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Developing the Vertical Equity Model as a Socio-Economic Imperative for Achieving Fair Industrial Relations in Zimbabwe: An Area for Urgency

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Abstract: *The skewness of industrial relations in favour of top management against employees is a wide spread phenomenon in Africa and the world over. While horizontal and intrapersonal equity was used to compare industrial relations between employees of different companies, workstations and individuals at the same grade, there is need to develop a model that reduce inequity between management and employees in the same organisation. The study to establish the vertical equity elements was carried out using 100 line employees and 55 line supervisors from across some critical sectors of the economy. The key elements that defined vertical inequity in Zimbabwean organisations include arrears in salaries and wages, blame, taking employees' benefits, allowance levels and retrenchment threats. Perceptions of vertical inequity were found to be influenced by gender, age of employees and their job levels. A model that defined variables in terms of benefits, facilities and adjustments (BFA-Model) was proposed. The study recommends firms to find out the processes that lead to vertical inequity and ensure a fair and equitable treatment of employees by management and close the perennial industrial relations gaps.*

Key Words: *industrial relations, vertical equity, employee motivation, horizontal equity, benefits, working conditions.*

I. Introduction

The employment relations are attracting some attention worldwide since governments, employers and trade unions are all mutual beneficiaries of an honest point of view. Achieving fairness, equity and justice in industrial relations is still a nightmare regardless of efforts put by workers' committees, industry trade unions, National Employment Councils, the Labour Courts, national Trade Unions and International Labour Organisation (ILO). The writers in labour relations like Gwisai (2007) and Llyod (2006) highlighted the urgency of coming up with position papers that give rationale for improving industrial and labour relations in Zimbabwe.

Given that the senior bosses where getting their full benefits and salaries in time while employees were in arrears indicate a salient source of inequity in organizations and a great source of industrial relations problems in our country. It was in popular press that the bosses never ceased to get their rewards Zimbabwe. Employees in organizations are rational people and they never ask for equality of salaries and rewards to those of their bosses, but require vertical equity to prevail. The issue of vertical inequity is when line employees fail to get those benefits and inputs for their levels. When managers stipulate what employees should do and get as rewards, this does not generate any problems if those contractual agreements are fulfilled (Bouchikhi and Kimberly, 2000). Problems mainly arise when the organisation fails to honour those outcomes for other group of people. For example 10 employees who are entitled to their allowance of $10.00 each may not be given their total allowance of $100.00 in time, but a single executive will get all his $500.00 allowance as cash without arrears. Employees make some calculations and marvel why the executive could not just do away with $100.00 to enable these lower employees to get their dues! Another example, a senior manager may be entitled to a new car in three years, 500 litres of fuel per month, $1500 entertainment allowance and $2000.00 grocery every month, while a grounds man in the same company is entitled to $5.00 transport allowance, a bicycle per year, and 3 pairs of work suites per year. There is no problem if no one is owed while the other received his or her benefits. If senior managers are allowed free access to their offices and work stations, low level employees could also be expecting to have such access to their cabins and small workstations. When senior employees are trusted within their work environment, so also lower level employees expect to be given that little trust that their level deserve. If top managers are given iPhones and iPads, and if the contract of line employees require them to be given simple phones(Kambudzi- in Zimbabwe), all these benefits should be awarded without at the same time.

While society might agree that there might not be some equality, why do those same bosses who get much still get preference in terms of time of receiving their allowances? These discrepancies could have been caused by the little attention which was given on equity within the same organisation, particularly between lower level employees and top management. Kreitner et al (1999) said practical implications of horizontal and intrapersonal equity theory is currently benefiting the top management who frequently say 'Don't worry about differences in benefits and welfare! They differ according to variations in grades and authority levels'. Though top management hide behind the job evaluation variations, a lot of hidden imbalances are not related to grade levels but on variation of power and attitude between employees and management. The attitude of managers is usually that 'employees should justify their existence', though some jobs are difficult to measure. Lotriet (1999) indicated that some minimum wages in South Africa were not justified by employee performance. Some theory X managers have a tendency of perceiving their employees' work in a negative way. Since managers are the signatories to the firm's bank accounts and other resource allocation documents, employees will continue to be on the receiving end in the industrial relations game. The existence of idiosyncratic contracts that are negotiated at the local level between line management and employees exacerbate the possibility of achieving equity in the treatment of labour and management by organisations(Armstrong, 2009). The equity model by Adams concentrate on the input-output ratio between employees in similar grades and also in analysing the anxiety felt by an individual employee when there is some imbalance between those inputs and outputs. This seems to be perpertuating imbalances expressed during works council meetings and other collective bargaining platforms. Though the Adams model was able to achieve process motivation and hardwork from employees, it failed to address the unfairness, inequity and injustice required for a peaceful employee-management relations(Kokemuller, 2009 ;Klerck, 2008).

Most of the motivation theories were not worried about achieving equity between the management and workers as key players in industrial relations processes. While motivation and visionary leadership theorists seemed to be on the side of employees they made employees sweat without recognition in a worse situation than even the dark painted Taylorism approaches. If the similar inequity continue to be experienced on salaries, allowances, conditions of work, job designs, promotion, responsibilities, training opportunities, workshops, leave days and other variables, then industrial peace, fairness and justice could be a nightmare even in the next century (Sambureni, 2001). With many work places having evidence of malpractices in the area of industrial relations in Zimbabwe, the study aim at developing a vertical equity model that will assist in addressing those gaps.

II. Statement of The Problem

The study aim at analysing the perceived vertical equity gaps between employees and management in key sectors of the Zimbabwean economy.

III. Research Objectives

1. To analyse the major factors that determine vertical equity problem in Zimbabwean organisations.
2. To analyse the impact of demographic variables on the vertical equity problems in Zimbabwean organisations.
3. To propose a model for managing the vertical equity in organisations.

IV. Research hypotheses

H_1: There is an association between 'gender' and perception of 'vertical equity variables'.
H_2: There is an association between 'age range' and perception of 'vertical equity variables'.
H_3: There is an association between 'job level' and perception of 'vertical equity variables'.
H_4: There is an association between 'qualifications' and perception of 'vertical equity variables'.

V. Literature Review

5.1 Adams (1965)'s Equity Model and Industrial Relations

The original model by Adams (1965) had three main themes. The first was that employees at whatever level should sense that their contributions to the organization are returned fairly, the second said that employees compare the returns such as compensation, fringe benefits, promotion and status in relation to skills, education and efforts, while the third assert that, if an employee evaluate that they are not equitably rewarded, they do something to reduce the inequity.

The model emphasises the comparison a person makes between him and others in similar work situations (Adam, 1965). It is also possible that such comparisons take place between people in different situations and also within a person in different situations. The major assumption was that managers and employees were all rational, and capable of sharing the inputs and outputs fairly. Since many employees are afraid of comparing themselves with their bosses, this leaves a very big gap on the industrial and labour relations processes. The model, however, does not emphasise the vertical aspects of organisational arrangements. People might be likely to pay more attention to what is happening in their organisations than outside organisations. The model by Adams distracts employees to search for equity between employees of one organisation and other organisations where they do not know the input-output ratios with some commendable accuracy. The employee is also forced to lock him/herself out of leveraged benefits by only looking at:

'Do what one put in the job in terms of time, effort, ability, loyalty, tolerance, flexibility, commitment, reliability, heart and sacrifice', equal or different from 'what one get from the job in terms of pay, perks, benefits, security, recognition, development, reputation, praise and enjoyment'.

These are used for calculating the input and output ratio in Adams' model given below.

The formula for calculating employee equity through the input- output ratios is as follows:

$$\frac{\text{Outcome(Self)}}{\text{Input(Self)}} = \frac{\text{Outcome(Others)}}{\text{Input(Others)}}$$

When the two ratios are equal the employee will feel satisfied. When they are not equal the employees may feel under rewarded or over rewarded. Under rewarded perception comes when the 'self' ratio is smaller than the 'others' ratio. Over-rewarding is felt when the 'self' ratio is larger than the 'others' ratio. The equity theory assumes that people(managers and employees) will receive outcomes(benefits) which reflect their inputs(productivity). In this respect the model assumes managers will feel guilty if they over-reward themselves in a ratio more than that of line employees. Instead of feeling anxious, discomforted and unsettled, top management in Zimbabwe seems to be enjoying and rejoicing over those discrepancies. Though the comparisons of input-to-output ratios were to be directed to some referent persons (Mullins, 2005) , the problem is that those referent people in the original equity model did not refer to managers, but only to other employees.

It is now clear that even if we are to calculate such ratios between managers and employees, the final result will be more casualties on the part of employees in terms of injustice and unfair treatment given that collective bargaining is now less unionised and is concentrated at workers' committee levels (Armstrong, 2009). Peters and Waterman (1982) said excellent performing companies pay special attention to their people (not employees). People are rational. People appreciate the problems the organisation is going through. People are willing to contribute to the prosperity of the organisation that give them income to look after their families.

5.2 The Need For A Vertical Equity Model For Industrial Relations

With many issues and cases of unfair labour practice being reported in the media and a common attitude by employers that the Labour Act is pro-employees, the aspect of vertical equity is a sensitive concept. Workers, on the other side, are also crying on the Labour Act's language which is subject to various interpretations(Gwisai, 2006). Though Deakin and Sarkar (2011) found out that pro labour legislation leads to economic growth, some government circles were quoted by (www.zimbabwesituation.co.zw) as agreeing that labour laws were supposed to be made pro-employers. The financial gazette of January 22, 2015 quoted the Ministry of finance as saying current labour laws were skewed in favour of employees and did not take firm productivity into the formula. These government sentiments could have worsened the gaps between employees and management in terms of benefits, working conditions, job design issues and other contractual variables. The general equity model fail to measure the effort of managers who usually make and implement unprofitable decisions and cause company losses, which would be blamed to the weaker group; the line employees. If the firm fails to perform due to poor decisions, managers should be fired and employees get promoted to their posts. Will this happen! This means that issues to do with healthy and safety, vacation days, salaries, allowances, recognition, awards, responsibilities, training opportunities, other benefits and resource allocation require some review to ensure both line employees and top management can access these similarly as per contract(Gratton, 2001).

Employees and employers might be spending a lot of time attempting to outshine each other (Reis and Pena, 2001). The treatment of employees at workplace has alternated between mechanistic and human oriented over longer periods of time (Reis and Pena, 2001). It appears these phases keep on repeating each other during the course of history. Industrial relations agendas have been seen to be alternating between employee and employers centredness (Reis and Pena, 2001). Marcus et al (1985) defined vertical equity on a macro level, comparing incomes of consumers before and after taxation processes, and between classes of tax payers. Income inequality has been treated as similar to vertical equity (Marcus, Berliant and Strauss, 1985).

There seems to be no major problems with horizontal equity concept, treating equals equally (Marcus and Strauss, 1985). Flynn (2011) asserted that managers are in the motivation game, where individual employees are always assessing their relationships with organizations and its management. The changing nature of employment relations call the need to constantly involve practices based on equity and other motivation models (Stuart and Martinez , 2000). Such searches have resulted in studies of partnerships at workplaces and how employees can be brought into the limelight at workplaces (Stuart and Martinez, 2000). Work motivation elements need to be packaged into comprehensive models (Humpreys, 2007) that support the industrial relations values and principles of justice, equity and fairness.

People derive real satisfaction from workplace relationships and equity (Pfeffer and Sutton, 2006). Lack of equity might cause jealousy, resentment, damaged social ties and lack of trust (Pfeffer and Sutton, 2006). There is need for improved awareness and sensitivity to feeling and behaviours of employees at workplaces (Mullins, 2005). It might be important to track and decipher new psychological contracts as they appear (Mullins, 2005). Unlike the 20th century which viewed an employee as a subordinate with hierarchy of needs (Bouchikhi and Kimberly, 2000), the recent thinking is to view a worker as a sophisticated and reflexive individual who is always in touch with the outside environment (Mullins, 2005). The variety of employees at different levels of the organisation behave differently. The concept of vertical equity behave like an iceberg, that lies underneath the ocean. Vertical equity elements reinforce the belief that motivation can be achieved between two or more groups of people with different power ratios. Though some workplace issues are unique for each organisation, applying the vertical equity model enable leaders to intentionally create harmonious working environments in the industry and economy at large.

VI. Research Methodology

The study initially applied the phenomenological design for discovering the key themes and variables that define vertical equity. This was influenced by qualitative research approach and guided by the interpretivism paradigm. The second phase, which is reported in this paper, applied the cross-sectional survey strategy influenced by quantitative research approach and guided by the positivism research paradigm. This aimed at producing some generalisation of the model. The study was carried out in 2014 taking employees from Bindura, Harare, Chivhu, Chegutu, Chinhoyi and Marondera. The sectors covered include telecommunications, hospitality, manufacturing, construction, financial services, grocery retailers, educational institutions, government departments, local authorities and parastatals. A quota sample of 100 line employees and 55 line supervisors with gender proportions of 52.3% males and 47.7% females was used in the study. In terms of age ranger, 21.3% were in the 20-35 years, 60.0% were in the 36-55years and 18.7% were in the 56 years and above group. The majority of employees were married (67.7%) while singles made up the 32.3%. Respondents with 6-10 years experience constituted 40.65, while the 11 years and above represented 36.1% of the total sample. Respondents with diplomas and a minimum of a first degree constituted 87.1% of the respondents. The questionnaire containing both demographic variables and vertical equity rotated factors was used in the design. The basic Likert scale that searched for strongly agree (1) to strongly disagree(5) perceptions was used in the questionnaire design. Job design, compensation related and general conditions factors were used in testing for the inequity perceptions of line employees and line supervisors. The data was collected using the drop and pick, and the face to face survey techniques. The questionnaire was pre tested and adjusted to improve its validity and reliability. The reliability of the questionnaire was measured by a Cronbach Alpha value of 0.71. The KMO sample adequacy value was 0.501, which allowed factor analysis to be carried out. The SPSS version 19 software was used for analysing data and produced the mean values, correlation matrix values, chi-square test values and custom table for sector specific responses. Hypothesis testing was done basing on the demographic variables and their association with the vertical equity factors. Discussion of results was done in relation to the need for developing a model for analysing vertical equity in Zimbabwean organisations.

VII. Data Analysis, Presentation and Discussion

6.1 Mean Value Analysis and Ranking of Vertical Equity Variables.

Table I: Mean Values and Percentages

	Percentages					Overall Means
	Strongly Agree	Agree	Not Sure	Dis-Agree	Strongly Disagree	
1.Arrears	58.7	18.1	12.9	8.4	1.9	**1.77**
2.Blame	42.6	34.8	11.6	9.7	1.3	**1.91**
3.Taking employees' benefits	43.9	31.6	15.5	6.5	2.6	**1.93**
4.Allowances Level	52.3	21.3	7.1	16.8	2.6	**1.96**
5.Retrenchments	47.7	27.7	7.1	11.6	5.8	**2.00**
6.Workstation	43.2	22.6	14.8	18.1	1.3	**2.11**
7.Recognition	39.4	23.9	23.9	11.6	1.3	**2.12**
8.Projects and Rewards	41.9	23.2	20	8.4	6.5	**2.14**
9.Workers Participation	36.8	23.2	22.6	15.5	1.9	**2.23**
10.Leave days	40.0	25.8	4.5	16.1	13.5	**2.37**
11.Workshops	27.7	16.1	25.8	20.0	10.3	**2.69**
12.Transfers	23.9	15.5	29.0	26.5	5.2	**2.74**
13.Overtime	21.9	11.0	28.4	32.3	6.5	**2.90**
14.Training	16.8	16.8	9.7	40.6	16.1	**3.23**
15.Works Councils	15.5	11.0	17.4	43.9	12.3	**3.26**

16.Funds allocation	3.2	5.8	21.3	57.4	12.3	**3.70**
Overall Mean	-	-	-	-	-	**2.44**

The results shown by Table I above indicate that compensation arrears(m=1.77) is highly different between line employees and top management. Management cannot afford to go for days with salary and other benefit arrears in most organisations interviewed. This is was supported by an overall agreement figure of 76.8%. The blame for poor work(m=1.92) was also rated as the second critical variable that define vertical inequity in Zimbabwean organisations. Top managers design strategies that usually fail but the blame for poor results are labelled on line employees. Top management were also said to cause vertical inequity by taking benefits(m=1.93) that only belong to employees according to policy documents.

The number four critical value was the inequity in pegging some allowance levels(m=1.96) Some minimum allowances for housing and transport were pegged assuming employees do not have children and motor vehicles respectively. Retrenchments(m=2.00) were also found to be the fifth factor that define vertical inequity since retrenchments were mainly targeted at lower level employees than on top level management. Resources at workstations(m=2.11) for employees were also found to be proportionally less for line employees that top level managers. Recognition(m=2.13) for good work was found to be given to top management even if lower employees are directly behind that success. Projects and rewards(m=2.14) that improve welfare of line employees are usually aborted, shelved or stopped by most top management in both private and public sector organisations. Workers' participation(m=2.23) in decision making was found to be less than expected and hence a factor for vertical inequity. Taking leave days(m=2.37) was found to be easier for top management than for line employees. Attendance and participation in work related workshops(m=2.69) was found to be more frequently arranged for top management than for line employees. The propensity to be transferred(m=2.74) from one workstation to another was also found to be higher for line employees than for top management. Top management were, however, found to be transferred mainly for promotion purposes that at lateral level. Overtime(m=2.90) is usually allowed for line employees' contracts but not on management contracts. Management will encourage worker to work overtime but discourage them to claim for allowances related to that overtime. Training schedules and opportunities(m=3.23), implementation of works council agreements(m=3.26) and fairness in funds allocation were found to be causing less vertical inequity between management and line employees. Given that the first 13 factors were having mean values below 3.00, it means a model for defining vertical equity between top management and line employees is needed if industrial relations issues are to be resolved.

6.2 Sector Analysis On Areas Of Vertical Inequity

Table II: Sector Performance of Vertical Inequity Variables

		RANKING OF VARIABLES PER SECTOR				
Rank	**Sectors**	**1**	**2**	**3**	**4**	**Mean**
1	Government departments	1 Retrenchments	2 Taking employees benefits	3 Blame	4 Recognition	**2.31**
2	Manufacturing/Construction	1 Workers participation	2 Arrears	3 Allowances level	4 Workstation	**2.33**
3	Local authorities and Parastatals	1 Taking employees benefits	2 Arrears	3 Projects and rewards	4 Retrenchments	**2.45**
4	Educational Institutions	1 Taking employees benefits	2 Allowances level	3 Arrears	4 Leave days	**2.49**
5	Telecommunications/Hospitality	1 Arrears	2 Retrenchments	3 Blame	4 Taking employees benefits	**2.54**
6	Financial services and Grocery retailers	1 Arrears	2 Workstation	3 Allowances level	4 Blame	**2.55**

The table above indicate that government departments have the highest levels of perceived vertical inequity than other sector. This could be caused by the tall structures and the allowances systems that favour top management than line employees due to the emphasis on travel and subsistence claims. The manufacturing and construction(m=2.38) sector was rated as second in terms of inequity severity. Local authorities(m=2.45) were rated as number 3 in terms of vertical inequity. Educational institutions(m=2.49), telecommunications/hospitality (m=2.54) and financial services and grocery retailer(2.55) were rated as number 4, number 5 and number 6, respectively. The analysis also ranked the top 4 variables for each sector. Retrenchments inequity is number 1 for government departments, workers' participation was number 1 for manufacturing and construction, taking employees' benefits was number 1 for local authorities and parastatals, taking employees' benefits was also ranked number 1 for educational institutions, while arrears were rated number 1 for telecommunications/hospitality, and financial services and grocery retailers.

The existence of these vertical inequities in various sectors also indicate on the needs for developing a specific model for addressing such inequities.

6.3 Correlations Matrix Analysis on Vertical Equity Variables

Table III: Correlation Matrix Of Inequity Variables

	a.	b	C	D	E	F	G	H	I	j	k	Projects and rewards	Taking employees benefits	Allowances level	Training	Funds allocation
a.Leave days	1.000	.262	.144	.026	-.231	.101	.005	-.102	-.107	.170	.054	-.122	.036	-.039	.042	-.117
b.Workshops	.262	1.000	.104	-.143	.210	.186	-.321	-.051	-.057	.526	.248	-.220	.038	.147	.113	.074
c.Workers participation	.144	.104	1.000	.021	.097	.278	-.199	.122	-.275	.266	-.050	-.195	.294	-.135	-.123	-.022
Arrears	.026	-.143	.021	1.000	.093	-.057	.104	.272	.026	.034	-.347	.107	.334	.164	-.122	-.129
d.Recognition	-.231	.210	.097	.093	1.000	.141	-.188	.342	.041	-.019	-.032	-.376	-.174	.321	.004	-.044
e.Blame	.101	.186	.278	-.057	.141	1.000	.004	.338	-.457	.230	-.054	-.084	.055	.039	-.127	-.193
f.Transfers	.005	-.321	-.199	.104	-.188	.004	1.000	-.121	.416	-.263	.145	.272	-.062	.083	-.173	-.009
g.Workstation	-.102	-.051	.122	.272	.342	.338	-.121	1.000	-.215	-.132	-.262	-.193	.023	.194	-.197	-.128
h.Overtime	-.107	-.057	-.275	.026	.041	-.457	.416	-.215	1.000	-.104	.070	.189	.024	.179	.001	.215
i.Retrenchments	.170	.526	.266	.034	-.019	.230	-.263	-.132	-.104	1.000	.149	.051	.286	-.106	.050	.054
j.Works Councils	.054	.248	-.050	-.347	-.032	-.054	.145	-.262	.070	.149	1.000	.209	-.477	-.328	.350	.447
k.Projects and rewards	-.122	-.220	-.195	.107	-.376	-.084	.272	-.193	.189	.051	.209	1.000	-.138	-.378	.035	.124
l.Taking employees benefits	.036	.038	.294	.334	-.174	.055	-.062	.023	.024	.286	-.477	-.138	1.000	.206	-.153	-.111
m.Allowances level	-.039	.147	-.135	.164	.321	.039	.083	.194	.179	-.106	-.328	-.378	.206	1.000	-.170	-.198
n.Training	.042	.113	-.123	-.122	.004	-.127	-.173	-.197	.001	.050	.350	.035	-.153	-.170	1.000	.547
o.Funds allocation	-.117	.074	-.022	-.129	-.044	-.193	-.009	-.128	.215	.054	.447	.124	-.111	-.198	.547	1.000

The positive correlations were found on 'funds allocation' and 'training' (r=0.547), 'retrenchments' and 'workshops' (r=0.526) and 'overtime' and 'transfers' (r=0.416). Most respondents perceived the pairs as influencing vertical inequity in the same manner. This might assist when implementing the strategies for reducing inequity in the Zimbabwean organizations. Change managers need to be neutral and conflicting in the eyes of employees and management. On the negative correlations, we have transfers and workshops (r=-0.321), implementing works council resolutions and arrears on payments (r=-0.347) and overtime and blame (r=-0.416). The implications were that, where an employee perceives transfers as contributing to inequity, he or she was likely to view workshops as positive. Those who complain on being cheated on overtime hours were likely not to complain on being blamed for poor work. The neutral correlations are found on 'training' and 'overtime'(r=0.001), and 'recognition' and 'training'(r=0.004), and 'transfers' and 'blame'(r=0.004). The neutral relationships on the inequity variables are unlikely to cause conflicts when managers are implementing changes around those variables.

6.4 Chi-Square Test Analysis For Vertical Equity Variables

In confirming a model, a more rigorous test need to be done for each variable to form the new model. In our study the association between demographic profile of respondents and the vertical equity variables. The tested demographic variables were the gender, age range, job levels and qualifications. Each demographic variable was related to each of the 16 lements of the model. See the Appendices A, B, C and D for the corresponding test results.

6.4.1 Association Between Gender and Vertical Equity Variables

H_1: There is an association between 'gender' and perception of 'vertical equity variables'.

The test results are shown on Appendix A. In this table the majority of cases showed some p-values that are less than 0.05. We accepted the null hypothesis(H_0) and concluded that gender had some association with perception of vertical equity variables. Gender roles could make some employees see the inequity, while others could not perceive it.

6.4.2 Association between 'Age Range' and Perception of Vertical Equity Variables

H_2: There is an association between 'age range' and perception of 'vertical equity variables'.

The test results are shown on Appendix B. The majority of cases gave some p-values that were less than the 0.05 benchmark. We accepted Ho and concluded that age of employees have an influence on the perception of vertical equity in organisations.

6.4.3 Association between 'Job Levels' and Perception of Vertical Equity Variables

H_3: There is an association between 'job level' and perception of 'vertical equity variables'.

The test results are shown on Appendix C. The majority of cases gave some p-values that were below the 0.05siginificance level. This indicated that job levels had influence on the way line employees and line supervisors perceived the vertical equity variables.

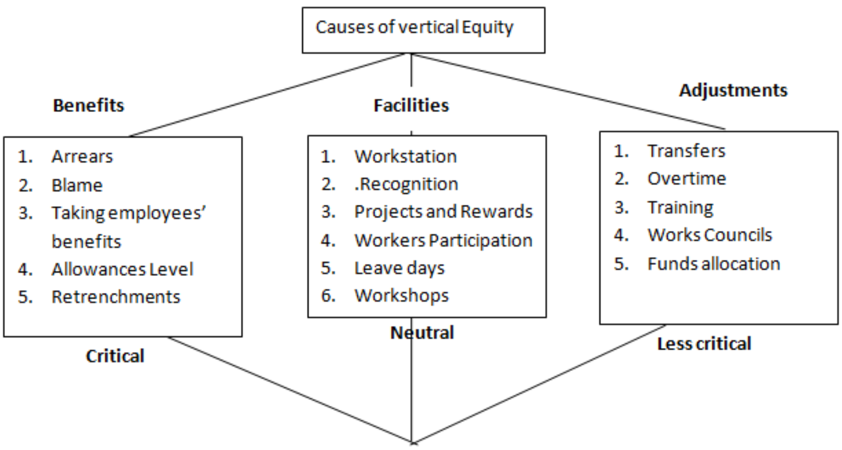
6.4.4 Association between 'Qualifications' and Perception of Vertical Equity Variables

H_4: There is an association between 'qualifications' and perception of 'vertical equity variables'.

The test results are shown on Appendix D. Since the majority of cases gave the p-values tha were above 0.05, we rejected H_0 and concluded that employees with lower qualifications and

6.5 Proposing The Vertical Equity Model

The Three Factor Vertical Equity Model (TFVE –Model) Critical, Neutral and Less Critical



The three factor model given by the diagram above considers the more critical factor as those to do with benefits, the neutral factors are to do with facilities for work and the less critical factors are to do with job design adjustments. This can be called Benefits, Facilities and Adjustments (BFA-Model). The application of the model requires some understanding of the correlation matrix relationships among those benefits, facilities and adjustments group of factors.

FACTOR	BENEFITS	FACILITIES	ADJUSTMENTS
	Arreas, Blame, taking employee benefits, allowance level, retrenchments	Workstation, recognition, project and rewards, worker's participation, leave days, workshops	Transfers, overtime, training, works council, funds allocation

VIII. Conclusions

Some critical elements led to vertical inequity were found to be arrears, blame, taking employees' benefits, allowance levels and retrenchments threats. Some key sectors with high inequity includes government departments, manufacturing and construction, local authorities and parastatals. The study conclude that gender, job level, and age of employees influences perception of vertical inequity variables in organisations. It can be concluded that analysis of the vertical equity model is different from the horizontal equity model by Adams. The research concluded by classifying the vertical inequity model as Benefits, Facilities and Adjustments. This led to the proposed three factor model (BFA-Vertical Equity Model). The study conclude that vertical inequity is a more prevalent issue in many organisations in Zimbabwe

IX. Recommendations

With many organisations aspiring to achieve industrial peace and work excellence, managers need to reduce both the implicit and explicit areas of vertical inequities. Companies can use the areas of vertical inequity for motivating its staff and for gaining human resource related competitive advantage. To reduce bitterness and de-motivation of line employees this study recommends that top management in contemporary companies be sensitive to the plight of line employees and seek to clear all outstanding payments (backlogs) that need to be paid. Line employees whose payments have not been met within a reasonable time should approach the top management, and suggest being paid in other forms that they feel matches the original amount. In order to unlock the full potential of line employees and line supervisors, top management need to be cautious when apportioning blame after the company has suffered losses. No human being is comfortable bearing another person's blame on their shoulders. In companies where employees are entitled to receive benefits (tangibles), management is recommended not to covert the little that is meant for line employees since this is likely to widen the vertical inequity gap. High vertical inequities in government departments were profound in issues concerning retrenchments and the taking of benefits meant for line employees.

In manufacturing and construction sectors, top management is recommended to fully tap from the knowledge and experience of their employees by including them in making decisions that determine the future of the company. Employee inclusion is known to improve commitment at work. Within hospitality industry, high feelings of vertical inequity by line employees who have not been paid pose a serious threat to the future prosperity of the firm. We recommend that these firms adopt policies that are pro-employee, in order to avoid poor service provision. Financial services firms and grocery retailers' management need to give attention to the workstations of line employees. An employees' workstation needs to be well furnished and fitted with appropriate technologies befitting the nature of their job and tasks. Before attempting to correct issues of vertical inequity, it is imperative that firms assess the demographic composition of their workfare in terms of dominant gender, dominant age range and job level. Firms should not segregate workers according to qualification as this had no significant association with vertical equity variables.

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Appendices

Appendix A

Gender	Pearson Chi-Square p-value	Decision criterion		Conclusion
Leave days	0.000	Accept H_0	Male agreed more.	There is association.
Workshops	0.000	Accept H_0	Male agreed more.	There is association.
Workers participation	0.004	Accept H_0	Male agreed more.	There is association.
Arrears	0.017	Accept H_0	Female agreed more.	There is association.
Recognition	0.001	Accept H_0	Male agreed more.	There is association.
Blame	0.000	Accept H_0	Male agreed more.	There is association.
Transfers	0.005	Accept H_0	Female agreed more.	There is association.
Workstation	0.033	Accept H_0	Female agreed more.	There is association.
Overtime	0.023	Accept H_0	Female agreed more.	There is association.
Retrenchments	0.000	Accept H_0	Male agreed more.	There is association.
Works Councils	0.145	Reject H_0	Similar responses.	There is no association.
Projects and Rewards	0.002	Accept H_0	Female agreed more.	There is association.
Taking employees' benefits	0.292	Reject H_0	Similar responses.	There is no association.
Allowances levels	0.068	Reject H_0	Similar responses.	There is no association.
Training	0.391	Reject H_0	Similar responses.	There is no association.
Funds allocation	0.001	Accept H_0	Male agreed more.	There is association.

Appendix B

Age range	Pearson Chi-Square p-value	Decision criterion		Conclusion
Leave days	0.217	Reject H_0	Similar responses.	There is no association.
Workshops	0.010	Accept H_0	Young agreed more.	There is association.
Workers participation	0.186	Reject H_0	Similar responses.	There is no association.
Arrears	0.010	Accept H_0	Young agreed more.	There is association.
Recognition	0.442	Reject H_0	Similar responses.	There is no association.
Blame	0.032	Accept H_0	Young agreed more.	There is association.
Transfers	0.007	Accept H_0	Young agreed more.	There is association.
Workstation	0.288	Reject H_0	Similar responses.	There is no association.
Overtime	0.435	Reject H_0	Similar responses.	There is no association.
Retrenchments	0.436	Reject H_0	Similar responses.	There is no association.
Works Councils	0.033	Accept H_0	Adult agreed more.	There is association.
Projects and Rewards	0.259	Reject H_0	Similar responses.	There is no association.
Taking employees' benefits	0.022	Accept H_0	Young agreed more.	There is association.
Allowances levels	0.112	Reject H_0	Similar responses.	There is no association.
Training	0.208	Reject H_0	Similar responses.	There is no association.
Funds allocation	0.605	Reject H_0	Similar responses.	There is no association.

Appendix C

Job vs	Pearson Chi-Square p-value	Decision criterion		Conclusion
Leave days	0.044	Accept H_0	Supervisor agreed more.	There is association.
Workshops	0.028	Accept H_0	Employee agreed more.	There is association.
Workers participation	0.008	Accept H_0	Supervisor agreed more.	There is association.
Arrears	0.345	Reject H_0	Similar responses.	There is no association.
Recognition	0.001	Accept H_0	Employee agreed more.	There is association.
Blame	0.000	Accept H_0	Employee agreed more.	There is association.
Transfers	0.243	Reject H_0	Similar responses.	There is no association.
Workstation	0.004	Accept H_0	Employee agreed more.	There is association.
Overtime	0.027	Accept H_0	Employee agreed more.	There is association.
Retrenchments	0.717	Reject H_0	Similar responses.	There is no association.
Works Councils	0.100	Reject H_0	Similar responses.	There is no association.
Projects and Rewards	0.014	Accept H_0	Supervisor agreed more.	There is association.
Taking employees’ benefits	0.001	Accept H_0	Employee agreed more.	There is association.
Allowances levels	0.003	Accept H_0	Employee agreed more.	There is association.
Training	0.000	Accept H_0	Supervisor agreed more.	There is association.
Funds allocation	0.007	Accept H_0	Supervisor agreed more.	There is association.

Appendix D

Qualifications	Pearson Chi-Square p-value	Decision criterion		Conclusion
Leave days	0.326	Reject H_0	Similar responses.	There is no association.
Workshops	0.052	Reject H_0	Similar responses.	There is no association.
Workers participation	0.029	Accept H_0	Highly qualified agreed more.	There is association.
Arrears	0.273	Reject H_0	Similar responses.	There is no association.
Recognition	0.069	Reject H_0	Similar responses.	There is no association.
Blame	0.002	Accept H_0	Highly qualified agreed more.	There is association.
Transfers	0.009	Accept H_0	Highly qualified agreed more.	There is association.
Workstation	0.698	Reject H_0	Similar responses.	There is no association.
Overtime	0.760	Reject H_0	Similar responses.	There is no association.
Retrenchments	0.353	Reject H_0	Similar responses.	There is no association.
Works Councils	0.031	Accept H_0	Lowly qualified agreed more.	There is association.
Projects and Rewards	0.001	Accept H_0	Lowly qualified agreed more.	There is association.
Taking employees’ benefits	0.086	Reject H_0	Similar responses.	There is no association.
Allowances levels	0.000	Accept H_0	Lowly qualified agreed more.	There is association.
Training	0.103	Reject H_0	Similar responses.	There is no association.
Funds allocation	0.283	Reject H_0	Similar responses.	There is no association.

End