

CHAPTER 2: LITERATURE REVIEW

2.1 Attitude towards Money

Money is used as a tool for many purposes in our everyday lives but the meaning that money carries is subjected to an individual's valuation. An individual's attitude towards money is learnt from the culture of society, and one's childhood and adulthood experiences (Tang et al., 2003). Cash can be very effective in attracting and motivating employees (Chiu, Luk, & Tang, 2001). Some see money as motivators, some do not while some fall in between. One's definition of money will determine their money-related behaviours (Tang et al., 2003). Research has found that people's attitudes towards money may impact their motivation and behaviour in relation to their works (Tang, Kim, & Tang, 2000). However, very little research has ventured into the individual's attitude towards money on career satisfaction and subjective well-being.

According to Tang, Tang, and Luna-Arocas (2005), an individual's attitude towards money is not a need but it is the love of money and his or her "desire for money". In a materialistic society, almost every one works for money. It is especially true if people who value money, their minds are controlled heavily by money and they thereby become the slaves for money (Tang et al., 2003). Tang and Chiu (2003) note that generation X belongs to the "material generation". The rise in economy in Asian countries contributes to the growth of materialists, as money, to the Chinese, can enhance their reputation and life. The booming economic development has shaped the importance of money or the love of money in the Chinese society (Du & Tang, 2005).

They have found that the Chinese in Taiwan has the highest respect for money than the American and British workers. The Chinese workers in Taiwan also strongly believe that money is good, important and represents achievement. The British workers, on the other hand, have the highest value towards money because they believe that it is related to power. Most high income earners perceive money as their achievement (Tang et al., 2003). It is easier for managers to manage employees' income than their love of money (Tang & Chiu, 2003).

Chiu and associates (2001) have explained that the reason for valuing cash among the Chinese employees in China and Hong Kong is that cash can 'buy' security especially in times of difficulty. In Chinese culture, adults are brought up to be self-reliant, financially independent and socially successful. People in modern or developing countries can be more materialistic, capitalistic, individualistic, and egoistic because of their cash mentality. People can use money to their advantage by exercising autonomy, power and influence over others. Thus, money will be able to satisfy higher order needs which include self-actualisation (Tang et al., 2003).

There are also some who perceive money as a means to satisfy lower needs, and thereby they may be rather indifferent towards money. When people consider money as evil, they tend to have negative attitudes towards money. Nevertheless, there is also exception whereby people who worship money can still have positive attitudes towards money although it is seen as evil. Therefore, the antecedent of attitude towards money lies on one's personality. Managers have to understand workers' attitudes towards money or their frame of reference on money (Tang et al., 2003).

Tang and his group of researchers (2005) have profiled their sample of university students in the U.S.A. They term money worshippers, as students with the most positive attitudes towards money, and money repellent, as individuals at the other continuum. The latter consists of students with the strongest belief that money is evil. This group of students have the lowest income, work ethic, and satisfaction with pay administration, and also less optimistic. For those who have general positive attitudes towards money but they do not budget their money carefully are grouped as careless money admirers. The researchers have also termed another group of the students, as apathetic money individuals, because these students are indifferent towards money and they do not believe that money represents achievement and respect. They are also found to budget their money very carefully.

In a similar study, Luna-Arocas and Tang (2004) have profiled university professors in the USA and Spain. They have discovered the effectiveness of using money to reward people with different money profiles, intrinsic motivation, and unethical behaviour. They posit that “love of money” is not one's “needs” but it represents one's “wants” and “values”. From the five factors that they used in the Love of Money Scale, they grouped evil as affective, factors budget and motivator as behavioural, while equity and success as cognitive components. Those who have scored high on success, motivator, equity and budget factors are grouped as the achieving money worshippers. These professors are older with high income and rich with experience. They see money as a sign of success and they budget their money very carefully. In short, they worship money, are happy with their pay, and money is a motivator to them.

Those who have scored high on success and low on budget are termed as careless money admirers. Money represents their success but they do not budget their money carefully. They are younger, have lesser work experience and lower income. They are highly motivated by money as they admire money. They may fall into the temptation of unethical behaviours in organisations. For professors with low scores on evil and motivator, they are categorised as apathetic money managers. Money does not represent their success and money is not evil. They have low income but high intrinsic job satisfaction and life satisfaction. In their opinion, money is neither positive nor negative reinforcement in their lifestyle. Finally, money repellent individuals are professors with high scores on evil and low scores on success. They are young with low income and work experience. They have the most negative attitudes towards money and believe that money is evil. They view that money does not reflect their success and it is not a motivator to them (Luna-Arocas & Tang, 2004).

Initially, individuals' general positive affective bias towards money is measured by the Money Ethic Scale. It covers only money disposition. People who endorse Money Ethic tend to think that money means success and it is not evil. They also budget their money very well and have high economic values (Tang et al., 2000). The success and evil factors in Money Ethic predict income for full-time employees. High income full-time employees tend to think that money represents success and money is not evil. When both intrinsic and extrinsic rewards are present, extrinsic rewards will be more salient to these full-time employees (Tang, Kim, & Tang, 2002).

The full-time employees focus on the positive aspects of money in the employment situation; thereby they work for the money. To non-employed students, money is not

evil. Non-employed university students may not have fully experienced the importance of money. Tang et al. (2002b) note that their money attitude is directly related to the lack of income (money does not represent success) and the lack of hardship in their work experience (money is not evil). People's love of money may change over time, especially for those who have yet to be working long enough. Their work experience will modify the meaning and importance of money in lives (Du & Tang, 2005).

In another study, the attitudes towards money are measured by the love of money construct. Tang and Chiu (2003) have found that the love of money construct is related to unethical behaviour of individuals but income (money) is not. The love of money is the root of evil but money is not. High income Hong Kong employees have a low level of the love of money, which signified that income is negatively related to the love of money. People with lower love for money have higher pay satisfaction and they are less likely to engage in unethical behaviour in organisations. Thus, high income earning workers in Hong Kong are less likely to engage in unethical behaviour in organisations. The rich factor in the Love of Money Scale is one of the most important factors. It suggests that the young Hong Kong employees may want to be rich (Tang & Chiu, 2003).

Tang, Tang, and Homaifar (2006) have argued that the income-pay satisfaction relationship depends on one's love of money and pay equity. They draw the argument based on a study conducted between genders, and among the African-American and the Caucasians. They have found that the pathway of love of money-pay equity comparison is not significant, probably because the samples tend to focus on internal

equity. These targeted respondents do not experience severe pay compression. They have found that the African-American and women tend to have lower incomes than the Caucasians and men, respectively. These groups may feel poor financially and psychologically as lower incomes can cause them to endure financial hardship. Therefore, incomes can increase the importance of the love of money for both African-American and women.

When workers do not use the love of money as their frame of reference to consider pay satisfaction and their pay internally and externally, then they do not experience low level of pay satisfaction. Perhaps, at the same time, they also do not receive any pay compression or they may not have adequate information on the market salary. As employees do not have any basis of comparison on their incomes, either through the love of money or other salary information, their satisfaction of pay will not become an issue. They are more likely to be contented with their earnings (Tang et al., 2006).

2.1.1 Love of Money Scale (LOMS)

Since the love of money scale (LOMS) is actually a sub-scale of money ethic scale (MES) (Tang & Chiu, 2003; Tang et al., 2005), it may be essential to have an overview of the MES. Tang and associates (2003; 2005) have developed six versions of the MES. They are well-tested and systematically used in various countries, especially among the Chinese and American samples. The original version has 31 items with six factors, namely good, evil, budget, achievement, respect, and freedom and power, measured with 7-point Likert scale. This multi-dimensional scale is

developed based on affective, behavioural, and cognitive model of an attitude (Tang, 1993; Tang et al., 2005).

While MES is too broad and general for specific research purposes (Du & Tang, 2005), LOMS is said to be more practical and easy to use (Luna-Arocas & Tang, 2004). The love of money construct is particularly important for measuring compensation and pay satisfaction (Du & Tang, 2005). However, it appears to be a very sensitive issue in many societies as it is strongly related to the concept of greed and it carries many negative connotations (Luna-Arocas & Tang, 2004). The Love of Money Scale was also developed based on the ABC (affective, behavioural and cognitive) model of an attitude, similar way of development as the money ethic scale (MES).

As the love of money scale (LOMS) is relatively new although it is well-tested in other countries, it is rather foreign in South East Asia, such as Malaysia. In contrast, LOMS and other established scales have been used well in China and Taiwan to measure the people's attitudes towards money (e.g., Tang, Furnham, & Wu, 2002; Tang & Chiu, 2003). Thus, it is important to provide some literatures in regards to the said scale (LOMS) in order to have more insights.

LOMS measures one's subjective feeling about money or subjective attitudes towards money in many different ways. People may be financially poor but psychologically rich (Tang & Chiu, 2003). LOMS has been used in many countries and in many languages, such as Chinese, French, Italian, Spanish, Romanian, Russian and others. Past studies have examined LOMS in various combinations of factors and items.

Some investigated the love of money construct based on the 30-item with six factors, namely factors good, evil, achievement, respect, budget and power (e.g., Tang et al., 2005), 15-item with five factors, namely the budget, evil, equity, motivator, and success factors (Tang, Luna-Arocas, Sutarso, & Tang, 2004) while some used only the 17-item with four factors such as the rich, motivator, important, and success measures (e.g., Tang & Chiu, 2003).

Luna-Arocas and Tang (2004) explains that budget factor is to examine if individuals use and budget their money carefully. A sample of this question is, “I do financial planning for the future”. The motivator factor is to find if ones who work hard for money are motivated by money. For instance, “I am motivated to work hard for money” is asked. The evil factor investigates if money is evil or the love of money is the root of all evil. For example, the following is asked, “Money is evil”. The equity factor examines the individuals’ perceptions of internal equity in companies and their individual equity. A question such as “People on the same job should be paid equally (equality)” is asked. The success factor assesses if ones view money as a sign of success. For example, “Money is a symbol of success” is asked. As for rich factor, it is meant to measure if ones would like to be rich, while factor important is to assess if money is important to individuals (Tang & Chiu, 2003).

Du and Tang (2005) have adopted a 17-item and four factors LOMS, which consists of rich, motivator, success, and important factors. They used this modified LOMS to measure invariance among Chinese students in China. It was the first attempt to examine LOMS in the context of university students in China. The invariance was achieved and thereby LOMS is said to be a more reliable measure to examine the love

of money, even in the Chinese work environment. It is common to note that people in the same culture with different demographic variables may have different perceptions of a measurement in the exact and similar manner. Based on the achieved invariance resulted from the mass Chinese population, LOMS can continued to be used in many other contexts.

Conclusively, people's money attitudes have been an interesting area to look closer at as it influences on work-related outcomes and individual life. There is almost not a single research article reporting any findings concerning the relationship among employees' attitudes towards money, pay satisfaction, career satisfaction, and subjective well-being. Therefore, this study explores the said relationships.

2.2 Pay Satisfaction

Past studies have found that people's pay satisfaction is related to social comparison (e.g., Sweeney & McFarlin, 2005), income level (e.g., Sweeney, McFarlin, & Inderrieden, 1990), type of rewards (e.g., Welbourne & Cable, 1995), and financial conditions (e.g., Kim & Garman, 2004). As pay is the money earned from the individuals' work, the relationship among attitudes towards money, pay satisfaction, and career satisfaction is interesting to be studied. However, there is very limited research being conducted by using the said variables.

Frequently quoted theories of pay satisfaction are the equity theory and the discrepancy theory. Pay satisfaction is the result of social comparisons with respect to relevant referents (by comparing with the pay of others). Law and Wong (1998)

explain that equity theory is to compare one's job input/pay ratio with certain referents. If the ratio is similar to the referents', one would be satisfied with one's pay. Discrepancy theory states that satisfaction is based on the discrepancy between the two perceptions. One perception is about how much pay one should receive compared to some other referents. The other perception is about how much pay one is actually receiving. One will be satisfied if the two perceptions are identical, that is, there is no discrepancy. Both approaches may give different results and conclusions (Law & Wong, 1998).

The social comparison theory is another well-established model that predicts people's satisfaction with work outcomes (including pay) and that depends on the relative comparisons with other people. The social comparison theory claims that people are motivated to compare with similar others to obtain information that are relevant to oneself (Sweeney & McFarlin, 2004). Comparisons with similar others will be the more important predictors of pay satisfaction (Shapiro & Wahba, 1978; Sweeney & McFarlin, 2005) than comparisons with dissimilar others (others in other companies doing the same job). Employees tend to feel the least satisfied when they feel that they are both worse off compared to someone inside and outside the company (Sweeney & McFarlin, 2005). Social comparison is the strongest determinant because it explains the highest variance in pay satisfaction. When someone compares his or her input-outcome ratio with another person and finds it inequitable, the former becomes dissatisfied with his or her pay (Shapiro & Wahba, 1978).

Sweeney and McFarlin (2004) have surveyed 12 countries (e.g., Bulgaria, Germany, Japan, Russia, USA, etc.) by asking the respondents to report on their income

satisfaction and to make pay comparisons with several different others. They have found that actual income predicted income satisfaction in 12 countries. Income alone is not sufficient to predict the satisfaction level. There was a fall in income satisfaction when the comparison with others (in similar countries) made the respondents think that their incomes are worse off. Similar job comparison is also a significant predictor of income satisfaction. The social standards across several countries are also found to be related to income satisfaction. Thus, people with relatively higher salaries may not be satisfied with their income because of the social comparison.

Contradictory, Shapiro and Wahba (1978) have found different results when adapting Lawler's model to explain pay satisfaction. Among the 11 tested variables, those that show significant relationship with pay satisfaction are social comparison, actual pay, and wage history. Higher paid workers enjoy higher satisfaction with their pay. This implies that it may be advantageous to hire people who have positive attitudes towards money. These workers can be motivated by monetary rewards and enjoy higher pay satisfaction. Those who used to have lower pay in the past usually have higher degree of pay satisfaction if their current jobs pay higher.

Those who believe that their salaries are lower than others in the same geographical area are also likely to have pay dissatisfaction. Other than geographical area, job worth is another determinant of pay satisfaction. Some workers (especially workers who are paid based on the level of their skills) equate job worth to their salaries. For instance, service workers are dissatisfied with their pay because they believe that they are not paid the full worth of the job (Boynton, 1970). When external pay equity (pay

level relative to similar jobs in other organisations) is highly salient, no amount of internal equity (pay levels relative to other jobs in the same organisation) will result in increased pay satisfaction. Therefore, internal pay equity may be a necessary condition for pay satisfaction but it is not strong enough to determine pay satisfaction (Morgeson, Campion, & Maertz, 2001).

In an experimental design by Baird and Hammer (1979), a group of subjects are selected and randomly paid by individual reward and systems reward conditions. Individual reward is contingent on role performance. Role performance is upon achieving company's goal. Systems reward is contingent on employees' task participation. Individual reward appears to be positively related to performance, but it reduces satisfaction among the low performers because they are not entitled to the rewards they want. High performers work harder as they know that their efforts will be rewarded. However, their satisfaction on the reward would reduce if it falls below their expectation. People who do not want to participate in the task again are not satisfied but neither are they low performers. People who receive systems rewards are still more satisfied with their pay than those who receive individual rewards (Baird & Hamner, 1979).

In a hypothetical scenario, Law and Wong (1998) have provided participants with various pay levels for themselves and various referents to compare with. They term this hypothetical scenario as policy-capturing which is used to determine the relative importance of pay referents based on the discrepancy model of pay satisfaction. They also use direct approach (ask participants how often they use multiple referents) and inferential approach (participants are asked to evaluate their pay satisfaction when

compared to others, which is similar to the policy-capturing) to estimate the relative importance of various referent groups. From direct approach, the ratings do not correlate with pay satisfaction, while inferential approach has found that colleagues, family members, and supervisors are identified as important referents. The conclusions from the above two approaches are dubious because of the common method and dominance effects (Law & Wong, 1998).

On the other hand, results from the policy-capturing have shown that colleagues and people with the same level of education and experience are identified as the most important referents, which are consistent with the sample characteristics, who are young and less experience. This result minimises the common method and dominance effects because of the design of the study. It is rated as the best approach among others. Law and Wong (1998) acknowledge the limitations of the study as the inability of the results to reflect the reality. They only use one dimension that is pay level, to measure pay satisfaction. They also do not consider all the important determinants of pay satisfaction. Thereby, the results may be biased and different when other pay referents are added into the regression equation of policy-capturing approach (Law & Wong, 1998).

Sweeney and associates (1990) determine if pay level satisfaction is related to the preconditions for relative deprivation. They have repeated their studies four times. The first three studies use national probability samples of American workers, while in the fourth study, they use participants from a single organisation. They manage to obtain similar results for all the four studies. Although the participants in the third

study are asked to make social comparisons with family, friends, and workers, those in the fourth study have made social comparisons with their colleagues.

Social comparisons between people are the core of relative deprivation (Smith & Walker, 2002). The six preconditions to one feeling dissatisfied are: (1) discrepancy between the outcome people want and what they receive; (2) they see that others whom they compared with have more than they do; (3) historical experience has made them to expect more than what they have now; (4) expectancies to achieve better outcomes in the future are low; (5) they feel strongly that they deserve more; and (6) they release themselves from personal responsibility as there will be insufficient better results (Sweeney, McFarlin, & Inderrieden, 1990).

Sweeney and colleagues (1990) describe that people with higher incomes are found to be more satisfied. When people desire for more increment in their incomes, then their dissatisfaction with their current incomes also rises. The employees will also have income dissatisfaction when they feel that the last pay increase is lower than they think they deserve, coupled with their poor financial health. Workers whose pay is lower than others who do the same job will become dissatisfied. Taken together, four of the preconditions of relative deprivation have already shown significance. In the fourth study, all the six preconditions predict satisfaction with pay level. The study shows that pay level alone does not explain pay level satisfaction. The encouraging results have presented the ability of relative deprivation theory to predict pay level satisfaction (Sweeney et al., 1990).

Welbourne and Cable (1995) conducted a longitudinal study on two firms which have implemented gainsharing programme. Gainsharing programme implemented in Firm A has been perceived as one of their benefits, whereas in Firm B, it has been perceived as part of the individual pay package. Firm A has informed the workers that if the firm's customer satisfaction percentage increased, it will equally distribute the 'benefits' to them. After 12 months of implementation, the firm does not experience an increase in customer satisfaction and revenue. Firm B, on the other hand, have informed the workers that when the safety standard and quality improved, the company will pay the workers based on equity. After 12 months, Firm B has experienced significant improvement in safety and quality, on top of an increase in revenue. With expanded production and increased revenue, the employees also enjoy bonus payouts that exceed their expectations. Although equity-based gainsharing programme is more effective in Firm B, the programme implementation has increased pay satisfaction among employees in both firms.

Kim and Garman (2004) have found that employees facing high financial stress are more dissatisfied with their pays, relative to those with moderate and low financial stress. The authors add that employees who have worked for the current companies substantially long also tend to have lower pay satisfaction. Compensation decisions are particularly salient and important to employees and the decisions are very likely to influence employee satisfaction (Morgeson et al., 2001). Workplace financial education, they claim, can counter pay dissatisfaction and improve the financial well-being of financially stressed workers because they are guided in making good financial and investment decisions (Kim & Garman, 2004). Tang et al. (2003) notes that when workers budget their money well, they tend to have high internal locus of

control. Thus, by having good training courses on how to budget their money, it will likely enhance workers' sense of control and satisfaction.

While developing the widely used Pay Satisfaction Questionnaire (PSQ), Heneman, Greenberger, and Fox (2002) have conceptualised and used a new perspective of pay satisfaction. Pay satisfaction is not a unitary construct but it can be subdivided into four dimensions. They are namely satisfaction with pay level, raises, structure and administration, and benefits (Morgeson et al., 2001). Throughout the years, pay practices have changed tremendously but the measure and research are too few and still not up to date (Heneman et al., 2002). Heneman et al. (2002) have proposed six dimensions of pay increase satisfaction, namely pay increase amount, pay increase opportunity, pay increase form, pay increase requirements, pay increase personal control and pay increase rules. These dimensions are not used by PSQ studies before. They term these new dimensions as pay increase satisfaction (instead of pay raise satisfaction) because pay may not constitute permanent pay raise but may instead be a cash bonus, while both raise and bonus are pay increase.

It will be more realistic to expect that everyone does not perceive pay satisfaction similarly. Some think that two dimensions are sufficient to represent pay satisfaction while for others four or five dimensions may be more appropriate. People with high cognitive complexity are able to differentiate multiple dimensions of a construct, such as Pay Satisfaction Questionnaire. Cognitive complexity refers to people's characteristics that examine how they employ and utilise information to evaluate their environment. To people who have low cognitive complexity and who are unfamiliar with the nuances of remuneration administration, construct with three or less

dimension may be appropriate. The level of cognitive complexity implies that solutions to pay dissatisfaction for a group of employees with varied levels must be different. Employees with high cognitive complexity, for example, can manage to discriminate between pay level and pay administration. It is only the improvement based on the exact dissatisfaction such as pay administration that will improve the pay dissatisfaction (Carragher et al., 2004).

Keaveny and Inderrieden (2000) tested the impact of work history on pay satisfaction and expectations, based on equity and social comparison theories. Family financial situation is found to influence pay satisfaction positively. Gender differences in pay satisfaction are independent of work history and one's family situation. Current salary dominates pay satisfaction and pay expectations. People are generally more satisfied with higher income. When controlling for salary, women are more satisfied with their pay than are men. With interesting work, benefits, good job security and advancement opportunities, there is a higher tendency of higher pay satisfaction. Employees get more satisfied with their pay when they have a growing satisfaction with any of the job facet. Men expect larger percentage increases in salary while women appear to be more satisfied than men with a given level of compensation (Keaveny & Inderrieden, 2000).

Lowly paid workers who receive very little attention are studied on their money valuation and its effect on their pay satisfaction. The rationale of taking a psychological view on low pay is that pay always needs to be understood in the context of ones' attitudes towards money. The meaning and importance of money affects life and pay satisfaction. Individual differences influence the way people feel

satisfied with their pay. The valuation of money may be a variable that explains some research findings about lowly paid workers feeling satisfied with their pay, than those in high pay. Lowly paid workers are overwhelmed by the long working hours. Nevertheless, these workers also have aspiration and high regards for money, similar to those who are better off in the society (Thozhur, Riley, & Szivas, 2006).

Tang and colleagues (2002b) find that full-time workers have higher satisfaction with pay, work and promotions than part-time employees. When both intrinsic and extrinsic rewards are present, extrinsic rewards will be more salient to these full-time employees. They focus on the positive aspects of money in the employment situation, thereby they work for the money. Part-timers are less satisfied with their pay and job in general because they earn lower income, have less benefits and less promotion opportunity. Income has been the only predictor of pay satisfaction. For part-time employees, income and age are predictors of pay satisfaction. When one's pay satisfaction is quite high while he/she does not increase the importance of money and if one does not compare one's own pay with that of others, he/she will be satisfied with his/her pay (Tang et al., 2002b).

Pay has become a very important factor after employment but it has not been the most important one before employment. Workers may not be very honest about their attitudes towards money that most managers are unlikely to be able to gauge. Leavers often have low pay satisfaction than stayers (more than 18 months of employment), although the formers' salaries are higher. This is found to be true in a study of professionals from the mental institutions (Tang et al., 2000). People who budget their

money very well and have high economic values tend to have high level of pay dissatisfaction (Tang et al., 2000).

Morris, Yaacob, and Wood (2004) find that Malaysian academicians perceive and determine if the institutions practise justice and fairness based on the policies and procedures on pay and promotion. Rewards are given to the employees in return to the contribution to the institutions' achievements. Psychological and non-psychological rewards shall be fulfilled if the company wants to lower the turnover. Malay academicians are found to be less satisfied with pay rates. Staff with better qualifications are more likely to be dissatisfied with the pay rates and promotional procedures. Those who fall into higher income brackets are more satisfied with their pay rates. Older academic staffs are less likely to be dissatisfied with the pay rates as long as they are entitled to other rewards such as pension plans and medical benefits (Morris et al., 2004).

Of the findings reviewed, ones' pay satisfaction is determined by multiple factors such as demographic variables (e.g. income), social comparison, and money attitudes. Pay satisfaction is able to reduce turnover, enhance work quality and increase satisfaction with work facets. Nevertheless, there are limited literatures on pay satisfaction and money attitudes. It is also rare to include both career satisfaction and the perception of well-being in a primary study. This study aims at closing this research gap.

2.3 Career Satisfaction

Arthur, Khapova, and Wilderom (2005) explain that career itself is not a permanent work arrangement but a progress in work experiences cumulated over the years. It is strictly time-relevant as career success can be represented by individual's mobility within the organisation. Three schools of thoughts have been proposed over the years on career success. First, objective career success affects subjective career success. Second, researchers have emphasised on elevating the role of subjective career success. Third, objective and subjective career successes are interdependent. Most studies limit the variables that lead to career success to ascendancy, salary increases or scales of career satisfaction (Arthur et al., 2005).

In general, there are a few antecedent sets of career success, namely human capital, demographic, family and structural or work variables. Human capital variables usually include the level of education, work experience, competency, work hours, work centrality, job tenure, work experience, career planning, and many more (Aryee, Chay, & Tan, 1994; Judge, Cable, Boudreau, & Bretz, 1995; Ng, Eby, Sorenson, & Feldman, 2005). Judge et al. (1995) categorised work hours and work centrality as motivational variables in predicting career success while, Ng et al. (2005) and Aryee et al. (1994) group them as human capital. Demographic variables, on the other hand, explain substantial variance in career success. The variables include age, marital status, gender and social status. The variance among the said variables is more profound in objective career success (Judge et al., 1995). Family variables are related to subjective career success. Past literatures have posited that there will be a spillover

effect between career and family life. For example, an employed wife will have a negative effect on a husband's subjective career success.

As for the structural or work variables, Aryee et al. (1994) note that these variables are responsible for the employees' subjective career successes. The variables target at the individual employee, which include the existence of internal labour market, span of responsibility and control, job discretion, and performance contingent rewards. Judge et al. (1995) group structural or work variable from an organisational perspective by grouping them into organisational, industrial, and regional levels. They include variables such as organisational size, organisation performance, and public visibility, which appear to influence the objective career success. Ng et al. (2005) further propose that the individuals' dispositional traits, socio-demographic, and work or structural variables as organisational sponsorship. Organisational sponsorship is the granting of upward mobility by the influential figure in an organisation. The promotion is not based on the individuals' performances.

Arthur et al. (2005) have noted that the career success studies draw on contemporary career theory. The theory describes career success in terms of subjective career and objective career of an individual. Subjective career reflects the individuals' evaluation of careers and the future of their careers. Objective career reflects almost publicly observable official positions, situations, and social status. Thus, career success can be defined as the result of one's career experiences over time through the achievement of desirable work-related outcomes (Arthur et al., 2005). It is beyond the scope of this study to discuss at length about career success and objective career. Subjective career

success will be reviewed in detail because it refers to the individuals' career satisfaction (Seibert, Kraimer, & Liden, 2001).

Seibert and colleagues (2001) explain that subjective career success is also known as intrinsic career outcomes. It refers to the individuals' subjective feelings of accomplishment and satisfaction with their careers. It is the individuals' psychological empowerment relating to their careers that result in their career satisfaction. Psychological empowerment allows the individuals to feel that they have control and competency over their works (Seibert et al., 2001). This may not be the case in the study of Aryee and colleagues (1994). They find that the span of control and responsibility is not significant for career satisfaction. Intrinsic career outcomes are related to extrinsic career outcomes but both of them are distinct constructs (Aryee et al., 1994; Seibert et al., 2001). They are reflecting the individuals' sense of success, and achievement of goals and expectation. The outcomes may also reflect the societal benchmark of success (Judge et al., 1995).

Judge and associates (1995) have tested a comprehensive model of executive career success that includes both objective and subjective elements. Objective career success is operationalised by compensation and ascendancy (number of promotions) while subjective career success is operationalised by current job satisfaction and career satisfaction. Ng and associates (2005) in their study also operationalised objective career success by salary level and promotions, while subjective career success by career satisfaction. Both Judge et al. (1995) and Ng et al. (2005) have posited that objective career success can predict subjective career.

Motivational, human capital, and demographic variables are found to explain a lot about career satisfaction and objective career success, especially on pay (Judge et al., 1995). Human capital and socio-demographic are found to have stronger positive relationship with objective career success than subjective career success (Ng et al., 2005). Education quality, accomplishment rating, and job satisfaction are also positively related to both career satisfaction and objective career success. For instance, ambitious executives and executives with law degrees earn higher salaries and received more promotions. Career satisfaction and job satisfaction are related but they are distinct variables. Pay is positively related to promotions. International experience, job experience and occupational tenure experience positively predicted ascendancy but not pay (Judge et al., 1995). Some successful managers are not satisfied with their careers and do not feel successful. Based on their own subjective or internal perspective of success, this type of managers sees themselves as failures (Korman, Wittig-Berman, & Lang, 1981).

To examine the antecedents of subjective career success, Aryee and colleagues (1994) use individual variable, and family and work structure variables in their research. There are two dimensions in the individual variable, namely human capital and work values. Education, work experience, and competency describe the human capital dimension while work ethics and value congruity explain work values dimension. Span of control, span of responsibility, internal labour market, performance contingent rewards and job discretion, are work structure variable. The authors find that, only competency (from the human capital dimension) is positively related to career satisfaction. Individual work values and internal labour market are significant

in promoting career satisfaction. People with high work ethics and if the organisational values are congruent with theirs, they are more satisfied with their career. High level of career satisfaction is also achievable when there are more internal promotions.

Career satisfaction is one of the career outcomes, defined internally by individuals. Job performance evaluations are positively related to career satisfaction. A person's career satisfaction will be lowered when the immediate superior holds negative view on him or her and thereby grants low rating, low increment, less job assignments and less recognition. Those in the minority group are less likely to be satisfied with their careers as they receive less favourable job performance evaluations of promotability. They are more likely to have plateaued in their careers. Race has a small indirect relationship with career satisfaction because of the perceived discretion and autonomy on the job. For instance, the blacks have lower level of career satisfaction because they receive less job discretion, autonomy and lower rating for job performance, thus hindering their opportunities for advancement (Greenhaus, Parasuraman, & Wormley, 1990).

When employees build strong relationships with almost every one in the organisation, it is more likely that they will get more access to information and assistance. Social network is beneficial to career success if individuals have access to information, resources, and career sponsorship. Employees' career satisfaction is often related to their ability to gain organisational information, and resources such as funds and materials. This will make the employees feel more satisfied with career progress because there is greater psychological empowerment concerning their careers. It is

best for employees to invest in many weak social ties but it is more important to selectively and heavily invest in those ties that increase career benefits (Seibert et al., 2001).

The investment of social energy in multiple weak ties will provide the employees with greater access to social groups other than their own. This is supported by the integration of the three major social capital theories, namely weak ties, structural hole and social resource. These approaches together suggest that greater access to information, resources and sponsorship will bring about career mobility. Employees' access to information, resources and career sponsorship can yield higher salary, number of promotions received, and above all, higher career satisfaction. Thus, employees' access to social capital will enhance their career success (Seibert et al., 2001).

In their efforts to understand career success, Wayne, Liden, Kraimer and Graf (1999), as well as Ng et al. (2005) use Turner's perspective on contest-mobility and sponsored-mobility in their research. Contest-mobility theorises that every individual can compete for upward mobility based on his or her job performance. Sponsored-mobility, on the other hand, theorises that it is only the chosen ones, by the influential figures, who will be able to obtain upward mobility, independent of their individual job performance. In other words, those with wide social network involving powerful personnel would be the ones to gain higher chance to be promoted. Wayne et al. (1999) assign leader-member exchange (LME) and supervisor career mentoring as sponsored-mobility system. They have found that LME is positively related to career satisfaction, salary progression and promotability. Supervisor career mentoring is only

related positively to promotability. There is very limited support for contest-mobility perspective.

Based on the mobility approach, Ng et al. (2005) identify some predictors of career success, namely human capital, organisational sponsorship, socio-demographic status, and stable individual differences that include dispositional traits. Human capital, stable individual differences and organisational sponsorship are positively related to career success, while socio-demographic showed negative relationship. Organisational sponsorship and stable individual differences are strongly related to career satisfaction. Employees who received good support from their superiors and have good interpersonal skill, for instance, have better upward mobility. Gender is found to moderate the positive relationship between education and career satisfaction, where educated women are more satisfied with their careers, as highly educated personnel generally have higher career satisfaction.

Like Seibert et al. (2001) and Ng et al. (2005), Barnett and Bradley (2007) hypothesise that career satisfaction can increase with proactive personality when employees practise career management behaviours. Individual career management behaviours include career planning, networking, skill development and visibility, which aid individuals to achieve their career objectives. Individual career management behaviours must itself be positively related to career satisfaction and proactive personality, thus allow the personality to influence positively on ones' satisfaction towards their careers. Individuals with proactive personality are an opportunist in that they manage to act on opportunities they have to influence changes in their surroundings. Therefore proactive employees will initiate change in their

career situations in such a way that they can work towards attaining their desired goals. With the progress achieved, proactive employees are more likely to be satisfied with their careers.

Networking ability is again posited by Todd, Harris, Harris and Wheeler (2009) that it is positively related to career outcomes, such as career satisfaction, total compensation, total promotions, life satisfaction and perceived external mobility. Those with good political skills have very high level of self-awareness and are able to influence others with their personal styles. They manage to gain access to organisational information and resources, through formal and informal relationship. Networking ability is one of the dimensions of political skill, other than interpersonal influence, social astuteness and apparent sincerity. Apparent sincerity is related positively with individuals' career satisfaction, but not other career outcomes. People with apparent sincerity appear to be sincere in their interpersonal interactions and well liked. This notion can be a means for upward appeal and results in higher satisfaction with career.

Tsui and Gutek (1984) states that there are fewer women in higher management level more than two decades ago although they are seen as slightly more effective. Women managers will experience greater career success than men, especially in terms of promotion rate, merit increase, and attitudes towards their jobs. Women tend to receive larger merit increase and they are more satisfied with advancement and their supervisors. They are also more satisfied with their peers and jobs than their male counterparts. For those who manage to be at the management level, there has been

doubt whether their positions are achieved based purely on their performance or the practice of affirmative action policies (Tsui & Gutek, 1984).

Based on study conducted by Punnett, Duffy, Fox, Gregory, Lituchy, Miller, Monserrat, Olivas-Lujan, and Santos (2007), career satisfaction among Brazilian women increases slowly along the age, but in other countries like Argentina, Canada, the USA, and Jamaica, inverse relationship is found to hold true. Although least educated women are more satisfied than those with post doctoral degrees, successful women in the surveyed countries are more satisfied with their career than their male counterparts. As the successful women always strive to achieve the best and have high self-efficacy, they tend to have higher career satisfaction, too. They feel worthwhile and satisfying when they manage to accomplish the set objectives. However, when they believe that they do not have control over the work reinforcement, their career satisfaction will be reduced.

Career satisfaction, salary, and hierarchical levels have been the three common variables used to measure ones' career success (Aryee et al., 1994). Career satisfaction has always been used to conceptualise subjective career success. Variables that explain objective career success are also found to explain career satisfaction. This is fairly sensible as pay and promotion opportunities affect job and career attitudes (Judge et al., 1995). However, there is inconsistency to the claim because Ng and colleagues (2005) have found that objective and subjective career success are not predicted by the same variables. They agree that objective career success is positively related to subjective career success (Judge et al., 1995; Ng et al., 2005) as evident from the positive relationship between pay and promotion, and career satisfaction. In

other words, executives use pay and promotions to measure their career satisfaction and own career success (Judge et al., 1995).

Past studies have shown that objective career success is often conceptualised as pay and ascendancy while subjective career success as career satisfaction. It has also been shown that objective career influence subjective career success positively (Judge et al., 1995; Ng et al., 2005). However, there have been different conclusions drawn on the determinants for objective and subjective career success. Some researchers have claimed that variables that explain objective career success also explains career satisfaction (Judge et al., 1995) while some have found different predictors for the former and the latter (Ng et al., 2005). Of interest in this study are employees' attitudes towards money and pay satisfaction as the antecedents of career satisfaction.

2.4 Subjective Well-Being

Subjective well-being is colloquially referred to as 'happiness' (Diener, 1994; Biswas-Diener, Diener & Tamir, 2004). One's happiness is a process rather than a destination (Biswas-Diener et al., 2004). Subjective well-being refers to the global experience of positive reactions to life that include lower order components (Diener, 1994). It is also a state where people believe their lives are going well and want to achieve many different values. There are well-being indicators that able to examine the complete range of factors to quality of life. It ranges from social relationship to spirituality and from material consumption to feelings of relaxation and security. One of the well-being indicators is also life satisfaction (Diener, 2006).

Historically, happiness is considered to be the highest motivation for human action. Past literatures on subjective well-being (SWB) have been focusing on the way and reason for people to have positive experience in their lives. It includes cognitive judgements and affective reactions. Various terms have been used, namely happiness, satisfaction, morale, and positive affect to describe subjective well-being that individuals experience. There are three categories of SWB. Firstly, the external determinants such as virtue or holiness have been used to define well-being. Happiness is more desirable than merely its subjective state of being happy (Diener, 1984).

Secondly, well-being is a subjective perspective which differs among individuals because it is up to them to define the standards of good life. Studies on this category tend to measure people's life satisfaction. Thirdly, happiness has been defined as a pleasant emotion or positive affect over negative one. SWB defined in this category is concerned about pleasant emotional experience. This definition of SWB does not involve objective conditions such as health, comfort, virtue or wealth although they appear to be potentially affecting subjective well-being. Measures of subjective well-being consider all aspects of one's life. The time frames of the measures vary from a few weeks to a person's whole life (Diener, 1984).

Diener, Suh, Lucas, and Smith (1999) explain that the components of subjective well-being are pleasant affect, unpleasant affect and life satisfaction (Diener, 1994). Life satisfaction is a cognitive component while pleasant and unpleasant affects are the affective components. The affective components are the aspects of subjective well-being. Life satisfaction on the other hand does not receive much attention. Individuals

tend to assign different weight on the components of a good life. Therefore, most studies assess individual's global judgement of life rather than their satisfaction with specific domains (Pavot & Diener, 1993). One's affect is defined as mood and emotion. Pleasant or positive affect in one self can be heritable. Domains of satisfaction are capable of influencing people's affect, which include domains of work, family, leisure, health, finances, self, and one's group.

Although life satisfaction is a subset of subjective well-being, it is a separable construct and must be independently examined. In most studies, education must be a control (Diener & Biswas-Diener, 2002). Life satisfaction is not a direct measure of emotions although it may be indirectly influenced by affect. It has been the most consistent and stable variable but indeed when people are assessed at a particular moment, their emotions can be much unstable and inconsistent (Diener, 1984). Life satisfaction is also subject to ones' working and living conditions, and their satisfaction with work and non-work issues (Near, Smith, Rice & Hunt, 1984; Chacko, 1983, Judge, Ilies & Scott, 2006). For instance, ones' family satisfaction (non-work) helps explain work satisfaction (Near et al., 1984; Iverson & Maguire, 2000), which will lead to life satisfaction (Near et al., 1984).

Diener and colleagues (1999) posit that if individuals can fulfil their basic and universal human needs, which also referred as bottom-up approach, they are likely to be happy all the time. The approach maintains that happiness is simply the total of many momentary pleasures (Diener, 1984). If one turns to top-down approach, he or she has a structure within that determines any events and circumstances to be happy (Diener et al., 1999). In other words, individuals are happy not because they enjoy the

pleasures but they feel happy, and therefore are able to enjoy the pleasure. Happiness also lies in ones' attitude, for instance a sanguine person may perceive most events in the positive light (Diener, 1984). People tend to be happier and more satisfied when they do downward comparison (compare with the less fortunate people) than upward comparison (compare with the more fortunate people) (Diener et al., 1999).

Diener (1984) explains on the activity theories that stress on human activities that bring about happiness. The theories were initially proposed by Aristotle. He maintains that happiness is the result of well-performed activity. However, self-awareness will lower happiness which in sync with the famous idea that concentrating in being happy will in turn be self-defeating. Instead, if ones concentrate on the activities, their level of happiness will unintentionally rise. The activities have to be substantially challenging and complementing to a person's skills, and the flow of pleasurable experience will surface. There is also one general cognitive approach to happiness, which is related to associative networks in memory (Diener, 1984).

A person with predominantly positive memory network will be predisposed to reach to events in a positive way. Attempts to avoid unhappy thoughts and think of the happy ones, will enhance happiness. Some individuals are habitually thinking positively as they have built up a strong network of positive associations. Certain individuals live up to the judgement theory whereby they will be satisfied or happy if they are better off than others or they experience better current events than the standard. However, if they are always better or continue to experience good events, adaptation will occur, and they will raise their own standards to be happy (Diener, 1984).

Quality of life is a wider field as it is a multidimensional construct. It covers ones' well-being in life domains such as health domain, financial domain or work domain. Single variable such as subjective well-being has been used to measure quality of life when quality of life is treated as analogues (Dallimore & Mickel, 2006). Subjective well-being can be an important indicator of quality of life because it manages to conceptualise ones' momentary state such as moods, and ones' relatively stable trait such as life satisfaction (Eid & Diener, 2004). Development of researches in quality of life is led by work-life research. However, quality of life issues are wider than work-life alone. The quality of life issues are more related to ones' perceptions of their life quality (Dallimore & Mickel, 2006). They rely on ones' expectation and satisfaction with living conditions (Near et al., 1984). Work-life research only examines work and non-work environment. It usually suggests that ones' work can seriously influence their personal lives, and conversely. With careful management, work and non-work elements can be mutually enhancing, otherwise they can cause huge conflicts to one's life (Dallimore & Mickel, 2006).

Diener and Biswas-Diener (2002) examine if money will make people happier. Based on their literature review, they conclude that impoverished individuals score better in social democratic nations with liberal welfare benefits. For instance, poor people in former East Germany are more satisfied with their lives, while wealthier people in former West Germany have higher life satisfaction. Wealthier respondents are dissatisfied in unstable conditions or unstable countries, such as Russia. Poorer people in places like Japan and France are less satisfied than the wealthier ones. Poverty among poor individuals in poor nations also shows low subjective well-being.

Change of income in ones' lives may not influence them as it depends on individuals. For example, some retirees have very good well-being although they do not have income (Diener & Biswas-Diener, 2002). Older persons generally report higher level of happiness except in the health domain. They judge their lives in more positive ways than the younger ones although the latter have higher levels of joy (Diener, 1984). Thus, there is indeed no straightforward input-output ratio or relation between money and happiness (Diener & Biswas-Diener, 2002).

The relationship of income-subjective well being is moderated by psychological variables such as desires and social comparisons (Diener & Biswas-Diener, 2002). Ones' satisfaction with their income depends on situational comparison with others (Diener, 1984). High desire for money may lower subjective well-being. Objective life conditions that are caused by higher income will enhance subjective well-being. Nevertheless, additional increase in wealth may only bring about small influence on subjective well-being (Diener & Biswas-Diener, 2002). People with higher income appear to be happier than others. But when the effect of income has reached a plateau, income does not have any effect on happiness. Continuous rise of income in a long period of time may offset people's happiness because there will be more stress which can prevent subjective well-being to rise hand-in-hand with income (Diener, 1984). Thus, ones' heavy emphasis on wealth acquisition may be counterproductive to happiness (Diener et al., 1999; Diener & Biswas-Diener, 2002).

Nevertheless, Diener, Sandvik, Seidlitz, and Diener (1993) have found that high incomes can meet ones' needs for mental stimulation and interest. For instance, only

the rich or the high income people can afford to own boats or travel on luxury packages. Status is also always accrued to wealthy people and those with high incomes. With money, individuals can avoid stress and distress by hiring others to attend to any unpleasant jobs for them. Wealth and high income in these circumstances may relate to subjective well-being. Society has generated needs in people and they can only be met by high income. It is indeed difficult to live in industrialised cities if people earn low incomes. Their findings are echoed by Diener, Diener and Diener (1995), that high income, high equality and human rights are positively related to subjective well-being. Income is related positively to subjective well-being even when basic or lower needs are controlled. It is not mediated by past level of income of a person. Individualism is also positively related to subjective well-being probably because individuals have more freedom to choose their own lives. Successful people are more likely to attribute success to themselves in individualistic societies.

When individuals live with positive emotions, somehow they tend to earn higher salaries. For example, if they are happy with their working environment, they will be happy with their work and people around them. Eventually, they will perform better in the company, speed up their faster career advancement, and have higher salaries (Diener, 2006). Compared to the unemployed individuals, they go through a devastating financial stress and thus have very low level of subjective well-being (Diener, 1984). Past studies have evaluated conditions of the lives of individuals by assessing their present feelings or requesting them to reflect back on the past. The reflection somehow can aid them in predicting the future states. One can be relatively

satisfied with life but may not experience a high level of positive emotions (Diener, 2006).

When conducting a research on college students, aged between 17 to 21 years old, Eid and Diener (2004) have found that mood fluctuation among these students is related to the variability in their subjective well-being. Individuals with positive mood are more satisfied with their lives in general and also specific domains in life, such as the financial and family domains. The positive mood includes the presence of optimism, less neuroticism, and high self-esteem (Eid & Diener, 2004). In general, people with high self-esteem, internal locus of control, and intelligence experience higher level of happiness. Most of the time, people like to recall previous incidents which are consonant with their present affect (Diener, 1984). Biswas-Diener and colleagues (2004) also explain that positive affect includes pleasant emotions such as joy and content, while negative affect includes unpleasant emotions such as fear and anger. The correlation between positive and negative affect is strongly inversed. For instance, when one has strong positive affect, he or she will have lower negative affect. It is very rare for one to experience high on both affects at one time (Diener, 1984).

Diener and Biswas-Diener (2002) have claimed that personality is closely related to subjective well-being. People who are more extrovert and sociable are more sensitive to rewards. They also demonstrate more positive emotions in the work place. Individual adaptation to the positive and negative life circumstances and high quality social relations will also lead to subjective well-being. Unavoidably societal culture will influence the approach to happiness. Income, gender, age, employment,

religiosity, intelligence, health, geography, and education level, have shown the least importance to happiness, based on past studies (e.g., Biswas et al., 2004). Contradictorily, some past findings have shown that money is weakly related to happiness. An increase in income has only little effect on ones' happiness. Focussing on money as major goal in life is claimed to be even more detrimental (Diener & Biswas-Diener, 2002; Biswas et al., 2004).

Dallimore and Mickel (2006) have conducted an exploratory qualitative study on working professionals. They examine the language that people used when elaborating about their acquisition of high quality of life. Most people when faced with obstacles in life will be very stressed up. The said obstacles are the result of self-related elements and external issues. Self-related obstacles are the negative self-perceptions which includes attitudes towards success and money. Rewards in this case will be able to overcome such obstacles. In this case, undoubtedly, jobs with limited remuneration can be one of the obstacles to ones' pursuit of life quality. As for external obstacles, they may range from work to non-work issues. When individuals are worried about their next job promotion (work issue) or are troubled by unwell children at home (non-work issue), they can be very tension and find it very difficult to achieve good quality of life.

As subjective well-being appears not to impact only on the individual (also to people around and the work environment), it is an important research interest that warrants for further investigation. Previous literatures have looked into the root of subjective well-being and its antecedents such as personality, mood and income. None has yet to

examine its direct and indirect relationship with attitudes towards money and pay satisfaction. This is examined in this study.

2.5 Hypotheses Development

People and organisations are generally motivated by money (Tang et al., 2000). The attitude towards money explains pay satisfaction among lowly paid workers and high income employees (Thozhur, Riley, & Szivas, 2006). When employees do not use the love of money as their 'frame of reference' to weigh their level of satisfaction with pay, they will not encounter low level of pay satisfaction (Tang, Tang, & Homaifar, 2000). People's pay satisfaction depends on how important money is to them. When it is not important, then they will be satisfied with their pay (Tang et al., 2002b).

Tang and Chiu (2003) have found that employees in Hong Kong have high level of pay satisfaction when their love for money is low. However, without substantially high pay, individuals may face financial distress (Kim & Garman, 2004). Employees have to at least be able to satisfy their basic needs. People, who are either paid low or high, have high aspirations in life (Thozhur et al., 2006). As money becomes the means to fulfil their aspirations, it has to be earned at a satisfactory level. Therefore, employees with positive or negative attitudes towards money may display different levels of pay satisfaction.

In a materialistic society, almost every one works for money, especially if ones who value money. Money will be able to satisfy higher order needs (Tang et al., 2003). When someone has enough money to own a private jet, the jet does not only manage

to facilitate his or her travelling, it is also possible to improve the well-being. Money will be able to satisfy higher order needs, which include self-actualisation (Tang et al., 2003). Ones' love of money may not directly lead to career satisfaction and subjective well-being. By involving in works, people will be rewarded and as the salary is substantial, they will feel satisfied. It is the substantial income that they can afford to satisfy their needs. Of that, it is plausible to posit that one's pay satisfaction is related to his or her subjective well-being.

It has been shown that objective career influences subjective career success positively. Objective career success is often conceptualised as pay and ascendancy while subjective career success as career satisfaction (Judge et al., 1995; Ng et al., 2005). This suggests a possible connection between ones' pay satisfaction and career satisfaction, where very limited research has yet to establish this connection. Of course, high pay or pay satisfaction alone will not contribute to career and life satisfaction, as pay is only the extrinsic reward from the efforts that ones put in, while career and life satisfaction is more intrinsic (Tang et al., 2003). Nevertheless cumulative research findings and gaps lead to the possibility that people who love money will be satisfied with their career and experience subjective well-being, only when they are satisfied with their pay. Hence, this study proposes that pay satisfaction will be treated as a mediator between attitudes towards money and, career satisfaction and subjective well-being. For pay satisfaction to be a mediator, the following equations (Baron & Kenny, 1986) must be tested:

1. the independent variable (attitude towards money) must affect mediator (pay satisfaction);

2. the independent variable must affect the dependent variables; and
3. both independent variable and mediator must affect the dependent variables (career satisfaction and subjective well-being)

If there is mediation, the effect of third equation will be lesser than the second one. Attitude towards money has no effect on career satisfaction and subjective well-being when pay satisfaction is controlled or absent from the relationships. Hence, the final hypotheses in the following will be tested.

Hypothesis 1: Pay satisfaction mediates the relationship between employees' attitudes towards money and career satisfaction.

Hypothesis 2: Pay satisfaction mediates the relationship between employees' attitudes towards money and subjective well-being.

2.6 Research Framework

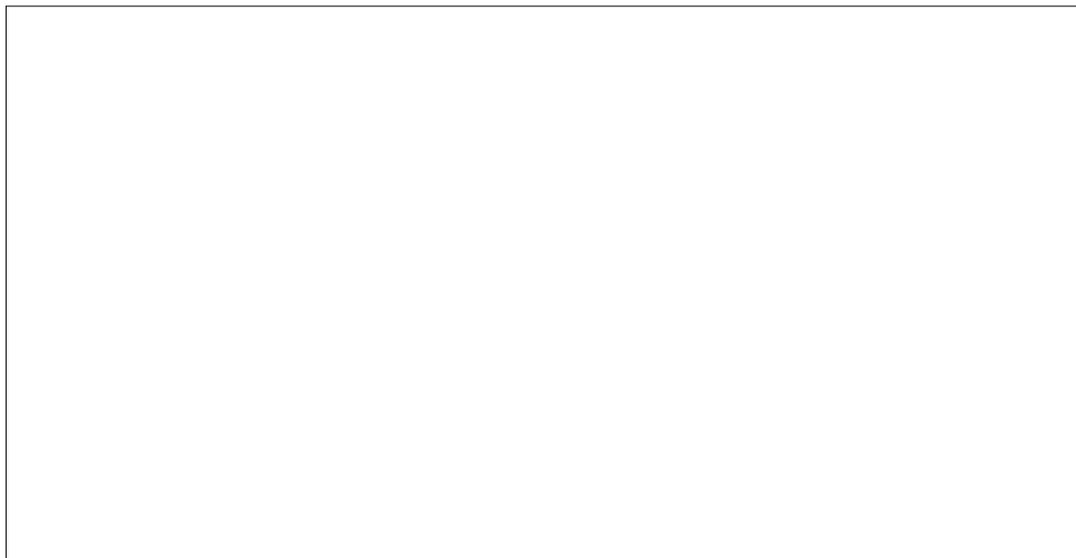


Figure 1: Research Framework

As highlighted in the previous section, the present study is to test the hypotheses that employees' pay satisfaction mediates the relationship between attitudes towards money and, 1) career satisfaction; and 2) subjective well-being (Figure 1). The justification of the study, literature review on the variables, and hypotheses are discussed and proposed. In this study, the attitude towards money is the independent variable, while career satisfaction and subjective well-being are the variables of interest. Pay satisfaction is expected to be a significant mediator in the proposed relationships. As independent variable is assumed to be related to the mediator, both the independent variable and the mediator shall be correlated. A full mediation effect is significant when the indirect path is stronger than the direct path. Direct path refers to the relationships that omit the mediator. If the said independent variable does not affect the dependent variables when the mediator is controlled, the mediation effect holds (Baron & Kenny, 1986).

To the best of my knowledge, the proposed framework (Figure 1) has not been investigated in the past. The variables have, individually, been widely studied. However, the attempt to relate all of them into one model has not been done, at least not in the published literatures.

2.7 Summary

Each variable of interest has been systematically reviewed in the previous section, namely attitudes towards money, pay satisfaction, career satisfaction, and subjective well-being. The research gaps and inconsistencies are discovered after reviewing the past studies. Therefore, hypotheses and framework are developed and tested in the following chapter, in order to fill the void.