Equity sensitivity as a moderator
between equity perception and pay satisfaction

BY

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TABLE OF CONTENT

TABLE OF CONTENT.................................................................i
ACKNOWLEDGEMENT .............................................................. ii
ABSTRACT................................................................................ iii
CHAPTER I - INTRODUCTION AND PROBLEM STATEMENT......1
CHAPTER II – RESEARCH OBJECTIVES ....................................3
CHAPTER III - LITERATURE REVIEWS AND HYPOTHESE ........4
  3.1 Equity perception.................................................................4
  3.2 Pay satisfaction.................................................................6
  3.3 Equity sensitivity............................................................... 8
  3.4 Control variables...............................................................10
  3.5 Summary of hypotheses....................................................11
Chapter IV - METHODOLOGY ....................................................12
  4.1 Sample................................................................................12
  4.2 Measurement instruments..................................................13
    4.2.1 Equity perception.........................................................13
    4.2.2 Pay satisfaction..........................................................14
    4.3.3 Equity sensitivity.........................................................14
CHAPTER V – ANALYSIS AND RESULTS ....................................17
  5.1 Factor analysis.................................................................17
  5.2 Cronbach’s Alpha Reliability Test.......................................18
  5.3 Means, standard deviations and Zero-order Correlations......18
  5.4 Hierarchical regression analysis .......................................19
CHAPTER XI – DISCUSSION............................................................20
  6.1 Practical implications.........................................................23
  6.2 Limitations...........................................................................26
  6.3 Directions for future research...............................................28
CHAPTER XII – CONCLUSION.............................................................29
REFERENCES..............................................................................31
APPENDIX....................................................................................39
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Last but never the least, I would like to thank all the respondents for sharing with me their information and points of view on the studied issues. Their generous support is undoubtedly the foundation of my study.
ABSTRACT

Previous studies have confirmed that level of pay is not the sole predictor of employees’ pay satisfaction. Based on this assertion, this study investigates antecedents other than the actual pay level which have significant impacts on pay satisfaction.

This study examines the predictive relationship between employees’ equity perception on their reward systems and the pay satisfaction. Yet, the perception of equity varies among people and is hard to be measured objectively. The study also examines the moderating effect of employees’ personality type, equity sensitivity, on the constructed relationship.

Questionnaires were collected from 115 full time local employees working in different industries. Their scores on equity perception regarding their reward systems, pay satisfaction and equity sensitivity were analyzed and compared.

Results indicate that, in general, if employees perceive their reward system equitable, they score higher on pay satisfaction. In addition, this
positive relationship is found to be particularly strong for the equity sensitive group than the equity insensitive group, further confirming the influences of individual personality on the constructed relationship.

Based on the results of the study, organizations could do several things to improve overall pay satisfaction. Practical implications and recommendations for future research are further discussed.
CHAPTER I - INTRODUCTION AND PROBLEM STATEMENT

For many years, literatures have explored numerous impacts of pay satisfaction in organizational settings (Smola, Karen Wey, 2003). Evidence indicates that pay satisfaction is related to overall job satisfaction, motivation and performance. Pay satisfaction levels are also strongly related to absenteeism and turnover rates. Dissatisfaction with pay may also lead to more pay-related grievances and litigation (David E Terpstra, Andre L Honoree, 2003). As a result, increasing interests are shown on the following question:

*What can an organization do if they would like to raise employees’ satisfaction on pay?*

As noted by Rice, Phillips, and McFarlin (1990), although the relationship between how much an individual is actually paid and that individual’s pay satisfaction is positive and statistically significant, it has explained well under 25 percent of the variance in pay satisfaction.

If the argument made by Rice, Phillips, and McFarlin (1990) stands, there
should be a room for higher pay satisfaction without raising the employees’ actual salaries.

In an organizational setting, it is not uneasy to hear employees’ grievances on unfair treatment regarding rewards. As Adams’ equity theory suggests, everybody evaluates and compares the exchange relationship with their organization in terms of effort spent and rewards received (Adams, 1965). Their grievances on unfair rewards are possibly based on the social comparisons between their and their peers’ pay (Berkowitz, Fraser, Treasure, and Cochran, 1987).

According to Heneman’s (1985) review of the pay-satisfaction literatures, the relationship between employees’ equity perception on pay and pay satisfaction is always positive. Perceived pay equity is always followed by employee’s pay satisfaction. These two factors are strongly correlated.

The above two scholars’ findings make it rationale to assume that if organizations pay more attention to reward equity, it is likely to enhance employees’ satisfaction on pay.
One of the potential problems in proving this construct is that the standards of pay satisfaction and equity are always vague and vary among people. For some people, equity is the main concern, but not for others. Given the same reward system, some may perceive equity, but others may not. Therefore, measuring perceived equity should not isolate the effect of individuals’ personality types.

To enhance the implications of this study, Huseman’s equity sensitivity (Huseman et al., 1985, 1987; King et al., 1993; Miles et al., 1989) is also reviewed. Employees’ personality types are added into the study with a purpose to explore individual differences between their equity perception and pay satisfaction.

**CHAPTER II – RESEARCH OBJECTIVES**

As mentioned above, this research will emphasize on how employees’ equity perception to their rewards influences their satisfaction on pay. The purposes of this research are to:

- Suggest organizations ways other than pay raise to enhance employees’
Equity sensitivity as a moderator between equity perception and pay satisfaction

pay satisfaction

• Explore the relationship between equity perception and pay satisfaction

• Investigate how individuals’ personality, equity sensitivity, will moderate this relationship

CHAPTER III - LITERATURE REVIEWS AND HYPOTHESE

![Conceptual framework of the hypotheses](image)

Figure 1: Conceptual framework of the hypotheses

3.1 Equity perception

Equity perception refers to employees’ perceived ratio between effort spent and reward received at work.

According to Equity Theory (Adams, 1965), employees evaluate the
exchange relationship in terms of a ratio between effort spent (input) and reward received (output) at work. They tend to compare their ratio to their counterparts’. Those inputs include education, experience, training, skills, as well as all their devotion to their job. Outputs refer to inducements an employee may receive from an organization, including all kinds of monetary rewards, desired job-related responsibilities, esteem, status, and social identity. The equity perception can also be referred as distributive justice in some literatures.

Employees will compare their actual ratio to their perceived one. Gartrell (1982), for example, studied employees in a public works department in a large north-eastern city in the U.S. He found that they frequently compared themselves to construction workers, a very different job. Law and Wong (1998) also found that bank clerks in Hong Kong compared themselves to other clerks in the same office. If the actual ratio matches with their perceived one, reward equity is achieved. In contrast, if discrepancies occur, reward inequality is resulted.
Inequity can reflect both under-reward or over-reward equity. Both of them will trigger workers’ adverse reaction, especially the former (Mowday, 1991). Any pay system which measures carefully individuals’ output/input ratio and theoretically brings equity to employees is to be considered as an equitable reward system.

3.2 Pay satisfaction

Another variable emphasized in this research is pay satisfaction. It refers to the magnitude which employees are satisfied with their current pay.

Many earlier researchers had examined the impacts and antecedents of pay satisfaction. For examples, Lawler (1976) proposed that pay contributes to total organizational effectiveness and is important to workers. Some researches (Shaw, J.D., Duffy, M. K., Jenkins, G. D. Jr., & Gupta, N., 1999) revealed that pay was a significant organizational expense and was valued individual outcome. Despite the diversified points of view made by different researchers, pay satisfaction is still a hot investigation area.

Besides, early pay satisfaction researchers treated the construct and its
measurement as one-dimensional. Some researchers used ad hoc measures designed for individual studies, while some (Dyer & Theriault, 1976; Schwab & Wallace, 1974; Weiner, 1980) used the pay satisfaction sub-scales of the Minnesota Satisfaction Questionnaire (MSQ) and the Job Descriptive Index (JDI). A major advancement in the study of pay satisfaction is the work done by Heneman and Schwab (1985), who were the first to explicitly conceptualize pay satisfaction as a multidimensional construct.

Initially, Heneman and Schwab (1985) hypothesized five dimensions of pay satisfaction: pay level, benefits, pay raise, pay structure and pay administration. Based on initially factor analysis results, the validity of pay level, benefits, pay raise dimensions were supported, but the pay structure and pay administration dimensions were later combined. As a result, when examining pay satisfaction, a four-factor structure is usually referred to.

According to Rice, Philips, and McFarlin (1990), pay satisfaction was not only an outcome of actual pay level. These findings encourage others to examine the prediction of pay satisfaction based on multiple discrepancies or
multiple monetary standards of comparison (Law & Wong, 1998).

According to Heneman’s (1985) review of the pay-satisfaction literature, pay satisfaction was closely linked to Adam’s Equity Theory (1965). Pay satisfaction was enhanced once an employee perceives equity to their rewards. Hence, Heneman’s (1985) point of view will be the core of study in this paper.

\textit{H1: Equity perception significantly influences pay satisfaction (pay level, benefit, pay raise and pay structure and administration).}

3.3 Equity sensitivity

The last, but also the most interesting variable in the study, is the equity sensitivity. This concept proposes that individuals have a unique sensitivity to fair and unfair situations that can thereby influence their attitudes and reactions, either positively or negatively (Huseman et al., 1985, 1987; King et al., 1993; Miles et al., 1989).

The equity sensitivity concept investigates a person’s perceptions of what is and what is not equity and then uses that information to make predictions about reactions to inequity (King, Miles and Day, 1993). According to
Huseman’s study (1985, 1987), people can be generally categorized into three groups:

i. Benevolents – concern about the relationship with employers

ii. Equity sensitives – concern both the relationship and the outcomes

iii. Entitleds – concern about their personal outcomes

Benevolents are basically defined as “givers” and are satisfied easily. They do not mind providing more inputs to their counterparts. Since what they concern most is their relationship with their boss, they can be satisfied even if they are under-paid.

Another extreme is entitleds, who demand a larger reward and effort ratio. Defined as “takers”, they always look rewards as “entitled” and never stop requesting higher pay. They will not be satisfied until an over-rewarded situation occurs.

Despite their extreme personalities, these two groups of people share one common characteristic, that is, they do not really care about reward equity suggested by Adams. Having different concern in mind, they are indeed not
Equity sensitivity as a moderator between equity perception and pay satisfaction

Seekers of an optimum exchange ratio. In other words, they can be regarded as equity insensitives.

*Equity sensitives* are different. They adhere to the predictions of the current equity theory model as proposed by Adams (1963, 1965). They are satisfied if and only if they get a balanced actual effort and reward ratio.

This group of people really concern about equity defined by Adams.

*H2: The relationship between equity perception and pay satisfaction (pay level, benefit, pay raise and pay structure and administration) is stronger for equity sensitives than equity insensitives.*

### 3.4 Control variables

In order to test the impact of the above variables, 7 other variables, which were not the core of this research, were controlled.

Previous work had found that employee attitudes were related to demographic and position variables (Robinson, 1996; Onne Janssen, 2001). Therefore, demographic information like age, gender and current positions of
According to H. Hememan and Schwab & Wallace (1985, 1974), salary level, salary increase, tenure and job satisfaction also had certain extent of impacts on pay satisfaction. These factors were assumed constant in this analysis.

3.5 Summary of hypotheses

Table 1 is a summary of the hypotheses in this research:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Equity perception significantly influences pay satisfaction (pay level, benefit, pay raise and pay structure and administration).</td>
</tr>
<tr>
<td>H2</td>
<td>The relationship between equity perception and pay satisfaction (pay level, benefit, pay raise and pay structure and administration) is stronger for equity sensitives than equity insensitives.</td>
</tr>
</tbody>
</table>

Table 1: A summary of all hypotheses
Chapter IV - METHODOLOGY

4.1 Sample

A quantitative survey was conducted by sending questionnaires to full-time employees in local firms between March and April in the year 2007. Participants were picked on a voluntary basis. Cover letters were attached to indicate the purpose of this survey and to assure the confidentiality of the questionnaires returned.

Of the 150 questionnaires distributed, 115 were returned and were all usable. The response rate was 77%. As shown in appendix 1, 46 of the respondents were male and 68 were female, consisted of 40% and 60% of the total sample. A large proportion of the same were aged between 21 and 25 (45%). A majority of them had served their companies for less than 3 years (less than 1 year: 44.35%; 1-3 years: 23.48%), and were holding a non-managerial position in their company (86%). More than 80% of the respondents were earning less than $20,000 a month. Although some respondents (15.65%) reported a “more-than-ten-per-cent” salary increment
last year, a majority of them (58.26%) received a merit less than 3%. In a question simply asking respondent’s overall satisfaction towards their current jobs, around 80% of them chose either “satisfied” or “neither satisfied nor dissatisfied”. The demographic information indicated that the survey included a wide variety of respondents.

4.2 Measurement instruments

To assure the reliability and validity of the designed questions, all the questions included in the questionnaire were supported by past literatures and were commonly used in other researches.

4.2.1 Equity perception

Adams’s equity theory (1965) would be the basis for measuring equity equity. Based on the Equity theory (1965), Van Yperen, (1996) developed six statements to measure employees’ perception of job effort-reward equity. These statements are “I work too hard considering my outcomes.”, “I give a great deal of time and attention to the organization, but do not feel appreciated.”, “I invest more in my job than I receive in return.”, “The rewards
Equity sensitivity as a moderator between equity perception and pay satisfaction

I receive are not proportional to my investments.”;”I put more energy in my job than it is worth.”, “I feel unfairly treated in my job.” Each of these statements was followed by a seven-point response scale ranging from “totally disagree” (1) to “totally agree” (7). All responses were reversely coded, so that higher ratings indicated more perceived effort-reward fairness.

4.2.2 Pay satisfaction

In order to examine all the dimensions of pay satisfaction, the whole set of Pay Satisfaction Questionnaire (PQS), consisting of sixteen items, developed by Heneman & Schwab (1985) was used. This measure consisted of four subscales measuring satisfaction with pay level, benefits, pay raise, and pay structure and administration. The coefficient alpha reliability estimates for these subscales ranged from 0.81 to 0.95 for a sample of white-collar employees and a second sample of nurses (Heneman & Schwab, 1985). Similar estimates of reliability were reported by Scarpello, Hucer, and Vandenberg (1988).

4.3.3 Equity sensitivity
To assess each individuals’ equity sensitivity, King and Miles (1994) Equity Instrument (ESI) of 5 items was used. This forced-distribution scale measures responses on a continuum from benevolent to entitleds. For each item, respondents allocate 10 points between 2 statements, one representing a benevolent response and the other representing an entitled response. Examples of the items are “It would be more important for me to: A) help others; B) watch out for my own good.”, and “The hard work I would do should: A) Benefit the organization; B) Benefit me.”

In order to generate 3 sub-groups representing benevolents, equity sensitives and entitleds, the conventional rule set by previous researchers was utilized (cf., King, Miles and Day 1993; Allen and White 2002). The points of statements representing benevolent response were summed (Jill Kickul & Scott W. Lester, 2001). The decision rule of plus/minus one-half of the standard deviation from the ESI mean was used to define the breakpoints for each sub-group. King, Miles and Day (1993) suggested that “sample-specific breakpoints are necessary because of the unique characteristics on any particular sample that can influence response to the ESI”.

Equity sensitivity as a moderator between equity perception and pay satisfaction
As indicated in table 2a, the mean and standard deviation of the sample in this study are 21.7 and 6.1 correspondingly. As shown in table 2b, respondents who scored 1-18 were regarded as entitleds, 19-25, equity sensitives, and, 26-50, benevolents. The number and percentage of respondents representing each group of personality type are shown as below in table 2c:

**Table 2a: Descriptive statistics of the results of ESI**

<table>
<thead>
<tr>
<th>Descriptive statistics</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21.63478261</td>
<td>6.189025991</td>
</tr>
</tbody>
</table>

**Table 2b: Defining respondents’ equity sensitivity**

<table>
<thead>
<tr>
<th>ESI Score</th>
<th>Entitleds</th>
<th>1-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitleds</td>
<td>1-18</td>
<td></td>
</tr>
<tr>
<td>Equity sensitives</td>
<td>19-25</td>
<td></td>
</tr>
<tr>
<td>Benevolents</td>
<td>26-50</td>
<td></td>
</tr>
</tbody>
</table>

**Table 2c: Frequencies for different equity sensitivity groups**

<table>
<thead>
<tr>
<th>Equity sensitivity</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitleds</td>
<td>27</td>
<td>23.48</td>
</tr>
<tr>
<td>Equity sensitives</td>
<td>63</td>
<td>54.78</td>
</tr>
<tr>
<td>Benevolents</td>
<td>25</td>
<td>21.74</td>
</tr>
</tbody>
</table>
CHAPTER V – ANALYSIS AND RESULTS

5.1 Factor analysis

To test respondents’ perception on the questions, a factor analysis of was conducted on the observed sample (N = 115) to examine their distinctiveness.

Appendix 2 presents the results of factors analyzing the all the items in questionnaires. The factors were extracted using principal axis factoring and the resulting factor structure was rotated using VARIMAX.

The factor analysis grouped all the items into 6 factors, namely equity sensitivity, pay level satisfaction, benefit satisfaction, pay raise satisfaction, pay structure and administration satisfaction, and equity perception.

The result of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (0.840), Bartlett’s test of Sphericity (2136.749) and Significance (.000) indicated that the factor analysis method was appropriate. The resultant factor structure explained 61.768% of the item variance. All the six created factors had eigenvalue greater than 1.0, so it would be used for subsequent
5.2 Cronbach’s Alpha Reliability Test

The Cronbach’s alpha reliabilities of the variables are shown in table 5. The internal consistency reliabilities were above 0.70, as recommended by Churchill (1979) and Nunnally (1978).

<table>
<thead>
<tr>
<th>Factors and variables</th>
<th>Measured variables</th>
<th>Current Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity sensitivity</td>
<td>0.761</td>
<td></td>
</tr>
<tr>
<td>Pay level satisfaction</td>
<td>0.948</td>
<td></td>
</tr>
<tr>
<td>Benefit satisfaction</td>
<td>0.948</td>
<td></td>
</tr>
<tr>
<td>Pay raise satisfaction</td>
<td>0.755</td>
<td></td>
</tr>
<tr>
<td>Pay structure and administration satisfaction</td>
<td>0.870</td>
<td></td>
</tr>
<tr>
<td>Equity perception</td>
<td>0.847</td>
<td></td>
</tr>
</tbody>
</table>

5.3 Means, standard deviations and Zero-order Correlations

The means, standard deviations and inter-correlations between the variables are displayed in appendix 3. As shown, equity perception, the independent variable, was significantly and positively related to the four dimensions of pay satisfactions (pay level satisfaction: $r=0.383, p<0.01$;
Equity sensitivity as a moderator between equity perception and pay satisfaction

benefit satisfaction: $r=0.352$, $p<0.01$; pay satisfaction: $r=0.438$, $p<0.01$; pay structure and admin. satisfaction: $r=0.427$, $p<0.01$). The results provided a solid foundation for further analysis between these variables.

5.4 Hierarchical regression analysis

As indicated in appendix 4, a hierarchical regression analysis was used to test the predictive relationship between equity perception and the four dimensions of pay satisfaction. The table displays the standardized regression coefficient, the incremented variance accounted for ($\Delta R^2$), the F value and the significance level between the first step (controlled variables), the second step (main effect), the third step (moderator) and the final step (two-way interaction).

In step 2, the independent variable, equity perception, was included. The results portrayed in step 2 were consistent with hypothesis 1 that the predictive relationships between the variables were significant (pay level satisfaction: $\beta=0.359$, $p<0.001$; benefit satisfaction: $\beta=0.288$, $p<0.01$; pay raise satisfaction: $\beta=0.305$, $p<0.001$; pay structure and admin. satisfaction:
Equity sensitivity as a moderator between equity perception and pay satisfaction

\[ \beta = 0.369, p < 0.001 \].

In step 3, a variable, equity sensitivity, was added to the regression. It proved that equity sensitivity alone did not impact pay satisfaction significantly (\( p > 0.05 \) for all dimensions of pay satisfaction).

The hierarchical regression analysis was also used to examine the moderating effect of equity sensitivity on the established relationship. To test this, the equity sensitivity and equity perception interaction was added in step 4. The result was a very significant moderating effect on each of the dimensions of pay satisfaction (pay level satisfaction: \( \beta = 0.376, p < 0.001 \); benefit satisfaction: \( \beta = 0.362, p < 0.001 \); pay raise satisfaction: \( \beta = 0.232, p < 0.01 \); pay structure and admin. satisfaction: \( \beta = 0.324, p < 0.001 \)). Thus, hypothesis 2 was also accepted.

**CHAPTER XI – DISCUSSION**

Many researches have already proved the positive and strong relationship between the actual pay level and pay satisfaction. Meanwhile, some researchers had reservation on the saying that pay level is the sole determinant
Equity sensitivity as a moderator
between equity perception and pay satisfaction

of pay satisfaction (Rice, Phillips, and McFarlin, 1990). This research evidently confirms the argument and successfully explores at least one way other than pay raise to boost employees’ pay satisfaction.

As Adam’s Equity theory (1965) suggests, everyone tends to compare their perceived reward-to-effort ratio with others. If an under-reward situation appears, dissatisfaction may push employees to unpleasant performances. The results of the study are highly consistent with the assertion of the Equity theory. The survey, which consisted of respondents of different salary ranges, different positions and different occupations, showed one common characteristic: if people scored high in the perceived fairness towards their rewards, they were likely to give higher ratings on all dimensions of pay satisfaction. Thus, the result of the study concluded that equity perception was an antecedent of pay satisfaction.

If the construct of equity perception stands, the influence of pay raise on pay satisfaction is reduced. It is because what leads to pay satisfaction is not so much absolute salary but comparative salary. So if one’s salary goes up
Equity sensitivity as a moderator between equity perception and pay satisfaction

dramatically, but so does that of his/her comparison group, there is no change.

No matter what people are paid, if they believe that they are not equitably and fairly paid, they become dissatisfied (Adrian Furnham., 2005). This suggests that attention should also be put on comparative salaries, rather than actual amount of salaries alone.

As shown in step of appendix 4, as well as appendix 5, 6, 7 and 8, the research proved that employees’ equity sensitivity had a moderating effect on the relationship between equity perception and different dimensions of pay satisfaction. More specifically, equity sensitive group will result in higher pay satisfaction than the equity insensitive group, given a highly equitable working condition. One possible explanation is that the equity insensitive group is not really concern about reward fairness. As suggested by literatures, a benevolent could be satisfied with the underpaid situation because they would like to establish long-term relationship with employers (Huseman et al., 1985, 1987; King et al., 1993; Miles et al., 1989). As a result, the equity insensitive group showed a weaker influence to the relationship between equity perception and pay satisfaction.
Equity sensitivity as a moderator between equity perception and pay satisfaction

Previous researches regarding the above-mentioned individual-level variables, like gender, age, seniority, and tenure-status, has been contradictory and inconclusive (Keaveny & Inderrieden, 2000; Oshagbemi, 2000a; Oshagbemi, 2000b; Kalleberg & Loscocco, 1983; Oshagbemi, 1997; Bediean, Ferris, & Kacmar, 1992). The zero-order correlation table in appendix 3 revealed that none of the control variables, except job satisfaction and the last pay raise, did influence the four dimensions of pay satisfaction. Perhaps it was best to assume that most individual-level variables had little, if any, effect upon job and pay satisfaction. Further analysis between these factors and pay satisfaction, hence, was not recommended.

6.1 Practical implications

The findings presented several important conclusions for organizations to recognize.

First of all, in order to have higher pay satisfaction, rewards should be closely linked with employees’ effort. If employees’ input and performances are not recognized, they are likely to perceive a poor reward-to-effort ratio;
and, pay dissatisfaction would appear subsequently. For organizations still using a pay system based on year of services, experiences and loyalty, it is time to consider shifting to a more performance-based pay system (Adrian Furnham, 2005), if pay satisfaction is on top of their HR objectives.

Second, while it is impossible to avoid comparison between employees, increasing emphasis should be put on improving the transparency and communication of the remuneration system. In some cases, employees misunderstand the criteria in the appraisal and the critical success factors of their positions that they put effort in irrelevant areas. When their “wrongful input” is not recognized, they perceive a low reward-to-effort ratio and get a very low pay satisfaction. Lowered pay satisfaction will lead to poorer performances, followed by an even poorer reward-to-effort ratio. This is merely a vicious cycle. In contrast, employees who received performance feedback and were compensated accordingly enjoyed higher pay satisfaction than any other group of employees. (Mary Jo Ducharme, Parbudyal Singh, Mark Podolsky, 2005). If employees are given adequate information about salary arrangement, there will be less misunderstandings and pay satisfaction
will be followed (Paul D Sweeney, Dean B McFarlin (2005).)

Followed by improved transparency and communication should be a grievances channel. Organizations should be opened for anyone who would like to air their perceived unfair treatment. The grievances channel, on the other side, could provide a platform for HR departments to explain to and comfort the unsatisfied. Once employees are explained the appropriateness and rationale of the salary arrangement, they will obtain perceived equity again.

Fourth, organizations should be more aware to the equity sensitivity groups their employees belong to. As proved above, equity sensitivity has a strong impact on pay satisfaction. Investigations could be carried out within organizations to explore the equity sensitivity of employees. Results of the investigation could be the foundation in designing the remuneration system.

Finally, this research provided concrete evidences to Rice, Phillips, and McFarlin’s findings (1990) that there were other predictors to pay satisfaction other than the actual pay level. In order to retain and attract talents,
organizations should continue to explore and should offer employees other antecedents of pay satisfaction. It helps to minimize the effect of the actual pay level on overall pay satisfaction.

6.2 Limitations

One of the limitations of this study is that data is gathered in a self-report format. In the research setting, only the employees are accessed, but not their supervisors or their peers. This self-report survey setting could attribute to a response bias.

Moreover, measurements on variables, like perceived equity and pay satisfaction, are rather subjective. It is somehow difficult to ensure the inter-respondent reliability in answering the items in the questionnaire. Simply comparing their scores on corresponding items could constitute a bias.

Additionally, like many of the researches conducted previously, the study is a cross-sectional study. Causal inferences created from cross-sectional designs are only inferences (Spector, 1981). A further longitudinal research on the topic is highly recommended.
Equity sensitivity as a moderator between equity perception and pay satisfaction

Last but not the least, the method to define respondents’ equity sensitivity is controversial. According to the conventional rule set by previous researchers (cf., King, Miles and Day 1993; Allen and White 2002), people who score between 1/2 standard deviation from the mean score are regarded equity sensitives. Unlike other personality tests, such as MBTI, there are no standard and clear-cut boundaries to define benevolents, equity sensitives and entitleds. For example, as shown in table 4, the boundaries of entitleds, equity sensitives and benevolents in Alma’s research (2005), were totally different from that of this study. This comparison-based measurement could be challenged on 3 areas: i) Given all other factors constant, an entitled in one’s research may be considered as a benevolent in the other’s. The information from the same person, who answers the same questions in the same way, may be interpreted in totally different ways in two separate samples. ii) If more high-scorers are added into a group of sample, the mean and standard deviation will be changed, so will be the boundaries. An entitled may be shifted to a benevolent accordingly. iii) It is possible that all the employees in the organization belong to one equity sensitivity group, but the
Equity sensitivity as a moderator
between equity perception and pay satisfaction

comparison-based measurement could not reflect such a situation. As a
result, the reliability if the 5-item Equity Sensitivity Instrument remains
questionable.

Table 4: A comparison of equity sensitivity boundaries

<table>
<thead>
<tr>
<th>Personality type</th>
<th>Alma’s research</th>
<th>This research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitleds</td>
<td>1-24</td>
<td>1-18</td>
</tr>
<tr>
<td>Equity sensitives</td>
<td>25-29</td>
<td>19-25</td>
</tr>
<tr>
<td>Benevolents</td>
<td>30-50</td>
<td>26-50</td>
</tr>
</tbody>
</table>

6.3 Directions for future research

One of the unexpected phenomenon resulting from the regression
analysis was the surprisingly high significance of the controlled variables to
the dependent variable (pay level satisfaction: p<0.01; benefit satisfaction:
p<0.05; pay raise satisfaction: p<0.001; pay structure and admin. satisfaction:
p<0.01). It implies that some controlled variables included may have
considerable impact on pay satisfaction. Meanwhile, the zero-order
correlation table indicated that job satisfaction variable correlated with the
four dimensions of pay satisfaction significantly. According to previous
Equity sensitivity as a moderator between equity perception and pay satisfaction

researches, pay satisfaction has been shown to influence overall job satisfaction, motivation and performance, absenteeism and turnover, and may be related to pay-related grievances and lawsuits (Cable & Judge, 1994; Gerhart & Milkovich, 1990; Huber & Crandall, 1994; Huselid, 1995; Milkovich & Newman, 2002). Further analysis is recommended to investigate the specific relationship between job satisfaction and pay satisfaction.

CHAPTER XII – CONCLUSION

It is pleased to conclude from the result of the study that there is at least one factor other than the actual pay received by employees influencing pay satisfaction.

As equity perception towards the pay system was found to be a predictor of pay satisfaction, organizations should shift their focus from “how much to allocate” to “how to allocate” rewards to employees. Perhaps, it is a piece of good news to those small- and medium-sized enterprises which show less capability to attract and retain talents by market-leading compensation
packages.

The study also provides adequate evidence to show that employees’ personality types constitute great influences on their pay satisfaction level. No single form of reward system in the World is perfect. The effectiveness of a reward system in terms of pay satisfaction is partly determined by the equity sensitivity of the major stakeholders, the employees. If a comprehensive and well-designed reward system still receives complaints from employees, it may be explained by employees’ distinctive equity sensitivity. HR practitioners should never ignore this factor when evaluating the effectiveness of a reward system.
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APPENDIX

Tables and Questionnaires
Equity sensitivity as a moderator between equity perception and pay satisfaction

**Appendix I: Demographic information of the sample**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Male</td>
<td>46</td>
<td>40.4%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>68</td>
<td>59.6%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>&lt; 21</td>
<td>3</td>
<td>2.7%</td>
</tr>
<tr>
<td></td>
<td>21 - 25</td>
<td>45</td>
<td>39.8%</td>
</tr>
<tr>
<td></td>
<td>26 - 30</td>
<td>26</td>
<td>23.0%</td>
</tr>
<tr>
<td></td>
<td>31 - 35</td>
<td>14</td>
<td>12.4%</td>
</tr>
<tr>
<td></td>
<td>36 - 40</td>
<td>9</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>41 - 45</td>
<td>6</td>
<td>5.3%</td>
</tr>
<tr>
<td></td>
<td>46 - 50</td>
<td>9</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>&gt; 50</td>
<td>1</td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>Position</strong></td>
<td>Managerial</td>
<td>12</td>
<td>10.43%</td>
</tr>
<tr>
<td></td>
<td>Non-managerial</td>
<td>99</td>
<td>86.09%</td>
</tr>
<tr>
<td><strong>Tenure</strong></td>
<td>&lt; 1yr</td>
<td>51</td>
<td>44.35%</td>
</tr>
<tr>
<td></td>
<td>1 - 3yr</td>
<td>27</td>
<td>23.48%</td>
</tr>
<tr>
<td></td>
<td>4 - 6 yr</td>
<td>13</td>
<td>11.30%</td>
</tr>
<tr>
<td></td>
<td>7 – 10 yr</td>
<td>6</td>
<td>5.22%</td>
</tr>
<tr>
<td></td>
<td>&gt; 10yr</td>
<td>18</td>
<td>15.65%</td>
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<td><strong>Salary range</strong></td>
<td>&lt;$5000:</td>
<td>2</td>
<td>1.74%</td>
</tr>
<tr>
<td></td>
<td>$5000-$10000:</td>
<td>25</td>
<td>21.74%</td>
</tr>
<tr>
<td></td>
<td>$10001-$20000:</td>
<td>69</td>
<td>60.00%</td>
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<tr>
<td></td>
<td>$20001-$30000:</td>
<td>10</td>
<td>8.07%</td>
</tr>
<tr>
<td></td>
<td>$30001-$40000:</td>
<td>1</td>
<td>0.87%</td>
</tr>
<tr>
<td></td>
<td>&gt;$40000:</td>
<td>6</td>
<td>5.22%</td>
</tr>
<tr>
<td><strong>Last pay raise</strong></td>
<td>&lt;1.00%:</td>
<td>41</td>
<td>35.65%</td>
</tr>
<tr>
<td></td>
<td>1.00%-3.00%:</td>
<td>26</td>
<td>22.61%</td>
</tr>
<tr>
<td></td>
<td>3.01%-5.00%:</td>
<td>10</td>
<td>8.70%</td>
</tr>
<tr>
<td></td>
<td>5.01%-7.00%:</td>
<td>8</td>
<td>6.96%</td>
</tr>
<tr>
<td></td>
<td>7.01%-10.00%:</td>
<td>4</td>
<td>3.48%</td>
</tr>
<tr>
<td></td>
<td>&gt;10.00%:</td>
<td>18</td>
<td>15.65%</td>
</tr>
<tr>
<td><strong>Job satisfaction</strong></td>
<td>Strongly dissatisfied:</td>
<td>2</td>
<td>1.74%</td>
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<tr>
<td></td>
<td>Dissatisfied:</td>
<td>14</td>
<td>12.17%</td>
</tr>
<tr>
<td></td>
<td>Neither:</td>
<td>44</td>
<td>38.26%</td>
</tr>
<tr>
<td></td>
<td>Satisfied:</td>
<td>46</td>
<td>40.00%</td>
</tr>
<tr>
<td></td>
<td>Strongly satisfied:</td>
<td>8</td>
<td>6.96%</td>
</tr>
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</table>
Equity sensitivity as a moderator between equity perception and pay satisfaction

**Appendix 2: Rotated factor matrix**

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<tbody>
<tr>
<td>Give to the org</td>
<td>.697</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Help Others</td>
<td>.549</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribute to the org</td>
<td>.787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit the org</td>
<td>.646</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Give better than receive</td>
<td>.460</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current salary (PL01)</td>
<td></td>
<td>.820</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Overall level of pay (PL02)</td>
<td></td>
<td>.718</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Size of my current salary (PL03)</td>
<td></td>
<td>.814</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Take-home pay (PL04)</td>
<td></td>
<td>.749</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit package (BEN01)</td>
<td></td>
<td></td>
<td>.837</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of my benefits (BEN02)</td>
<td></td>
<td></td>
<td>.777</td>
<td></td>
<td></td>
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<tr>
<td>Amount the company pays towards my benefits (BEN03)</td>
<td></td>
<td></td>
<td>.792</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of benefits (BEN04)</td>
<td></td>
<td></td>
<td>.921</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most recent pay raise (PR01)</td>
<td></td>
<td></td>
<td>.634</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisor's influence (PR02)</td>
<td></td>
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<td>.659</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How my raises are determined (PR04)</td>
<td></td>
<td></td>
<td>.579</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company's pay structure (S/L01)</td>
<td></td>
<td></td>
<td>.614</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consistency of pay policies (S/L04)</td>
<td></td>
<td></td>
<td>.697</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences in pay among the jobs in the company (S/L05)</td>
<td></td>
<td></td>
<td>.484</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay administration (S/L06)</td>
<td></td>
<td></td>
<td>.868</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working too hard</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.629</td>
<td></td>
</tr>
<tr>
<td>Effort not appreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.647</td>
<td></td>
</tr>
<tr>
<td>Invest more than receive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.765</td>
<td></td>
</tr>
<tr>
<td>Rewards not proportional to investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.708</td>
<td></td>
</tr>
<tr>
<td>Not worth putting energy to my job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.598</td>
<td></td>
</tr>
<tr>
<td>Feel unfairly treated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.639</td>
<td></td>
</tr>
</tbody>
</table>
Equity sensitivity as a moderator between equity perception and pay satisfaction

### Appendix 3: Descriptive statistics and correlations among the studied variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>FairPer</th>
<th>PayLvSat</th>
<th>BenSat</th>
<th>PayRaiSat</th>
<th>PaySA</th>
<th>Sensitivity</th>
<th>Age</th>
<th>Gender</th>
<th>Tenure</th>
<th>Position</th>
<th>Salary</th>
<th>PayRaise</th>
</tr>
</thead>
<tbody>
<tr>
<td>FairPer</td>
<td>3.77</td>
<td>1.021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PayLvSat</td>
<td>3.13</td>
<td>.888</td>
<td>.383(**)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BenSat</td>
<td>2.91</td>
<td>.998</td>
<td>.352(**)</td>
<td>.562(**)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PayRaiSat</td>
<td>2.78</td>
<td>.825</td>
<td>.438(**)</td>
<td>.603(**)</td>
<td>.519(**)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PaySA</td>
<td>2.82</td>
<td>.739</td>
<td>.427(**)</td>
<td>.634(**)</td>
<td>.573(**)</td>
<td>.650(**)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sensitivity</td>
<td>1.55</td>
<td>.500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.059</td>
<td>.216(*)</td>
<td>.243(**)</td>
<td>.163</td>
<td>.120</td>
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<td></td>
</tr>
<tr>
<td>Age (a)</td>
<td>3.18</td>
<td>1.537</td>
<td>-.090</td>
<td>-.084</td>
<td>-.137</td>
<td>-.078</td>
<td>-.088</td>
<td>-.142</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender (b)</td>
<td>1.63</td>
<td>.485</td>
<td>.075</td>
<td>-.065</td>
<td>-.153</td>
<td>.014</td>
<td>-.094</td>
<td>-.029</td>
<td>-.019</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Tenure (c)</td>
<td>2.11</td>
<td>1.375</td>
<td>-.097</td>
<td>-.095</td>
<td>-.146</td>
<td>-.177</td>
<td>-.147</td>
<td>-.051</td>
<td>-.251(**)</td>
<td>.006</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Position (d)</td>
<td>1.88</td>
<td>.324</td>
<td>-.104</td>
<td>-.212(*)</td>
<td>-.126</td>
<td>-.130</td>
<td>.161</td>
<td>.053</td>
<td>.746(**)</td>
<td>-.099</td>
<td>-.374(**)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary (e)</td>
<td>2.96</td>
<td>.920</td>
<td>.126</td>
<td>.141</td>
<td>.162</td>
<td>.192(*)</td>
<td>.102</td>
<td>.083</td>
<td>.347(**)</td>
<td>-.160</td>
<td>-.558(**)</td>
<td>.508(**)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PayRaise (f)</td>
<td>2.85</td>
<td>1.962</td>
<td>.255(*)</td>
<td>.266(**)</td>
<td>.150</td>
<td>.436(**)</td>
<td>.248(*)</td>
<td>.127</td>
<td>-.148</td>
<td>.102</td>
<td>-.217(*)</td>
<td>.050</td>
<td>.282(**)</td>
<td></td>
</tr>
<tr>
<td>JobSat</td>
<td>3.32</td>
<td>.847</td>
<td>.019</td>
<td>.248(**)</td>
<td>.216(*)</td>
<td>.268(**)</td>
<td>.228(*)</td>
<td>.206(*)</td>
<td>.109</td>
<td>-.108</td>
<td>-.065</td>
<td>.129</td>
<td>.096</td>
<td>.142</td>
</tr>
</tbody>
</table>

(a) 1=< 21; 2=21-25; 3=26-30; 4=31-35; 5=36-40; 6=41-45; 7=46 – 50, 8=> 50

(b) 1=Male; 2=Female

(c) 1=<1 yr; 2=1-3yrs; 3=4-6yrs; 4=7-10yrs; 5=>10yrs

(d) 1=managerial position; 2=non-managerial position

(e) 1=< $5,000; 2=$5,000 – $10,000; 3=$10,001 - $20,000; 4=$20,001 - $30,000; 5=$30,001 - $40,000; 6=> $40,000

(f) 1=< 1.00%; 2=1.00% - 3.00%; 3=3.01% - 5.00%; 4=5.01% - 7.00%; 5=7.01% - 10.00%; 6=> 10.00%
Equity sensitivity as a moderator between equity perception and pay satisfaction

**Appendix 4: Extractions from the hierarchical regression analysis**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pay level satisfaction</th>
<th>Benefit satisfaction</th>
<th>Pay raise satisfaction</th>
<th>Pay structure &amp; admin. satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.195</td>
<td>-0.049</td>
<td>0.266</td>
<td>0.192</td>
</tr>
<tr>
<td>Gender</td>
<td>-0.089</td>
<td>-0.150</td>
<td>-0.011</td>
<td>-0.145</td>
</tr>
<tr>
<td>Tenure</td>
<td>-0.104</td>
<td>-0.151</td>
<td>-0.149</td>
<td>-0.199</td>
</tr>
<tr>
<td>Position</td>
<td>-0.472</td>
<td>-0.218</td>
<td>-0.484</td>
<td>-0.384</td>
</tr>
<tr>
<td>Salary</td>
<td>0.164</td>
<td>0.154</td>
<td>0.084</td>
<td>0.009</td>
</tr>
<tr>
<td>PayRaise</td>
<td>0.199</td>
<td>0.044</td>
<td>0.419</td>
<td>0.221</td>
</tr>
<tr>
<td>JobSat</td>
<td>0.259</td>
<td>0.227</td>
<td>3.657</td>
<td>0.002***</td>
</tr>
<tr>
<td>FairPer</td>
<td>0.329</td>
<td>0.098</td>
<td>12.539</td>
<td>0.001***</td>
</tr>
<tr>
<td>Equity sensitivity</td>
<td>0.089</td>
<td>0.007</td>
<td>0.871</td>
<td>0.355</td>
</tr>
<tr>
<td>Interaction</td>
<td>0.376</td>
<td>0.118</td>
<td>18.116</td>
<td>0.001***</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001
Dear Respondent,

I am a final year student majoring in Human Resources Management at Hong Kong Baptist University. This study is a partial fulfillment of the requirements for the Bachelor of Business Administration (Hons) Degree, aiming at investigating the impact of a reward system to employees.

Please take a few minutes to complete the attached questionnaire. Upon completion, please check to ensure that all the questions have been answered and return it to me through either email or mail. All data collected will be used for academic purpose ONLY and responses will be held in the strictest confidence.

Thank you very much for your time and kind participation. Should you have any queries, please feel free to contact me at 9160 5430 or via email (zerokalok@gmail.com).

Yours faithfully,

_____________________
CHUI Ka Lok, Zero
Final Year Student, BBA (Hons) Human Resources Management
Hong Kong Baptist University
### Part A

**On each question, divide 10 points between two choices (Choice A and Choice B) by giving the most points to the choice that is most like you and the fewest to the choice that is least like you.**

*You can give the same number of points to both choices and you can also use zeros if you like. Please be sure to allocate 10 points per question between each pair of possible responses.*

<table>
<thead>
<tr>
<th></th>
<th>It would be more important to me to:</th>
<th>Points Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A. Get from the organization</td>
<td>A: (   )</td>
</tr>
<tr>
<td></td>
<td>B. Give to the organization</td>
<td>B: (   )</td>
</tr>
<tr>
<td></td>
<td>Total = 10 pts</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>It would be more important for me to:</td>
<td>A: (   )</td>
</tr>
<tr>
<td></td>
<td>A. Help others</td>
<td>B: (   )</td>
</tr>
<tr>
<td></td>
<td>B. Watch out for my own good</td>
<td>Total = 10 pts</td>
</tr>
<tr>
<td>3</td>
<td>I would be more concerned about:</td>
<td>A: (   )</td>
</tr>
<tr>
<td></td>
<td>A. What I received from the organization</td>
<td>B: (   )</td>
</tr>
<tr>
<td></td>
<td>B. What I contributed to the organization</td>
<td>Total = 10 pts</td>
</tr>
<tr>
<td>4</td>
<td>The hard work I would do should</td>
<td>A: (   )</td>
</tr>
<tr>
<td></td>
<td>A. Benefit the organization</td>
<td>B: (   )</td>
</tr>
<tr>
<td></td>
<td>Total = 10 pts</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>My personal philosophy in dealing with the organization would be:</td>
<td>A: (   )</td>
</tr>
<tr>
<td></td>
<td>A. If I do not look out for myself, nobody else will</td>
<td>B: (   )</td>
</tr>
<tr>
<td></td>
<td>B. It is better for me to give than receive</td>
<td>Total = 10 pts</td>
</tr>
</tbody>
</table>

### Part B

**The followings are some items regarding your pay level, pay raise, benefit and pay administration. Decide how satisfied or dissatisfied you feel about each of the following items, and CIRCLE the number in the corresponding blank that best indicates your feeling.**

*(1 = Strongly Dissatisfied, 2 = Dissatisfied, 3 = Neither dissatisfied nor satisfied, 4 = Satisfied, 5 = Strongly satisfied)*

<table>
<thead>
<tr>
<th></th>
<th>My current salary.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>My take-home pay.  (Net income)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>My benefit package.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>The number of benefits I received.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>My most recent pay raise.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>My supervisor’s influence over my pay.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Equity sensitivity as a moderator between equity perception and pay satisfaction

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>The pay raises I have typically received in the past.</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>How my raises are determined.</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>14</td>
<td>My overall level of pay.</td>
<td></td>
<td></td>
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<tr>
<td>15</td>
<td>The value of my benefits.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>16</td>
<td>The company’s pay structure.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>17</td>
<td>The information provided by my company about pay issues of concern to me.</td>
<td></td>
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</tr>
<tr>
<td>18</td>
<td>The pay of other jobs in my company.</td>
<td></td>
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<tr>
<td>19</td>
<td>The consistency of the company’s pay policies.</td>
<td></td>
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<tr>
<td>20</td>
<td>The differences in pay among jobs in my company.</td>
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<tr>
<td>21</td>
<td>How my company administers the pay policy.</td>
<td></td>
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</tr>
<tr>
<td>22</td>
<td>The size of my current salary.</td>
<td></td>
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<tr>
<td>23</td>
<td>The amount the company pays towards my benefits.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Part C

The followings are some sentences regarding your effort in work and rewards. Please CIRCLE the most appropriate number to indicate your level of agreement or disagreement with each one. Please CIRCLE the most appropriate number to indicate your level of agreement or disagreement with each one.

(1 = Strongly Disagree, 2 = Moderately Disagree 3 = Slightly Disagree, 4 = Neither Agree Nor Disagree, 5 = Slightly Agree, 6 = Moderately Agree, 7 = Strongly Agree)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>I work too hard considering my outcomes.</td>
<td></td>
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<tr>
<td>25</td>
<td>I give a great deal of time and attention to the organization, but do not feel appreciated.</td>
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<tr>
<td>26</td>
<td>I invest more in my job than I receive in return.</td>
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<tr>
<td>27</td>
<td>The rewards I receive are not proportional to my investments.</td>
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<td></td>
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<tr>
<td>28</td>
<td>I put more energy in my job than it is worth.</td>
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<tr>
<td>29</td>
<td>I feel unfairly treated in my job.</td>
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<tr>
<td>30</td>
<td>I find my job satisfactory when I can give my talents and expertise to my job.</td>
<td></td>
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<tr>
<td>31</td>
<td>I find my job satisfactory when I can be reasonably compensated from my job.</td>
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<td></td>
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</tr>
<tr>
<td>32</td>
<td>It would be more important to me to have intrinsic rewards (challenging and meaningful work, sense of achievement, personal worth etc.) than tangible rewards (pay, benefits, job security).</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>33</td>
<td>It would be more important to me to secure my personal outcomes than to maintain the relationship with my employers or supervisors.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>34</td>
<td>Overall speaking, I am more sensitive to the value of my job.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>35</td>
<td>Overall speaking, I am more sensitive to the reward of my job.</td>
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</tbody>
</table>
# Equity sensitivity as a moderator between equity perception and pay satisfaction

## Part D Personal Information

Please complete the following questions by *TICKING* the appropriate box.

**1. Age**
- □ < 21
- □ 21-25
- □ 26-30
- □ 31-35
- □ 36-40
- □ 41-45
- □ 46-50
- □ > 50

**2. Gender**
- □ Male
- □ Female

**3. Marital Status**
- □ Single
- □ Married
- □ Divorced

**4. Educational Level**
- □ High School or below
- □ Diploma/Associate degree
- □ Undergraduate degree
- □ Master’s Degree or above

**5. Occupation**
- □ Accounting
- □ Human Resources
- □ Merchandising
- □ Banking & Finance
- □ Insurance
- □ Property / Real Estate
- □ Bus. Administration
- □ IT & Telecom
- □ Public Relations
- □ Catering
- □ Legal
- □ Research & Development
- □ Education
- □ Logistics
- □ Retail & Chain Stores
- □ Engineering
- □ Manufacturing
- □ Trading
- □ Health & Beauty
- □ Marketing
- □ Transportation and shipping
- □ Hotel & Tourism
- □ Media & Entertainment
- □ Others (please specify _____________)

**6. Current Position**
- □ Managerial Level
- □ Non-Managerial Level

**7. Number of year working for the organization**
- □ < 1 yr
- □ 1 to 3 yrs
- □ 4 to 6 yr
- □ 7 to 10 yrs
- □ > 10 yrs

**8. Salary range (monthly)**
- □ < $5,000
- □ $5,000 - $10,000
- □ $10,001 - $20,000
- □ $20,001 - $30,000
- □ $30,001 - $40,000
- □ > $40,000

**9. Last pay raise**
- □ < 1.00%
- □ 1.00% - 3.00%
- □ 3.01% - 5.00%
- □ 5.01% - 7.00%
- □ 7.01% - 10.00%
- □ > 10.00%

**10. How do I feel about my job? (Circle the answer, 1 = strongly dissatisfied, 5 = strongly satisfied)**

1 2 3 4 5

---

*End of the Questionnaire*