N. M. & B. V. Harris (1974) "An Examination of Scaling Bias in Herzberg's Theory of Function Satisfaction." *Organizational Behavior & Human Performance* 11(1): 106-121.
- [8] Mohamed Hossam El-Din KHALIFA & Quang TRUONG Page | 150 *EJBE* 2010, 3(5) Herzberg, F. (1966) "Work and the Nature of Man." World Publishing Co.
- [9] Jain, V. & R. Lall (1996) "Effects of Locus of Control, Occupational Stress, and Psychological Distress on Function Satisfaction." *Psychological reports* 78(3): 1256 - 1259.
- [10] Alfonso, S. & S. Andres (2007) "The Effect of Function Satisfaction on Labor Turnover by Gender." *Switzerland Journal of Socioeconomics* 3(6): 859-913.
- [11] Brenner, V. C., Carmack, C. W. & M. Weinsten (1971) "An Empirical Test of the Motivation-Hygiene Theory." *Journal of Accounting Research* 9(2): 359-366.
- [12] Brief, 1998. Cited in Weiss, H. M. (2002). "Deconstructing Function Satisfaction: Separating Evaluations, Beliefs, and Affective Experiences." *Human Resource Management Review*. 12:173-194.
- [13] Boles, J., Madupalli, R., Rutherford, B. & W. Andy (2007) "The Relationship of Facets of Salesperson Function Satisfaction with Affective Organizational Commitment." *Journal of Business & Industrial Marketing* 22(4): 311-321.
- [14] Locke, E. A. (1976) "Organizational Behavior: Effect in the Workplace." *Annual Review of Psychology* 53: 279-307.
- [15] Locke, E. A. (1976) "Nature and Causes of Function Satisfaction. in M. D. Dunnette (eds.)." *Sidebook of Industrial and Organizational Psychology* 54: 1297-1349.
- [16] Locke, E. A. & G. P. Latham (1990) "Work Motivation and Satisfaction: Light at the End of the Tunnel." *Psychological Science* 1(4): 140-246.

- [17] **Maidani, E. A. (1991)** "Comparative Study of Herzberg's Two-factor Theory of Function Satisfaction among Public and Private Sectors Employees." *Public Personnel Management* 20(4) : 441 -449.
- [18] **McIntyre, R. M., Bartle, S., Landis, D. & M. Dansby (2002)**"The Effects of Equal Opportunity Fairness Conducts on Function Satisfaction, Organizational Commitment, and Perceived Work Group Efficacy." *Military Psychology* 14: 299-319.
- [19] **Smerek, R. & M. Peterson (2007)** "Examining Herzberg's Theory: Improving Function Satisfaction among Non-academic Employees at a University." *Research in Higher Education*, 48(2): 229-250.
- [20] **Spector, P. E. (1997)** "Function Satisfaction: Application, Assessment, Causes, and Consequences."Sage Publications.
- [21] **Wagner, C. M. (2007)** "Organizational Commitment as a Predictor Variable in Nursing Turnover Research: Literature Review." *Journal of Advanced Nursing* 60(3): 235-247.
- [22] **Paik, Y., Parboteeah, K., W. Shim (2007)** "The Relationship between Perceived Compensation, Organizational Commitment and Function Satisfaction: The Case of Mexican Workers in the Korean Maquiladoras." *International Journal of Human ResourceManagement* 18(10): 1768-1781.
- [23] **Roberts, J. A., Cooper, K., & B. C. Lawrence (1999)** "Salesperson Perceptions of Equity and Justice and their Impact on Organizational Commitment and Intent to Turnover." *Journal of Marketing Theory and Practice* 7(1): 1-16.

\*\*\*\*\*