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Promoting Intergroup Behaviour in the Tourism Industry through Pay Dispersion: A Conceptual Model

¹ Obiora, Judipat Nkiru

² Apoh, Marian Lawrence

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¹ Department of Hospitality Management and
Tourism, Faculty of Management Sciences,
University of Port Harcourt, Rivers State-
Nigeria
judipatobiora@yahoo.com

² Department of Management, Faculty of
Management Sciences, Niger Delta
University, Amasoma, Bayelsa State

Abstract: This paper centred on the relationship between pay dispersion and inter-group behaviour in the Tourism Industry. Concerns of the imperatives of policies related to pay dispersion (especially in terms of reinforcing preferred behaviour and thus encouraging expertise and productivity) and their impact on group perceptions and the nature of the relationship between groups were discussed. Interest also bordered on the implications of intergroup behaviour for the well-being and systemic health of the organization. Effort was also made, using the organizational justice theory, to distinguish between perceptions of justice or injustice, and the manifestations (when experiences are shared and become crystallized as realities to all parties involved) of such within the organization as well. Drawing on the review advanced, it is affirmed that more actions need to be channelled towards workers participation and inclusivity. This is necessary for clarifying managements' sincerity and enhancing the transparency of its decisions.

Key words: Pay dispersion, inter-group behaviour, workers participation, organizational policies.

1. Introduction

Tourism organizations are systems. Their designs are composed of various operational compartments, structured to support distinct but relevant functions that are synchronized to support the attainment of specified goals and objectives (Ellemers, Spears and Doosie, 2002). In this manner, associated interactions and exchanges between the various groups, units and functions in the workplace are also critical to the organization's wellbeing and capacity for goal achievement. Audu (2009) argued that interest in the phenomenon of intergroup behaviour is such that is tied to strengthening internal systems and ensuring the effective integration of all members of the organization. However, certain management practices are often considered as counteractive of its objectives of systemic features, especially such bordering on evident disparities in workers treatment – one of which is pay dispersion (Wang, Zhao and Thornhill, 2015).

Studies (Abrams and Hogg, 2004; Kerr and Park, 2001) identify workplace relations and the interaction between groups as necessary for internal cohesion. Obiora's (2021) validation supports this when it reiterated that healthy and positive relationships are such that spur on collaboration and supportive systems necessary for productivity and effectiveness in the industry. Related theories and models point to existing organizational frameworks and policies as enabling conditions that either foster or impact negatively on the relationship between groups or units in the workplace. Giner-Sorolla, Mackie and Smith (2007) argued that the formation and sustenance of groups or the extent of their distinctiveness within the workplace is a function of the culture and norms of the organization. This agrees with Riddell (2011) and Okpu & Obiora's (2015) observation that organizational practices and actions have the capacity for either enacting functional barriers or dismantling them – through policy frameworks, system values and organizational norms. This follows Shaw (2015) identification of the structuring of pay systems as a fundamental function that could advance unity within the workplace or organization through perceptions of equity or destabilize working relations based on observations of bias.

Davidson (2014) posited that pay systems constitute the primary basis for the contractual relationship that exists between profit-based organizations and their workers. Pay is vital to the sustenance and economic well-being of the worker. Pay according to Downes and Choi (2014) also advances the social well-being of the worker – enabling them recognizable status as responsible citizens or social actors. As such, pay or reward systems are strong yardsticks as to the nature and outcome of the relationship between the organization and its workers. Leana and Meuris (2015) argued that pay could also be utilized as a tool in reinforcing and rewarding behaviour within the workplace; by that, it could serve as an indicator for workers who are presumably valued and highly rated by the organization. This of course suggests some form of ranking by management which is often formalized through the structure and hierarchies of the organization with more senior staff paid higher than the lower staff, or even on a horizontal where workers qualifications, experience and expertise could yet serve as a basis for their value and relevance to the organization (Leana and Meuris, 2015). Hence, organizations are known to adopt pay structures that indicate and express their values for some workers – suggesting their preferences for such workers.

Research (Carnahan, Agarwal and Campbell, 2012; Castilla, 2011) suggests growing concerns over the implications and effect of related pay dispersions resulting from pay structures that appear to emphasize the organization's preferences and value for particular types of workers. Previous studies (Grant and Parker, 2009; Gupta, Conroy and Delery, 2012) appear to identify these effects as prevalent across a broad range of organizations within both developed and developing nations, however, most have focused on workers individual experiences and dispositions such as reflected in attitudes such as commitment, satisfaction and deviant behaviour (Adeoye et al, 2012; Ejimundo, 2014; Wang, Zhao and Thornhill, 2015), with scant interest paid to its implications for internalized attitudes shared by group members which in turn affects and influences their behaviour or actions towards members of other groups. By groups, reference is made to the different classifications or categories which serve as the basis for pay dispersion (e.g., gender, nationality, qualification, position etc.). This paper, therefore, discussed the relationship between pay dispersion and intergroup positive behaviour – drawing on the tenets of the organizational justice theory, which is adopted as the theoretical framework for this paper.

2. Organizational Justice Theory

The notion of “fair treatment” is one that pervades social systems – especially organizational settings where related perceptions of equity and equality are central to behavioural outcomes (Folger and Cropanzano, 2001). The organizational justice theory is one that identifies fairness as manifested in one's treatment as compared to the treatment of others, as being crucial in determining their behaviour and attitude in the organization. Ambrose (2002) noted that over the years, there has been a shift in the focus of organizational practices such as relates to the distribution of resources and the treatment of workers, towards workers own expectations, perceptions and interpretations of the organization's actions.

Ambrose (2002) posited that workers, on the basis of their background and personality differences, have unique expectations of the organization; most of which stem from their underlying fears and beliefs. Hence, assumptions of justice or injustice are in most cases considered as subjective – much like climate, it is anchored on the interpretations offered by the members of the organizations.

In another vein, Lewis (2008) argued that organizational practices and policies are overarching, pervasive and when shared by the majority, become crystallized as workplace realities – consistent and a noted characteristic of the organization. Going by this position, one could therefore argue that expressions of justice, as well as injustice, can be witnessed and clearly identified by those maltreated as well as those favoured within the same system. especially when such organizational practices are embodied in the culture of the organization. Shaw (2014) identified pay dispersion as a practice that has over the years defined working relationships within most organizations in various industries. This includes hospitality, oil and gas, telecommunication, manufacturing and others that have been known to engage both indigenous as well as foreign expatriates as staff in driving their operations. Practices of pay dispersion according to Lewis (2008) have a tendency for creating social barriers based on perceptions of bias – with grievance or feelings of frustration channelled not only against the management of the organization but also towards the favoured group.

3. Pay Dispersion

Pay dispersion refers to pay structures that allow or express inequality of pay amongst workers, especially in the same organization. This inequality is expressed both vertically (hierarchies and levels in the organization) and horizontally (across units and based on nationality, gender, qualification or experience) (Shaw, 2015). As stated earlier, pay dispersion is adopted by most organizations to emphasize their preferences in workers qualities and as a tool for reinforcing their values in the workplace. Nonetheless, it has been observed to create functional frictions and distrust between co-workers, as well as between management and subordinate staff (Shaw, 2015). Thus, it could be stated as offering both positive and negative outcomes to the organization. From the positive angle, pay dispersion demonstrates the organization's interest (in terms of qualification, skill or particular expertise) and by that, it encourages workers to be more hardworking and to strive to be identified within the favoured category (Leana and Meuris, 2015; Larkin, Pierce and Gino, 2012). However, some of the related "favoured" categories or groups leave no room for inclusion as their members are categorized on the basis of biology (e.g., gender) or other related uncontrollable factors (e.g., nationality). Thus, creating exclusive groups within the workplace and heightening the perceptions of bias and injustice.

Conroy et al (2014) posited that pay dispersion, much like the ranks and structure of the organization, is a statement of superiority in the organization. It tells "who is who" and also informs on those who are likely to be considered first in the advent of growth opportunities within the workplace. Reports show evidence of strike actions in most countries owing to works discontent over pay dispersion practices – especially that manifested at the horizontal level in their organizations (Gbereybie, 2013; Adeoye et al, 2012). Gbereybie (2013) noted that one of the most controversial issues connected to pay dispersion, especially in Nigeria, is that reflected in the disparity of compensation for expatriates and local manpower. According to the author, while dispersions on this basis are often structured to address exchange rates in terms of the home country pay for the expatriates, indigenous staff often base their argument and frustration on the fact that most of the expatriates are not more qualified or experienced than they are. Related conflicts have been known to have negative impacts on the operations of the organization, leading to work disruptions, poor inter-functional coordination and strife between various groups in the organization.

Literature signifies a predominance of pay dispersion issues as being linked to the horizontal level (Wei, 2016; Obloj and Zenger, 2017). Most reports of conflict at that level are reported to emerge from

perceptions of bias and unfair pay structures which favour particular groups despite commonalities in qualification, functions and even work outcomes. This does not however imply that workers are satisfied with the noted grandiose compensations offered to the management staff, which significantly thwarts (by more than 70%) the income of their subordinates (Gbereybie, 2013; Adeoye et al, 2012). However, occasions of conflict on this basis are scarce as workers also hold expectations of growth and ambition within the organization – hoping one day to be counted amongst the management ranks. Adeoye et al (2012) posited that while such systems are exploitative and unjustified, they are often tolerated and scarcely challenged. One finds that pay dispersion mirrors the culture of the organization, and while it is used to strengthen the functional goals of the organization, it projects imbalances in the system which invariably contributes toward disharmony, rivalry and unhealthy competition at the workplace.

4. Inter-group Behaviour

Inter-group behaviour describes the expressions of feelings, actions and disposition of individuals towards others considered as belonging to other groups or categories (Dovidio, Gaertner and Kawakami, 2003). Groups in this context refer to the various natural, conditional or structural based classifications and diverse categories that exist within the organization. This includes categories based on position, gender, qualifications, nationality, age etc. of which members in the organization are classified and which are also formally recognized by the organization. Kerr and Park (2001) posited that as open systems, organizations depend substantially on the collaboration and synchronization of their various groups for efficiency and effectiveness. Reid and Giles (2005) observed that much of the organization's success and wellbeing draws from the healthy relationships and connectedness expressed within its internal environment. As such, positive inter-group behaviour is a sort after condition as it enhances organizational outcomes through trusting relationships and support by workers for co-workers for other units and levels in the organization. Worchel and Countant (2001) asserted that such goals of inter-group positive behaviour may require additional effort within contexts that are high on multicultural and religious features especially in most African countries such as Nigeria.

Related studies (Adeoye et al, 2012; Reid and Giles, 2005) indicate that issues of strife, rivalry and conflict between groups are rooted in distrust and assumptions of superiority of one over the other. Reid and Giles (2005) stated that relationships between groups can become strained if one group feels exploited at the expense of the other. This is as Reid and Giles (2005) argued that such inter-group strains, even at the horizontal level could yet impact the leadership support especially if it is ethnic or nationality related and the leader happens to be from any obvious nationality or ethnic group. The implications of negative inter-group behaviour are therefore such that affect various facets of the organization, potentially leading to a decline in productivity and even the failure of the organization. Reid and Giles (2005) argued that one of the ways organizations can minimize such distrust and frictions between groups will be to focus on developing a more cohesive and integrative framework that emphasizes interdependency and collaboration between all units and levels within the workplace. Reid and Giles (2005) further noted that work arrangements and designs are also useful in driving cooperation in the workplace. Such designs include job rotation, job enlargement or job enrichment designs which primarily advance additional workplace responsibilities and interactions with members from other units or functions in the organization.

In their research, Frisch et al (2014) showed that inter-group behaviour and attitudes play a vital role in the competitiveness and well-being of the organization. Their study identified outcomes of trust and collaboration between groups as a consequence of shared values and also a shared responsibility towards the organization. This result was also echoed by Kerr and Park (2001) who revealed that positive inter-group behaviour advances an overall cooperative and healthy work environment where workers are offered social support and information is readily accessible. Extant literature also indicates strong support for workplace integration and collaboration between groups as necessary for improved organizational

outcomes (Abrams and Hogg, 2004; Reid and Giles, 2005). Audu (2009) argued that despite the extent of diversity or differences that characterize the workplace, inter-group positive actions can yet be achieved through increased participation and responsibilities that serve to integrate various functions. One of such actions according to Audu(2009) would involve the development of teams, quality circles or other related problem-solving collectivity of workers that does not border on any particular level or unit of qualification but rather draws on every facet and unit of the organization in the pooling of ideas for creative solutions to its challenges.

5. Pay Dispersion and Inter-group Behaviour

Shaw (2015) stated that perceptions of bias and favouritism within the workplace are toxic for relationships and militate against collaboration, cooperation and employee productivity. Organizations that express their preference of one group or category of workers over another tend to pitch related groups against themselves, creating tension and distrust between groups. While actions such as pay dispersion are justified on the basis of their reinforcement of preferred characteristics, Shaw (2015) noted that they nonetheless create discord and malice which invariably impacts the relationship between various groups. This corroborates with Audu's (2009) position that as systems, one fundamental goal of organizations is the attainment of harmony in their operations. Functions must therefore be interrelated and synchronized in such a way that groups flow at the same pace and pattern – thus enabling coherence and organizational behavioural consistency. This can only be achieved when groups and units of the organization are involved and fully understand the basis for its decisions, policies and actions.

Inclusivity at the organizational level increases not only the opportunity for collaboration between management and its workers but also demonstrates management's sincerity and transparency in its actions and decisions. Castilla (2011) posited that organizational policies are most welcomed and supported when carefully deliberated upon and dialogued, with contributions from stakeholders such as the employees are sampled. Increased participation and inclusion, as Audu (2009) further addresses the imbalance in the powers manifested in the organization between management and the subordinates, by that it also checks for abuse and exploitation. The application of such within the context of organizations characterized by pay dispersion, not only questions the validity of such a practice but also, if adopted, assuages and alleviates workers fears, and concerns over inequality. Dominant research (Grant and Parker, 2009; Belogoloysky et al, 2016; Conroy et al, 2014) appears to proffer participation and inclusivity in leadership as being important for effective policy implementation and support – a feature which also applies within the workplace and could serve in bridging the differences between management policy initiatives and workers perceptions of such.

To fully explain this relationship, a conceptual framework is hereby developed. Miles and Huberman (1994), describes a conceptual framework as explaining either graphically or in a narrative form, the key factors, constructs or variable – and the presumed relationships among them. Also, Jabareen (2009) reiterated that a conceptual model is a network, or “a plane,” of interlinked concepts (descriptive or casual) that together provide a comprehensive understanding of a phenomenon or phenomena.

Drawing from the literature review, the following conceptualized model is advanced.

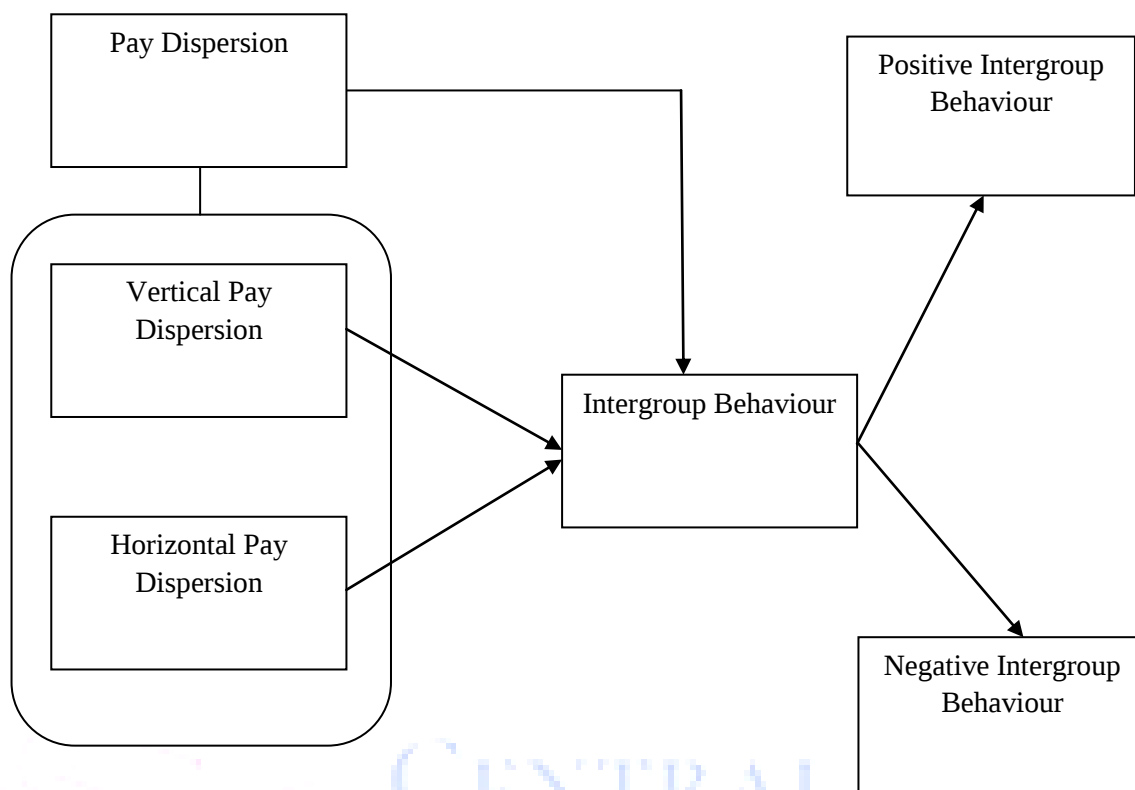


Figure 1: Conceptual model for Pay Dispersion and Intergroup Behaviour

This model depicts the topical issue under discourse with regard to the relationship between pay dispersion and intergroup behaviour. The model shows the identified dimensions of pay dispersion and measures of intergroup behaviour. The model provides a position on pay dispersion as influencing outcomes of intergroup behaviour within the Tourism Organisational workplace.

6. Conclusion and Recommendation

Inter-group relationships are crucial to the organization. Such relationships enable the synchronization of organizational processes and operations, thus facilitating organizational efficiency and effectiveness. Yet still, these relationships are sometimes impacted upon by organizational policies which may be designed to drive performance and productivity, but end up generating conflict due to perceptions of bias and inequality in the organization. This is evident in the review and discussion of the relationship between pay dispersion and inter-group behaviour. However, more positive outcomes can be achieved and trust sustained between organizational groups when decisions on policies and functional frameworks are transparent and allow for participation from the various levels and units of the organization. Such inclusivity and participation clarify on the sincerity of management and allow for input from workers – thus enriching decision outcomes and ensuring members share in the responsibility and outcome of such decisions. Hence, the negative impact of pay dispersions on inter-group behaviour could be moderated by the workers participation and involvement.

Furthermore, it is recommended that this model be adopted and tested empirically to establish empirical validation.

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