

# EMPLOYEES PERCEPTION TOWARDS SOCIAL EQUITY IN ORGANISATION

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## ABSTRACT:

*"A person's motivation depends a lot on what he or she considers to be fair (Redmond, 2010)." In 1996 the United States President's Council on Sustainable Development defined social equity as "equal opportunity, in a safe and healthy environment." Thus Social Equity implies justice and fairness, as people value fair treatment which causes them to be motivated in the organization. They are able to work in a favourable environment. Social equity is therefore considered important especially among the Corporate where performance appraisal has to be done fairly, in order to enable them to have a fair career growth. if Social equity is practiced loyalty and performance of employees will be enhanced. Hence, the researcher has undertaken a study on 'Employees perception toward Social Equity at Work place' to get an insight into the aspects they consider important to attain Social Equity at work place. The factors contributing towards Social Equity has been identified from peer-reviewed studies. An empirical study has been carried out among corporate employees working in Chennai city. Suitable statistical techniques using SPSS 20.0 have been adopted to derive at reliable conclusion in this study. The study therefore suggests what type of social equity can be easily attained in the Organisation.*

**Key Words:** Social Equity, Employees perception, Work place, Corporate, Loyalty

## INTRODUCTION:

Equity speaks about fair treatment. Every individual expect their employer to treat them fairly. Tanner Robert (2018)<sup>1</sup>has mentioned in his article Equity theory that "Gone are the days when managers can simply command and control employees". Organizations now operate under a pace of change that is unforgiving and unrelenting. A social equity policy in the organization will promote the potential aspirant

and will retain the best talent. Johnson S (n.d)<sup>2</sup> of the opinion that there's a transparency of cause and effect, and everyone knows what to expect in terms of consequences and rewards. When equity exists, people have equal access to opportunities. It sets up an advantageous environment for both the employees and the employer. Practicing social equity will assist to bring together individuals from all backgrounds and puts all stances in one table.

The simplest way to promote equity in the organization is to evaluate it by practical means. Schiefelbein Jill(2014)<sup>3</sup>has stated that “Instilling workplace equity involves cultivating an environment where employees are treated fairly by management and, in turn, employees treat management fairly. This will enable an organisation to retain accurate people at the accurate place.

### **OBJECTIVE:**

1. To identify the Employees perception on Social Equity at work place.
2. To study if the perception towards Social Equity i.e., Employee based social equity and work based social equity is attainable or not.

### **REVIEW OF LITERATURE:**

Review on Four Ways to Foster Fairness in the Workplace by Erb Marcus (n.d)<sup>4</sup> has mentioned, When it comes to a sense of fair pay, it's not just about the amount of the pay check that matters. The transparency of the compensation system and a clear commitment to equity by the organization are critical in ensuring people feel fairly paid. Sherony and Green (2002)<sup>5</sup> has done examination on Co-worker exchange has stated that, if employees respond positively to the support they receive from their organizations therefore, it is expected that perceived organizational support will encourage a strong longing to stay with the organization.

### **Employees Perception on Social Equity:**

To identify the Employees perception on Social Equity at work place, 15 questions relating to perception of employees were asked based on the review of literature. Employees were asked to rate their opinion to these questions on a seven point rating scale ranging from 7 as Strongly Agree to 1 as Strongly Disagree. Factor analysis was applied on these 15 variables about employees perception on social equity at work place categories these variable into suitable factors. Using Principal Component method and Varimax (orthogonal) rotation with factor loading based on Eigen values greater than 1.Kaiser-Meyer-Olkin Statistic (Cornish, 2007a)<sup>6</sup>for measuring sampling adequacy was found to be 0.889 (>0.5)and Barlett's test of Sphericity ( $\chi^2= 1707.212$ ,  $p=0.000$ ) (Cornish, 2007b)<sup>7</sup> was found significant which thereby confirms the feasibility of factor analysis. Variables having small coefficients with absolute values below 0.5 was ignored. Further factors having Communalities value less than 0.5 (Priya&Shruti, 2015)<sup>8</sup> was removed. Thus 1 variable was

removed and on the remaining variables Factor Analysis was applied. Finally 2 factors were extracted from the variables representing the Employees perception on social equity at work place.

**Table.1 Employees Perception on Social Equity at work place**  
**Rotated Component Matrix<sup>a</sup>**

	Component		Factor name
	1	2	
Providing conducive environment	.861		Employee based Social Equity
Equal treatment to employees	.834		
Just action to defaulters	.820		
Importance to ethics	.774		
Treating gender equality	.772		
Opportunity to develop skills	.728		
Providing health insurance	.663		
Developing slow learners	.636		
Genuineness in handling employees	.557		
Performance based rewards		.869	Work based Social Equity
Fair career advancement		.848	
Reasonable allocation of work		.846	
Allocating jobs as per skill		.790	
Equity in financial benefits		.695	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

## Inference

Principal Component Analysis revealed that these 14 variables about Employees perception on Social Equity variables are grouped into 2 predominant factors with a total cumulative variance of 61.919%. These 2 predominant factors of Employees perception on Social Equity were named as “Employee based Social Equity” and “Work based Social Equity”. In Employee based Social Equity the employees seek for providing conducive environment, equal treatment to employees, just action to defaulters, importance to ethics, treating gender equality, opportunity to develop skills, providing health insurance, developing slow learners, genuineness in handling employees. In Work based Social Equity the employees seek for performance based rewards, fair career advancement, reasonable allocation of work, allocating jobs as per skill, equity in financial benefits.

## Attainment of Social Equity at Work place:

To study if the perception towards Social Equity i.e., Employee based social equity and work based social equity is attainable or not. The average of Perception on Employee based Social Equity and the average of Perception on Work based Social Equity as found in the factor analysis was taken as the

Dependent Variable and the attainment of perception towards social equity was taken as the Independent variable and ONEWAY ANOVA was applied to arrive at suitable results.

As the dependent variable, Average of Perception on Employee based Social Equity and Average of Perception on Work based Social Equity falls within the 7 point rating scale. The mean values ranging between 6.1 to 7 was considered as ‘Very high perception of Employee/ Work based Social Equity’, 5.1 to 6 was considered as ‘High perception of Employee/ Work based Social Equity’, 4.1 to 5 was considered as ‘Moderately High perception of Employee/Work based Social Equity’, 3.1 to 4 was considered as ‘Moderately Low perception of Employee/ Work based Social Equity’, 2.1 to 3 was considered as ‘Low perception of Employee/ Work based Social Equity’, and 1.1 to 2 as ‘Very low perception of Employee/ Work based Social Equity’.

One way ANOVA for Employee based Social Equity indicates the following results.

#### Attainment of Employee based Social Equity

**Table. 2 Multiple Comparisons – Attainment on Employee based Social Equity**

Dependent variable: Perception on Employee based Social Equity

Post Hoc Test Turkey HSD			Mean	Levene Statistic(Sig.)	F (2, 200)	Sig.
Highly Attainable	Low Attainable	.000**	5.9915	.450 (>.05)	125.839	.000**
	Moderately Attainable	.000**				
Moderately Attainable	Low Attainable	.000**	4.7460			
	Highly Attainable	.000**				
Low Attainable	Moderately Attainable	.000**	3.6618			
	Highly Attainable	.000**				

p-value \*\* <0.01, \* <0.05

#### Inference

The conditions for normality was assumed as per the Central Limit Theorem<sup>9</sup> which states that “if you have a population with mean  $\mu$  and standard deviation  $\sigma$  and take sufficiently large random samples from the population with replacement, then the distribution of the sample means will be approximately normally distributed”. Homogeneity of variances was tested and satisfied based on Levene statistic  $p = .450$  ( $p > 0.05$ ). There was a statistically significant difference among the three levels of attainment of Employee based Social Equity relating to the perception of Employee based Social Equity ( $F(2, 200) = 125.839$ ,  $p < .001$ ). Post-hoc comparisons using the Turkey test in One way ANOVA show that there was a significant difference between all the three levels of attainment of Social Equity – ‘Highly Attainable’, ‘Moderately Attainable’ and ‘Less Attainable’ relating to perception of Employee based Social Equity.

Looking at the mean scores, employees who have an opinion that social equity have Highly Attainable opinion about Social Equity have ‘High perception of Employee based Social Equity’ (mean = 5.9915). Whereas the employees who have an opinion that social equity is Moderately Attainable, ‘Moderately high perception of Employee based Social Equity’ (mean = 4.7460) and employees who have an opinion that social equity is Less Attainable opinion about Social Equity have ‘Moderately low perception of Employee based Social Equity’ (mean = 3.6618).

### Attainment on Work based Social Equity

**Table 3. Multiple Comparisons – Attainment on Work based Social Equity**

Dependent variable: Perception on Work based Social Equity

Post Hoc Test Turkey HSD			Mean	Levene Statistic(Sig.)	F (2, 200)	Sig.
Highly Attainable	Low Attainable	.000**	5.7778	.004 (<.05)	14.466	
	Moderately Attainable	.014*				
Moderately Attainable	Low Attainable	.009*	5.2698	<b>Welch</b>		.000**
	Highly Attainable	.014*				
Low Attainable	Moderately Attainable	.009*	4.4435	<b>Brown-Forsythe test</b>		.000**
	Highly Attainable	.000**				

p-value \*\* <0.01, \* <0.05

### Inference

The conditions for normality was assumed as per the Central Limit Theorem<sup>10</sup> which states that “if you have a population with mean  $\mu$  and standard deviation  $\sigma$  and take sufficiently large random samples from the population with replacement, then the distribution of the sample means will be approximately normally distributed”. Homogeneity of variances was tested and satisfied based on Levene  $p = .000$  ( $p < 0.05$ ). As the assumptions of homogeneity of variance is violated, Robust Tests of Equality of Means, is considered where Welch (Stephanie, 2018)<sup>11</sup> and Brown-Forsythe (Stephanie, 2018)<sup>12</sup> test reveal a statistically significant difference among three levels of Attainment of Work based Social Equity. Hence there is a statistically significant difference among the three levels of attainment of Work based Social Equity relating to the perception of Work based Social Equity ( $F(2, 200) = 14.466$ ,  $p < .001$ ). Post-hoc comparisons using the Turkey test in Oneway ANOVA show that there was a significant difference between all the three levels of attainment on Work based Social Equity – ‘Highly Attainable’, ‘Moderately Attainable’ and ‘Low Attainable’ relating to perception of Work based Social Equity.

Looking at the mean scores, employees who have an opinion that social equity have Highly Attainable and Moderately Attainable opinion about Social Equity have ‘High perception of Work based Social Equity’ (mean = 5.7778 & 5.2698). Whereas the employees who have an opinion that social equity have Less Attainable opinion about Social Equity have ‘Moderately high perception of work based Social Equity’ (mean = 4.4435).

**CONCLUSION:**

The study reveals the important Employees based Social Equity as providing conducive environment, equal treatment to employees, just action to defaulters, importance to ethics, treating gender equality, opportunity to develop skills, providing health insurance, developing slow learners, genuineness in handling employees and Work based Social equity as performance based rewards, fair career advancement, reasonable allocation of work, allocating jobs as per skill, equity in financial benefits. Employees with Highly attainable view about Social Equity at work place have a High perception of Employee based Social Equity and Work based Social Equity. Employees with Moderate attainable view about Social Equity at work place have a moderately high perception of Employee based Social Equity and High perception of Work based Social Equity. Where as Employees with Low attainable view about Social Equity at work place have Moderately Low perceptions of Employee based Social Equity and Moderately high perception of Work based Social Equity. Thus Overall employees are of the view that Work based Social Equity is easier to attain when compared to Employee based Social equity.

<sup>1</sup>Tanner Robert (2018), Equity Theory – Why Employee Perceptions About Fairness Do Matter, *Management is a Journey*. Retrieved from the article: <https://managementisajourney.com/equity-theory-why-employee-perceptions-about-fairness-do-matter/>

<sup>2</sup> Johnson, Sophie. (n.d.). The Advantages of Equity in the Workplace. *Work - Chron.com*. Retrieved from <http://work.chron.com/advantages-equity-workplace-2635.html>

<sup>3</sup> Schiefelbein Jill(2014) How To Retain Employees: The Importance Of Workplace Equity For Retaining Top Talent, Retrieved from the article:<http://www.thedynamiccommunicator.com/how-to-retain-employees-the-importance-of-workplace-equity-for-retaining-top-talent/>

<sup>4</sup> Erb Marcus(n.d) Four Ways to Foster Fairness in the Workplace.*entrepreneur.com*. Retrieved from the article : <https://www.entrepreneur.com/article/219505>

<sup>5</sup> Sherony K, M., Green S, G., (2002). Coworker exchange: relationships between coworkers, leader-member exchange and work attitude, *Journal of Applied Psychology*. 87: 542-548.

<sup>6</sup>Rosie Cornish. (2007). Stats Tutor, [ww.statstutor.ac.uk/resources/uploaded/factoranalysis.pdf](http://ww.statstutor.ac.uk/resources/uploaded/factoranalysis.pdf)

<sup>7</sup>Rosie Cornish. (2007). Stats Tutor, [ww.statstutor.ac.uk/resources/uploaded/factoranalysis.pdf](http://ww.statstutor.ac.uk/resources/uploaded/factoranalysis.pdf)

<sup>8</sup>ChettyPriya and DattShruti\_\_\_\_\_(2015), Interpretation of factor analysis using SPSS, <https://www.projectguru.in/publications/interpretation-of-factor-analysis-using-spss/>

<sup>9</sup> . LaMorte W. Wayne (2016), Central Limits theorem, Role of Probability,

<sup>10</sup> . LaMorte W. Wayne (2016), Central Limits theorem, Role of Probability,

<sup>11</sup>Stephanie, (2018), Brown-Forsythe Test: Definition, Statistics how to, <http://www.statisticshowto.com/brown-forsythe-test/>.

<sup>12</sup>Stephanie, (2018), Brown-Forsythe Test: Definition, Statistics how to, <http://www.statisticshowto.com/brown-forsythe-test/>.