

The motivating value of pay equity essay sample



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For most employees, pay has a direct influence on their lifestyle choices and also on their status on and off the job. Pay represents a sense of reward for people in exchange for the work they put forth. It is essential, according to the equity theory, that the pay be equal to the terms of those responsibilities. “ *Distributive fairness* is a theory that explains how people respond to situations in which they feel have received less (or more) than they deserve.”

Employees form ideas of this increase in their head according to what they have put forth — abilities, skills, experiences as a result of their outcomes — salary, benefits, pensions & bonuses. If their said ratio equals that of someone they feel as done just as much, then they are satisfied and the issue of fairness stays in place. However, if they feel the situation is unfair, this creates a hostile work environment that will need to address in the near future.

The expectancy theory of motivation draws a conclusion that one’s level of motivation depends on the rewards they seek in doing so. This theory was developed by psychologists who see human’s mode of thinking as a direct effect on the influence of pay expectancy. To motivate their effort, monetary rewards should be effective to most. Higher motivation leads to greater performance which leads to better success for one’s success, which ultimately should lead to one’s greater monetary reward.