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CHAPTER 1: INTRODUCTION

1.1 Purpose of the Study

Happiness has been described as the subjective well-being, morale, positive affect, and life satisfaction that individuals experience. A person with pleasant experiences is more likely to perceive his or her life more positively and desirably (Diener, 1994). Does work variable such as salary contribute to pleasant experience? Lawler (1966) notes that pay remains important regardless of the amount one earns. People's satisfaction with pay can be influenced by the importance they place on money. Those who earn substantially higher salaries are more likely to be more satisfied with their careers. Will pay satisfaction lead to career satisfaction, then? Money appears to be the source or the link to one's satisfaction, be it pay, career and life. The attraction of money is so great that people are drawn to slave for it and to worship it (Tang, Furnham, & Wu, 2003). To what extent then are employees' attitudes towards money and their satisfaction with pay related to their career satisfaction and perception of well-being? The purpose of this study is therefore, to examine the relationships of employees' attitudes towards money, pay and career satisfaction, and well-being.

1.2 Significance of the Study

The love of money is particularly an important subject in compensation and pay satisfaction (Du & Tang, 2005), career satisfaction and subjective well-being studies. There is hardly any empirical research that has incorporated and simultaneously examined all the variables. Little is known about people's attitudes towards money in

a multi-cultural country like Malaysia (Luna-Arocas & Tang, 2004). Past studies have examined the influence of pay and promotion on career satisfaction. There are also other more common variables that are related to ones' career satisfaction such as individual span of control, education, and work competency (Judge, Cable, Boudreau, & Bretz, 1995; Ng, Eby, Sorenson, & Feldman, 2005). As the salary level can bring about career satisfaction, it is however, unknown if the level of interaction between satisfaction with pay and career is significant.

Thus far, there have also been very limited studies on the relationships between pay satisfaction and subjective well-being. Researchers have investigated on other pay satisfaction variables, such as the influence of money (Diener & Biswas-Diener, 2002), income (Diener, Sandvik, Seidlitz, & Diener, 1993; Diener, Diener, & Diener, 1995; Diener & Biswas-Diener, 2002), and social comparison (Diener, 1984; Diener & Biswas-Diener, 2002). It will be definitely interesting to examine whether pay satisfaction can act as a mediator in the relationships between employees' attitudes towards money and their perception of well-being, as well as their attitudes towards money and perception of career satisfaction. The direct relationship and the presence of mediation has so far been an omission in the management literature.

1.3 Research Questions

The following few questions are formulated in order to identify the particular issues that will be focussed on:

- a) How do employees' attitudes towards money relate to their pay satisfaction, career satisfaction and subjective well-being?
- b) How do employees' pay satisfaction relate to career satisfaction and subjective well-being?
- c) Does employees' pay satisfaction mediate the relationship between
 - i) their attitudes towards money and career satisfaction?
 - ii) their attitudes towards money and subjective well-being?

1.4 Research Objectives

The following research objectives identify the purpose and the specific domains of the study:

1. To examine the mediating effects of employees' pay satisfaction on the relationship between attitudes towards money and subjective well-being
2. To examine the mediating effects of employees' pay satisfaction on the relationship between attitudes towards money and career satisfaction

1.5 Scope of the Study

The target respondents are full-time working adults from Klang Valley, Malaysia. The study is only conducted among the white-collar respondents because of their literacy levels and the time constraint.

1.6 Organisation of the chapters

The report is organised in five chapters. The introductory chapter, Chapter 1, reports the objectives, significance, questions, and scope of the study. Chapter 2 reviews on the related and relevant literatures. Chapter 3 describes the research methodology. It includes the development of the research hypotheses, selection of measures, sampling design, data collection procedure, and the data analysis techniques.

The research results are discussed in Chapter 4. The summary of statistics, analyses of measures, hypotheses testing, and outcomes are included. Chapter 5 is the concluding chapter of this report. It includes a discussion on the results, the research implications, research limitations, and some suggestions for future research. It also concludes the research report.

1.7 Summary of Chapter 1

The scope and justification of the study are highlighted in this chapter. The research questions and objectives are developed based on the intended purpose of the study. The chapter is concluded with an overview of the content of the report. The following chapter reviews literature on the research constructs.