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Empirical study on personality traits, job satisfaction, and reward system preferences

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This paper empirically examines the relationship among personality traits, job satisfaction, and preference for reward system using a sample of direct selling employees. A survey is administered to 318 salesmen of direct selling in Taiwan. These findings include 1. If a direct seller's personality trait is more agreeable, he/she will have higher job satisfaction. 2. If the direct seller's personality trait tends to be more neurotic then job satisfaction will be lower. 3. If a direct selling company uses social rewards to reward direct sellers, both their intrinsic and extrinsic job satisfaction will increase significantly. 4. If a direct selling company uses material rewards, the extrinsic satisfaction significantly increases only. 5. Direct sellers who are more agreeable tend to prefer social rewards. From a psychological perspective, the understanding of reward system preference assists companies in designing a proper motivation system to meet the actual needs of employees and enhance their job satisfaction. Furthermore, these empirical evidences can facilitate companies' human resource management strategy.

Key words: Personality traits, job satisfaction, reward system, human resource management.

INTRODUCTION

With the globalization trend and technology development, new information and product technology continuously impact firms around the world. Every individual or organization faces powerful competitive pressure. Business owners face many issues such as how to: improve employee job satisfaction, intensify their organization commitment to create competitive advantages, and reach the ultimate goal for everlasting management through reward system and employee personality traits (Chang and Lee, 2006).

Individuals behave differently in similar situations and evaluate conditions differently based on their unique expectations, values, previous experiences and temperament (Ahangar, 2010). The role of personality traits in work-related behaviors and values has received renewed interest over the past decade (Adler, 1996; Costa, 1996; Hough, 1998; Judge, Higgins, Thoresen and Barrick, 1990; Salgado, 1997; Schneider, 1996; Twenge and Campbell, 2008; Vandenberghe et al., 2008). It has been shown to be a valid predictor of behavior in work settings.

Reward system is important, even to the degree that it

affects organizational performance, employee satisfaction with pay, employee retention and employee motivation (Shields et al., 2009). From a psychological perspective, the understanding of reward system preference assists companies in designing a proper motivation system to meet the actual needs of employees and enhance their job satisfaction. The right reward system will drive performance. It will attract, retain and motivate employees to do their best. Therefore, a reward system is an important issue in organizational studies.

The vast majority of research in job satisfaction has been undertaken in the U.S.A. and the U.K. Job satisfaction is one of the critical components of employee attitudes that are likely to be affected by perceived discrimination (Ozer and Gunluk, 2010). Some researchers have investigated the relationships between personality traits and job satisfaction (Furnham et al., 2002) and some researchers have investigated the relationships between reward system and job satisfaction, but few have examined the relationships among personality traits, job satisfaction, and reward system preferences. The primary aim in this paper is to fill the research gap by

examining these three variables.

Organization can demonstrate that they care for and support employees by offering rewards (Thomas and Marcus, 2009). Direct selling is a "person-to-person" business. Salesmen of direct selling (that is, direct seller) encounter customers every day, and experience rejection, the joy of success, and many other emotions. As direct selling enterprises do not directly employ salesmen, if no sustaining reward mechanism is provided, salesmen may quit if performance is not as expected. As a result, direct selling enterprises need effective reward systems to attract, sustain, and encourage salesmen. The reward system is not only the core driver for salesmen but also the key incentive to create performance breakthroughs.

Davidson (2009) pointed out that when employees face frustrating situations, a good reward system can enhance employee productivity. An effective reward system must target employees' needs and align company objectives and employee responsibility (Nancherla, 2009). However, personality traits have a major influence on behaviors (Zimmerman, 2008). From a psychological perspective, different personality traits lead to different preferences and behaviors. As a result, employees' personality traits affect the preference and application of reward systems. Based on the above motivation, the study has three major objectives:

1. To study the relationship among employees' personality traits, job satisfaction, and reward system preferences;
2. To understand the motivations that enhance employees' job satisfaction based on empirical results; and
3. To apply empirical results as a reference for the design of reward systems in order to create the win-win situation for employees and companies.

LITERATURE REVIEW

Total rewards are everything employees perceive to be of value resulting from the employment relationship (Bush, 2003). A wide variety of factors influence the reward decision (Hu et al., 2007). Several authors express the need to understand individual difference with respect to total rewards components to help employers attract and retain employees whose personalities and values are consistent with the company.

Greenberg and Liebman (1990) mentioned that rewards fall into three groups: material, social, and activity. From the simplicity of straight salaries to the complexities of stock option programs, compensation packages are a subset of the broader class of material rewards. Social rewards, which operate on the interpersonal level, include identification with the company or recognition by peers, customers, and competitors. Activities that serve as incentives are those that are so rewarding that they provide

the necessary reinforcement to sustain an executive through the more mundane tasks (Harrison et al., 2010). For those with a strong need for personal growth, these activities include new challenges and opportunities.

Gross and Friedman (2004) mentioned that a total package includes compensation, benefits and careers. Hu et al. (2007) pointed that reward includes monetary (salary, bonuses) and nonmonetary incentives (participation in decision-making, public recognition), is a key exchange resource that employers use to support their differentiation of employees.

Several authors express the need to carry out analyses of how personality traits affect employment characteristics preferences (Barber and Bretz, 2000; Schneider, 1996; Suazo, 2009). Consistent with this perspective, our study seeks to provide more information on how various reward components may facilitate or impede the attraction of employee with specific personality traits. Based on Greenberg and Liebman (1990) perspective, and according to direct selling industry practice in Taiwan, this research divided reward systems into two parts: material and social reward. Material reward includes 1. bonus, 2. commission, 3. travel, and 4. prizes; and social reward includes 1. acknowledgement and 2. promotion.

Job satisfaction is commonly defined as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (Locke, 1976). Effectiveness of an organizational structure has been closely linked to the level of job satisfaction among the workers (Orisatoki and Oguntibeju, 2010). Employee job satisfaction has become an important corporate objective in recent years. Motivated and committed staff can be a determining factor in the success of an organization.

The job satisfaction literature has established three models of job satisfaction. These are situational, dispositional, and interactional models. These three main lines of models have been used extensively to predict the job satisfaction of employees in organizations (Franek and Vecera, 2008). The interactional model of job satisfaction argues that the fit between the person and the environment influences job satisfaction (Chatman, 1989). This approach is known as the Person-Environment Fit. Spokane (1985) reviewed the model literature and concluded that the Person-Environment Fit is positively related to job satisfaction. According to above mentioned, we infer that both employee personality traits and reward systems providing by organizations should influence employee's job satisfaction. In this research, we measure job satisfaction based on Minnesota Satisfaction Questionnaire, including intrinsic satisfaction and extrinsic satisfaction.

Personality traits refer to cognitive and behavioral patterns that show stability over time and across situations (Bozionelos, 2004). It is reasonable to expect that personality traits influence personal values and attitudes, as most recent empirical research has demonstrated (Olver and Mooradian, 2003).

The “big five” or five-factor model of personality represents a taxonomy to parsimoniously and comprehensively describe human personality, whose validity is strongly supported by empirical evidence (Digman, 1990; McCrae and Costa, 1996). It is important to establish the relationship between the big five traits and vital organizational behavior variables, including job satisfaction. The purpose of the study is to investigate the relationship among the big five traits, job satisfaction, and preference for reward system.

This study uses the five-factor model of personality, frequently referred to as the big five to represent normal range personality (Digman, 1990). It provides a meaningful and generalizable taxonomy for studying individual differences. These “big five” personality aspects can be described as follows:

1. Agreeableness. This reflects being liked, courteous, good-natured, cooperative, forgiving and soft-hearted.
2. Conscientiousness. This includes traits such as being organized and hardworking as well as dependable, trustworthy and responsible.
3. Extraversion. This reflects sociability, cheerfulness, talkativeness and activity.
4. Neuroticism. This reflects the absence of anxiety, depression, anger, worry and insecurity.
5. Openness to experience. This reflects imaginative-ness, creativeness, broad-mindedness and intelligence.

HYPOTHESES

Job satisfaction is an individual's pleasurable emotional state resulting from the appraisal of one's job, an affective reaction to one's job, and an attitude towards one's job. There is a variety of factors that can influence job satisfaction. The literature often distinguishes between situational and dispositional factors of job satisfaction. While situational factor represents job environment, dispositional factors are personal features of an individual (Franek and Vecera, 2008).

Recently, the few experimental studies (Judge and Larsen, 2001; Ilies and Judge, 2003; Jiang et al., 2009) in the area have shown that personality has a clear influence on the perceived importance of job characteristics. The research of Staw et al. (1986) indicated that if individuals hold positive emotion, they shall be happier with their job and will continue working. Within research of the “Big Five” personality traits and job satisfaction, Watson and Clark (1992) found that having negative emotion leads to a greater possibility of experiencing frustration and dissatisfaction. Fogarty et al. (1999) found that neuroticism is negatively related to job satisfaction; extraversion shows positive correlation to job satisfaction; openness to experience and agreeableness show no significant correlation to job satisfaction; and conscientiousness shows positive correlation to job satisfaction. Judge et al. (2002) conducted meta-analysis of relation

between traits from the five-factor model of personality and overall job satisfaction. The analysis revealed that neuroticism was negatively correlated with job satisfaction, whereas conscientiousness, extraversion, and agreeableness are correlated positively. Openness to experience has a negatively impact on job satisfaction. As in previous research, the following is expected:

H₁: Different personality traits significantly affect job satisfaction.

Employees are often recognized as company's most valuable resources. Employees affect the company's performance by their individual job performance, productivity, and work quality. According to a well-known expectancy theory that describes how profit sharing might affect worker productivity, job performance leads to job satisfaction by way of increased rewards. When properly designed, reward systems promote desirable employee behaviors and increase job satisfaction (Yanadori and Marler, 2006).

Job satisfaction can be defined as an individual's affective reaction to his or her work environment. Job satisfaction has consistently been found to relate inversely to an individual's turnover intention (Dole and Schroeder, 2001). There is a variety of factors that can influence a level of job satisfaction; some of these factors include pay and benefits, perceived fairness of the promotion system within a company, working conditions, social relationships, and the job itself. Therefore, different reward systems provided by organization will affect employees' job satisfaction.

H₂: Different reward systems significantly affect job satisfaction.

Reward systems are critical retention and motivational tools. Organizations should try to customize the options to suit the personality and interests of each employee in order to make the reward more meaningful.

The big five personality theory proposes that individual characteristic patterns of thinking, feeling, behaving, and responding to environmental demands can be described in terms of their scores of five personality domains. If the theory of individual dispositions is applied to the attraction potential of a job, it presumes that different people ascribe different levels of importance to various components of reward, based on their specific personality traits. Several authors (Schneider, 1996; Barber and Bretz, 2000; Erdle and Rushton, 2010) express the need to carry out analyses of how personality traits affect employment characteristics preferences. Consistent with this perspective, our study considers employees' viewpoints rather than those of organizations. More specifically, our study seeks to provide more information on how various reward systems components may facilitate or impede the attraction of people with specific personality traits.

H₃: Different personality traits significantly create different preferences for reward systems.

METHODS

Many researchers have suggested that the content and design of reward systems have a dramatic impact on employee behaviors. Since the reward system and employee performance is highly related in direct selling, this study focuses on direct sellers to study the relationship among personality traits, job satisfaction, and reward system preferences.

H₁: Different personality traits significantly affect job satisfaction.

H₂: Different reward systems significantly affect job satisfaction.

H₃: Different personality traits significantly create different preferences for reward systems.

Participants

The sample consisted of direct sellers working for the direct selling enterprises in Taiwan. We selected the top three direct selling enterprises because of the following two reasons. Based on interview and secondary data, the top three direct selling enterprises offer whole reward systems which are the same as our framework of the study; furthermore, according to Power Networking Monthly in Taiwan (2009), total sales revenue is US\$1.5 billion in direct selling industry, the top three companies create US\$0.55 billion, 35% approximately.

The questionnaires were directly distributed and collected in annual direct selling meetings, product stores, and training centers of the top three direct selling enterprises. We issued a total of 400 questionnaires and received 352 back. After eliminating 34 questionnaires with some blank responses and incomplete basic information, we received 318 valid questionnaires, and a valid response rate is 79%.

Measures

Variables in the study include the reward system preferences, job satisfaction, and personality traits. In addition, the six control variables are direct sellers' gender, age, education, type of direct selling, seniority, and annual salary. The operational definitions and measures of the variables are below:

(1) The reward system preferences: Based on previous studies, secondary data, and interviews, the following are actual reward systems offered by direct selling enterprises in Taiwan.

- i. The bonus system: companies pay performance bonuses to direct sellers.
- ii. The commission system: direct sellers get discounts when ordering products from the company.
- iii. The travel system: companies treat or subsidize direct sellers with domestic or international trips.
- iv. The prize system: if a direct seller reaches a sales target or refers new direct sellers to the company, the company sends prizes to the seller.
- v. The acknowledgement system: the company publicly acknowledges direct sellers in the media, publications or meetings.
- vi. The promotion system: based on the sales growth, the company promotes direct sellers, offering a channel to a higher level, title, or status.

According to the classification of reward systems in Greenberg and

Liebman (1990) and actual rewards in the direct selling industry in Taiwan, the material reward include: a. bonus; b. commission; c. travel; d. prizes; and social rewards include f. acknowledgement and; e. promotion.

The first part of survey measures the preference for reward system. There are ten questions regarding actual reward contents of direct selling in Taiwan, and direct sellers based on actual rewards received answer questions according to individual preferences. "1" is very unattractive, "2" is not attractive, "3" is no comment, "4" is attractive, and "5" is very attractive. Higher scores suggest the direct sellers have a higher preference for this reward content. Therefore, the first part primarily measures direct seller's preference for the reward system received.

(2) Job satisfaction: The concept of job satisfaction in this study is based on Locke (1976) who proposed that job satisfaction is the positive or pleasant emotion an individual gains from work or work-related experiences depending on whether the employee obtains desired and valuable things from the work. Job satisfaction includes the following two types:

- i. Intrinsic satisfaction: the sense of achievement, social status, and other satisfaction resulting from job variety, stability, independency, creativity, and the opportunity to demonstrate capabilities, such as intangible inner feelings.
- ii. Extrinsic satisfaction: the satisfaction from promotion, compensation, acknowledgement, superordinates' decision capacity, and peer relationship.

The second part of survey measures job satisfaction of direct sellers. We modified the 20 questions in the short version of Minnesota Satisfaction Questionnaire (MSQ), which measures intrinsic and extrinsic satisfaction. "1" is strongly dissatisfied "2" is dissatisfied, "3" is fair, "4" is satisfied, and "5" is strongly satisfied. Higher scores suggest the direct sellers have higher job satisfaction.

(3) Personality traits: This study defines personality traits as the combination of the thinking model, emotional expression, and behavioral characteristics, which distinguish one person from another. According to Costa and McCrae (1985), there are five dimensions of personality:

- i. Agreeableness. This reflects being liked, courteous, good-natured, cooperative, forgiving and soft-hearted. The opposite pole would be cold, rude, unkind and independent.
- ii. Conscientiousness. This includes traits such as being organized and hardworking as well as dependable, trustworthy and responsible. The opposite pole would be carelessness or irresponsibility.
- iii. Extroversion. This reflects sociability, cheerfulness, talkativeness and activity. The opposite pole dimension is introverted, quiet, shy and reserved.
- iv. Neuroticism. This reflects the absence of anxiety, depression, anger, worry and insecurity.
- v. Openness to experience. This reflects imaginativeness, creativeness, broad-mindedness and intelligence. The opposite pole is narrow-mindedness, unimaginativeness and conventionality.

The third part of survey measures the personality traits of direct sellers. We modified the five dimensions in the International Personality Item Pool (IPIP). Each dimension includes 10 questions, and there are total 50 questions. "1" is strongly disagree, "2" is disagree, "3" is fair, "4" is agree, and "5" is strongly agree. The score from the scale determines a subject's personality traits.

(4) Control variables: The six control variables include direct sellers'

gender, age, education, type of direct selling (part-time or fulltime), seniority, and annual salary. The fourth part of survey includes the basic information of the direct seller working at the top three direct selling enterprises.

Procedure

According to literature and practical experience, we formed the draft questionnaire and distributed 30 questionnaires as a pre-test. The reliability of pre-test questionnaires was analyzed to measure the consistency of questions in the same dimension. Then the questionnaire was edited and modified based on pre-test results. After elimination, the dimensions all had a Cronbach's alpha larger than 0.7, except for agreeableness under the personality traits (0.6585), suggesting that the questionnaires for variables have high reliability.

Before compiling the questionnaire, we summarized the dimensions based on relevant studies and practical experience, and the validity was checked by experts. As a result, layered factor analysis was applied to valid questionnaires, and then the reliability test was employed to analyze dimensions of variables. According to the KMO (Kaiser-Meyer-Olkin) value, factor analysis, and principal component analysis, we deleted questions with low factor loading to improve the overall reliability. The final instrument contained 8 questions for the reward system, 16 for job satisfaction, and 45 for personality traits.

Because we sampled from the top three direct selling enterprises, we used ICCs (Intraclass Correlation Coefficient) to check for organizational effects. ICC may be conceptualized as ratio of between-groups variance to total variance. In statistics, ICC is 0 when within-groups variances equal between-groups variances, indicative of the grouping variables have no effect.

In this study, we used "organization" as factor, reward system preference, job satisfaction, and personality traits are dependent variables respectively. Then, we calculated ICCs are 0.0676, 0.0134, and 0.0074 respectively. The results showed that organizational difference is not apparently. Therefore, we integrated 318 valid questionnaires to run regression and test our hypotheses.

EMPIRICAL RESULTS AND ANALYSES

Difference analysis on basic personal information and job satisfaction

The instrument in the study includes six basic personal items. First, a T-test was done to study the difference between personal information and job satisfaction. Results show that the job satisfaction of full-time direct sellers is significantly higher than that of part-time direct sellers (for intrinsic satisfaction, $t = -2.95$, $p < 0.01$; for extrinsic satisfaction, $t = -2.405$, $p < 0.05$). In addition, a one-way analysis of variance (ANOVA) was used to study how different ages, education levels, seniority, and annual salary affect job satisfaction. Results show that the seniority and annual salary in direct selling have significant impacts on job satisfaction. Next, we applied Scheffe's Multiple Comparison to compare the difference between subgroups and found that direct sellers with seven years of seniority or more in direct selling have significantly higher job satisfaction than those who have less than 1 year of experience in direct selling.

Correlation analysis on variables

We used Pearson's correlation to study the relationship among the reward system, personality traits and job satisfaction; results are shown in Table 1. According to the table, the dimensions of reward systems and job satisfaction have significant positive correlation coefficients. Most dimensions of personality traits are significantly correlated to job satisfaction, except for neuroticism (which is negatively correlated to job satisfaction). In other words, direct sellers who are more neurotic tend to have lower job satisfaction. Results of the correlation analysis show that most dimensions are significantly correlated. As a result, we did a regression analysis to study the causal relationship among these dimensions.

Hierarchical regression analysis and multiple regression analysis

The study applied the hierarchical regression analysis. Targeted variables were put into the regression model with different hierarchies in order to test the hypothesis. The VIF-value was tested before the hierarchical regression analysis. Results show that the VIF values are all smaller than 10, suggesting co linearity does not exist in the study.

The hierarchical regression analysis includes three hierarchies, models 1, 2, and 3. In model 1, basic information of direct sellers is the control variable to control potential variances. In models 2 and 3, dimensions of personality traits and reward systems are incorporated to study the effect on job satisfaction. Results of the hierarchical regression analysis are shown in Table 2.

(1) The effect of personality traits on job satisfaction: This study employs the hierarchical regression analysis to study how different personality traits affect job satisfaction. The dependent variable is job satisfaction. In model 1, the independent variables include basic information such as gender, age, education, type of direct selling, seniority, and annual salary. The F-value for the regression model on direct seller's personal information and job satisfaction (intrinsic satisfaction) is 3.454, which is significant ($p < 0.01$) and the R^2 is 9.7%. Seniority has a significantly positive impact on intrinsic satisfaction ($\beta = 0.241$, $p < 0.05$), showing that those who work in the direct selling industry longer have higher intrinsic satisfaction. In other words, variables in model 1 have an actual impact on the level of intrinsic satisfaction. In addition, the F-value for the regression model on direct seller's personal information and job satisfaction (extrinsic satisfaction) is 2.47, which is significant ($p < 0.05$) and the R^2 is 7.1%. Besides basic personal information, independent variables in model 2 include five personality traits: agreeableness, conscientiousness, extroversion, neuroticism, and openness to experience. Results show

Table 1. Results of correlation coefficients analysis.

Coefficient	MR	SR	A	C	E	N	O	IS	ES
Material reward (MR)	1.000								
Social reward (SR)	0.682**	1.000							
Agreeableness (A)	0.155*	0.237**	1.000						
Conscientiousness (C)	0.114	0.145*	0.366**	1.000					
Extroversion (E)	0.102	0.127	0.594**	0.350**	1.000				
Neuroticism (N)	-0.306**	-0.284**	-0.399**	-0.530**	-0.425**	1.000			
Openness to experience (O)	0.077	0.178*	0.492**	0.429**	0.616**	-0.339**	1.000		
Intrinsic satisfaction (IS)	0.411**	0.464**	0.409**	0.341**	0.347**	-0.432**	0.284**	1.000	
Extrinsic satisfaction (ES)	0.408**	0.448**	0.408**	0.268**	0.334**	-0.385**	0.262**	0.844**	1.000

*p<0.05 **p<0.01.

Table 2. Results of hierarchical regression analysis.

Independent variable	Dependent variable: Job satisfaction					
	Intrinsic satisfaction			Extrinsic satisfaction		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Basic information						
Gender	0.076	0.058	0.057	0.063	0.054	0.052
Age	-0.063	-0.118	-0.13	-0.14	-0.185*	-0.198*
Education	0.104	0.05	0.056	0.087	0.038	0.043
Type of direct selling	-0.128	-0.075	-0.118	-0.095	-0.051	-0.095
Seniority	0.241*	0.225*	0.13	0.192	0.17	0.071
Annual salary	0.019	-0.05	-0.03	0.083	0.021	0.043
Personality						
Agreeableness		0.209**	0.167*		0.261**	0.219**
Conscientiousness		0.071	0.112		0.023	0.065
Extroversion		0.092	0.13		0.07	0.107
Neuroticism		-0.246**	-0.133		-0.233**	-0.115
Openness to experience		-0.019	-0.066		-0.029	-0.074
Reward systems						
Material rewards			0.131			0.163*
Social rewards			0.265**			0.248**
F-value in the entire model	3.454**	7.261***	9.95***	2.47*	6.025***	8.739***
R ²	0.097	0.298	0.41	0.071	0.261	0.379
Adjusted R ²	0.069	0.257	0.369	0.042	0.217	0.336
Change in R ²	-	0.201***	0.112***	-	0.189***	0.119***

*p<0.05 **p<0.01 ***p<0.001.

that the F-value for the regression model on direct seller's personality traits and job satisfaction (intrinsic satisfaction) is 7.261 and the R² is 29.8%. After including the five personality traits as independent variables, the R² in Model 2 is 20.1% higher than Model 1, which is significant (p<0.001). As a result, personality traits have a significant impact on intrinsic satisfaction, in which

agreeableness ($\beta=0.209$, p<0.01) has a significantly positive impact on intrinsic satisfaction, and neuroticism ($\beta=-0.246$, p<0.01) has a significantly negative impact on intrinsic satisfaction. In other words, direct sellers who are more agreeable have higher intrinsic satisfaction, and those who are more neurotic have lower intrinsic satisfaction. In addition, agreeableness and neuroticism are

significantly correlated to extrinsic satisfaction. The results are similar to that of the intrinsic satisfaction. Direct sellers who are more agreeable have higher extrinsic satisfaction, and those who are more neurotic have lower extrinsic satisfaction. As a result, "H₁: different personality traits significantly affect job satisfaction" is sustained.

(2) The effect of reward systems on job satisfaction: In Model 3, basic personal information and five personality traits are the control variables, and the reward system is the independent variable, which includes material rewards and social rewards. Results show that the F-value in the regression model on "the preference of reward systems for direct sellers" and intrinsic satisfaction is 9.95, and the R² is 41%. After including the reward system as the independent variable, the R² increased by 11.2% in model 3 as compared to Model 2; the difference is significant ($p < 0.001$). As a result, "the preference of reward systems for direct sellers" have a significantly positive impact on intrinsic satisfaction, in which social rewards ($\beta = 0.265$, $p < 0.01$) are significantly positive impact on intrinsic satisfaction. In other words, the more social rewards a company offers, the higher the direct sellers' intrinsic satisfaction. However, material rewards ($\beta = 0.131$, $p > 0.05$) do not have a significant impact on intrinsic satisfaction. On the other hand, the F-value in the regression model on "the preference of reward systems for direct sellers" and extrinsic satisfaction is 8.739, and the R² is 37.9%. The R² increased by 11.9% in Model 3 as compared to Model 2; the difference is significant ($p < 0.001$). As a result, "the preference of reward systems for direct sellers" has a significantly positive impact on extrinsic satisfaction. Both the material rewards ($\beta = 0.163$, $p < 0.05$) and social rewards ($\beta = 0.248$, $p < 0.01$) have positive impacts on extrinsic satisfaction. In other words, the more rewards (material or social) a company offers, the higher the direct sellers' extrinsic satisfaction. Accordingly "H₂: Different reward systems significantly affect job satisfaction" is sustained.

(3) The effect of personality traits on reward system preference: The study employed multiple regression analysis to study the impact of personality traits on the reward system preferences. The independent variables are the five personality traits, and the dependent variable is the reward system (the attractiveness of reward systems to direct sellers). As shown in Table 3, the overall F-value in the regression model on personality traits and material rewards is 4.389 and significant ($p < 0.01$). The R² is 10.2%, where neuroticism has significantly negative impact on the material rewards ($\beta = -0.338$, $p < 0.001$), suggesting that material rewards are less attractive to direct sellers who are more neurotic. The overall F-value in the regression model on personality traits and social rewards is 4.887 and significant ($p < 0.001$). The R² is 11.2%, where neuroticism has significantly negative impact on the social rewards ($\beta = -0.266$, $p < 0.01$) and there is a positive correlation between agreeableness and social

rewards variables ($\beta = 0.182$, $p < 0.05$). In other words, social rewards are less attractive to direct sellers who are more neurotic and more attractive to those who are more agreeable. Sellers with different personality traits have different preferences for reward systems. Therefore, "H₃: different personality traits significantly create different preferences for reward systems" is sustained.

CONCLUSION AND IMPLICATIONS

Empirical results

Employees' personality traits, job satisfaction, and preference for the reward system affect work attitudes, organizational operation, and overall performance. The design and implementation of reward systems direct affect salesmen in the frontline. As a result, we studied direct sellers in Taiwan's direct selling enterprises based on questionnaire surveys. We employed summary statistics, T-tests for independent samples, one-way ANOVAs, hierarchical regression analysis, and multiple regression analysis to study the relationship among employees' personality traits, job satisfaction, and reward system preferences. Empirical results are summarized below:

(1) Current status of the reward system, job satisfaction, and personality traits: Regarding preference for the reward system, the averages of material reward (4.55) and social reward (4.44) show that the current reward system in direct selling enterprises are very attractive to direct sellers. Further analysis shows that among material rewards, "domestic/international travel offers" and "performance-related bonuses" are the most attractive to direct sellers. "Promotion" is the most attractive social reward to direct sellers.

For job satisfaction, the averages of intrinsic satisfaction (4.31) and extrinsic satisfaction (4.33) show that direct sellers get relatively high job satisfaction from direct selling enterprises. Further analysis shows that, direct sellers are most satisfied with "achieving work objectives without conditions against one's conscience" among intrinsic satisfaction but are least satisfied with "how busy direct sellers are." As for extrinsic satisfaction, direct sellers are most satisfied with "how direct sellers in the same organization treat one another" and least satisfied with "how direct selling partners or friends acknowledge the job as a direct seller."

With personality traits, the average scores of dimensions show that direct sellers tend to be more agreeable, open to experience, and conscientious. Their features include kind-heartedness, taking the initiative to care for others, willingness to spend time with others, the capacity to handle things well, and learning quickly in a new environment.

(2) The effect of different personality traits on job satisfaction: The study adopts Costa and McCrae's five

Table 3. Results of multiple regression analysis.

Dependent variable	Independent variable					
	Agreeableness	Conscientiousness	Extroversion	Neuroticism	Openness to experience	
Reward systems	Material reward	0.088	-0.07	-0.062	-0.338***	-0.013
	Social reward	0.182*	-0.061	-0.142	-0.266**	0.113

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$. Material rewards: F-value in the entire model is 4.389**, $R^2 = 0.102$, adjusted $R^2 = 0.078$. Social rewards: F-value in the entire model is 4.887***, $R^2 = 0.112$, Adjusted $R^2 = 0.089$.

personality traits as dimensions of the personality traits.

According to the correlation analysis and hierarchical regression analysis, “agreeableness” is the strongest indicator for job satisfaction among the five personality traits. If a direct seller’s personality trait is more agreeable, he/she will have higher job satisfaction. In other words, if the direct seller is willing to cooperate with others, is thoughtful, empathetic, trustworthy, well-behaved, friendly, and easy to get along with, then job satisfaction will be higher. However, if the direct seller’s personality trait tends to be more “neurotic,” then job satisfaction will be lower. In other words, if a direct seller tends to be nervous, worries too much, lacks a sense of security, and cannot control their emotions, the pressure tolerance will be lower. Since obstacles are common in the process of direct selling, those direct sellers tend to have lower job satisfaction.

(3) The effect of different reward systems on job satisfaction: Following the classification by Greenberg and Liebman, this study divides the reward system into material and social rewards. Results show that if a direct selling company uses “social rewards” to reward direct sellers, both their intrinsic and extrinsic job satisfaction will increase significantly. In other words, if the direct selling company praises or promotes (or uses other emotional rewards) the direct seller with

outstanding performances, he/she will have higher overall job satisfaction. If a direct selling company rewards sellers with “material rewards,” the extrinsic satisfaction significantly increases only. In other words, if the direct selling company offers material rewards such as bonus, commission, travel, and prizes, to direct sellers with outstanding performance, the seller will have higher external satisfaction only.

(4) The effect of personality traits on reward systems preference: Results in the study show that direct sellers who are more “agreeable” tend to prefer social rewards. In other words, if a direct seller is willing to cooperate with others, is thoughtful, empathetic, trustworthy, well-behaved, friendly, and easy to go with, then social rewards will be more attractive to him/her. On the other hand, the reward system in direct selling enterprises (both material and social rewards) is less attractive to direct sellers with the “neuroticism” personality trait. The result is consistent with the summary statistics for personality traits: Direct sellers in the study are less likely to be “neurotics.”

Managerial implications

From the direct sellers’ perspective, they wish to receive more rewards. However, given limited

resources and concerns on operating costs, it is important for direct selling enterprises to effectively allocate rewards to achieve the maximum motivation effect. As the direct selling market expands, direct sellers have individualized and diversified needs. Therefore, direct selling enterprises should take into account individual needs when designing the motivation system. A reward system should be built on different needs and corresponding motivation factors. When direct sellers’ specific needs are fulfilled; the intrinsic drive can transform into behavior aligning with direct selling enterprises’ objectives creating higher value for direct selling enterprises.

(1) Suggestions to direct selling enterprises: In the past, the design of direct sellers’ reward systems only considered the fairness and convenience of delivery but not how personality traits affect the reward system preferences. Therefore, direct selling enterprises may fail to create actual motivation even though they have used many resources. Results show that direct sellers with different personality traits prefer different reward systems. Therefore, direct selling enterprises could take into account the personality traits when designing diversified reward systems. The understanding of reward preference allows companies to offer a proper motivation system to meet the actual needs of direct sellers.

“Material rewards (such as basic salary, bonus, and welfare) better satisfy personal needs and should be utilized freely. As a result, material rewards are the major motivation in most companies”. However, empirical results in this study disprove that misconception. We recommend that companies increase social rewards, besides offering outstanding direct sellers material rewards, in order to greatly improve the overall job satisfaction.

(2) Suggestions to direct sellers: Results show that direct sellers who are more agreeable tend to have higher job satisfaction; and those who are neurotic tend to have lower job satisfaction in general. Therefore, with proper measurement, direct sellers can know their personality traits to predict the extent of job satisfaction in the future. As a result, when direct sellers expand the selling net, agreeable direct sellers in the lower-level are preferred, because they may have higher job satisfaction in direct selling and higher devotion to the business in the long run.

People with different personality traits have different preferences for the company’s reward systems. For those who are interested in direct selling, if personality traits tend to be more agreeable, we recommend choosing companies with more social rewards in order to gain higher job satisfaction and performance.

LIMITATIONS AND SUGGESTIONS

This study is based on self-reporting surveys and may be biased by subjects’ subjective perceptions and subjects’ comprehension of the questions may also create bias in the results. Furthermore, among various motivation mechanisms, this study only examines the reward system, and does not include other measures direct selling enterprises utilize to motivate employees. These are unavoidable limitations in the empirical study.

Future studies should examine the relationship between personality traits and other motivations in direct selling enterprises, such as the work content, organizational climate, and training programs, in order to access factors affecting job satisfaction.

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