

Money Importance Model: An Individual Difference Contribution to its Evaluation.

Nnedum, O.A.U,Ugorji.I,Okonkwo.A.C.,Oduenyi .S,Alhasan.K,Nwankwo.B,Melkizedek M.,
Department of Psychology,
Faculty of Social Sciences,
Nnamdi Azikiwe University,
P..M.B. 5025, Awka.

Introduction:

Peoples' cultural attitude to money as well as the importance which they attach to money in particular; and their attitude towards ethical behaviour as organization in general, have receive increased attention in the past few decades. Widespread socio-cultural changes in past-modern Nigeria is radically altering money attitudes and importance of money in peoples life internationalization of organizations, it has become important to understand difference in the meaning of money cross-cultures (Tang, 2002; 2003) and cross sub-cultures (Nnedum 2003a). As a consequences, several large-scale cross-national, surveys (MESS) launched in 2001, by Thomas L. Ping, Tang (MES Survey) resulted in a recent cross-cultural publications – a multi-authored, cross-national articles, describing the projects, theoretical background, research methods and findings (Tang, 2000; 2003).

However, different conceptualization have been used and a number of different terms have been introduced to refer to virtually the same concept: money, for instance, money as “blood line in all organic cultures” (Nnedum 2003a). “Frame of reference (Tang, 2002), “wealth” (Olugbile, 1997) “measures of values” (Smith 1776/1939) “motivator (Lawler 1971) “hygiene factor (Herberig et al, 1959) “life” (Egwu, 1996). Despite some differences in their approach, it is fair to say however, that all studies using these different terms, seems to have a common goal: to determine the degree to which a person values money or the extent to which money is important for an individual cultural identity traditional personality and life.

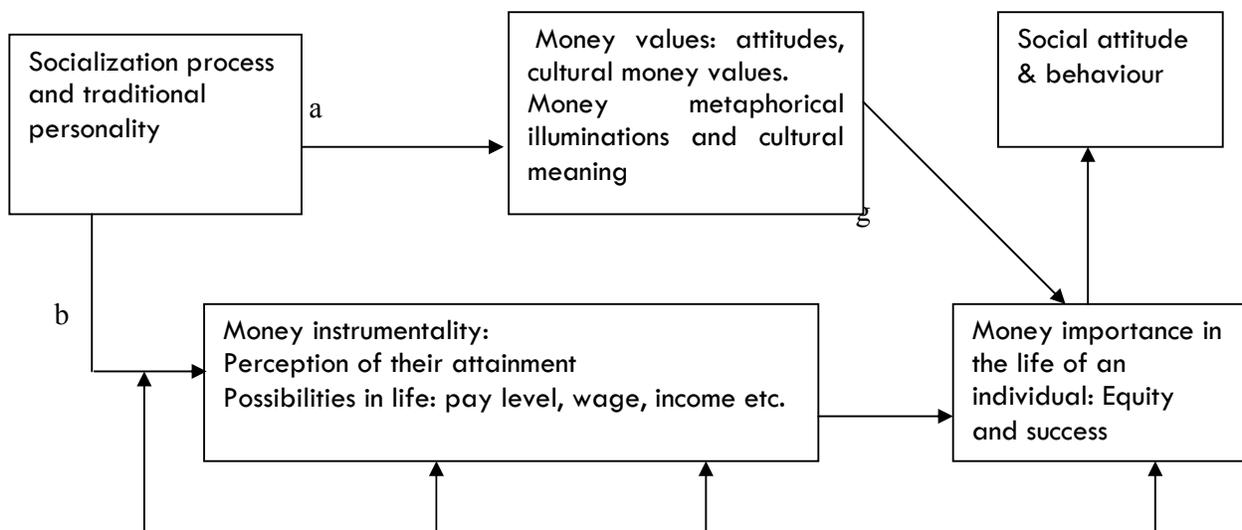
(1) There are probably three implicit assumptions underlying most individual difference study on money: money (2) these individual differences in the meaning of money have cultural-specific (emic) and cultural-free (etic) perspectives and (3) these individual differences have important implications for a persons attitudes to support, these three assumptions. (cf. Tang 1992, 1993, 2000, 2001, 2002, 2003; Nnedum, 2003; Egwu 1996; Mitchell and Michel, 1999 ;). A number of studies have revealed considerable and consistent individual differences, and some of them have shown a strong relationship between the importance individual attached to money and some aspects of organizational behaviour. Thus, it has been found that those who generally attach much importance to money have the following characteristics: they should be more upsets in pay or benefits are more likely to leave for a competitive offer (Tang and Gilbert, 1995); they show greater dissatisfaction in their job (Tang, 1992) them have the following characteristic: they budget their money carefully and prudentially (Tang, 1995); they tend to have high economic values, low religious values, high type. A personality behaviour patterns, to be older, to have low pay satisfaction and to be highly political (Tang, Furham and Davis, 2002); they have high scores on attitudes like sensation seeking, competitiveness, materialism and control (Kirkaldy and Furhanm, 1993; Richins and Rudmin, 1994; Sciorting, Huston and Speneer, 1987,

Wrong and Carducci, 1991); they become slaves rather than origins of money (Tang 1995); they experience a high level of stress (Dercharms, 1976) and neurotic ambivalence (Egwu, 1996); they want to have more money (Tang, 1995) and are failing into temptation (Tang, 2002). They have high work ethic, thinks that time is money (Tang 1993) and money represents their achievement (Tang, 1995) and money is their bloodline (Nnedum, 2003).

The very fact that individual differential meanings of money are consistent and related to organizational behaviour raises the question of their origin. Organization consideration of this question requires, however, that we distinguish the importance an individual attach to money form the cultural meaning of money and explore their relevance to organizational behaviour in Nigeria. This distinction was emphasized by Nnedum (2003a) who presume that money ethic endorsement could be viewed from an emic and ethic perspectives; hence by corollary, are determined by different sets of antecedent factors. Tang et al (2002a; 1999, 1995; 1992) presumed that the importance of money is seen to be mainly a function of individual’s work expectations, personality, prosocial behaviour and motivated technique. On the other hand, money is culturally seen as a more endearing value resulting from the individual’s past history, existential experience and traditional personality. Accordingly people do work essentially for meaning of work in their life (Preffer, 1998; Tang et al 2002a) while others do work for the money that work brings. (Nnedum, 2003) corollary, money is a “normative belief” produced by cultural conditioning and organizational socialization. This assertion is in line with the sociology view (Dubin, 1982) about the relevance of early socialization process, which leads to internalization of norms and values associated with money. Accordingly to this view, money may be conceived as the internalization of values about the goodness or evil of money (Tang 1992). In the literature, money is socially and contextually defined and reflected in cultural norms and values (Baker and Jimerson, 1992). Money beliefs and attitudes vary across individual (Mitchell and Michel 1999). People who value money differs from those who do not (Tang, 1992b) people’s attitudes towards money are learned by organizational socialization process and affected by monetary habits (Furham, 1984). In addition, people’s perceptions of materialism and their behaviour are highly related to their cultural meaning of money (Tang, 1995; Egwu, 1996).

However, three comments concerning this model may be made. First, this model is too narrow and explains much less of the cognitive part-ways through which the socialization process influences individuals differences in importance attached to money. Second, it is one-sides, because it reduces the individual’s attitudes towards money to a passive product of early socialization. Although norms and values acquired through the socialization process are certainly very important, they can hardly explains all the individual differences in money importance. Third, some dynamic influence of the situational concomitants must be presumed too. Thus, there is need, then, for a model of money importance determinants that takes these comments into accounts in further research.

The purpose of the present paper is to (1) propose such a money importance and (2) present some empirical data as a contribution to its evaluation.



e

c

d

i

h

A Traditional model of money importance determinants (Fig. 1) Model

Tang and his associates have developed the money ethic scale according to attitude behaviour model (Ajben and Fishbein, 1977). We will focus on cognitive components of money attitudes, that is, “the meaning of money” Tang et al, 2000b) related to the “importance” of money (Mitchell and Michel, 1999:569) in this study. The proposed model is shown in fig 1. As can be seen in the schematic representation, the central place in the model is given to money instrumentality valence considered here as important monetary target which individuals set to attain their life through their efforts and economic means. Through their differential money attitudes and behaviour people typically try to attain a number of different goals, such as economic security, social prestige, achievements and accomplishment, success, power relations; cultural recognition and honour and social influence. The more important such valences are to them, the more important or salient their differential organizational socialization and behaviour will be to scheme it as well. It is proposed that the money instrument aspect which exerts a major influence on the importance attached to money is not just the ‘value’ but the individual’s perceptions for the “money instrumentality-valence attainment possibility” in the organization. This is represented in the model by the arrow “f”. The next feature to explain is the influence of the money attitude.

According to the model, this variable functions directly by affecting the “money importance” influence: the more important money attitudes the more pronounced will be the influence of the attitude perception of its importance. This affect of money attitude efforts is shown by arrow “b”.

The model further shows that money attitude perceived organization are influenced by the socialization process and traditional personality (arrow “c” which also influence the perceived money instrumentality-valence attainment (arrow “e” ethnical conceptually influence socialization, that in turn influence money instrumentality.

The money instrumentality valences are also determined by the individuals’ own experiences form the world of money, wealth and materialism in organizational socialization efforts. It is here that situational influences are b rough into the model. It is presumed that these experiences are not restricted to people who are already employed; traders in the market, artisans on the road sides, farmers in the traditional village and young people who are not yet employed may also have some direct or indirect experiences in the world of money, which in turn influences their money instrumentality-valence attainment possibilities.

Finally, the model figure 1 consist of a research proposal in which money importance can be treated as both (criterion) dependent variable and (predictor or) independence variable. As a dependent variable, money importances are hypothesized in this model to be influenced by ethnic group membership, money attitude and instrumentality. On the other hand,. It is proposed that money importance act as independent variable influencing ethical behaviour tendency.

Obviously, the proposed model presumes that individuals have thoughts, cognitions, expectations and anticipation which affect their attitudes towards money and organizational behaviour. This study adopts a cognitive approach (Tolman 1932, Lewin 1938) and subsequently it has been applied in the variety of models and theory attempting to explain money attitudes and behaviour (Tang 1992, 1993, 2001) decision-making process (Edwards, 1954); cognitive structure of attitudes (Rosenberg, 1956, 1960), motivation and organizational behaviour (Vroom, 1964, Lawler, 1973, Campbell & Pritchard, 1956, Tang 2001, Tang 1999). In terms of the cognitive motivation theories; money importance is the frame of reference to evaluate the pay equity comparison of the equity model and is the expectation of pay, as compared to the reality of pay in the discrepancy model (Lawler, 1971) and pay satisfaction model (Tang, 2002b). Thus, money importance is an outcome of expectations, having positive valences; and perceptions of the possibilities of their attainment in life as “instrumentalities of money” for attainment of valued target. Cognate and more germane to present context is Tang’s (2002 a, b, c) view that money importance will function as the frame of reference in the thinking process of pay satisfaction because it is measure of value (Smith, 1776/1937); is related to the equity models (Adams, 1963); and the discrepancy model (Lawler, 1971). Tang et al 2002b, states that factor Equity Success represents the ‘importance of money. Accordingly, equity shows peoples interest in equity and fairness while success is related to people’s obsession with money as a sign of success. Tang et al (2002b) further asserts that equity and success are important measures of individual’s own cognitive standard perceptions of importance or frame of reference in the process of social comparison and have a strong impact on pay equity comparison and total pay satisfaction. Based on the above, we test these hypotheses:

Hypotheses

An evaluation of the model concerning the relationship of money attitudes (i.e. the meaning of money and money importance (i.e. factor success % equity) was attempted. In this attempt several hypotheses derived from the model were empirically examined with the intention to interpret their possible confirmation as a contribution to validation of the model. The following hypotheses were advanced.

- H1: Correlations between the money attitudes and the importance of money will (success and equity) be mainly positive; but high (because according to the model, money attitude is a major determinant of money importance.
- H2: Correlations between money instrumentality valence and money importance will be positive without exception and high because according to the model MI is the main determinant.
- H3: The level of correlation between money instrumentality and money importance will be mainly positive but high because money instrumentality is the main determinant of money importance.

Method

Subject

The analyses bearing on the nine hypotheses utilized the money ethic study (MES) data collected in Nigeria as part of the world wide money ethic study in 26 geopolitical entities. A total of 200 workers as participants completed and useful responses were obtained. The mean ages of the participants are

34.79. of the participants, 57.5% were males while 42.5% were females. 76.5% of them live in urban, 22% in rural.

The Igbo's constitutes 29%, Hausa, 23%, Yoruba, 18.5% and other ethnic minority 28%. The 58 items money ethic scale measures were adopted from Tang (1992, 1993, 2002 & 2003) where psychometric properties exist.

Results

Table 1 presents the data concerning the first hypothesis. The correlations between the meaning of money and the success dimension of the importance attached to money; and correlation between the meaning of money and the equity dimension of the importance attached to money.

Table 1

Correlations between the meaning of money importance attached to money.

| | | |
|-----|------------------------|-----------------------|
| MES | Factor Success N = 200 | factor Equity N = 200 |
| | 0.82** | 0.87** |

Note: All the coefficients marked** are significant at $p \leq 0.01$

According to our first hypotheses, the correlations shown in the Table 1 should be mainly positive, but large. And this is what they generally are. It seems that individuals with a high value for money and positive attitudes towards money are more likely to perceive money as a sign of achievement or success and will much more seek for equitable distribution of monetary gains or compensatory rewards.

Table 11, presents the correlations of pay level, a major indicant of money instrumentality perceptions, with a world of money i.e. rich, good, pay equity and pay satisfaction. According to our second hypothesis, they should be "without exception positive and high". And this is what they actually are: as can be seen, all the correlations are positive and generally high, some being over 0.77. Thus, our second and third hypothesis are also supported.

Table 11

Correlations of money importance, pay satisfaction rich, and pay equity as a function of (pay level) money instrumentality valence.

| money instrumentality pay level | Good N=200 | Rich N=200 | Pay satisfaction N=200 | Pay equity N=200 | Success N=200 | Equity N=200 |
|---------------------------------|------------|------------|------------------------|------------------|---------------|--------------|
| Pay level | 0.37** | 0.52** | 0.78** | 0.54** | 0.38** | 0.39** |

Discussion.

The results presented above have largely supported all the hypotheses derived from the model of money important determinants proposed in this paper. Consequently, a contribution to the validation of the model has been made.

Although the results provide support for the proposed model, there are several limitations for the present study that needed to be addressed briefly.

First, as already noted, the present study has attempted only a partial evaluation of the model: it has examined only the relationships of money values attitudes to money importance and money instrumentality valence, leaving the models paths a, b, c, h, g unexplored.

Second, both the criterion variables (money importance) and the predictor variables are measured by self report scales using similar response formats which can lead to “method variance”. Third, the present study utilizes a correlational analysis which cannot establish the causality directly. It is likely that money instrumentality precede and contributes to money importance, but they might also be influenced by money importance.

In light of the preceding discussion, it is clear that additional research is needed to test the proposed model more comprehensively. Future research in this area should preferable (1) Include demographic character which would make it possible to examine the effect of socialization factors, individual experiences in the world of money and money values (2) Use measures of money importance that are not cast in the same conceptual framework as the predictors, (3) Expand the model to include “pay equity” comparison and “pay rises” as forms of money instrumentality, (4) And employ a correlational design with some technique of causal modeling which allows unambiguous conclusions about the direction of causality.

To conclude, the present study should be seen as a first attempt toward a more comprehensive evaluation of the proposed model of money importance determinants. It has supported that part of the model stating that the importance of money for an individual depends mainly on the individuals cultural meaning of money and perceived money instrumentality possibility for the success, failure and achievement experiences in the world of money.

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