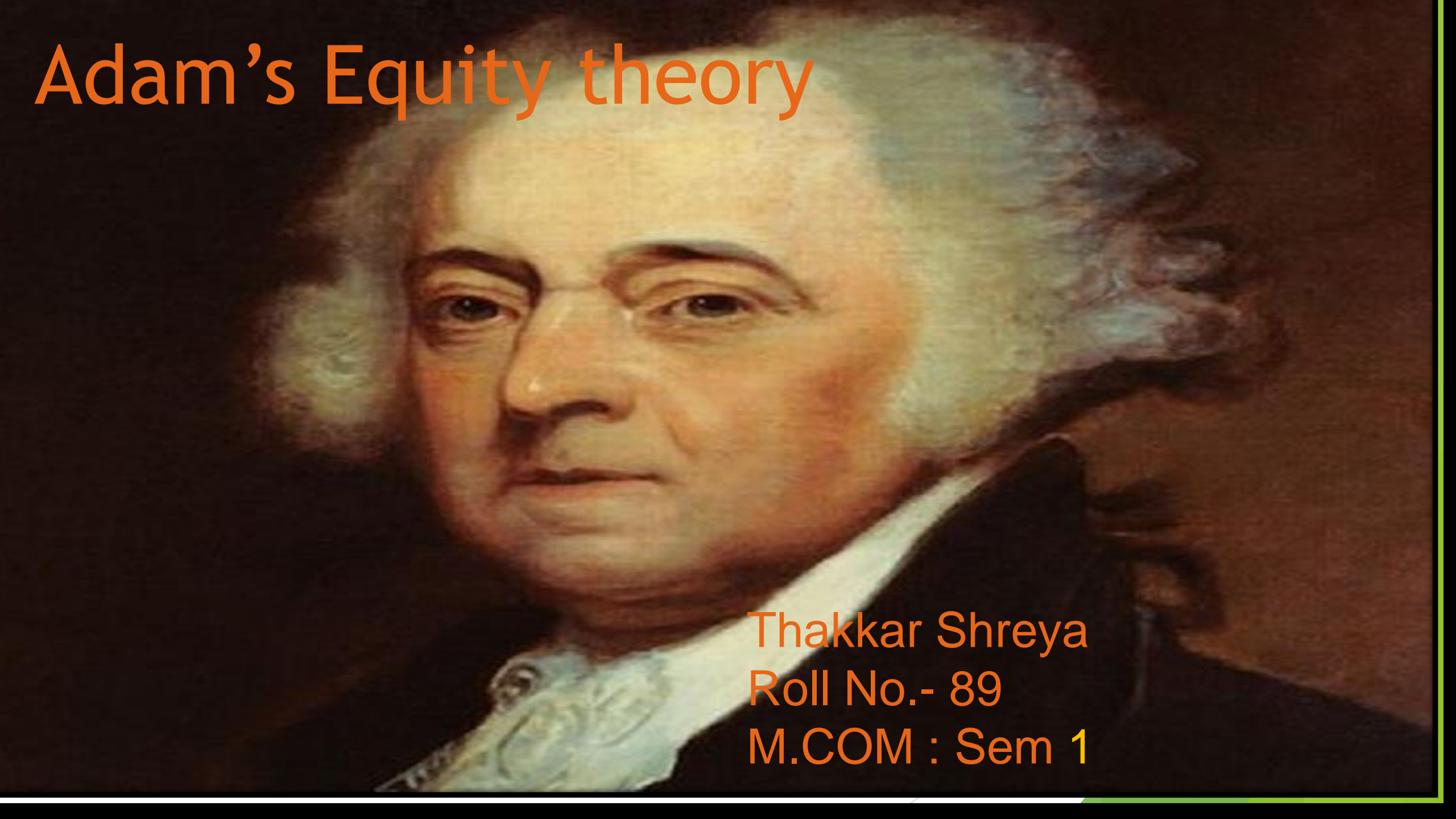
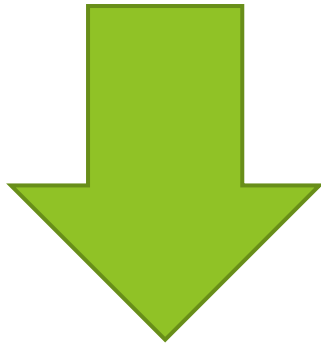


Adam's Equity theory

A portrait of Adam Smith, an 18th-century Scottish philosopher, economist, and sociologist. He is depicted from the chest up, wearing a dark coat and a white cravat. His hair is white and styled in a large, curly wig. The background is dark and indistinct.

Thakkar Shreya
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Motivation Theories



Content
Theories

Process
Theories

Motivation Theories

| Content Theories | process Theories |
|---|---|
| A Content Theory explain why humans need change with the time but not how they change . | A Process Theory attempt to explain the thought process of individuals. |
| Herzberg's two-factor theory. | Adams' equity theory |
| | Goal -setting theory vroom's expectancy theory |
| | |
| | |

□ Adam's Equity Theory

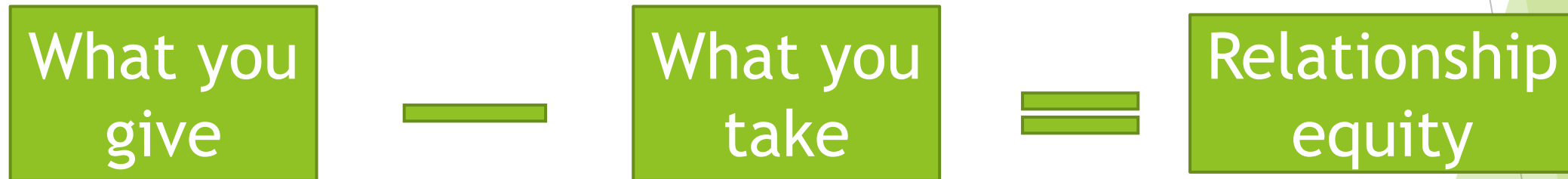
- ➔ In 1963 John Stacey Adam's Introduced The idea that fairness and equity are The key components of Motivated of individual.
- ➔ The equity theory based on simple assumption that people want to be treated fairly.
- ➔ Also known as “ social comparison ”

1] The theory define **equity** as the belief that we are being treated fairly in relation to other and **inequity** as the belief that we are treated unfairly in relation to other .

2] Adam's describe the equity comparison process in terms of **input/output** relation.

3] Inputs are individual contribution to the organization , such as persons loyalty, training ,education , skills, experience.

Outcomes : salary, status, working condition, bonus
job security, promotion etc.



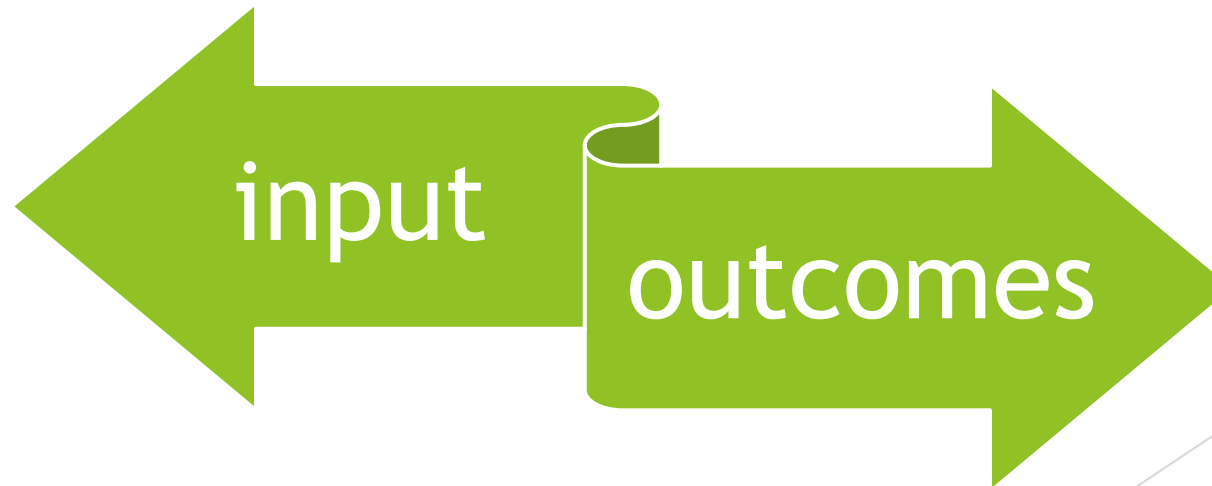
Equity Theory has five keys

[1] people hold belief about their inputs and outcomes

> Time

> Skills

> Education




[2] people compare themselves to referent other.

[3] People Form beliefs about others input and out comes.

[4] people compare their input/outcome ratio with others input /outcomes ratios.

[5] perceptions of inequity motivation behaviour to restore equity.



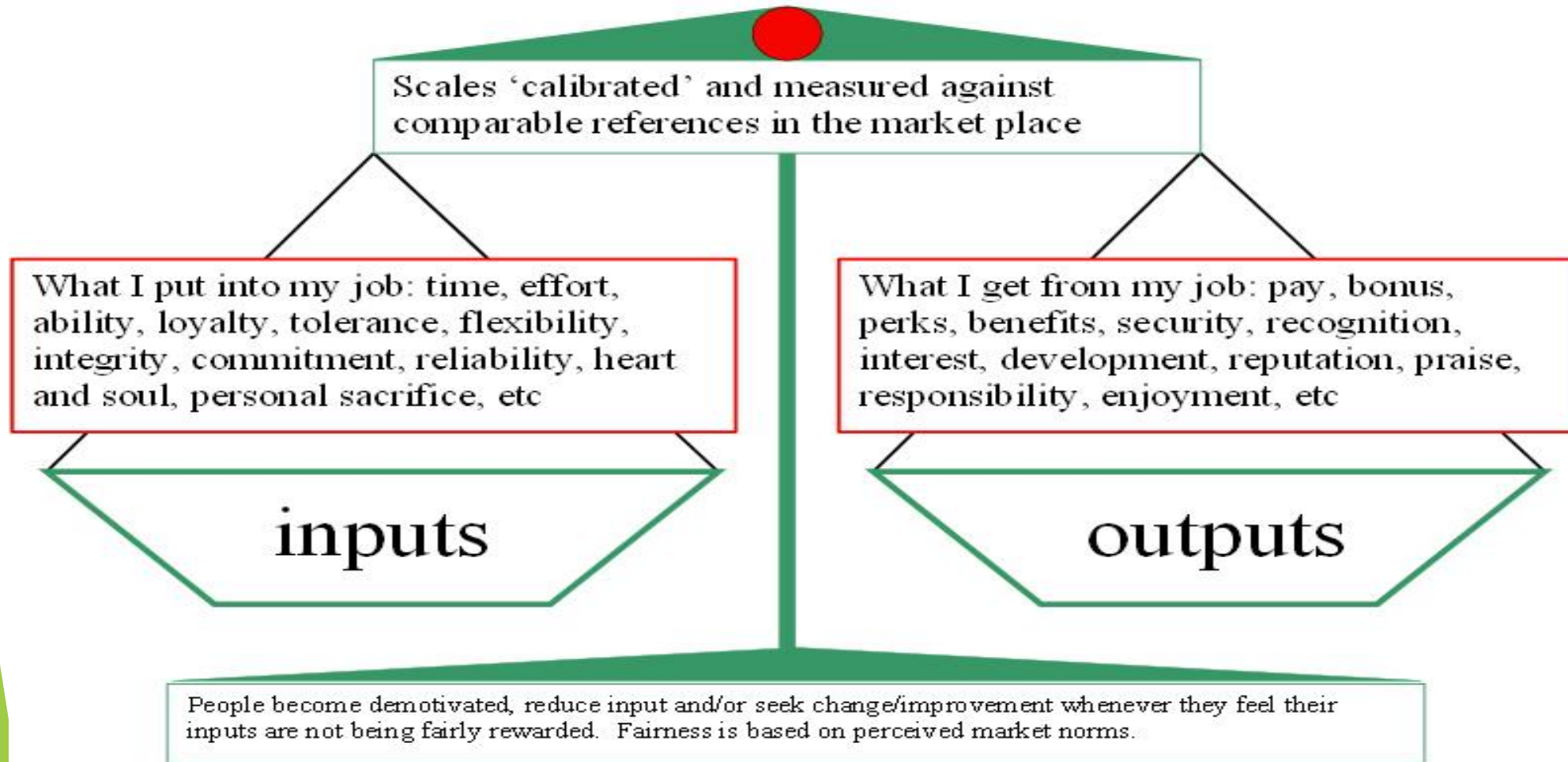
❑ When people compare themselves with each other in this way they may react in one of three basic ways

[1] Overpayment inequity .

[2] Underpayment inequity.

[3] Equitable payment .

Adams' Equity Theory diagram - job motivation



© design alan chapman 2001-4 based on *J S Adams' Equity Theory*, 1963. More free online learning materials are at www.businessballs.com.

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Major assumption:

- ➔ If you are treated **fairly** you will keep working well .
- ➔ If you think you are being treated **unfairly** you will change behaviour in order to be treated fairly.



**The only source of
knowledge is experience.**

Albert Einstein

Thank you