

EXAMINING THE RELATIONSHIPS AMONG CORE SELF-EVALUATIONS, PAY
PREFERENCES, AND JOB SATISFACTION IN AN OCCUPATIONAL ENVIRONMENT

by

HEATHER S. SOVERN

B.A., Washburn University, 2005

A THESIS

submitted in partial fulfillment of the requirements for the degree

MASTER OF SCIENCE

Department of Psychology
College of Arts and Sciences

KANSAS STATE UNIVERSITY
Manhattan, Kansas

2008

Approved by:

Major Professor
Patrick A. Knight

ABSTRACT

A structural equations model hypothesizing that individuals' core self-evaluations would significantly predict their preferences for various pay plan characteristics (e.g., high risk, variable pay, etc.) was tested. This hypothesis, which specified that individuals with higher levels of core self-evaluations would prefer pay plans that offered greater risk and less certainty regarding the amount of pay received, was supported. Furthermore, it was also hypothesized that congruence between an individual's preferred pay plan characteristics and the actual type of pay plan that he or she receives would result in higher levels of employee job satisfaction and pay satisfaction. This hypothesis was partially supported, as the relationship between congruence and job satisfaction was significant, while the relationship between congruence and pay satisfaction was not significant. Finally, it was hypothesized that the relationship between congruence and satisfaction would be moderated by the value that the individual places on money. This hypothesis was not supported. The results of this research indicate that personality characteristics may have a significant impact on the type of pay plan that an individual will prefer to receive. Furthermore, this research provides additional support for the belief that high levels of fit between the characteristics of individuals and the characteristics of the organizations for which they work will result in higher levels of employee satisfaction. Finally, the degree of importance that an individual places on money does not appear to alter the relationship between fit and satisfaction. These results have strong implications for businesses that wish to improve employee satisfaction and reduce employee turnover, as well as for individuals who are seeking occupations for which they will best be suited.

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ACKNOWLEDGEMENTS

The completion of this project would not have been possible without the help of my major professor, Dr. Patrick A. Knight, to whom I am greatly indebted for all of his academic guidance and support. I would also like to express my sincere gratitude to Dr. Don Saucier and Dr. Clive Fullagar for their contributions to this project, as well as for their commitment to my academic success.

DEDICATION

I would not be at this point in my life were it not for the love and support of many individuals to whom I will forever be grateful. Therefore, I would like to dedicate this thesis:

To my family, who always encouraged my academic success, praised my intellect well beyond its merits, and pushed me to excel.

To my graduate school companions (you know who you are); this experience would not have been the wonderful life-changing journey that it has been, had I not had the privilege of sharing every day with each of you. You have become my family and I love you.

Finally, to my fiancé Jesse; I will never be able to tell you how grateful I am for your tireless support, your infinite patience, and most importantly, for your unwavering love and devotion. You truly are my companion, in every sense of the word.

INTRODUCTION

Beginning with the work of Judge, Locke, and Durham (1997) and proceeding into the present, a growing body of research has provided increasing support for the hypothesis that locus of control, generalized self-efficacy, self-esteem, and neuroticism are components of a higher-order factor known as core self-evaluation (CSE; Judge, Locke, Durham, & Kluger, 1998). Locus of control can be described as the degree to which individuals believe that they are in control of the events that take place in their lives, or alternatively believe that the environment or fate is responsible for these events (Judge et al., 1998). Generalized self-efficacy is conceptualized as an estimate of one's fundamental ability to cope with life's stresses, and his or her belief in their ability to utilize the resources necessary to exercise general control over their lives (Judge et al., 1998). Self-esteem is the basic appraisal that individuals make of themselves and the overall value that one places on himself or herself as a person (Piccolo, Judge, Takahashi, Watanabe, & Locke, 2005). Finally, neuroticism is the tendency to exhibit poor emotional adjustment and experience negative affect such as fear, hostility, and depression (Goldberg, 1990). Once thought of as unique individual difference variables, these traits have been shown to be indicators of the higher-order CSE factor, which can be described as a construct representing the fundamental evaluative judgments that individuals hold about themselves and their functioning in the world (Judge et al., 1998; Judge, Van Vianen, & De Pater, 2004; Piccolo et al., 2005).

Research has shown that the four facets of CSE satisfy a number of criteria that are necessary for the establishment and validation of a higher-order construct. Using meta-analytic procedures, Judge, Erez, and Bono (1998) examined the data from 12 samples and approximately 15,000 individuals to investigate the relationship among the four hypothesized facets of CSE. A

principal components analysis indicated that the factor loadings for self-esteem, generalized self-efficacy, locus of control, and neuroticism were .92, .90, .77, and -.77, respectively, explaining 71% of the variance in the CSE factor. Similarly, confirmatory factor analyses conducted by Erez and Judge (2001) found that a second-order factor model in which the four facets were allowed to load onto a single latent factor fit the data significantly more effectively than a first-order factor model in which each of the scale items were forced to load onto their respective factors (e.g., neuroticism scale items were forced to load on the neuroticism construct). The factor loadings of self-esteem, self-efficacy, locus of control, and neuroticism were .96, .81, .77, and -.54, respectively. These results provide further evidence of a higher-order factor that accounts for much of the relationship between the facets of CSE. An additional confirmatory factor analysis conducted by Judge, Bono, and Locke (2000) found similar factor loadings of .97, .94, .62, and -.81, respectively. Research examining the structure and composition of the core-self evaluation construct reveals similar patterns and degrees of relationship among the facets of CSE, such that self-esteem and generalized self-efficacy consistently display the strongest relationships to the CSE factor. Additionally, neuroticism consistently displays a negative relationship with the CSE factor while the remaining facets display significant positive relationships.

Judge and Bono (2001) and Judge, Erez, Bono, and Thoresen (2002) conducted meta-analyses to establish the convergent validity of the CSE construct by examining the relationship between the four components. These studies found an average correlation of .64 and .60 respectively, among the four facets, indicating substantial overlap in their predictive abilities. The core self-evaluation factor has also been shown to be stable over time, displaying a test-retest reliability coefficient of .87 over a 2-year time span (Dormann, Fay, Zapf, & Frese, 2006).

Also, in accordance with the characteristics of existing personality traits, core self-evaluation has been replicated cross-culturally. Piccolo et al. (2005) found that locus of control, generalized self-efficacy, self-esteem, and neuroticism appear to indicate a higher-order factor in Japan as well as in the United States. All four facets of CSE share substantial conceptual similarities, have strong empirical relationships with one another, and consistently indicate a single higher-order factor (Bono & Judge, 2003), which provides substantial support for the existence of a core self-evaluation trait.

However, research utilizing all four facets of the CSE construct, though expanding, remains somewhat limited, as this concept is relatively new and much of the research has utilized only selected facets, which do not predict criterion variables as effectively as the broad personality construct, as evidenced by the substantial average correlations between the facets. For example, Piccolo et al. (2005) conducted significance testing on the zero-order correlation differences between the degrees to which each facet of CSE and the CSE composite were related to each of the criterion variables. Research results revealed that nine of twelve possible correlation comparisons differed significantly, such that the CSE construct predicted job satisfaction, life satisfaction, and happiness more effectively than the unique facets of CSE. Similarly, research conducted by Erez and Judge (2001) found that the CSE construct was related to motivation and performance outcomes more consistently than were the four facets when used in isolation.

Particularly in the domain of industrial/organizational psychology, core self-evaluation has been found to be a significant and consistent predictor of many relevant criterion variables. For example, utilizing a sample of full-time health care employees, Best, Stapleton, and Downey (2005) found a significant negative relationship between core self-evaluation and job burnout.

Wanberg, Glomb, Song, and Sorenson (2005) found that individuals high in CSE displayed higher mean levels of job search intensity over an 18-week span, as determined by the number of job search behaviors in which they engaged. Finally, Judge, Bono, Erez, and Locke (2005) found that individuals who were higher in CSE chose goals for intrinsic reasons and goals that matched their values and interests. Subsequently, these individuals achieved higher levels of goal attainment.

Research has also indicated that CSE affects the type of jobs that individuals obtain, as well as the way in which they view their jobs. Judge, Locke, Durham, and Kluger (1998) found that CSE had a significant direct effect on perceptions of work characteristics (i.e., autonomy, task identity, skill variety, task significance, and task feedback) across three independent samples, reporting path coefficients between .27 and .46. Judge, Bono, and Locke (2000) also found significant correlations between core self-evaluations and perceived job characteristics (i.e., autonomy, feedback, task variety, identity, and significance) and job complexity. One reason offered by Judge, Erez, and Bono (1998) to explain the relationship between CSE and job complexity is the potential consideration of CSE as a motivational factor. In support of this theory, utilizing both a laboratory and an organizational setting, Erez and Judge (2001) found that core self-evaluation was significantly related to goal-setting motivation and task motivation. Additionally, research by Erez and Judge (2001) and Judge and Bono (2001) found significant relationships between CSE and job performance, as determined by objective levels of productivity and supervisor ratings of job performance. Judge and Bono (2001) reported an average correlation of .23 between CSE and job performance, which is very similar to the average correlation describing the relationship between job performance and conscientiousness, a trait that has often been considered one of the strongest predictors of job performance.

Therefore, it has been speculated that CSE may join conscientiousness as one of the dispositional variables most strongly related to job performance.

Since its development, several studies have also investigated the predictive ability of the CSE construct in relation to the Big Five (McCrae, 1992). For example, Erez and Judge (2001) conducted analyses to investigate the incremental validity of CSE on criterion variables such as task motivation, task performance, goal commitment, etc., beyond that accounted for by conscientiousness. These researchers found that after partialing out the effects of conscientiousness, the correlations between CSE and the criterion variables did not decrease significantly, indicating that CSE does have significant incremental validity beyond conscientiousness. Further support for the incremental validity of the CSE construct beyond the facets of the Big Five was provided by Avery (2003), who examined the effects of the Big Five and CSE on the value that an individual places on "voice," which can be defined as the opportunity for workers within an organization to provide input and express their opinions in their jobs. Avery found that CSE accounted for significant incremental variance in the value placed on "voice" beyond that accounted for by the Big Five ($\Delta R^2 = .09, p = .019$). In summary, research investigating the core self-evaluation construct has indicated that it is comprised of neuroticism, locus of control, self-esteem, and generalized self efficacy. Furthermore, though it does share conceptual similarity with the Big Five, the construct is not subsumed within the Big Five as research regarding the incremental validity of CSE has demonstrated. Finally, CSE has been shown to be significantly related to many criterion variables that are pertinent to the field of industrial/organizational psychology such as job satisfaction, life satisfaction, job burnout; goal commitment, motivation, and the value an individual places on voice, etc. (Avery, 2003; Best et al., 2005; Bono & Colbert, 2005; Bono & Judge, 2003; Erez & Judge, 2001; Judge & Bono,

2001; Judge et al., 1998; Judge et al., 2000; Piccolo et al., 2005; Rode, 2004; Wanberg et al., 2005).

However, despite the variables that the CSE construct has been used to predict, several criterion variables that could reasonably be predicted by CSE have not been examined. The variable of pay plan preference, for example, has thus far been neglected. This is surprising, as compensation research has indicated that pay is one of the most important factors to an individual when looking for a new job and determining job choices in their current career (Rynes, 1987; Rynes, Schwab, & Heneman, 1983). There are many different types of pay plans that individuals could receive in their jobs, ranging from pay that is based entirely on individuals' performance, such as sales-based positions, to a set yearly salary in which pay will remain the same throughout the year, regardless of the level of performance of the individuals. Pay plans vary in terms of the degree to which the amount of pay received is unchanging between pay periods. This ratio of variable pay to fixed pay is commonly referred to in compensation literature as pay mix (Pappas & Flaherty, 2006). Because core self-evaluations are individuals' assessments of their overall ability to influence their environment, their belief in their capabilities, and their overall appraisal of their self-worth, it is plausible that individuals with high core self-evaluations would be more comfortable having their pay determined by their performance, as well as pay plans in which their amount of pay is variable between pay periods, than individuals with low core self-evaluations.

It is important to identify characteristics that may influence the type of pay plans that individuals would prefer to receive, as pay preference offers a way to identify those individuals who would potentially fit most effectively with various types of compensation plans, and by extension, various types of careers. This would be an important development as the research on

person-organization fit clearly demonstrates the benefits of congruence between characteristics of employees and characteristics their working environment. For example, individuals who experience working environments in which the characteristics that they desire in a job are congruent with the characteristics that they are receiving experience higher levels of job satisfaction, job performance, and job commitment (Kristof-Brown, Zimmerman, & Johnson, 2005). Furthermore, actual congruence, as well as perceptions of congruence, between the espoused values of the organization and the values of its employees has been shown to lead to higher levels of satisfaction and commitment, and lower levels of intentions to quit (Cable & Judge, 1996; Lauver & Kristof-Brown, 2001; O'Reilly, Chatman, & Caldwell, 1991). Therefore, based on previous research, it appears that congruence between what an employee desires and what the organization provides on a dimension such as method of pay administration should result in higher levels of both satisfaction with their pay and satisfaction with their job in general.

However, compensation research has indicated that all individuals do not place the same amount of emphasis on money, such that money and material possessions are more important to some than to others, which may vary as a function personality characteristics and demographic variables (Furnham, 1984; Furnham & Okamura, 1999; Mitchell & Mickel, 1999; Roberts & Sepulveda, 1999; Wernimont & Fitzpatrick, 1972). Consequently, it can be hypothesized that the dissatisfaction experienced by an individual as a result of incongruence between desired and received monetary outcomes such as pay plan may be alleviated if the individual does not place a strong degree of importance on money. This line of reasoning is congruent with that of Locke's value-percept model (Locke, 1976), which states that job satisfaction is the result of the attainment of what an individual values as important. Therefore, job satisfaction should suffer as a result of incongruence between preferred job characteristics and existing job characteristics,

contingent on the degree to which the object of the discrepancy is valued by the individual. In summary, in order to better understand the dispositional influences on pay preference, the impact of incongruence between desired and received pay plan preference on job and pay satisfaction, and the potential moderating effects of the meaning of money to an individual, the current research proposes a structural model to examine these relationships. The premise for each of the hypothesized relationships is discussed in further detail in the following sections.

THE HYPOTHESIZED MODEL

The primary purpose of this study was to further investigate the utility of the core self-evaluation construct, as well as to utilize this construct to further explain the organizationally relevant variable of pay preference. This study also sought to examine the potential negative effects of incongruence between preferred pay plan and received pay plan on job and pay satisfaction, as well as to determine whether this relationship would be moderated by the meaning that an individual places on money. A model representing the proposed causal relationships between the variables in this study can be seen in Figure 1.

Core Self-Evaluations and Satisfaction

Among the previously discussed criterion variables that are examined in I/O psychology, the most frequently utilized criterion variable when incorporating the CSE construct as a predictor has been job satisfaction. Aside from the organizationally relevant outcomes that can be influenced by employee job satisfaction, the utilization of job satisfaction as a criterion variable may largely be explained by the origin of the CSE construct; Judge et al. (1997) developed the CSE construct as a method of explaining dispositional influences on job satisfaction, therefore many of the subsequent studies have continued this pursuit.

Using three independent samples (physicians, college students in the U.S., and Israeli

students), Judge, Erez, and Bono (1998) found significant direct correlations (.49, .28, and .15, respectively) between core self-evaluation and reported levels of job satisfaction, independent of the job characteristics. Using structural equation modeling, these researchers also found that CSE had a significant direct effect on life satisfaction across the three samples. Similarly, Piccolo et al. (2005) found that each facet of core self-evaluation accounted for a significant portion of the variance in job satisfaction. When each variable was entered independently into the first step of a hierarchical regression equation, self-esteem, generalized self-efficacy, locus of control, and neuroticism accounted for 12%, 18%, 10%, and 13% of the variance in job satisfaction, respectively. The same four facets also accounted for significant portions of variance in life satisfaction (28%, 24%, 6%, and 11%, respectively) and happiness (33%, 32%, 14%, and 28%, respectively). Furthermore, when the CSE construct was entered independently into the first step of a hierarchical regression equation, the CSE construct accounted for 22% of the variance in job satisfaction, 27% of the variance in life satisfaction, and 45% of the variance in happiness. Finally, when entered into the second step of a hierarchical regression equation, the CSE construct consistently accounted for significant incremental validity in each of the three criterion variables, regardless of which facet had been entered in the first step. In summary, the results of this research indicate that CSE is, on average, a more effective predictor of job satisfaction, life satisfaction, and happiness than any of its facets when utilized independently.

Dormann, Fay, Zapf, and Frese (2006) found that, on average, 24% of the variance in job satisfaction is due to stable dispositional factors. It was also determined that core self-evaluation accounted for a significant portion of the variance of trait-like job satisfaction. Similarly, using structural equation modeling, studies conducted by Judge, Bono, and Locke (2000), Heller, Judge, and Watson (2002), Rode (2004), Best et al. (2005), and Judge, et al. (2005) have each

found significant direct relationships between core self-evaluations and job satisfaction with standardized path coefficients ranging from .22 to .58. Finally, a meta-analysis conducted by Judge and Bono (2001) found that the core self-evaluation construct is among the best dispositional predictors of job satisfaction. Therefore, in accordance with past research, a direct path between CSE and job satisfaction is hypothesized. Furthermore, overall job satisfaction has been conceptualized as a multi-faceted construct comprised of satisfaction with various aspects of one's job including satisfaction with supervision, satisfaction with pay, satisfaction with the work itself, etc. (Smith, Kendall, & Hulin, 1969). Therefore, the first hypothesis in the current study is:

H1: An individual's level of core self-evaluation will have a significant positive relationship with satisfaction with pay, as well as overall job satisfaction.

Core Self-Evaluations and Pay Plan Preference

As previously discussed, despite the pertinent occupational variables that have been addressed in CSE research, very little research has focused on the dispositional variables that influence a person's pay plan preference, particularly in an applied setting. This is a potentially serious oversight, as pay preference has been shown to be very influential in attraction to specific jobs and subsequent job decisions (Rynes, 1987; Rynes, Schwab, & Heneman, 1983). According to Rynes (1987), compensation is also a very important aspect when recruiting new employees. Due to the importance of pay system characteristics to a variety of occupational criteria, several studies have been conducted to investigate the antecedents of pay plan preferences. One of the primary studies in this area was conducted by Clugston, Howell, and Dorfman (2000), in which they found that people who were intrinsically motivated and who experienced higher levels of positive affectivity preferred pay plans that offered higher levels of personal involvement, such

as merit-based and skill-based pay. Merit-based pay involves compensating an employee once they achieve and exceed set levels of performance (Milkovich & Milkovich, 1992). Similarly, skill-based pay involves compensating employees for the types of skills that they possess and their proficiency in using those skills (Shareef, 1994). Clugston, Howell, and Dorfman (2000) also found that individuals who were extrinsically motivated and those who experienced higher levels of negative affectivity preferred pay plans that had lower levels of personal involvement, but offered higher starting salaries. Additionally, by having participants rate which characteristics of the pay plan were the most influential in their decisions, these researchers found that the level of personal involvement in the pay plan was the characteristic that participants found to be most influential in their decisions. However, thus far, very few personality characteristics have been used to predict pay plan preferences.

To further illustrate the importance of pay plan characteristics, research conducted by Pappas and Flaherty (2006) investigated the influence of pay mix on motivation, as determined by the three components of Vroom's expectancy theory, which include valence, instrumentality, and expectancy (Vroom, 1964). Results indicate that pay mix does significantly impact employee motivation through expectancy (the degree to which an individual believes that there is a link between effort and performance) and instrumentality (the degree to which an individual believes that increased performance will result in additional rewards). Additionally, researchers found that this relationship was moderated by an individual's career stage and their attitudes toward risk, such that higher levels of variable pay had a negative effect on instrumentality and expectancy for salespeople in the earliest career stage (exploration). Alternatively, for salespeople in the middle career stages (establishment and maintenance), variable pay had a positive influence on instrumentality and expectancy.

Cable and Judge (1994) produced very influential research that provided a strong link between personality variables and pay preferences. These researchers found that individuals have relatively stable preferences toward certain types of pay and that these preferences are significantly related to dispositional variables. For example, individuals high in self-efficacy were more attracted to organizations offering individual- and skill-based pay systems. Alternatively, risk-averse individuals preferred organizations that offered pay systems in which pay was not contingent on performance. Finally, individuals who had an internal locus of control preferred organizations that offered flexible benefits.

Based on a review of the literature involving pay preferences and dispositional variables, it is clear that core self-evaluation should be an effective predictor of individuals' pay plan preferences, as defined by their level of risk aversion, their tolerance for ambiguity, the degree to which they prefer a pay plan that is based on their individual performance, and the degree to which they prefer to receive a pay plan in which their amount of pay may vary between pay periods. All pay plans are characterized by varying degrees of risk, personal involvement, etc. For example, individuals receiving merit-based pay systems receive pay that is based on their individual performance and pay that is likely to vary, indicating higher levels of risk and ambiguity. Alternatively, individuals compensated with a set yearly salary have pay plans that contain very little risk or ambiguity, as their amount of pay remains consistent throughout the year, regardless of their job performance.

Because core self-evaluations are individuals' assessments of their overall capabilities and their ability to control their environment, it is expected that individuals scoring high on CSE will prefer pay plans that offer greater variability in pay contingent on their performance, such as a merit-based pay system. Similarly, individuals scoring in the midrange on CSE should prefer

pay plans that offer moderate degrees of stability in their income, as well as pay that is based partially on job performance, such as standard base pay with the opportunity to earn additional merit-based income. Finally, individuals scoring low on CSE should prefer pay plans that offer little risk or uncertainty regarding the amount of income that they receive, as well as pay that is not based directly on their performance, such as a set yearly salary. Therefore, the second hypothesis of the current study is:

H2: Core self-evaluation will significantly predict individuals' desired pay plan characteristics, such that a significant positive relationship will exist between CSE and the desire for pay to be based on individual performance, the desire for pay to vary between pay periods, and tolerance for ambiguity, and significantly negatively related to risk aversion.

Pay Plan Preference and Congruence

Congruence is conceptualized as the degree to which an individual's desired pay plan characteristics reflect the characteristics of the pay plan that he or she is currently receiving. For example, individuals who are not risk averse, who have a high tolerance for ambiguity, and receive pay plans in which their pay is based on their individual performance and may vary between pay periods, will experience a high level of congruence if they are being compensated with a merit-based pay system. Alternatively, these individuals will experience a low level of congruence if they are receiving a set yearly salary. Therefore, the third hypothesis in the current study is:

H3: Individual differences that are indicative of pay plan preference will be significantly related to the degree of congruence between desired pay plan characteristics and characteristics of the pay plan that individuals are currently receiving.

Congruence and Satisfaction

There is a growing body of literature on the importance of fit between an individual, the job that he or she performs, and the organization that employs him or her. The notion of person-environment (P-E) fit is essentially the degree of compatibility between an individual and his or her working environment (Kristof-Brown et al., 2005). P-E fit theorizes that situations in which an individual's working environment is compatible with his or her personal characteristics will lead to the individual having more positive experiences in the workplace (Pervin, 1968). There are three primary facets of P-E fit: person-job (P-J) fit, person-organization (P-O) fit, and person-group (P-G) fit (Kristof-Brown, Jansen, & Colbert, 2002).

Increasing fit between individuals and their occupational environment has significant implications, as degree of P-E fit has been linked to a number of important organizational outcomes. Through a meta-analysis of the various aspects of the P-E literature, Kristof-Brown et al. (2005) found that P-O fit was significantly correlated with job satisfaction (.44), organizational commitment (.51), and intent to quit (-.35). P-O fit was also modestly correlated with task performance (.13) and contextual performance (.27). They also found that P-O fit was moderately correlated with satisfaction with coworkers, satisfaction with supervision, employees' trust in management, and contextual performance. Additional research regarding P-E fit has indicated that one method for increasing satisfaction with pay is to create congruence between an individual's desire for money and the type of reward system that is offered (Cable & Judge, 1994; Kristof, 1996; Mitchell & Mickel, 1999). Based on this premise, we can infer that the congruence between an individual's pay plan preference and the actual type of pay plan that he or she is currently receiving will reflect the degree of person-organization fit and, consequently, will significantly impact his or her degree of job satisfaction and pay satisfaction. It is based on

this reasoning that the fourth hypothesis is posited:

H4: Congruence between an employee's desired pay plan characteristics and the characteristics of the pay plan that he or she is currently receiving will result in significantly higher levels of satisfaction with his or her pay and with the job in general.

Moderating Effects of the Meaning of Money

It is a widely accepted notion that not all individuals place the same value on money. Money is perhaps the most powerful medium in our society today, and it carries very different meanings for different people (Wernimont & Fitzpatrick, 1972). For example, there are differences among the ways that disciplines within the academic community view money. For example, within psychology personality psychologists examine the ways in which money is related to concepts such as self-esteem, identity, and self-concept, whereas industrial/organizational psychologists view money as the valued outcome of an individual's labor within the workplace (Mitchell & Mickel, 1999). However, despite the importance of money in our society, relatively little research has investigated the psychology of money. This is due, in part, to the fact that psychometrically sound scales designed to assess individuals' attitudes regarding money were not developed until the early 1980s, even though Freud and other psychoanalysts had been speculating about the meaning of money since the beginning of the 20th century (Doyle, 1992; Furnham & Okamura, 1999; Yamauchi & Templer, 1982). However, since the development of several scales designed to assess money attitudes and behavior, our understanding of how individuals differ on these dimensions has greatly expanded.

Research indicates that people's attitudes regarding money can be assessed according to how they feel about money (affective), how they think about money (cognitive), and how they behave in relation to money (behavioral; Tang, 1993). Research has indicated that the meaning

of money to an individual is a relatively stable, trait-like variable, and that individuals can differ on these attitudes as a function of age, gender, occupation, education, socioeconomic status, work experiences, and personality (Furnham, 1984; Furnham & Okamura, 1999; Mitchell & Mickel, 1999; Roberts & Sepulveda, 1999; Wernimont & Fitzpatrick, 1972).

In light of this research it is clear that the meaning of money differs across individuals and it can be theorized that individuals who place a high value on money will be more strongly dissatisfied with aspects of their jobs when their pay plan preferences are not congruent with the actual type of pay plan that they experience. Alternatively, individuals who place less value of money would perhaps not be as dissatisfied when their pay preferences do not match what is received in their occupational environment. This reasoning establishes the basis for the final hypothesis:

H5: The meaning of money to an individual will moderate the relationship between incongruence of desired pay plan characteristics and actual pay plan received, and the level of satisfaction with both pay and job in general.

More specifically, this hypothesis states that individuals who experience incongruence between their desired and actual pay plan characteristics and who place a high degree of importance on money will report lower levels of job and pay satisfaction than individuals who experience incongruence between their desired and actual pay plan characteristics but place less importance on money. Furthermore, it is also predicted that the meaning of money to an individual will not significantly impact job or pay satisfaction when individuals are receiving a pay plan that is congruent with their desired pay plan characteristics.

METHOD

Participants

An electronic survey was sent to 960 faculty members at a large Midwestern university. A total of 206 faculty members returned completed surveys, indicating a response rate of 21.5%. Of the faculty members who returned completed surveys, 23.3% were assistant professors, 29.1% were associate professors, and 45.1% were full professors. A higher proportion of men than women participated, at 69.9% and 29.6%, respectively. The average age of the participants was 50.9 years, while the average number of years that the participants had worked at the participating university was 15.7 years. A total of 84.3% of the sample had received a doctoral degree. The majority of the participants (31.1%) earned between \$61,000 and \$80,000 per year. Similarly, 23.3% and 21.4% of the participants earned between \$81,000 and \$100,000 and between \$41,000 and \$60,000, respectively. Finally, participants in this study reported working an average of 53.6 hours per week.

Materials

Demographics. Participants were first given a questionnaire assessing their age, gender, level of education, current academic rank, yearly salary, and number of hours worked per week. These demographic variables were chosen on the basis of a study conducted by Roberts and Sepulveda (1999) that found that the majority of these variables were significantly related to at least one of the four dimensions of money attitudes, as assessed by the Money Attitude Scale. The survey assessing demographic variables can be seen in Appendix A.

Core self-evaluation. Congruent with past research, core self-evaluation was assessed using separate measures of the four facets of CSE, and these four facets were treated as observed indicators of a higher-order construct. Self-esteem was assessed using the 10-item Rosenberg

Self-Esteem Scale ($\alpha = .84$ using the current sample; Rosenberg, 1965). Sample items include "I feel that I have a number of good qualities" and "On the whole, I am satisfied with myself." Generalized self-efficacy was assessed using the Judge, Locke, et al. (1998) 8-item generalized self-efficacy scale ($\alpha = .73$). Sample items include "I can handle the situations that life brings" and "I often feel competent to deal effectively with the real world." Locus of control was assessed using Levenson's (1981) 24-item Internality, Powerful Others, and Chance (IPC) scale ($\alpha = .86$). Sample items include "I can pretty much determine what will happen in my life" and "To a great extent my life is controlled by accidental happenings." Last, neuroticism was assessed using the 12-item EPQ-R neuroticism scale ($\alpha = .89$; Eysenck, Eysenck, and Barret, 1985). Sample items include "I am an irritable person" and "My mood often goes up and down." Consistent with past research, all four personality response scales were formatted on a Likert-type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*), items within each scale were totaled, and the four facet scale scores were treated as indicators of the latent CSE construct (Judge et al., 1998; Judge et al., 2000; Best et al., 2005). The four surveys assessing the facets of CSE can be seen in Appendices B through E.

Job satisfaction. The latent variable of job satisfaction was indicated by the Job in General scale of the Job Descriptive Index (JDI; Smith, Kendall, & Hulin, 1969) and five items taken from the Brayfield-Rothe (1951) job satisfaction scale ($\alpha = .87$). The Job in General scale of the JDI ($\alpha = .89$) consists of 18 adjectives, which individuals may or may not feel describe their current job. Sample adjectives include "Worthwhile" and "Undesirable." Participants' responses are formatted according to a "Yes," "No," or "Undecided" format. Sample items from the Brayfield-Rothe job satisfaction survey include "I feel fairly satisfied with my present job" and "Each day at work seems like it will never end." Responses to the Brayfield-Rothe items

were formatted on a Likert-type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). The Brayfield-Roth job satisfaction survey and the Job in General scale of the JDI can be seen in Appendices F and G, respectively.

Pay satisfaction. The latent variable of pay satisfaction was indicated by the Present Pay scale of the Job Descriptive Index (Smith et al., 1969), as well as each of the subscales contained within the Pay Satisfaction Questionnaire (PSQ; Heneman & Schwab, 1985). The Pay Satisfaction Questionnaire can be seen in Appendix H. This scale consists of 18 statements that assess individuals' satisfaction with four dimensions of their current pay including their level of pay ($\alpha = .98$), benefits ($\alpha = .95$), raises ($\alpha = .88$), and the structure/administration of their pay ($\alpha = .90$). The four dimensions of pay satisfaction assessed by the Pay Satisfaction Questionnaire had a significant average correlation of $r(197) = .60, p < .01$. Sample items for each of the aforementioned pay dimensions include "My current salary," "My benefit package," "My most recent raise," and "How the company administers pay." The Present Pay Scale of the JDI ($\alpha = .85$), which can be seen in Appendix I, consists of nine adjectives that were answered in a "Yes," "No," or "Undecided" format. Sample adjectives from this measure include "Well paid," "Fair," and "Underpaid."

Meaning of money. The amount of meaning that an individual places on money was assessed using the Money Attitude Scale ($\alpha = .77$) developed by Yamauchi and Templer (1982), which can be seen in Appendix J. This measure consists of 29 statements that participants were asked to rate on a Likert-type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). This measure purports to assess participants' attitudes regarding four dimensions of money, including power-prestige ($\alpha = .77$), retention-time ($\alpha = .82$), distrust ($\alpha = .76$), and anxiety ($\alpha = .66$). The four subscales of the Money Attitude Scale had a significant average correlation ($r(197) = .28, p$

< .01). Sample items from each of these subscales include "I use money to influence other people to do things for me" (power-prestige), "I put money aside on a regular basis for the future" (retention-time), "When I make a major purchase, I have the suspicion that I have been taken advantage of" (distrust), and "I show signs of nervousness when I don't have enough money" (anxiety).

Pay plan preference. The latent variable of pay plan preference was conceptualized as a combination of an individual's tolerance for ambiguity, aversion toward risk-taking, desire for pay that is based on individual performance (individual responsibility), and desire for pay in which the amount varies between pay periods (variability). An individual's risk aversion was assessed using a four-item scale ($\alpha = .79$) originally developed by Slovic (1972) and revised by Gupta and Govindarajan (1984). Sample items from this scale include "I am not willing to take risks when choosing a job or company to work for" and "I prefer a low risk/high security job with a steady salary over a job that offers high risks and high rewards." Responses were formatted on a 5-point Likert-type scale. This measure can be seen in Appendix K.

An individual's tolerance for ambiguity was assessed using the Multiple Stimulus Types Ambiguity Tolerance measure ($\alpha = .90$; McLain, 1993). Sample items from the Multiple Stimulus Types Ambiguity Tolerance (MSTAT-I) measure include "I try to avoid situations which are ambiguous" and "I generally prefer novelty over familiarity." Responses were formatted on a 5-point Likert-type scale. This measure can be seen in Appendix L.

An individual's desire for variability and desire for individual responsibility over his or her pay plan were assessed using two 6-item questionnaires developed for the purposes of this study. Sample questions assessing an individual's desire for variability in their pay include "I prefer a pay plan where my pay can vary from month to month" and "I become nervous when I

don't know how much my paycheck will be." The desire for variability scale had an alpha reliability coefficient of .88. Sample items assessing an individual's desire for individual responsibility over his or her pay plan include "I am uncomfortable when my pay is determined by my job performance" and "I am confident that I could earn sufficient income if my pay was determined by how well I perform my job duties." The desire for individual responsibility scale had an alpha reliability coefficient of .65. The measures assessing desire for individual responsibility for pay and desire for variability of pay can be seen in Appendices M and N.

Congruence

The latent variable of congruence was conceptualized as the degree of similarity between the characteristics of the pay plan that an individual is currently receiving and the pay plan characteristics that he or she would most like to receive. For example, individuals currently receiving a set yearly salary who would most prefer characteristics associated with an entirely merit-based pay system convey a large discrepancy between their actual state and their preferred state. Alternatively, individuals receiving a set yearly salary who selected a set yearly salary as their most preferred method of payment indicated a preferred state that was congruent with their actual state. To assess the degree of congruency, participants were asked to choose among four pay plan options (i.e., entirely merit-based pay, a reduced annual salary augmented by optional merit-based pay, hourly pay, yearly salary) and specify which method of compensation they were currently receiving. Participants were also asked to rank the four aforementioned pay plan options in terms of how strongly they would prefer to receive each one. This ranking was then compared to the type of pay plan that the participant was currently receiving to convey a discrepancy score. The survey assessing participants' preferences for various pay plans can be seen in Appendix O.

Furthermore, as additional observed indicators of the "congruence" latent variable, three questions were developed for the purposes of this study to assess participants' satisfaction with the structure/administration of their pay ($\alpha = .74$). As previous research has demonstrated, congruence between preferred and received organizational variables results in higher levels of employee satisfaction (Kristof-Brown et al., 2005). Therefore, an assessment of an individual's degree of satisfaction with the method in which his or her pay is administered should provide an indirect assessment of the degree to which his or her current pay plan reflects the type of pay plan that he or she would most prefer to receive. Analyses revealed that the average correlation of these three items was significant ($r(197) = .50, p < .01$). A sample item from this scale includes, "Do you feel that the method (e.g., yearly salary, hourly pay, etc.) through which your company administers your pay is satisfactory?" Responses were formatted on a 5-point Likert-type scale. These additional items can be seen in Appendix P.

Design and Procedure

Participants were initially sent the survey via the campus electronic mailing system, accompanied by an electronic mail message that provided a brief description of the purpose for the research project. In the following weeks, participants who had not yet completed the survey were sent a short reminder message containing a link to access the survey. These reminder messages were sent once every five days until a total of three messages had been sent. Additionally, participants were given access to a link that would allow them to decline participation and to prevent the arrival of any additional messages regarding the survey. Formal consent forms were not used, as completion of the survey implied consent, which was explained to the participants in the initial electronic message. Participation in this study was entirely voluntary and participants were not offered any form of compensation for their participation.

Each participant was allowed to access the survey only once to prevent individual participants from completing the survey multiple times.

Participants first completed demographic information assessing their age, gender, level of education, yearly salary, number of hours worked per week, and amount of time working in their current position. Next, participants were presented the scales measuring core self-evaluations (i.e., Judge's self-efficacy scale, Rosenberg Self-esteem Scale, IPC Scale, and Eysenck neuroticism scale), the five-item Brayfield-Rothe job satisfaction measure, the Job in General scale of the JDI, the Pay Satisfaction Questionnaire, the Present Pay scale of the JDI, a question assessing what method of payment the participants were currently receiving and three questions assessing their level of satisfaction with their current method of payment, the Money Attitude Scale, measures assessing participants' degree of risk aversion and tolerance for ambiguity, and measures assessing participants' desire for individual responsibility over their pay and desire for variability in their pay plans.

Finally, participants were asked to rank order four pay plans (i.e., yearly salary, hourly pay, entirely merit-based pay, and a reduced annual salary augmented by optimal merit-based pay) in terms of how strongly they would prefer to receive each one, how much control over their income they felt that each plan gave them, and how much risk they felt was inherent in each pay plan. However, because method of payment is often confounded by level within an organization and subsequent job responsibilities, it was considered that participants may associate receiving a different method of payment with having a different position and different responsibilities, consequently affecting their preference for each plan. For this reason, the final three surveys instructed participants to rate each of the respective pay plans according to the specified dimension, with the specification that they would be "*still working in their current*

position."

ANALYSES AND RESULTS

Correlations among the variables used in this study can be seen in Table 1, with the reliability coefficients of each measure located on the diagonal. Means and standard deviations of the variables used in this study can be seen in Table 2. Examination of the values for skewness and kurtosis, as well as examination of histograms for each of the variables used in this study, indicated that there were no significant violations of the assumptions of normality. Furthermore, complete data sets are required to test structural equation models with the software selected for hypothesis testing. Consequently, a total of 25 data points were imputed in the current data set using the linear trend at point method of data imputation provided by SPSS 15.0 (SPSS Inc., 2006). This method of data imputation provides estimates of missing data points based on a linear equation formulated from the existing data points. After data imputation, the complete data consisting of 199 participants was used to test all subsequent measurement and structural models. Bentler (1985) recommended a sample size to estimated parameter ratio of 5:1 in order to achieve meaningful estimates of the parameters. A total of 27 parameters were estimated in the hypothesized model resulting in a sample size to estimated parameter ratio of 7.4:1, indicating an adequately sized sample to test the hypothesized structural model.

Prior to testing the hypothesized structural model, each of the measurement models was tested to determine its respective goodness of fit. The results of these analyses indicated that none of the chi-square values divided by their respective degrees of freedom were significant at $p < .05$. Goodness-of-fit indices for each of the measurement models can be seen in Table 3.

The hypothesized structural equation model was tested using Amos 7.0 (Arbuckle, 2005). The results from this analysis can be seen in Figure 2. The fit indices of the hypothesized model

indicate that this model fits the data moderately well: $\chi^2(183, N=199) = 414.53, p < .01$, CMIN/DF = 2.27, Root Mean Square Error of Approximation (RMSEA) = .08, Comparative Fit Index (CFI) = .88, Normative Fit Index (NFI) = .81, Incremental Fit Index (IFI) = .88, Relative Fit Index (RFI) = .78.

However, examination of the modification indices indicated that making select changes would significantly improve the overall fit of the model. However, only those modifications that could be theoretically justified were made. First, it was recommended that the path between the latent variables of core self-evaluation and pay satisfaction be eliminated, as the standardized coefficient for this path was not significant. This path was originally placed in the model due to past research indicating that core self-evaluations and job satisfaction are significantly positively correlated. Since pay satisfaction can be viewed as one component that contributes to overall job satisfaction (Smith et al., 1969), it was hypothesized that core self-evaluations would significantly predict participants' reported levels of pay satisfaction. However, it is plausible that core self-evaluations influence job satisfaction through a component other than an individual's satisfaction with his or her pay (e.g., satisfaction with the nature of the work that an individual performs). Therefore, the path from core self-evaluation to pay satisfaction was eliminated from the model.

Second, a path was added from the latent variable of pay satisfaction to the latent variable of job satisfaction. As has been previously discussed, job satisfaction can be conceptualized as a multi-faceted construct in which satisfaction with various aspects of one's job contributes to overall job satisfaction. Based on this conceptualization, we can expect that an individual's satisfaction with his or her pay would significantly contribute to his or her overall job satisfaction. Based on this intuitive reasoning, the path from pay satisfaction to job satisfaction

was added to the structural model.

Additionally, the Brayfield-Rothe job satisfaction survey had originally been divided into two separate indicators of the latent job satisfaction variable, with items one through three comprising one observed indicator and items four and five comprising a second observed indicator. The result of this scale division was four observed indicators for the latent variable of job satisfaction, as the Job Descriptive Index had also been separated into two observed indicators, with items one through nine comprising the first observed indicator, and items ten through eighteen comprising the second observed indicator. However, in the interest of parsimony, it was concluded that three observed indicators would be sufficient. The two sections of the Brayfield-Rothe job satisfaction survey were significantly correlated ($r(199) = .83, p < .01$), as were the two sections of the JDI job satisfaction survey ($r(199) = .79, p < .01$). However, because the JDI consisted of a larger number of items than the Brayfield-Rothe, and therefore served as more reliable indicators, the Brayfield-Rothe items were combined such that all five items of the scale comprised one observed indicator, thus providing a more reliable indicator of job satisfaction.

Finally, conceptual concern arose regarding the observed indicators of the congruence and pay satisfaction latent variables. Three questions regarding participants' levels of satisfaction with the method in which they were being compensated served as observed indicators for the latent variable of congruence. Furthermore, the Pay Satisfaction Questionnaire was divided into subscales, and each subscale served as an observed indicator of the latent variable of pay satisfaction. The potential concern arose due to the fact that one of the subscales of the Pay Satisfaction Questionnaire assesses an individual's satisfaction with the structure/administration of his or her pay. Thus, it appeared that there was significant conceptual overlap between this

subscale and the pay method satisfaction questions that served as indicators of the congruence latent variable, thus potentially inflating the path coefficient between these two latent variables. Examination of the relationship between the total scores for the three items assessing satisfaction with method of payment and the total scores for the items assessing satisfaction with structure/administration of pay revealed a significant correlation ($r(199) = .55, p < .01$). Consequently, the structure/administration subscale of the Pay Satisfaction Questionnaire was removed from the model to avoid overestimating the relationship between congruence of desired and received pay plan characteristics and pay satisfaction.

The revised model, which can be seen in Figure 3, was analyzed and the results are as follows: $\chi^2(146, N = 199) = 249.74, p < .01$, CMIN/DF = 1.71, Root Mean Square Error of Approximation (RMSEA) = .06, Comparative Fit Index (CFI) = .93, Normative Fit Index (NFI) = .85, Incremental Fit Index (IFI) = .93, Relative Fit Index (RFI) = .83. Furthermore, the results of a chi-square difference test indicate that the revised model does fit the data significantly better than the originally hypothesized model, $\Delta\chi^2(36, N = 199) = 164.79, p < .01$.

Analysis of the revised model revealed that upon adding the path from pay satisfaction to job satisfaction, the path coefficient from congruence to job satisfaction was reduced to .01. Examination of the direct and indirect effects provided an explanation for this reduction. Though the direct effect of congruence on job satisfaction was reduced to .01, there was a significant indirect effect of congruence on job satisfaction of .21, $p < .01$. Therefore, it appears that the significant impact of congruence on job satisfaction is mediated by pay satisfaction. These results are easily explained by the conceptualization of congruence that was utilized in this study. Congruence was conceptualized as the degree to which individuals are compensated in a manner that they most prefer, as well as their satisfaction with their current method of compensation.

Therefore, this form of congruence would logically impact overall job satisfaction primarily through the facet of pay satisfaction.

Test for Moderation

Two multiple hierarchical regressions were conducted to test the hypotheses that the meaning of money to an individual would significantly moderate the relationships between incongruence of desired pay plan and actual pay plan received and both pay satisfaction and job satisfaction. Results of the first hierarchical regression revealed a non-significant interaction term ($\beta = -.09, p = .88$), such that the meaning of money to an individual did not significantly moderate the relationship between incongruence of preferred pay plan and actual pay plan received and job satisfaction. Similarly, results of the second hierarchical regression also revealed a non-significant interaction term ($\beta = -.52, p = .31$), such that the meaning of money to an individual did not significantly moderate the relationship between incongruence of preferred pay plan and actual pay plan received and pay satisfaction. The results of these regressions can be seen in Table 4 and Table 5.

Manipulation Check

One of the basic premises underlying this research was that individuals who were low in CSE would prefer pay plans that offer less variability and less individual responsibility over their income. Variability was conceptualized as the degree to which an individual's pay is likely to fluctuate between pay periods. It was believed that a set yearly salary provided the least variability, followed by hourly pay, a reduced annual salary augmented by optional merit-based pay, and entirely merit-based pay, respectively. To verify that participants' perceptions of the pay plan options were congruent with those of the current research, participants were asked to rank order the four pay plans in terms of how much risk (variability) was inherent in each plan, as

well as how much control over their income (individual responsibility) they felt each plan gave them. The measures assessing these perceptions can be seen in Appendices Q and R.

Examination of the current research results found that 62.9% of participants believed that a reduced annual salary augmented by optional merit-based pay contained the greatest amount of risk among the aforementioned pay plans. Additionally, 22.4% of participants believed that an entirely merit-based pay system encompassed the most risk, followed by an hourly wage and a yearly salary at 4.3% and 3.3%, respectively.

Furthermore, the amount of individual responsibility that an individual has over his or her pay was conceptualized as the degree to which pay is determined by that person's individual performance, such that greater individual responsibility over pay would indicate that an individual's pay was largely based on his or her performance. Therefore, it was suspected that participants would rate an entirely merit-based pay system as the option which would give them the greatest amount of control over their income. Alternatively, a set yearly salary was believed to indicate the lowest degree of individual responsibility, or control, as pay remains constant regardless of performance. However, when participants were asked to rank order the aforementioned pay plans according to how much control over their income they felt each plan gave them, 41.9% of the participants believed that a set yearly salary provided the most control. Furthermore, 21% of participants believed that an hourly wage provided the most control, while only 20% believed that an entirely merit-based pay system provided the most control. Finally, 11.9% of participants believed that a reduced annual salary augmented by optional merit-based pay provided the most control over their income. The pay plan rankings revealed participant perceptions that were contradictory to what was originally anticipated. This indicates a potential lack of clarity and a lack of understanding regarding what was intended by the terms "risk" and

"control."

Finally, because all participants in this research were professors in an academic setting, it was assumed that all participants would report receiving a set yearly salary as their current method of compensation. However, only 69.5% of participants reported that they were receiving a yearly salary. Surprisingly, 28.6% reported receiving an entirely merit-based pay system, followed by a reduced annual salary augmented by optional merit-based pay (1.4%) and an hourly wage (.5%). This unpredicted pattern of demographic reporting can likely be explained by a lack of clarity regarding our conceptualization of each of the aforementioned pay plans. Furthermore, confusion regarding the type of pay plan that the participants were currently receiving may be explained according to the terminology used when evaluating faculty performance for annual wage increases. The participating university generally describes the determination of faculty wages as a merit-based system, such that annual wage increases are determined by factors such as student evaluations, publications and presentations, etc. Therefore, pay is partially determined by performance and therefore referred to as "merit" pay. However, faculty wages are not determined on a merit basis, as the amount of pay remains fixed throughout the standard academic year, regardless of performance. In this sense, faculty members receive a set yearly salary. It is this confusion that may have contributed to hypotheses that were unsupported.

DISCUSSION

The purpose of this study was to further investigate the utility of the core self-evaluation construct and its ability to predict an individual's desired pay plan characteristics. This study also attempted to provide further evidence for the impact of incongruence between desired and currently received pay plan characteristics on job and pay satisfaction. Finally, it was

hypothesized that the meaning of money to an individual would significantly moderate the relationship between incongruence of desired pay plan characteristics and currently received pay plan characteristics, and both pay satisfaction and overall job satisfaction. The hypotheses were tested using a proposed structural equation model. Examination of the measurement models revealed that all paths between the latent variables and their respective observed indicators were significant at the $p < .01$ level, indicating that all measures used in the current study were effective indicators of their respective latent variables. Furthermore, after minor modifications to the proposed model, examination of the goodness-of-fit indices indicated that the final structural model fit the data moderately well.

The first hypothesis was partially supported such that core self-evaluation was significantly related to overall job satisfaction, but was not significantly related to pay satisfaction. These results support previous research findings that CSE is significantly positively related to job satisfaction (Best et al., 2005; Dormann et al., 2006; Heller et al., 2002; Judge & Bono, 2001; Judge et al., 1998; Judge et al., 2000; Judge et al., 2005; Piccolo et al., 2005; Rode, 2004). Furthermore, these results support the view of job satisfaction as a multi-faceted construct in which pay satisfaction is only one aspect of overall job satisfaction (Smith et al., 1969). Because the hypothesis that CSE would be significantly positively related to pay satisfaction was not supported, this research indicates that CSE is related to overall job satisfaction through some facet other than satisfaction with pay.

The second hypothesis was supported, such that an individual's core self-evaluation does significantly predict his or her desired pay plan characteristics. This study demonstrated that individuals with higher levels of core self-evaluations have lower levels of risk aversion, higher tolerance for ambiguity, prefer pay plans where their pay can vary between pay periods, and

prefer pay that is based on their individual performance. Though the CSE construct has not been previously researched according to its relationship to preferred pay plan characteristics, these findings are congruent with those of Cable and Judge (1994), who found that individuals with high levels of self-efficacy preferred to work for organizations offering individual- and skill-based pay systems and risk-averse individuals preferred to work for organizations that offered pay systems in which pay was not contingent on performance. However, despite the significant relationship between the core self-evaluation construct and pay plan preference, examination of the zero-order correlations revealed that this relationship may be primarily driven by select facets of CSE. Neuroticism appeared to be the CSE indicator that was most strongly related to indicators of pay plan preference, while other indicators, such as generalized self-efficacy, were not significantly correlated with many of the pay plan preference indicators. The structural model indicates that there may be significant benefits of using the core self-evaluations construct to predict pay plan preferences, while the correlations between the observed variables indicate that it may be as effective to utilize only select facets of CSE to predict pay plan preferences. Therefore, future research may want to utilize additional indicators of pay plan preference and examine how each facet of CSE differentially predicts specific indicators of an individual's pay plan preference to further assess the utility of the CSE construct.

The third hypothesis was not supported, such that the path from indicators of pay plan preference to congruence approached but did not reach significance. There is one clear explanation that may be offered for this lack of significance. As all participants in this study were assistant, associate, or full professors employed within an academic setting, it was believed that all participants would report receiving a set yearly salary. In this case, participants who have low levels of risk aversion, a high tolerance for ambiguity, prefer to have pay based on their

performance, and prefer to have pay that varies between pay periods, should consistently display low levels of congruence, as a set yearly salary does not inherently contain these characteristics. Therefore, a significant negative relationship between the indicators of pay plan preference and congruence would be expected. However, a discriminant function analysis was conducted to determine how effectively the indicators of pay plan preference predicted which pay plan participants most desired. The results of this analysis indicated that only 58.8% of the participants were correctly classified into their respective preferred pay plan groups. Furthermore, the manipulation check revealed that 30.5% of the participants reported that they were currently receiving a pay plan that was not a set yearly salary, and of those, 28.6% of the participants reported that they were receiving an entirely merit-based pay system.

The absence of a clear explanation regarding the characteristics of a merit-based pay system, combined with the contradictory language utilized by the university when determining wage increases, likely contributed to the non-significant relationship between the indicators of an individual's pay plan preference and the degree of congruence between their desired and actual state. For example, if participants are unclear regarding what characterizes an entirely merit-based pay system (e.g., high risk, variable pay, pay that is contingent on individual performance) they are more likely to identify that as their most preferred option, even though they may be very risk averse, dislike pay that is based on their individual performance, etc. Future research may benefit by providing explicit descriptions of each type of pay plan, as well as specifying to participants the type of pay plan that they are currently receiving, thereby eliminating confusion and ambiguity.

The fourth hypothesis was supported, such that congruence between desired pay plan characteristics and characteristics of the currently received pay plan significantly impacts

satisfaction with pay, as well as overall job satisfaction. These findings are congruent with literature stating that the degree of fit between an individual and his or her working environment will result in more positive work experiences and higher levels of employee satisfaction (Cable & Judge, 1994; Kristof, 1996; Kristof-Brown et al., 2005; Mitchell & Mickel, 1999). More specifically, this research provides further support for the importance of fit regarding compensation strategies, such that compensating individuals through a method that they find preferable can increase employee satisfaction, thereby benefitting the employee and the organization.

Finally, the fifth hypothesis was not supported. The meaning of money to an individual did not moderate the relationship between incongruence of desired pay plan characteristics and characteristics of the pay plan that is actually received and pay satisfaction, nor did it moderate the relationship between incongruence of desired pay plan characteristics and characteristics of the pay plan that is actually received and overall job satisfaction. This indicates that the way in which individuals behave regarding money, which reflects their general feelings about money, may not be a significant factor when determining their overall job satisfaction and pay satisfaction when they are not compensated through the method that they would most prefer.

There are several limitations to consider when reviewing the results of this research. First, all participants in this study were employed in an academic setting, which may have resulted in a homogeneous sample. For this reason, these findings may not generalize to individuals outside of the academic arena. The correlations between the variables used in the current study, which can be seen in Table 1, indicate that participant salary was significantly correlated with both job satisfaction, pay satisfaction, satisfaction with method of payment, and desire for variability of pay. Therefore, it may be expected that the core self-evaluations of individuals earning lower

average salaries than the current participants may not predict desired pay plan characteristics. It could be hypothesized that individuals would be more receptive to receiving a flexible pay plan, in which their pay would vary between pay periods, when they earn a sufficiently high level of income. Future researchers may wish to cross-validate these findings with a diverse sample of participants, as the current sample was sufficient in size to test the hypothesized structural model, but not sufficient to allow for cross-validation.

Second, monomethod bias is generally a concern in psychological studies that utilize only one form of data collection. The current data was collected exclusively through a survey format, thus potentially creating relationships between variables based solely on the common methodology used to collect the information. Therefore, a single-factor test (Harman, 1967) was conducted to determine the potential impact of common method bias on the data and subsequent findings. Four factors with eigenvalues greater than one emerged, indicating that the relationships observed between the variables is not largely based on the uniform method of data collection. Furthermore, current research by Spector (2006) has indicated that common method variance may not significantly inflate correlations as had previously been thought. In addition to using an entirely survey method of data collection, an additional limitation to the current research appears as the result of the materials in this study not being counterbalanced. Therefore, the order of the research materials may introduce confounds into the data and the concluding results.

Third, as can be inferred from the findings of the manipulation checks that were conducted, participants in this study did not collectively perceive that they were currently receiving a set yearly salary as had been conceptualized in the current research. Furthermore, researchers had anticipated that participants would view an entirely merit-based pay system as

the pay plan option that offered both the highest degree of risk as well as the highest degree of control. Alternatively, it was anticipated that participants would view a set yearly salary as the pay plan option that offered the least amount of risk and gave participants the least amount of control over their income. However, as the manipulation checks also indicated, participants did not consistently perceive the same degree of risk and control inherent in each of the aforementioned pay plans as the researchers had predicted. This is likely due to a lack of clarity regarding the descriptions of each of the various pay plans, and an insufficient explanation of what was implied by "risk" and "control." Risk was conceptualized as the degree to which the amount of pay may vary between pay periods, while control was the degree to which pay is based on the individual's performance. These terms have thus far been referred to as variability and individual responsibility. As these terms were not clearly defined to the participants, this lack of understanding regarding the terms, as well as the lack of explanation regarding specific pay plan characteristics, may have contributed to the non-significant path between the latent variables of pay plan preference and congruence. As previously noted, future research regarding pay plans and their respective predictors should seek to provide thorough explanations of the characteristics of each pay plan in order to avoid conceptual confusion.

Research investigating the effect of dispositional characteristics on pay plan preference has been very limited up to this point. The current study provides further evidence that dispositional variables may strongly influence the type of pay plans to which individuals are drawn. Specifically, the core self-evaluations construct may be very effective at predicting preferred pay plan characteristics. The potential utility of this construct in this regard has strong implications for both academic and applied settings. This research provides a basis upon which to extend research utilizing the core self-evaluation construct into the compensation literature.

Additionally, one of the primary functions of academic and occupational counselors is to provide individuals with suggested careers in which they may excel. The knowledge of the effect of core self-evaluations on preference for pay plan characteristics may be very beneficial when trying to determine what occupations an individual should pursue, as certain occupations, such as those relating to sales, frequently provide pay based solely on individual performance. For example, extraverted individuals are commonly viewed as well-suited for sales-based positions. However, individuals who are high on extraversion but low on core self-evaluations may not be comfortable in an occupation where their pay can vary and is strictly based on their performance. This information can assist individuals in identifying the occupations for which they would be best suited, thereby increasing employee satisfaction. Finding ways to increase employee satisfaction is a worthwhile research endeavor, as employee satisfaction has been linked to a number of important job related behaviors such as employee absenteeism (Scott & Taylor, 1985), employee turnover (Hom, Katerberg, & Hulin, 1979), job performance (Judge, Thoresen, Bono, & Patton, 2001), and organizational citizenship behaviors (Farrell, 1983). In summary, utilizing the core self-evaluations construct to predict pay plan preference and subsequent job and pay satisfaction may result in greater conceptual understanding of the relationship between CSE and many occupationally relevant variables, further academic advancement in the core self-evaluation and compensation literature, and higher levels of individual satisfaction and organizational efficiency.

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Table 1

Intercorrelations and Reliability Coefficients for Total Scores of all Observed Indicators Utilized in the Proposed Structural Equation Model

Measure	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
1. Gender	--																					
2. Age	-.19**	--																				
3. AcaRank	-.32**	.56**	--																			
4. Years Employed	-.17*	.77**	.58**	--																		
5. Hrs per Week	-.06	.01	.10	-.02	--																	
6. Salary	-.34**	.31**	.57**	.29**	.14	--																
7. GSE	.11	-.08	-.17*	-.00	.08	.01	.73															
8. SE	-.04	.09	-.05	.06	.08	.13	.60**	.84														
9. LOC	-.03	.10	.03	.14*	.24**	.20**	.49**	.54**	.86													
10. Neuroticism	.08	-.19**	-.04	-.14*	-.01	-.17*	-.44**	-.61**	-.53**	.89												
11. B-R Job. Sat.	-.11	.24**	.14	.20**	-.02	.25**	.34**	.48**	.42**	-.44**	.87											
12. JDI Job. Sat.	-.03	.27**	.24**	.25**	-.01	.30**	.16*	.22**	.28**	-.24**	.67**	.89										
13. PSQ Pay Sat.	-.05	.10	.26**	.13	-.12	.42**	-.10	-.09	.18**	-.03	.19**	.32**	.95									
14. JDI Pay Sat.	-.08	.16*	.32**	.21**	-.07	.49**	-.09	-.06	.13	-.04	.25**	.37**	.76**	.85								
15. Pay Method Sat.	-.01	-.08	.13	-.03	-.15*	.26**	-.07	-.03	.12	-.12	.13	.17*	.58**	.46**	.74							
16. MAS	.03	-.24**	-.07	-.12	-.11	-.03	-.03	-.19**	-.21**	.38**	-.03	-.00	-.05	-.10	-.11	.75						
17. Risk Aversion	.05	-.05	.01	.05	-.05	-.05	-.11	-.17*	-.14	.23**	-.17*	-.08	.16*	.18*	.14	.14	.79					
18. Tol. for Ambiguity	.07	.11	.04	.05	.01	.00	.21**	.16*	.21**	-.29**	.18**	.14	-.08	-.03	-.04	-.29**	-.49**	.90				
19. Ind. Responsibility	-.07	.09	.14	.12	.14	.12	.14	.18*	.17*	-.13	.15*	.12	-.07	-.04	-.12	.01	-.32**	.32**	.65			
20. Variability	-.09	.20**	.15*	.22**	.01	.16*	-.08	-.06	.11	-.19**	.09	.06	.07	.07	.01	-.14	-.37**	.30**	.20**	.88		
21. Congruence	-.03	.06	.13	.13	-.06	.03	.00	.11	-.04	-.07	.11	.08	.03	.05	-.20**	.09	-.07	.11	.14	.14	--	

Note. Reliability coefficients are presented in boldface along the diagonal.

* $p < .05$. ** $p < .01$

Table 2

Means and Standard Deviations of Variables Used to Test the Fit of the Hypothesized Structural Equations Model and the Moderation Hypothesis

Variable	<i>M</i>	<i>SD</i>
1. Generalized Self-Efficacy	33.86	4.14
2. Self-Esteem	44.05	5.41
3. Locus of Control	90.98	10.51
4. Neuroticism	26.49	8.61
5. Brayfield-Rothe Job Sat.	21.12	3.38
6. JDI Job Sat.	47.10	7.56
7. PSQ Pay Satisfaction	55.57	15.20
8. JDI Pay Satisfaction	34.08	14.32
9. Pay Method Satisfaction	10.75	2.49
10. Money Attitude Scale	71.40	9.73
11. Risk Aversion	10.53	3.38
12. Tolerance for Ambiguity	80.22	11.72
13. Desire for Control over Pay	22.79	3.67
14. Desire for Stability of Pay	12.96	4.67

Table 3

Goodness-of-Fit Indicators for each of the Measurement Models used to Test the Hypothesized Structural Model

Measurement Model	CFI	NFI	RFI	RMSEA	<i>df</i>	χ^2/df	<i>p</i>
Core Self-evaluation	.99	.98	.94	.10	2	2.85	> .25
Indicators of Pay Plan Preference	1.00	.99	.99	.00	2	.27	> .25
Congruence	1.00	1.00	1.00	.00	2	.03	> .25
Job Satisfaction	1.00	1.00	.99	.02	1	1.09	> .25
Pay Satisfaction	1.00	.99	.98	.05	5	1.48	> .25

Note. All observed variables were significant indicators of their respective latent variables at $p < .01$.

Table 4

Summary of Test for Moderation using Hierarchical Regression Analysis with Job Satisfaction as Criterion

Independent Variable	β	t	p	ΔR^2
Step One				.01
Congruence	.11	1.59	.11	
Step Two				.00
Meaning of Money	.00	.04	.97	
Step Three				.00
Interaction Term	-.09	-.16	.88	

* $p < .05$. ** $p < .01$

Table 5

Summary of Test for Moderation using Hierarchical Regression Analysis with Pay Satisfaction as Criterion

Independent Variable	β	t	p	ΔR^2
Step One				.21**
Congruence	.46	7.27	.00	
Step Two				.00
Meaning of Money	-.02	-.30	.77	
Step Three				.00
Interaction Term	-.51	-1.02	.31	

* $p < .05$. ** $p < .01$

Figure Captions

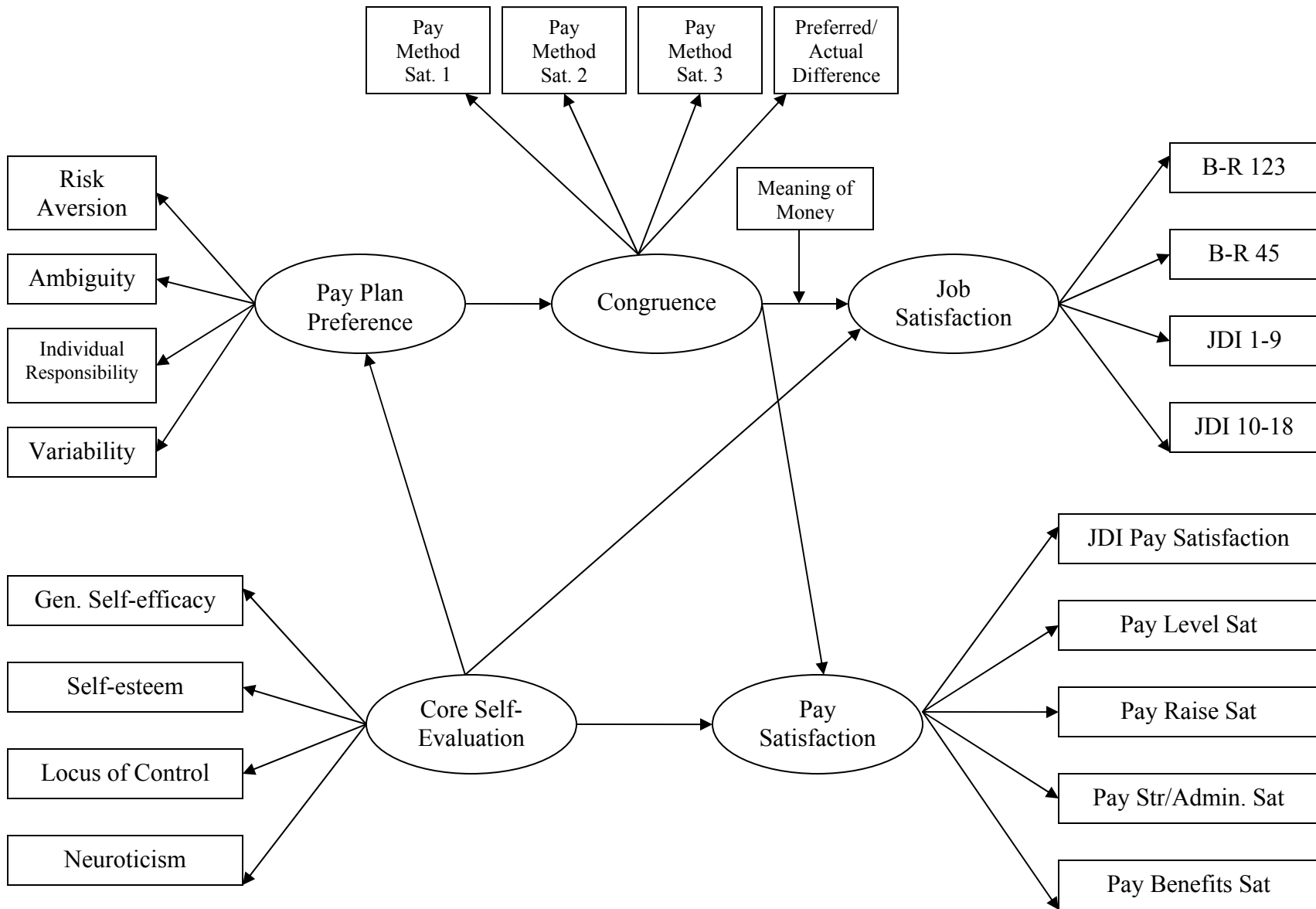
Figure 1. Conceptual illustration of the hypothesized structural equation model. Latent variables are shown in ellipses, and observed variables are shown in rectangles. The moderation hypothesis will be tested using hierarchical regression.

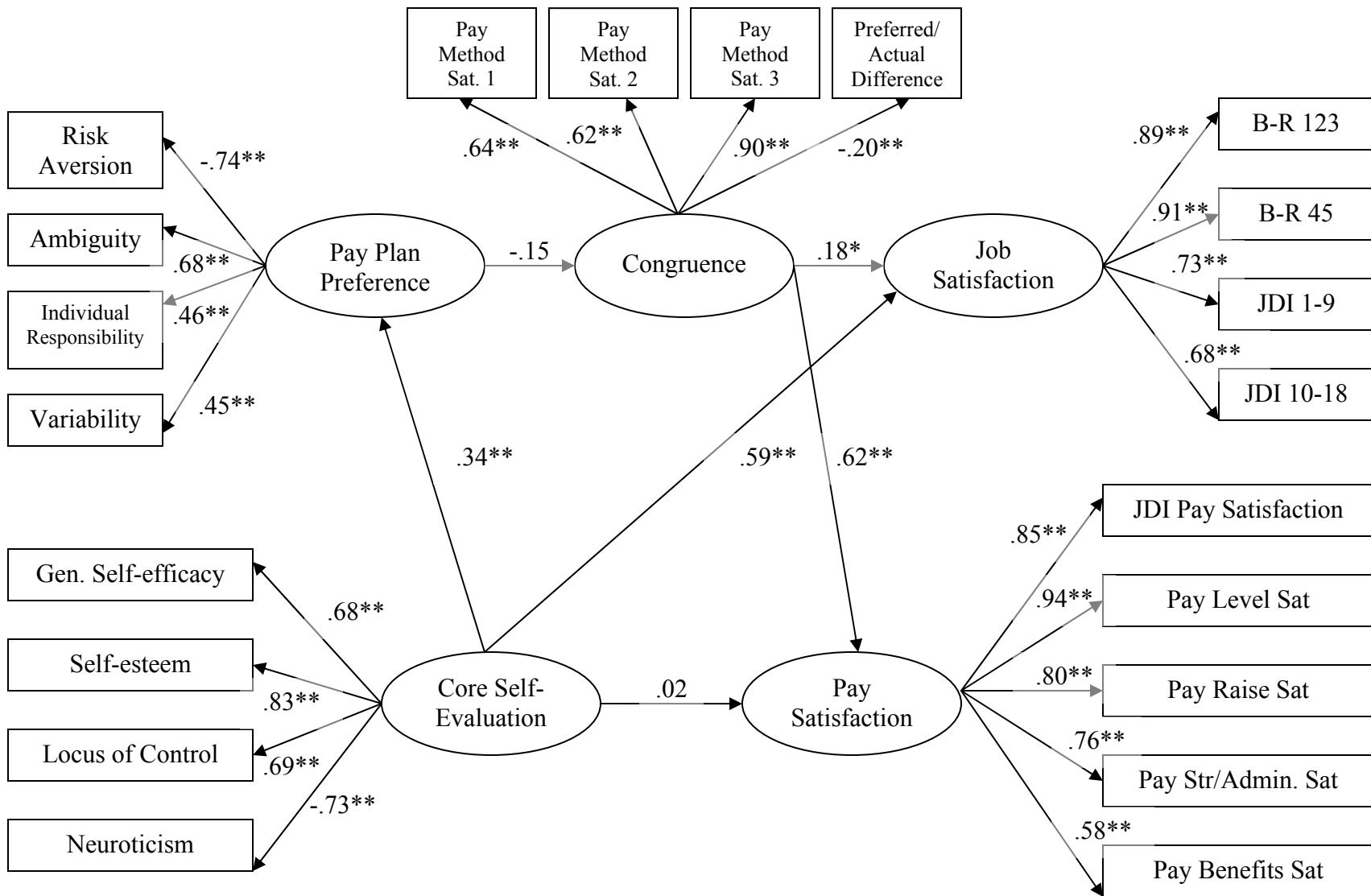
Figure 2. Standardized path coefficients for the hypothesized structural model.

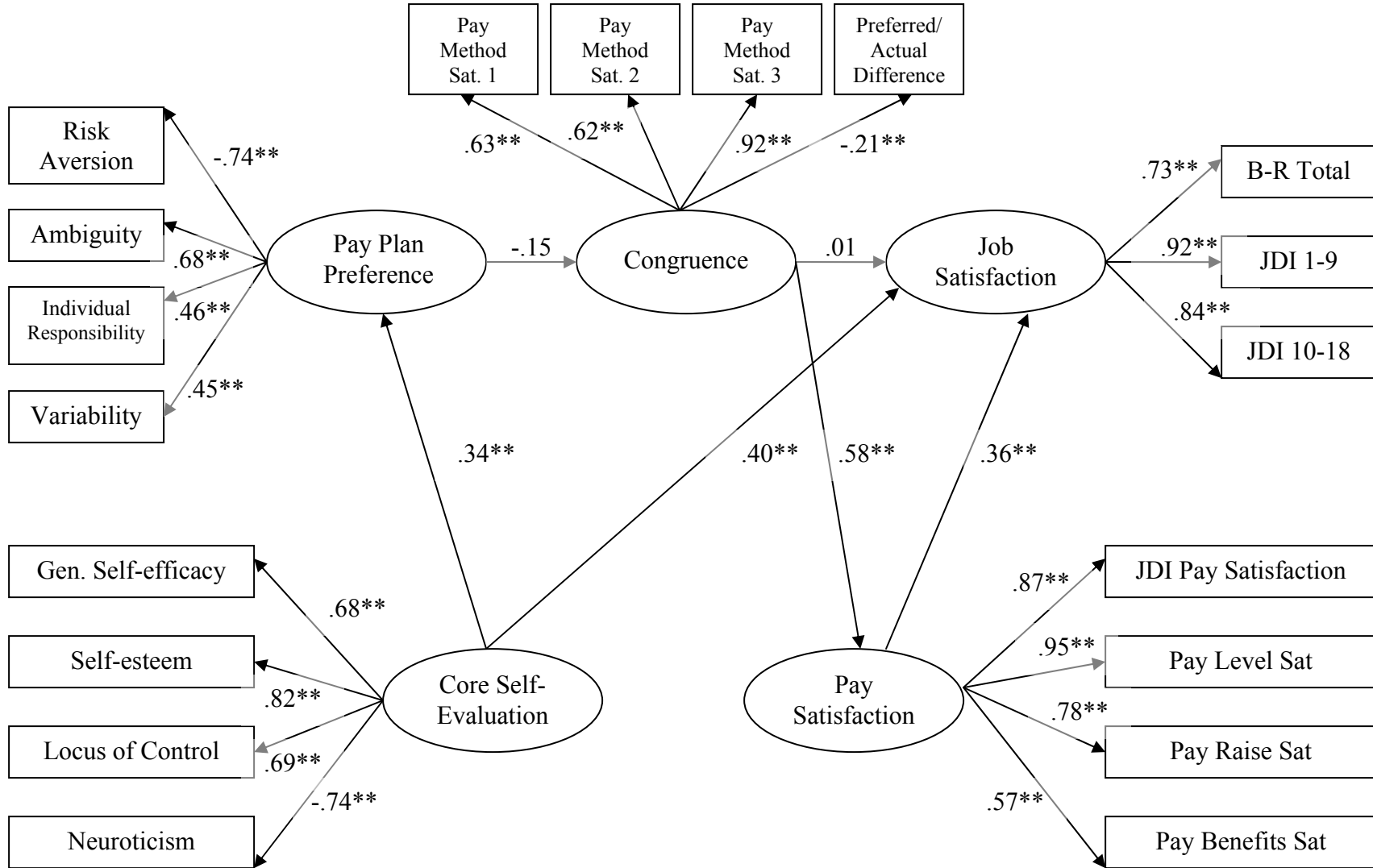
* $p < .05$, two-tailed. ** $p < .01$, two-tailed.

Figure 3. Standardized path coefficients for the revised structural model.

* $p < .05$, two-tailed. ** $p < .01$, two-tailed.







Appendix A

Demographics Questionnaire

Instructions: Please indicate your answers by circling the appropriate response or filling in the blank.

1. What is your gender? Male Female

2. What is your age? _____

3. What is your current academic rank? _____

4. How long have you been working at K-State? _____

5. Approximately how many hours do you work per week? _____

6. What is your highest level of education completed? _____

7. Please circle the bracket containing your approximate total yearly salary?

Below \$40,000	\$41,000 - \$60,000	\$61,000 - \$80,000
\$81,000 - \$100,000	\$101,000 - \$120,000	Over \$120,000

Appendix B

Generalized Self-Efficacy Scale

Instructions: Please indicate the appropriate number beside each statement that corresponds to how strongly you feel the statement describes you.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. ____ When I make plans, I am certain I can make them work.
2. ____ If something looks too complicated, I will not even bother to try it.
3. ____ I can handle the situations that life brings.
4. ____ I often feel competent to deal effectively with the real world.
5. ____ I am strong enough to overcome life's struggles.
6. ____ I often feel that there is nothing that I can do well.
7. ____ I avoid trying to learn new things when they look too difficult for me.
8. ____ New jobs are usually well within the scope of my abilities.

Note: Items 2, 6, and 7 are reverse-coded.

Appendix C

Rosenberg Self-Esteem Scale

Instructions: Please write the number in the blank beside each statement that corresponds to how strongly you feel the statement describes you.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. ____ I feel that I am a person of worth, at least on an equal basis with others.
2. ____ I feel that I have a number of good qualities.
3. ____ All in all, I am inclined to feel that I am a failure.
4. ____ I am able to do things as well as most other people.
5. ____ I feel I do not have much to be proud of.
6. ____ I take a positive attitude toward myself.
7. ____ On the whole, I am satisfied with myself.
8. ____ I wish I could have more respect for myself.
9. ____ I certainly feel useless at times.
10. ____ At times I think I am no good at all.

Note: Items 3, 5, 8, 9, and 10 are reverse-coded.

Appendix D

Internality, Powerful Others, and Chance Scale

Instructions: Please write the number in the blank beside each statement that corresponds to how strongly you feel the statement describes you.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. ____ Whether or not I get to be a leader depends mostly on my ability.
2. ____ To a great extent my life is controlled by accidental happenings.
3. ____ I feel like what happens in my life is mostly determined by powerful people.
4. ____ Whether or not I get into a car accident depends mostly on how good a driver I am.
5. ____ When I make plans, I am almost certain to make them work.
6. ____ Often there is no chance of protecting my personal interests from bad luck happenings.
7. ____ When I get what I want, it's usually because I'm lucky.
8. ____ Although I might have good ability, I will not be given leadership responsibility without appealing to those in positions of power.
9. ____ How many friends I have depends on how nice a person I am.
10. ____ I have often found that what is going to happen will happen.
11. ____ My life is chiefly controlled by powerful others.
12. ____ Whether or not I get into a car accident is mostly a matter of luck.
13. ____ People like myself have very little chance of protecting our personal interests when they conflict with those of strong pressure groups.
14. ____ It's not always wise for me to plan too far ahead because many things turn out to be a matter of good or bad fortune.
15. ____ Getting what I want requires pleasing those people above me.

-CONTINUED ON NEXT PAGE-

16. ___ Whether or not I get to be a leader depends on whether I'm lucky enough to be in the right place at the right time.
17. ___ If important people were to decide they don't like me, I probably wouldn't make many friends.
18. ___ I can pretty much determine what will happen in my life.
19. ___ I am usually able to protect my personal interests.
20. ___ Whether or not I get into a car accident depends mostly on the other driver.
21. ___ When I get what I want, it's usually because I worked hard for it.
22. ___ In order to have my plans work, I make sure that they fit in with the desires of people who have power over me.
23. ___ My life is determined by my own actions.
24. ___ It's chiefly a matter of fate whether or not I have a few friends or many friends.

Note: Items 2, 3, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 20, 22, and 24 are reverse-coded.

Appendix E

Eysenck Neuroticism Scale

Instructions: Please write the number in the blank beside each statement that corresponds to how strongly you feel the statement describes you.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. ____ My mood often goes up and down.
2. ____ At times I feel 'just miserable' for no reason.
3. ____ I am an irritable person.
4. ____ My feelings are easily hurt.
5. ____ I often feel 'fed-up'.
6. ____ I would call myself a nervous person.
7. ____ I am a worrier.
8. ____ I would call myself tense or 'highly-strung'.
9. ____ I worry too long after an embarrassing experience.
10. ____ I suffer from 'nerves'.
11. ____ I often feel lonely.
12. ____ I am often troubled by feelings of guilt.

Note: This scale contains no reverse-coded items.

Appendix F

Brayfield-Rothe Job Satisfaction Survey

Instructions: Please indicate the appropriate number beside each statement that corresponds to how strongly you agree or disagree with each statement.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. _____ I feel fairly satisfied with my present job.
2. _____ Most days I am enthusiastic about my work.
3. _____ Each day at work seems like it will never end.
4. _____ I find real enjoyment in my work.
5. _____ I consider my job to be rather unpleasant.

Note. Items 3 and 5 are reverse-coded.

Appendix G

Job Descriptive Index Job Satisfaction Survey

Instructions: Think of your job in general. All in all, what is it like most of the time? In the blank beside each word below, write

 Y for “Yes” if it describes your job in general

 N for “No” if it does NOT describe it

 ? if you cannot decide

JOB IN GENERAL

- | | |
|--------------------------------|--------------------------------|
| <u> </u> Pleasant | <u> </u> Worthwhile |
| <u> </u> Poor | <u> </u> Enjoyable |
| <u> </u> Bad | <u> </u> Worse than most |
| <u> </u> Makes me content | <u> </u> Undesirable |
| <u> </u> Ideal | <u> </u> Acceptable |
| <u> </u> Inadequate | <u> </u> Disagreeable |
| <u> </u> Waste of time | <u> </u> Superior |
| <u> </u> Excellent | <u> </u> Rotten |
| <u> </u> Good | <u> </u> Better than most |

Appendix H

Pay Satisfaction Questionnaire

Instructions: The statements below describe various aspects of your pay. For each statement, decide how satisfied or dissatisfied you feel about your pay, and put the number in the corresponding blank that best indicates your feeling. To do this, use the following scale:

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. ____ My take-home pay.
2. ____ My benefit package.
3. ____ My most recent raise.
4. ____ Influence my supervisor has on my pay.
5. ____ My current salary.
6. ____ Amount the company pays toward my benefits.
7. ____ The raises I have typically received in the past.
8. ____ The company's pay structure.
9. ____ Information the company gives about pay issues of concern to me.
10. ____ My overall level of pay.
11. ____ The value of my benefits.
12. ____ Pay of other jobs in the company.
13. ____ Consistency of the company's pay policies.
14. ____ Size of my current salary.
15. ____ The number of benefits I receive.
16. ____ How my raises are determined.
17. ____ Differences in pay among jobs in the company.
18. ____ How the company administers pay.

Note. Items 1, 5, 10, and 14 indicate satisfaction with pay level. Items 3, 4, 7, and 16 indicate satisfaction with pay raises. Items 2, 6, 11, and 15 indicate satisfaction with benefits. Items 8, 9, 12, 13, 17, and 18 indicate satisfaction with the structure/administration of pay.

Appendix I

Job Descriptive Index Pay Satisfaction Scale

Instructions: Think of the pay you currently receive. How well does each of the following words or phrases describe your present pay? In the blank beside each word below, write

 Y for “Yes” if it describes the supervision you get on your job

 N for “No” if it does NOT describe it

 ? if you cannot decide

PRESENT PAY

 Adequate for normal expenses

 Fair

 Barely live on income

 Bad

 Income provides luxuries

 Insecure

 Less than I deserve

 Well paid

 Underpaid

Appendix J

Money Attitude Scale

Instructions: Please indicate the number beside each statement that corresponds to how strongly you feel the statement describes you.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. ____ I use money to influence other people to do things for me.
2. ____ I do financial planning for the future.
3. ____ I argue or complain about the cost of things I buy.
4. ____ It's hard for me to pass up a bargain.
5. ____ I am bothered when I have to pass up a sale.
6. ____ It bothers me when I discover I could have gotten something for less elsewhere.
7. ____ I put money aside on a regular basis for the future.
8. ____ I must admit that I purchase things because I know they will impress others.
9. ____ I often try to find out if other people make more money than I do.
10. ____ I save now to prepare for my old age.
11. ____ After buying something, I wonder if I could have gotten the same for less elsewhere.
12. ____ I hesitate to spend money, even on necessities.
13. ____ I worry that I will not be financially secure.
14. ____ I show signs of nervousness when I don't have enough money.
15. ____ I follow a careful financial budget.
16. ____ I have money available in the event of another economic depression.
17. ____ People I know tell me that I place too much emphasis on the amount of money a person has as a sign of his/her success.
18. ____ In all honesty, I own nice things to impress others.
19. ____ I keep track of my money.

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20. ___ I automatically say, "I can't afford it," whether I can or not.
21. ___ I show worrisome behavior when it comes to money.
22. ___ I behave as if money were the ultimate symbol of success.
23. ___ I seem to find that I show more respect to people with more money than I have.
24. ___ I spend money to make myself feel better.
25. ___ When I make a major purchase, I have the suspicion that I have been taken advantage of.
26. ___ I am very prudent with money.
27. ___ I must admit that I sometimes boast about how much money I make.
28. ___ When I buy something, I complain about the price I paid.
29. ___ Although I should judge the success of people by their deeds, I am more influenced by the amount of money that they have.

Note. Items 1, 8, 9, 17, 18, 22, 23, 27, and 29 reflect power-prestige. Items 2, 7, 10, 15, 16, 19, and 26 reflect retention-time. Items 3, 6, 11, 12, 20, 25, and 28 reflect distrust. Items 4, 5, 13, 14, 21, and 24 reflect anxiety.

Appendix K

Risk Aversion Scale

Instructions: Please indicate how strongly you agree or disagree with each of the following statements by selecting the appropriate number beside each statement.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. ___ I am not willing to take risks when choosing a job or company to work for.
2. ___ I prefer a low risk/high security job with a steady salary over a job that offers high risks and high rewards.
3. ___ I prefer to remain on a job that has problems that I know about rather than take the risks of working at a new job that has unknown problems even if the new job offers greater rewards.
4. ___ I view risk on a job as a situation to be avoided at all costs.

Note: This scale contains no reverse-coded items.

Appendix L

Tolerance for Ambiguity Scale

Instructions: Please indicate how strongly you agree or disagree with each of the following statements by writing the appropriate response beside each statement.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. ____ I don't tolerate ambiguous situations well.
2. ____ I find it difficult to respond when faced with an unexpected event.
3. ____ I don't think new situations are any more threatening than familiar ones.
4. ____ I'm drawn to situations which can be interpreted in more than one way.
5. ____ I would rather avoid solving a problem that must be viewed from several different perspectives.
6. ____ I try to avoid situations which are ambiguous.
7. ____ I am good at managing unpredictable situations.
8. ____ I prefer familiar situations to new ones.
9. ____ Problems which cannot be considered from just one point of view are a little threatening.
10. ____ I avoid situations which are too complicated for me to easily understand.
11. ____ I am tolerant of ambiguous situations.
12. ____ I enjoy tackling problems which don't seem to have only one "best" solution.
13. ____ I try to avoid problems which don't seem to have only one "best" solution.
14. ____ I often find myself looking for something new, rather than trying to hold things constant in my life.
15. ____ I generally prefer novelty over familiarity.
16. ____ I dislike ambiguous situations.
17. ____ Some problems are so complex that just trying to understand them is fun.
18. ____ I have little trouble coping with unexpected events.

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19. ___ I pursue problem situations which are so complex some people call them "mind boggling."
20. ___ I find it hard to make a choice when the outcome is uncertain.
21. ___ I enjoy an occasional surprise.
22. ___ I prefer a situation in which there is some ambiguity.

Note. Items 1, 2, 5, 6, 8, 9, 10, 13, 16, and 20 are reverse-coded.

Appendix M

Desire for Individual Responsibility for Pay

Instructions: Please indicate how strongly you agree or disagree with each of the following statements by selecting the appropriate response beside each statement.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. _____ I am uncomfortable when my pay is determined by my job performance.
2. _____ I feel that I could earn more income if my pay was determined by how well I do my job.
3. _____ I am most comfortable receiving a pay plan where my pay is based entirely on my individual performance.
4. _____ I prefer to receive a set yearly salary where my pay does not change, regardless of my performance.
5. _____ I would not like a pay plan where I had the potential to earn greater income based on my performance, because I could also receive less income if my performance was not satisfactory.
6. _____ I am confident that I could earn sufficient income if my pay was determined by how well I could perform my job duties.

Note. Items 1, 4, and 5 are reverse-coded.

Appendix N

Desire for Variability of Pay

Instructions: Please indicate how strongly you agree or disagree with each of the following statements by placing the appropriate response in the blank beside each statement.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

1. _____ I prefer a pay plan where my pay can vary from month to month.
2. _____ I am most comfortable with a pay plan where it is not possible for my pay to vary from month to month.
3. _____ I become nervous when I don't know how much my paycheck will be.
4. _____ I do not worry if I don't know exactly how much income I'll receive per month.
5. _____ I am most comfortable with a pay plan where it is probable that my pay will vary from month to month.
6. _____ I enjoy being able to know exactly how much income I'll receive per month.

Note. Items 2, 3, and 6 are reverse-coded.

Appendix O

Forced Ranking of Preference

Instructions: Please rank order the following pay plans according to **how strongly you would prefer** each type of pay plan **while still working in your current position**, from Most Preferable (#1) to Least Preferable (#4).

***Yearly Salary**

***Hourly Pay**

***Entirely Merit-based Pay** determined by your department's evaluation procedures (e.g., peer ratings, student ratings, publications, etc.)

***A Reduced Annual Salary Augmented by Optional Merit-based Pay**

#1 _____ (Most Preferable)

#2 _____

#3 _____

#4 _____ (Least Preferable)

Appendix P

Questions Assessing Satisfaction with Current Pay Plan

Instructions: Please indicate your answers by circling the appropriate response.

1. What **method** of payment are you **currently receiving** in your job position?

Yearly Salary Hourly Wage Merit Pay Only Base pay + Merit Pay

2. How satisfied are you with the **method** in which you are paid (e.g., yearly salary, hourly pay, etc.)?

1 2 3 4 5
Very Dissatisfied Dissatisfied Neutral Satisfied Very Satisfied

3. Would you like to receive an alternative **method** of payment (i.e., merit-based, hourly pay, etc.)?

1 2 3 4 5
Definitely No No Maybe Yes Definitely Yes

4. Do you feel that the **method** (e.g., yearly salary, hourly pay, etc.) through which your company administers your pay is satisfactory?

1 2 3 4 5
Definitely No No Maybe Yes Definitely Yes

Note. Item 3 is reverse-coded.

Appendix Q

Forced Ranking of Perceived Control

Instructions: Please rank order the following pay plans according to **how much control over your income** you feel that each type of pay plan would allow you **while still working in your current position**, from Most Control (#1) to Least Control (#4).

***Yearly Salary**

***Hourly Pay**

***Entirely Merit-based Pay** determined by your department's evaluation procedures (e.g., peer ratings, student ratings, publications, etc.)

***A Reduced Annual Salary Augmented by Optional Merit-based Pay**

#1 _____ (Most Control)

#2 _____

#3 _____

#4 _____ (Least Control)

Appendix R

Forced Ranking of Perceived Risk

Instructions: Please rank order the following pay plans according to **how much risk you feel would be inherent in** each type of pay plan if received **while still working in your current position**, from Most Risk (#1) to Least Risk (#4).

***Yearly Salary**

***Hourly Pay**

***Entirely Merit-based Pay** determined by your department's evaluation procedures (e.g., peer ratings, student ratings, publications, etc.)

***A Reduced Annual Salary Augmented by Optional Merit-based Pay**

#1 _____ (Most Risk)

#2 _____

#3 _____

#4 _____ (Least Risk)