

The Application of Cognitive Choice Theories in Equity Theory with Regards to Organizational Life Cycle

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ABSTRACT

Looking at modern organizational psychology research, many theories are accepted at face value regardless of the context or development stage the organization may find itself in. This uncritical application of theory may be unjustified across broader ranges of organizations. Such applications also fail to consider the importance of the organization's context. For the purpose of this paper, our consideration of context with regards to organizations is defined as the scale and life cycle stage of the organization. It is imperative to note that within these various organizational contexts, manifestations of inequalities can diverge in both source as well as recipient, thereby influencing productivity in many ways. This project aims to explain theories on cognitive choice and how they tie into an individual's action when experiencing inequality. It then looks at how these actions affect work motivation and employee productivity, and finally examines how everything plays across various scales of businesses.

Introduction

Sometimes, researchers are exceedingly wrapped up in the rush of application and the discovery of novel tendencies, so much so that they fail to acknowledge the more minute, intricate threads that delicately string together existing theories. Although current constructs and theories may be well specified, underlying linkages and crucial interactions have not yet received much attention. For example, Jirásek and Bílek's (2018) review of organizational life cycle theory explains clearly the principles of the theory, yet neglects its application to other constructs and models. The relationships between theories, woven into an entire web of cause and effect, can serve to provide a more detailed and case-specific explanation in the realm of organizational psychology, a discipline of psychology emphasizing human behavior in the workplace. Acknowledging these connections can also enable a more accurate interpretation and approach to various situations that may be encountered in the business world. However, these theories, such as ones on cognitive choice, are sometimes applied with a lack of consideration for the given context, as well as the theory's influences on other relevant theories. For instance, while Kanfer (1990) outlines a number of the various cognitive choice theories themselves, they neglect to mention their connection and relationship to other theories, such as equity theory. Cognitive choice can be roughly encapsulated as the consideration of an individuals' cognitive interpretations, such as expectancies for success or task value, in determining their motivation towards different tasks (Wigfield, 1994). Common applications of cognitive choice usually include using these theories in an oversimplified and generalized manner for the purpose of explaining a given action or tendency. To exemplify this oversimplification, consider the application of cognitive choice in a classroom setting. While the idea that a student's subjective perception of success or failure subconsciously primes their behavior, explored by Ames (1984) and Nicholls (1975), is certainly not unfounded, it only scratches the surface with both of these researchers failing to provide a deeper understanding of the context at play (see Tollefson, 2000). This research demonstrates theory application through an uncritical lens, failing to recognize intricacies such as school environment, peer influence, cultural expectation, etc. In stark contrast,

this paper seeks to utilize the specific relationships inherent within cognition in order to provide a detailed and meaningful explanation on relevant connections and relationships.

For the purposes of this paper, cognitive choice theories will be used as lenses to illustrate responses to equity theory, typically defined as an individual's subjective assessment of the comparative value of their inputs versus their outcome (Adams, 1963). The acknowledgement, or lack thereof, of complicated relationships and implications within equity theory undermines the validity of their given applications. This theory of organizational justice, similar to the cognitive choice theories mentioned previously, may be applied to organizations without regard for the context of the organization (see Bolino and Turnley, 2008). This effect is also magnified by the implied underlying similarity assumption that individuals all respond in homogeneous fashion when exposed to a given dynamic, a flaw that is often seen in various common usage cases of equity theory (see Argyris, 1973; Simon, 1957).

It is of paramount importance to note the context of an organization, as well as an individual's own cognitive choices, when considering responses and manifestations of equity theory. This paper aims to address this context and also cast a light on the intricate interactions between these factors. We will also place an emphasis on the effects of differing organizational contexts, by using life cycle theory (Mueller, 1972). The impact of such organizational contexts will be crucial in order to properly examine and understand both cognitive choice and equity theory, as well as their relationship, in a critical light. Not only will taking into consideration the stage or scale of a business open a novel angle from which to view these existing paradigms, it will also allow for greater validity in application.

Cognitive Choice Overview

To understand how cognitive choice theories can be applied critically with respect to equity theory, as well as organizational context (see North, 2010), we must first introduce the foundational concepts of cognitive choice. Cognitive choice theories represent an extremely vast field of approaches in regards to cognition, including acknowledging how perception influences actions and decision making in the realm of organizational psychology (see Albert, Aschenbrenner, and Schmalhofer, 1989; Ajzen and Fishbein, 1980). More specifically, cognitive choice theories dealing with decisions often fall into the large field of Expectancy Value Theories. These theories form a construct of interrelated models tasked with addressing choice and performance based on a subjective interpretation of expectation and value (Eccles and Wigfield, 2000).

Vroom's Valence-Instrumentality-Expectancy Model (1964) viewed achievement and motivation from a parallel perspective, expanding on certain dynamics and conceptualizing others. He referred to three main constructs in his model, all of which have been interpreted many times by multiple authors (Ilgen, Nebeker, and Pritchard, 1981; Kanfer, 1990; Thierry and Van Eerde, 1996). The first construct was valence. Valence was generally defined as the attractiveness, desirability, or perceived value of an outcome. The second, instrumentality, was generally defined as a perceived relationship between performance or behavior and an outcome. Finally the third, expectancy, was generally defined as the perceived relationship between effort and performance. Through the interactions of these three constructs, Vroom (1964) sought to explain choice and decision making, with expectancies, instrumentalities, and valences all playing a role in the process.

Another perspective of the Expectancy Value model was Raynor's Future Orientation and Motivation Theory (Raynor, 1969). Building off of Vroom's theory, Raynor also took into account the effects of immediate tasks on future aspirations, conceptualizing the construct of future orientation (see Raynor and Rubin, 1971). He also defined the term contingent-path, relating an individual's achievement motivation to not only tangible elements, but also to the number of steps to complete the task as well as the level of the task on the individual's overall goal path. Raynor specifies a time effect, where a greater number of steps in a task correlates to a greater anticipated time for completion. In contrast to the contingent-path, the noncontingent path was defined as referring to a task that was irrelevant to the overall goal path and impractical in reaching these goals (Kanfer, 1990; Raynor, 1969).

Weiner's Attribution Theory of Achievement Motivation and Emotion views the cognitive choice paradigms through the lens of attributions (1985). Weiner's original model consists of four causal categories and two causal

attribution dimensions that are used to explain behavior and motivation. The four causal categories have been listed as effort, ability, task difficulty, and luck, with each one corresponding along two attribution dimensions, controllability and stability (Frieze, Kukla, Reed, Rest, Rosenbaum, and Weiner, 1971). Controllability was the degree to which outcomes were perceived as dispositional, attributed to the self, or situational, attributed to external factors. Stability was the persistence of outcomes across various situations. Effort and ability correlated to an internal control explanation due to effort and ability being products attributed to an individual. Task difficulty and luck correlated to an external control explanation as both task difficulty and luck concern attributes outside of an individual's control. However, effort and luck manifest from internal and external unstable causes, while ability and task difficulty manifests from internal and external stable causes. Effort and luck are unstable because they can fluctuate from scenario to scenario. Ability and task difficulty are stable because they are persistent across situations. Weiner (1986) proposed that these attributions of controllability and stability determined the way failure and success were perceived. If failure had been attributed to unstable causes such as misfortune, then ensuing situations would see expectations increase. In comparison, if failure had been attributed to stable causes such as skill level, expectations for ensuing situations would decrease. In a similar fashion, success attributed to stable causes would increase expectations and success attributed to unstable causes would decrease expectations (Kanfer, 1990). Weiner later revised his original model into his expanded model, adding another causal attribution dimension, causality. A locus of causality refers to the question of whether outcomes are viewed as internally or externally controlled (Weiner, 1986). That is to say, whether an individual believes that their fate is set, or if they believe they can change it.

Goal-setting is another crucial aspect of cognition and behavior. Locke et al. (1981, 1988) defines a goal as, "what the individual is trying to accomplish, the object or aim or an action." In the context of organizational psychology, the goal-setting approach serves many important purposes, including streamlining focus, initiating productive behavior, reinforcing endurance in behavior, and promoting innovative approaches (Erez, Latham, and Locke, 1988; Kanfer, 1990; Locke, Shaw, Saari, and Latham, 1981). Along with this, it is important to note two influential attributes of goal-setting; intensity and content. Intensity is the perceived importance or urgency of a goal. It can also point towards the strength of commitment of the goal. Content refers to the actual elements of the goal, such as clarity or complexity (Latham, Locke, Shaw, Saari, 1980). Locke et al. (1988) also specified that external factors, interactive factors, and internal factors are vital components of commitment for goals assigned by others.

Equity Theory

Similarly to cognitive choice, an overview of equity theory is necessary for recognizing and assessing the various relationships present surrounding the equity construct. Adams' Equity Theory (1963; 1965) revolves around a general notion that individuals are susceptible to the influence of perceived fairness in relationships wherein an exchange is occurring. More specifically, in an organizational setting, the relationship in question can be conceived as one regarding the exchange between employee and employer. A state of perceived equity is achieved when an individual considers their inputs and outcomes in equilibrium (Adams and Freedman, 1976; Walster, Berscheid and Walster, 1973). For the purposes of the exchange relationship, inputs can be defined as an individual's perceived contributions to the exchange, for example, expertise, effort, and intelligence. On the other hand, outcomes can be defined as what an individual receives, and can range anywhere from pay to status (Al-Zawahreh and Al-Madi, 2012).

Where perceived inequity arises is when an individual considers the ratio of their inputs to outcomes as unbalanced (Adams, 1963). Adams posits that this inequity results in the individual experiencing inequity tension, which refers to a state of distress prompting responses by the individual aimed at restoring equity. This state of inequity can arise in a number of ways, one of which stems from a dissonance between employee and employer with regard to perceived inputs (Kanfer, 1990). For example, if an employee views seniority as an input, but the employer considers it irrelevant and provides outcomes accordingly, then the employee may perceive inequity. Inequity may also come about when expectations for an outcome conflict with reality, such as when outcomes are perceived as inadequate or when an outcome is inconsistent with what was desired.

Adams (1963, 1965) also suggests that equity and inequity can extend beyond the direct exchange relationship of an individual, proposing that an individual may also base their expectations of input to outcomes on an external reference (Pritchard, 1969). This reference can come from a coworker, a relative, or industry-wide trends, and it can result in an individual deeming an outcome as inequitable. We should make it explicit that different inequities can diverge in their sources (Al-Zawahreh and Al-Madi, 2012). Advantageous inequity occurs as a result of guilt from the value of outcomes being greater than that of the input. In contrast, disadvantageous inequity occurs as a result of indignation of the value of outcomes being less than that of the input (see Campbell and Pritchard, 1976; Greenberg, 1987).

In order to deal with this inequity tension, Adams (1963) specifies actions that individuals can take to alleviate their distress. For example, they can alter or cognitively distort inputs and outcomes, alter or cognitively distort other's inputs and outcomes, leave the field, or contextualize their experience against a new source of reference. Adams also theorized on conditions determining actions an individual may take (see Hatfield, Huseman, and Miles, 1987). He posits that an individual will direct efforts towards maximizing desired outcomes while avoiding costly or laborious inputs, resist alterations to inputs and outcomes imperative to esteem and self-concept, more readily reappraise other's inputs and outcomes than their own, be strongly averse to choosing new external references over time, and leave only when inequity is overwhelming and without feasible solution (Adams, 1963).

Cognitive Choice Theories in Relation to Equity Theory

The fundamental aspects of Adam's Equity Theory (Adams, 1963; 1965) remain bound by the cognition of choice, leading to profound impacts on equity relationships. Because equity theory is built on perceptions of inputs and outputs and this perception is susceptible to influence, the cognitive facet is absolutely crucial to consider when attempting to apply the given theory. As such, cognitive choice theories serve as the ideal lens from which to view equity theory, providing a subjective dimension and explanation as means of critical theory application.

We can use Vroom's Valence-Instrumentality-Expectancy Model (1964) in the context of Adam's Equity Theory (1963) to describe the manifestation of inequity in an individual. The three constructs of valence, instrumentality, and expectancy all serve as the basis of an individual's cognitive perception of their current situation (see Ilgen, Nebeker, and Pritchard, 1981; Kanfer, 1990; Thierry and Van Eerde, 1996). For instance, if all three constructs are perceived as inadequate - that is, if outcomes are not perceived as desirable, performance does not seem to be connected to outcomes, and effort is not perceived as connected to performance - then the individual in question will most likely experience inequity tension. Conversely, if three are all perceived as adequate, then the individual would most likely experience equity. It is also worth noting that certain constructs may have priority over the others depending on the individual. For some, the sole valence of an outcome may be enough for them to perceive a particular relationship as equitable. Individuals may also judge equity based off of an external reference source, which is typically a colleague (Adams, 1963). The individual observes the valence, instrumentality, and expectancy of a coworker's inputs to outputs relationship with the manager and compares it relative to their own. They then conclude the equity of their own relationship based on their perception of the external reference.

The concept of attributions in Weiner's Attribution Theory of Achievement Motivation and Emotion (1985) also plays a major role in equity cognition. One of Weiner's four causal categories includes ability, which corresponds to the attribution dimensions of internal control and internal stability (Frieze, Kukla, Reed, Rest, Rosenbaum, and Weiner, 1971). In other words, ability is seen as a factor that is attributed to the self and is persistent across different situations. Depending on an individual's perception of ability, the consideration of ability as an input can heavily influence conceivable perceptions of equity. If, for instance, an individual had achieved previous success that they attributed to ability, their expectation for themselves would increase. As such, their perception of their inputs also increases, creating a disparity between inputs and outcomes, ultimately resulting in disadvantageous inequity tension. In contrast, if they had previously experienced failure attributed to ability, then their expectations would decrease.

Their perceptions of their inputs would parallel this decrease, creating a scenario of advantageous inequity tension (Weiner, 1985).

Regarding the other causal categories, task, similarly to ability, is also a stable cause. This stability means that the effect of failure and success on task is equivalent to that of ability, with success increasing perceptive inputs and failure decreasing it. The difference, however, lies in the external control nature of task. Conversely, effort is similar to ability in the sense that both are internal control explanations. However, effort is also correlated with an internal unstable cause, meaning that effort is not necessarily consistent through various situations. Due to this unstable nature, failure attributed to effort experienced by an individual will lead to an increase in expectations, while success leads to a decrease. Failure, therefore, will often constitute an increase in perceived inputs, with success demanding the opposite (Kanfer, 1990). This in turn ultimately results in disadvantageous and advantageous inequity respectively (see Campbell and Pritchard, 1976; Greenberg, 1987). Luck would also result in this correlation, as it shares the attribute of an unstable cause, but also merits an external control explanation.

Raynor's Future Orientation and Motivation Theory's contingent and noncontingent path can arguably affect the valence, or attractiveness, of an outcome (1969). If, for example, a specified task followed along the contingent path, then this would likely increase the task's valence in the eyes of the individual, thus increasing the perceived equity. In spite of this, the influence that the contingent path has on equity also varies based on numerous other factors discussed in Raynor's Future Orientation and Motivation Theory, such as the total number of steps to complete the task as well as the position of the task on the overall goal path. If a task were to require a great number of steps for completion, then the time effect (Raynor, 1969), where the more steps in a task the lengthier the anticipated time for completion, comes into play, decreasing the valence and reducing perceived equity. Likewise, if the position of the task was extremely low on the overall goal path, valence and equity would also decrease. However, in contrast to the contingent path, there is the noncontingent path. The noncontingent path specifies a task irrelevant to a goal path (Kanfer, 1990; Raynor, 1969), and thus is likely to be considered inequitable. The concept of a contingent and noncontingent path also has an effect on the behaviors of an individual seeking to alleviate themselves of inequity tension. Consider an individual experiencing inequity tension (Adams, 1963) while also perceiving a task as belonging to the contingent path. They are likely to cognitively distort their perceived inputs and outcomes, potentially perceiving the outcome as of higher valence. In contrast, an individual experiencing inequity tension rooted in the noncontingent path may drop the task altogether or even simply leave the field (see Hatfield, Huseman, and Miles, 1987).

The goal-setting approach defined by Locke et al. (1981, 1988) continues to explore the relationship of time and goals on equity. Goal-setting, as referred to by Locke, represents a perspective on equity in which feelings of equity or inequity are extended over a period of time. A goal-setting approach takes the tasks of an individual and places it in the context of goals. Initially, goals simply initiate the behavior contributing to the inputs of an individual. The elements of the goal, such as intensity and content (Latham, Locke, Shaw, Saari, 1980; Rand, 1967), also serve to provide a baseline for determining equity or lack thereof. However, over a period of time, eventually the reinforcing nature of goal-setting becomes apparent (see Erez, Latham, and Locke, 1988). Even if initial inputs were conceived as equitable, over time, increasing levels of effort or complexity required in a task can leave the individual in a state of inequity, despite initial impressions. The concept of goal-setting can counteract this perception of inequity, and reinforce persistence in behavior (Locke, Shaw, Saari, and Latham, 1981). Oppositely, goal-setting can also serve the purpose of turning a state of equity to inequity. As specified by Raynor (1969) in his noncontingent path, an equitable task may not be perceived as such due to the task simply not aligning with an individual's goals.

Life Cycle Theory

Organizational context as described in Mueller's (1972) Life Cycle Theory of the Firm plays a significant aspect in determining choice and action with regards to equity theory and cognitive choice. It is also a facet which is often either overlooked or only partially acknowledged when considering these existing paradigms. For instance, Jirásek and Bílek's (2018) review of the organizational life cycle neglects the potential application of Life Cycle theory to constructs

like cognitive choice and equity theory, keeping the value of the relationship between these various theories unrealized. Life Cycle Theory sets the trajectory that a multiproduct firm will typically go through, proposing that a firm will be launched as a result of a novel idea from its founder. The firm will then go through a series of innovations where it gradually diversifies its products leading to expansion into various areas. It is at this stage as the firm is expanding and recruiting new employees that initial disputes of equity and inequity (Adams 1963) may arise. Due to this expansion, decentralization and diversification (see Lester, Parnell, and Carraher, 2003) continue to occur until eventually the firm evolves into a “loosely tied collection of nearly autonomous divisions” (Mueller, 1972). During this division of power, individuals may feel as though their inputs surpass those of their colleagues, and thus are entitled to greater outcomes, such as positions of power (Adams, 1963). At this point, in the interest of the stockholders, the firm either fully commits to decentralization and disintegrates into a collection of smaller firms, or continually spins off divisions in order to conserve a size optimal for efficiency. Either path the firm may choose can end in disputes of equity, especially in regards to an external reference.

Inherent within this organizational life cycle are many intricacies involving managerial economics worthy of consideration. Much research particularly emphasizes the diversification and expansion phase, with incentives stimulating innovative ideas and promoting movement into novel sectors, especially after maximization of an initial product’s profit (Monsen and Downs, 1965). While this phase is one of pivotal importance to a company’s success, so too is it for the employees involved. The diversification and expansion phase marks a point of great opportunity for employees to pioneer success in a novel field. However, not all efforts will be recognized, and points of contention with regards to equity may emerge. This inequity is also compounded by the constructs defined by Vroom (1964) in his Valence-Instrumentality-Expectancy Model, where an individual’s preconception of expectancy or instrumentality fails to align with reality. The valence of an outcome they may have actually received also might not equate with what was expected, all of which can lead to inequity tension and the associated behaviors to alleviate it (Adams, 1963).

Pursuant of growth, size becomes extremely beneficial to a firm, enabling the localization of capital and producing efficient exchanges of information and capital (see Penrose 1959). A drawback of size, however, is that information is generally sourced from the lower ladders of an organizational hierarchy, and through the process of information being passed upwards, quality and quantity are often sacrificed. The time it takes for information to be transferred also distorts the validity of the contents, ultimately resulting in inconsistencies (Mueller 1972). These inconsistencies can affect the equity ratio of lower-level employees, who may feel as though their inputs are not being properly acknowledged due to a loss in quality they have no control over. A sense of inequity may arise, especially since most employees are attempting to actively achieve goals for a promotion. As emphasized by Raynor’s Future Orientation and Motivation Theory (1969), if the task that the employee is currently performing is along a noncontingent path, then feelings of inequity tension may increase.

In order to reduce discrepancies resulting from the transfer of information, firms resort to measures such as decentralization, and the authority of decision-making is gradually shifted downwards for the purpose of ensuring that pivotal decisions are being made by those in possession of adequate information (Jirásek and Bílek, 2018). As this power is being shifted down, individuals not on the receiving end may feel inequity tension at failing to receive adequate outcomes. This is a point included in Weiner’s Attribution Theory of Achievement Motivation and Emotion (1985), where successes are attributed to certain causal categories, leading to a shift in the perceived equity ratio (Adams, 1963). This shift can occur for both the individual receiving power and the individual who does not. For instance, an individual who receives power due to a previous successful decision, but attributes that success to a causal category with an unstable dimension, such as luck, may experience a decrease in their perceived inputs and undergo advantageous inequity, feeling guilty for receiving the power. In contrast, the individual who did not receive the power may attribute a successful decision to their own ability, a causal category with a stable dimension, and experience an increase in their perceived inputs, thus creating a feeling of entitlement to the power (see Frieze, Kukla, Reed, Rest, Rosenbaum, and Weiner, 1971). This downward trend in power shift continues to occur until eventually a contingency is reached where loss of information outweighs the reduced cost of capital, at which point the optimal size of the firm has been reached (Williamson, 1967).

Life Cycle Theory also proposes a growth-maximization hypothesis, which posits that established corporations reaching a later stage of the life cycle pursue the growth or maintenance of the company and not stockholder welfare (Lester, Parnell, and Carraher, 2003; Williamson, 1967). Managerial-welfare-focused firms prioritize self-investment and growth, sacrificing dividends and market value (Averch and Johnson, 1962). This raises a possibility of guilt manifesting in managers from a neglect of responsibility to the stockholder, which may lead to feelings of advantageous inequity in management (Adams, 1963). Stockholders, conversely, may face feelings of disadvantageous inequity, perceiving their return as inadequate relative to their investment. Therefore, in order for managers to achieve a growth revolved focus, it is imperative for a firm to be unbounded from stockholder influence. As such, this policy cannot be implemented too early into a corporation's life cycle where it is still heavily dependent on the initial capital provided by stockholders. Here, the influence of the goal-setting approach, conceptualized by Locke et al. (1981, 1988), can be seen, where managers are willing to sacrifice some initial growth in order to secure stockholder investment, keeping the eventual goal of maximizing growth in mind to keep perceptions of the relationship equitable. The goal of growth maximization also serves to encourage persistence in the means to achieve (Erez, Latham, and Locke, 1988), discouraging emerging feelings of inequity and pushing managers to continue sacrificing growth until greater self-reliance is achieved and growth can be fully and more healthily pursued. To this end, it is as a firm matures and reaches a higher level of self-sufficiency that the growth-maximization hypothesis comes into play. This minimizes the potential to create long-term problems in the form of feelings of inequity between these major stakeholders in the organization.

Conclusion

Inequity can emerge in a range of different forms, and can appear in a variety of contexts across the organizational life cycle. Cognition also plays a crucial role in the field of equity, where factors influencing perception serve as important aspects of consideration. Previous research has touched on these topics and created a wide array of relevant theories and constructs.

Cognitive theory can be seen in the diversification and expansion phase of the organizational life cycle (Mueller 1972), where Vroom's (1964) Valence-Instrumentality-Expectancy Theory and its effect on equity arises as a result of a dissonance between expectations and reality. Similarly, during the process of information being transferred within a firm, inconsistencies emerge, reducing the validity of the lower-level worker's efforts and causing their work to not be acknowledged properly (Mueller, 1972). This leads to the perception of a noncontingent path, as specified by Raynor's (1969) Future Orientation and Motivation Theory, ultimately resulting in feelings of inequity. Weiner's Attribution Theory of Achievement Motivation (1985) also plays an influential role in the organizational life cycle, specifically during the decentralization phase. Throughout this time of shifting power, many points of contention may ensue as a consequence of attributions of success to unstable or stable dimensions. Thus, respective perceptions of undeserved and deserved power emerge. The goal-setting approach defined by Locke et al. (1981, 1988) enables managers to make the decisions necessary in order to achieve an ultimate goal of growth maximization, while still keeping perceptions of the stakeholder-manager relationship equitable, as emphasized in Life Cycle Theory's Growth-Maximization Hypothesis (Mueller, 1972; Williamson, 1967). It also allows the managers to remain consistent in those decisions, disregard feelings of inequity, and persevere in their actions until their goal is achieved.

This paper's critical application of theory, where the influences of cognitive choice, equity, and organizational context are all considered, results in enabling more detailed and specific interpretations of plausible situations that may occur in the organizational realm. This work details a deeper understanding of the intricate connections between various constructs that typical research and analysis fail to provide. While existing constructs may be defined thoroughly, underlying relationships and critical interrelation have yet to be widely considered. This paper demonstrates the relevance and impact that a complete understanding of the connections between paradigms such as equity, cognition, and life cycle can have on specific applications of theory with increased validity.

Possible future directions of research in this area can include analysis on the connections between cognitive choice and equity across various fields and industries, and how these dynamics may or may not change based on the type of work that a firm is involved in. Further thought can also be given to other various perspectives of the organizational life cycle, as well as a greater focus on each of the stages. Research on how these interrelations and connections play across different countries, cultures, or governments may also provide important insight on the topic.

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