Monetary Rewards and Job Satisfaction: A Comparison between the United States and China

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Abstract

In the US, literature in management field assuming a strong positive link between monetary rewards and job satisfaction in theoretical studies, however, empirical studies show weak, even non-related, link between the two variables. Very limited studies have provided evidences outside the US. The purpose of the present study is to examine similarity and difference of the relation between monetary rewards and job satisfaction in two counties, the US and China. It answers two basic questions: Does money improve job satisfaction? And, does money works in the same way in the US and China? Survey based data are analyzed using partial least square (PLS) based structural equation modeling (SEM). The result shows Money does not improve job satisfaction in the US. In China, similarly, money only marginally increases satisfaction. In both countries, intrinsic motivation is the main contributor to job satisfaction.

Keywords: Satisfaction, Money, Monetary Rewards, China
1. Introduction

Does money improve job satisfaction? If you ask this question to a manager, the answer will be undoubtedly yes. In motivation theories also suggested that pay can improve one’s satisfaction (Carrall, Towler, Judge, & Kohn, 2005; Johnston, 1975; Locke & Latham, 2002; Maslow, 1943; Tietjen & Myers, 1998; Vroom, 1964). However, empirical studies showed a counterintuitive finding that money only marginally related to job satisfaction (Judge, Piccolo, Podsakoff, Shaw, & Rich, 2010). At least in the US, money is not a contributor on job satisfaction.

The explanation on this counterintuitive finding varies in OB literature. Some scholars stated that money do not provide satisfaction, but lacking of money can cause dissatisfaction (Herzberg, 1966). Other scholars argued that when employees reach a certain level of income, which can well support their living standard, money will no longer affect one’s job satisfaction (Judge et al., 2010). Other scholars said it depends on whether or not money is the reason of work for a particular individual (Locke & Bryan, 1966; Locke & Latham, 1990, 2006).

While scholars in OB field were fairly satisfied with those explanations, and arguing which one is the best answer. From international management field, some scholars showed a hint that the empirical findings on the correlation between monetary rewards and job satisfaction could be different across counties(Suh, Diener, Oishi, & Triandis, 1998). What if the results are different in other countries? Does national culture, economic development, cost of living affect the correlation between money and satisfaction? If the results are inconsistency across countries, many of the current explanations in OB literature need to be modified.

However, very limited international studies have examined this particular relationship (Judge et al., 2010). Therefore, this empirical study collected samples from China to answer a simple question: whether or not monetary rewards significantly improve job satisfaction in China. Same measurement scales were applied to both the US and China for comparisons. Control variables included intrinsic motivation, age, gender, years of service.

2. Literatures and Hypothesis Development

From an economic point of view, monetary rewards (such as salary and bonus) were viewed as fundamental to the exchange relation between employers and employees (Singh, Fujita, & Norton, 2004). But, as one form of the incentives in motivation theories, money did not play the major role. Intrinsic motivator (enjoyment of doing the work itself) had more impact on a person’s behavior and attitude (Andersen & Pallesen, 2008; Holt, 1993; Jang, 2008).

Theoretically, motivators in motivation theories were also aspects of job satisfaction, such as pay(money), promotion, and job security. When an employee is satisfied with his or her pay, we can conclude that to some extent, this employee is motivated by money; however, the extrinsic motivation generated by money may be so small that it can be ignored. It depends on an individual’s need, valence, or goal-setting in different motivation theories.

Motivation and job satisfaction theories had freely borrowed from one another in their
development. For example, in the goal-setting theory, the emotional state when someone achieves his or her goal is called satisfaction (Locke & Bryan, 1966; Locke & Latham, 1990). Locke and Latham (2002) later argued that high goals lead to high performance, which in turn leads to rewards. Rewards in turn result in high job satisfaction. In the job characteristic theory, growth need strength (GNS) (which is similar with need for achievement) was a strong moderator between job characteristics and satisfaction (Hackman & Oldham, 1976, 1980). In summary, both work motivation and job satisfaction theories tried to explain psychological states that initiate individuals’ work-related behavior. Job satisfaction theories focused on why certain psychological states appear. Motivation theories focused on how certain psychological states affect an individual’s behavior.

Surprisingly few studies addressed the link between money and job satisfaction (Brief & Weiss, 2002; Spector, 1997). Wright and Kim (2004) found a positive but weak association between money and job satisfaction. This finding was generally supported by Moynihan and Pandey’s (2007) study. Extrinsic motivators, such as money, were used to enhance extrinsic motivation by satisfying an individual employee’s needs (Anthony, Govindarajan, & Dearden, 1998; Kunz & Pfaff, 2002; Stringer et al., 2011). On the other hand, Penn’s (2002) and Stringer’s et al. (2011) studies indicated that monetary rewards are negatively associated with job satisfaction. This inconsistency may be because of individual differences of psychological needs (Stringer et al., 2011).

In summary, the OB literature showed that monetary rewards and job satisfaction are correlated, but this relation is weak (Judge et al., 2010). In this case, we can expect a non-relation, or weak relation between money and satisfaction. The previous theoretical and empirical findings lead to the first hypothesis:

**Hypothesis 1: In the US, monetary reward is not associated with job satisfaction.**

As mentioned, international management studies have showed a hint that this relationship might be inconsistence across countries. DeVoe and Iyengar’s (2004) study showed that managers in the US perceived employees to be more extrinsically than intrinsically motivated, but Latin American managers perceived their employees as being more intrinsically motivated than extrinsically motivated. Asian managers perceived their employees to be equally motivated by intrinsic and extrinsic factors; however, employees from all cultural backgrounds regarded themselves as more intrinsically than extrinsically motivated (DeVoe & Iyengar, 2004).

Jackson and Bak (1998) found that typical western motivational practices did not work well in China. The problems were due to differences in management styles, pay scales, welfare, and accommodation arrangements. In a study comparing preference with motivators, King and Bu (2005) found that promotion and interesting work are the most preferred rewards for American students, while good pay and bonuses are the most preferred rewards for Chinese students. They concluded that this difference may be attributable to cultural and economic conditions. The previous international empirical findings lead to the second hypothesis:
Hypothesis 2: In China, monetary reward is positively associated with job satisfaction.

The relationship between money and satisfaction was examined by the path coefficient of partial least square (PLS) regression. However, the difference between path coefficients in two samples may be due to many reasons, such as sample size, scale inequality, or measurement errors. Two samples in a same country could also generate different results. Therefore, the present study adopted a comparison procedure developed by Keil et al. (2000) to further examine if the relations between money and satisfaction in the US and China are statistically different.

Hypothesis 3: There is a significant difference between the path coefficients of the US sample and the China sample for monetary reward and job satisfaction relation.

As mentioned, the present study simply compares the relationship between money and satisfaction in two countries. The reason behind this relationship is hard to tell by a two-country study, which is the major limitation of this study. The reason could be the difference on national culture, economic development, or cost of living. For example, Chinese have higher power distance index (PDI) score than Americans. But, making a conclusion that power distance affects the relation between money and satisfaction is an over-interpretation of this empirical study. Future research involving more countries should be conducted.

Figure 1 presents the research model of this study:

![Figure 1. Research Model](image-url)
3. Methodology

3.1 Measurement Scale

In this study, job satisfaction is measured using the scale developed by Brayfield and Rothe (1951). Brayfield and Rothe’s (1951) measurement scale on job satisfaction is one of the most cited scales in the job satisfaction field (more than 1700 citations) and is still useful for current studies (Johnson, 2011; Rousseau, 1977; Smith, 2009). Price (1997) found that this measurement scale appears to have adequate validity and reliability. In their book *The experience of work: A compendium and review of 249 measures and their use*, Cook and Heptworth (1981) also confirmed the validity and reliability of the scales. Judge, Locke, Durham, and Kluger (1998) adopted Brayfield and Rothe’s (1951) measurement scale and reported a composite reliability of 0.88. Judge, Erez, Bono, and Thoresen (2002) reported composite reliabilities of 0.82 and 0.83 in two of their samples.

Objective variables, including monetary rewards (income), age, gender, and years of services, are measure by one directly question, such as “How much compensation have you earned from your current job last year?” and “What is your age?”

For intrinsic motivation measurement scale, this study combines Warr, Cook, and Wall’s (1979) scale and Kuvaas and Dysvik’s (2009) scale, which yields high validity and reliability, with loadings of 0.88, 0.87, 0.79, and 0.86, and Cronbach’s alpha is 0.92.

3.2 Data Collection and Statistical Analysis

2000 questionnaires were distributed in the US and China. A total of 330 responses were collected for the study (136 from the US and from China). The question items were originally written in English, and then translated into Chinese. Translation validity test were conducted by a bilingual professional.

The subjects in the US were employees and students from a university in the southwest US. Subjects in China were members of a research association in the northern part of China and employees from a manufacturing company in the eastern part of China. The distribution of the questionnaire involved multiple channels, including paper-based survey, emails, tweets, and LinkedIn invitations.

The data were analyzed using partial least square (PLS) based structural equation modeling (SEM). PLS does not require distributional assumptions, such as normality distribution (Haenlein & Kaplan, 2004). PLS also does not require as large of a sample size as a co-variance based SEM to generate a stable path coefficient, which is particularly suitable for the present study.

4. Model Assessment

In validity test, Table 1 and Table 2 show the combined loadings and cross-loadings of all indicators in the US sample and the China sample, respectively. The convergent validity is good if the question items associated with each latent variable are understood by the subjects in the same way as they are designed. According to Hair (2009), the loadings of indicators
should be higher than 0.5 and significant at the 0.01 level to guarantee an acceptable convergent validity.

Table 1. Loadings and Cross-loadings of Indicators: The US Sample

<table>
<thead>
<tr>
<th></th>
<th>IM</th>
<th>JS</th>
<th>AC</th>
<th>CC</th>
<th>NC</th>
<th>Type</th>
<th>SE</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>IM01</td>
<td>0.688</td>
<td>-0.091</td>
<td>0.004</td>
<td>0.005</td>
<td>-0.022</td>
<td>Formative</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM03</td>
<td>0.683</td>
<td>-0.05</td>
<td>0.048</td>
<td>0.19</td>
<td>-0.188</td>
<td>Formative</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM04</td>
<td>0.499</td>
<td>-0.201</td>
<td>-0.151</td>
<td>0.168</td>
<td>0.112</td>
<td>Formative</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM05</td>
<td>0.68</td>
<td>-0.109</td>
<td>-0.059</td>
<td>0.013</td>
<td>-0.02</td>
<td>Formative</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM06</td>
<td>0.663</td>
<td>-0.102</td>
<td>0.164</td>
<td>0.185</td>
<td>-0.324</td>
<td>Formative</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM07</td>
<td>0.781</td>
<td>0.152</td>
<td>-0.056</td>
<td>-0.129</td>
<td>0.159</td>
<td>Formative</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM08</td>
<td>0.773</td>
<td>0.131</td>
<td>-0.012</td>
<td>-0.201</td>
<td>0.223</td>
<td>Formative</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM09</td>
<td>0.742</td>
<td>0.16</td>
<td>0.032</td>
<td>-0.125</td>
<td>0.027</td>
<td>Formative</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS01</td>
<td>-0.083</td>
<td>0.767</td>
<td>-0.209</td>
<td>0.032</td>
<td>0.141</td>
<td>Reflective</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS03</td>
<td>0.011</td>
<td>0.841</td>
<td>-0.116</td>
<td>0.044</td>
<td>-0.169</td>
<td>Reflective</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS04</td>
<td>0.129</td>
<td>0.866</td>
<td>-0.092</td>
<td>0.062</td>
<td>-0.112</td>
<td>Reflective</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS05</td>
<td>-0.046</td>
<td>0.591</td>
<td>0.14</td>
<td>-0.161</td>
<td>0.314</td>
<td>Reflective</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS06</td>
<td>-0.05</td>
<td>0.616</td>
<td>0.415</td>
<td>-0.032</td>
<td>-0.089</td>
<td>Reflective</td>
<td>0.068</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

Note: IM=intrinsic motivation; JS=job satisfaction

Table 2. Loadings and Cross-loadings of Indicators: The China Sample

<table>
<thead>
<tr>
<th></th>
<th>IM</th>
<th>JS</th>
<th>AC</th>
<th>CC</th>
<th>NC</th>
<th>Type</th>
<th>SE</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>IM01</td>
<td>0.642</td>
<td>-0.531</td>
<td>0.335</td>
<td>-0.03</td>
<td>-0.052</td>
<td>Formative</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM03</td>
<td>0.667</td>
<td>-0.141</td>
<td>0.119</td>
<td>0.151</td>
<td>-0.121</td>
<td>Formative</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM04</td>
<td>0.604</td>
<td>-0.435</td>
<td>0.11</td>
<td>0.001</td>
<td>-0.056</td>
<td>Formative</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM05</td>
<td>0.561</td>
<td>-0.106</td>
<td>-0.141</td>
<td>0.052</td>
<td>0.02</td>
<td>Formative</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM06</td>
<td>0.736</td>
<td>-0.345</td>
<td>0.066</td>
<td>-0.278</td>
<td>-0.099</td>
<td>Formative</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM07</td>
<td>0.687</td>
<td>0.423</td>
<td>-0.193</td>
<td>0.05</td>
<td>0.118</td>
<td>Formative</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM08</td>
<td>0.553</td>
<td>0.765</td>
<td>-0.295</td>
<td>0.145</td>
<td>0.116</td>
<td>Formative</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>IM09</td>
<td>0.633</td>
<td>0.469</td>
<td>-0.055</td>
<td>-0.033</td>
<td>0.101</td>
<td>Formative</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS01</td>
<td>0.164</td>
<td>0.782</td>
<td>0.298</td>
<td>0.05</td>
<td>-0.084</td>
<td>Reflective</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS03</td>
<td>-0.066</td>
<td>0.819</td>
<td>-0.255</td>
<td>0.053</td>
<td>0.035</td>
<td>Reflective</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS04</td>
<td>-0.028</td>
<td>0.872</td>
<td>-0.092</td>
<td>0.111</td>
<td>0.056</td>
<td>Reflective</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS05</td>
<td>-0.015</td>
<td>0.679</td>
<td>-0.05</td>
<td>0.191</td>
<td>0.139</td>
<td>Reflective</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>JS06</td>
<td>-0.071</td>
<td>0.549</td>
<td>0.163</td>
<td>-0.421</td>
<td>-0.193</td>
<td>Reflective</td>
<td>0.059</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

Note: IM=intrinsic motivation; JS=job satisfaction

For discriminant validity test, the square root of the average variance extracted should be higher than any of the correlations involving that latent variable. In the US sample, AVE of
job satisfaction and intrinsic motivation are 0.75 and 0.70, respectively. Both of the AVEs are higher than their correlation 0.47. For the China sample, the AVEs are 0.75 and 0.64, which are higher than the correlation 0.46.

Reliability test was shown on Table 3. Both Composite reliability and Cronbach’s alpha are examined. As the table shows, all latent variables have Composite reliability and Cronbach’s alpha higher than 0.6.

Table 3. Composite Reliability and Cronbach’s Alpha

<table>
<thead>
<tr>
<th></th>
<th>Intr. Motiv.</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Sample</td>
<td>Composite reliability 0.88</td>
<td>0.859</td>
</tr>
<tr>
<td></td>
<td>Cronbach’s alpha 0.843</td>
<td>0.791</td>
</tr>
<tr>
<td>China Sample</td>
<td>Composite reliability 0.88</td>
<td>0.859</td>
</tr>
<tr>
<td></td>
<td>Cronbach’s alpha 0.843</td>
<td>0.791</td>
</tr>
</tbody>
</table>

To examine multicollinearity, variance inflation factor (VIF) of each variable should be lower than 5. On Table 4, VIF of variables were calculated and presented.

Table 4. Variance Inflation Factor (VIF)

<table>
<thead>
<tr>
<th></th>
<th>Intr. Motiv.</th>
<th>Money</th>
<th>Satisfaction</th>
<th>Age</th>
<th>Gender</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIF (US)</td>
<td>1.32</td>
<td>1.29</td>
<td>1.82</td>
<td>1.47</td>
<td>1.85</td>
<td>1.05</td>
</tr>
<tr>
<td>VIF (China)</td>
<td>1.52</td>
<td>1.18</td>
<td>1.73</td>
<td>1.17</td>
<td>1.11</td>
<td>1.06</td>
</tr>
</tbody>
</table>

5. Results

The results of this study are presented in Figure 2. The numbers in Figure 2 are the path coefficients (standardized partial regression coefficients), which indicate the strengths of the multivariate associations between variables. Numbers in parentheses are for the China sample, others are for the US sample. The statistical significance level of the path coefficients are also included in the figures, where * refers to $p \leq 0.05$, ** refers to $p \leq 0.01$, and ns refers to non-significant. Figure 2 also shows the R squared coefficients which indicated the percentage of variance explained by the variables.
Hypothesis 1 proposed a non-relation between monetary rewards and job satisfaction, in the US sample. As expected, the SEM analysis showed a non-significant path coefficient of 0.07. Among the control variables, intrinsic motivation and age have high path coefficient with satisfaction of 0.46 and 0.16, respectively. Gender and satisfaction has moderate significant path confident of 0.12. Indicating that female employee tend to have slightly higher satisfaction level than male employees. All variables explained 29 percent of variances of job satisfaction in the US sample.

Table 5 present the effect sizes for path coefficients of the US sample and the China sample, respectively. The effect sizes are calculated as the absolute values of the contribution to the R-squared coefficient. Even if a path coefficient is statistically significant, effect sizes lower than 0.02 suggest that the path coefficients between variables are too weak to be considered relevant from a practical point of view (Cohen, 2013)

Table 5. Effect Size

<table>
<thead>
<tr>
<th></th>
<th>Money.</th>
<th>Intr. Motiv.</th>
<th>Age</th>
<th>Gender</th>
<th>Years of S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The US Sample</td>
<td>0.014</td>
<td>0.226</td>
<td>0.042</td>
<td>0.012</td>
<td>0.004</td>
</tr>
<tr>
<td>The China Sample</td>
<td>0.04</td>
<td>0.254</td>
<td>0.013</td>
<td>0.019</td>
<td>0.002</td>
</tr>
</tbody>
</table>

As Table 5 showed, age and intrinsic motivation explains 4.2% and 22.6% of the variance of job satisfaction. Although gender and satisfaction has a moderate significant path coefficient, the effect size is very weak. Monetary reward (money) and satisfaction has a
non-significant path coefficient, as well as a very low effect size. Therefore, in the US sample, monetary reward and job satisfaction is not related. Accordingly, hypothesis 1 is supported.

Hypothesis 2 proposed a positive link between monetary rewards and job satisfaction in the China sample. As figure 2 showed, the SEM analysis yield a positive path coefficient of 0.16, significant at 0.01 level. Among the control variables, intrinsic motivation and gender have significant path coefficient with satisfaction of 0.50 and 0.14, respectively. All variables explained 23 percent of variances of job satisfaction in the China sample.

The effective size on Table 5 showed that money explained 4% of the variance of job satisfaction in China. The major impact is due to intrinsic motivation, which explained 25.4% of the variance. Similar with the US sample, although gender has a significant positive coefficient, the effect size of this variable is very low. Hypothesis 2 is supported by SEM results. However, it should be noticed that the impact of money on job satisfaction is very limited in China.

Hypothesis 3 proposed a statistical difference between the path coefficients in two samples. As mentioned, the different path coefficient between money and satisfaction could due to many reasons, such as sample size, measurement error, or scale inequality. Therefore, a method developed by Keil et al. (2000) is applied to check if the difference between path coefficients is statistically significant. The method of this comparison is showed as following:

\[
t = (W_1 - W_2)/[S_{12} \times \sqrt{\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}]
\]

\[
S_{12} = \sqrt{\frac{(N_1 - 1)^2}{(N_1 + N_2 - 2) \times S_1^2} + \frac{(N_1 - 1)^2}{(N_1 + N_2 - 2) \times S_2^2} \times \left(\frac{1}{N_1} + \frac{1}{N_2}\right)}
\]

Note:
- \(W_i\) = indicator weight of sample \(i\)
- \(S_{12}\) = pooled estimator for the variance
- \(S_i\) = Standard error of indicator weight of sample \(i\)
- \(t\) = t-statistic with \(N_1 + N_2 - 2\) degrees of freedom
- \(N_i\) = sample size of sample \(i\)

The result of path coefficient comparison is showed in Table 6.
Table 6. Path Coefficient Comparison

<table>
<thead>
<tr>
<th>Path</th>
<th>U.S. Sample (size: 136)</th>
<th>China Sample (size: 194)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>S. Error</td>
</tr>
<tr>
<td>Money → Satisfaction</td>
<td>0.072</td>
<td>0.068</td>
</tr>
</tbody>
</table>

The comparison of path coefficient between money and satisfaction in two samples yield a non-significant p Value. Lower standard error and larger sample size may contribute the significant path coefficient in China sample. This result indicated that hypothesis 3 is not supported.

6. Conclusion

Can money improve an employee’s job satisfaction? In the United State, as we discussed in hypothesis development, previous OB studies showed no relationship, or mixed results. The present study is highly consistent with OB literature. In the US sample, the path coefficient between money and satisfaction is non-significant (0.07, p=0.15). This result indicated that money cannot improve an employee’s job satisfaction. The reason behind this finding could be explained by “valence” in expectancy theory. Valence is the value an individual places on the rewards of an outcome, such as money. It is based on one’s personal needs, goals, and values. If an individual’s personal need is not related to money or cannot be exchanged with money, this individual will not work for monetary reward.

One thing should be noted is that expectancy theory explained motivation rather than job satisfaction. The psychological state in motivation theories and job satisfaction theories is slightly different. In job satisfaction theories, it is more appropriate to use the word happy to describe the psychological state. Happy is a biological brain activity, which does not exactly equal job satisfaction. But in the discipline of psychology, this word is an operational equivalent to job satisfaction (Johnson, 2011; Kluger & Tikchinsky, 2001). In motivation theories, it is more appropriate to use the word desire, which reflects an individual’s evolutionary mind set for survival.

The present research agrees with Ahuvia’s (2008) argument that people are motivated with three evolutionary desires: to store resources, to be sexually attractive, and to manage social relationships. Happy does not lead to any evolutionary advantages, but it is a psychological reaction of achieving evolutionary desires. In this sense, motivation and job satisfaction are linked but different. Therefore, certain motivators (such as money) that are desired by individuals do not necessarily lead to satisfaction or happiness (Ahuvia, 2008; Andersen & Pallesen, 2008; Currivan, 2000).

The SEM results showed that intrinsic motivation plays an important role on job satisfaction (path coefficient=0.46, p<0.01). It indicated that employees in the US who satisfied with their job are mainly due to the enjoyment of doing the job itself rather than the monetary compensation they earned. Intrinsic motivation explained 22.6 percent of employee’s job satisfaction.
How about the situation in China? Very limited international evidence can be searched in OB literature on this specific relation. The present study showed a positive link between monetary reward and job satisfaction in China (path coefficient = 0.16, p<0.01). Therefore, we can conclude that money does improve one’s job satisfaction in China. However, the low effect size (0.04) indicated that this improvement is very weak. If a manager wants to increase his/her employee’s satisfaction level, paying them more money won’t be an effective way. Similar with the result in the US, enjoyment of doing one’s job (intrinsic motivation) is also the major reason of job satisfaction. The cross-group comparison on path coefficients also showed a similar result, in which the impact of money on satisfaction was not statistically different in the two samples.

The US and China have very different national culture and economic development level. International management studies have shown that the preference of compensation could be different in China than in the US. Therefore, the relation between monetary reward and job satisfaction is proposed to be emic. However, the empirical analysis presented etic findings. Future research involving more countries is recommended to confirm the results of the present study.

References


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