

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/267711459>

A Motivation Study on the Effectiveness of Intrinsic and Extrinsic Factors

Article in *ECONOMICS AND MANAGEMENT* · May 2011

CITATIONS

29

READS

36,988

3 authors:



Orhan Çınar

Ataturk University

37 PUBLICATIONS 520 CITATIONS

[SEE PROFILE](#)



Çetin Bektaş

Gaziosmanpaşa University

64 PUBLICATIONS 415 CITATIONS

[SEE PROFILE](#)



Imran Aslan

Bingöl University

96 PUBLICATIONS 380 CITATIONS

[SEE PROFILE](#)

Some of the authors of this publication are also working on these related projects:



Wellbeing during COVID-19 [View project](#)



Innovation [View project](#)

A MOTIVATION STUDY ON THE EFFECTIVENESS OF INTRINSIC AND EXTRINSIC FACTORS

Orhan Çınar¹, Çetin Bektaş², Imran Aslan³

¹The University of Erzincan, Turkey, orhanar@gmail.com

²The University of Erzincan, Turkey, cbektas@erzincan.edu.tr

³The University of Erzincan, Turkey, iaslan@erzincan.edu.tr, imranaslan@gmail.com

Abstract

Motivation has long been one of management's most difficult and important duties. Success in this subject is becoming more challenging in organizational trends because business environment changes quickly and becomes more competitive. Researches on employee motivation especially highlight two types of factors: intrinsic and extrinsic.

The purpose of this study it is to find out the effectiveness of intrinsic and extrinsic factors on employee motivation, which one is more effective and compare them according to demographic characteristics of employees. Using descriptive survey design, the sample of the study was 41 employees of an electricity delivery company located in the province of Ağrı, Eastern Anatolia, Turkey.

As a result of the study it is found out that both intrinsic and extrinsic factors affect employees while they achieve their tasks. Another result is that intrinsic factors are more motivating than extrinsic factors.

Being the first one in the province of Ağrı, this study is meaningful and valuable.

Keywords: Motivation, Intrinsic Factors, Extrinsic Factors.

JEL Classification: D23.

Introduction

In order to be successful or even more successful, today's both private and public work organizations need to maximize the use of their employees' skills. Human resource is the most critical resource for any organization in today's highly competitive business environment. The primary task of any manager is to have an organization that functions effectively. To do so, subordinates must work efficiently and produce results that are beneficial to the organization.

It is obvious that motivation is one of the main factors that determine the work performance of employees and highly motivated employees are crucial to an organization's success. But what does motivation really represent or why people behave as they do? Motivation theories have aimed to answer this question. If we know what drives the people then we are able to make them to do what we want (Owens, 2004; Eren, 2007; Koçel, 2010).

The term motivation derives from the Latin word *movere*, meaning "to move" (Tansky, 2003). In the present context, motivation represents the process that arouses, energizes, directs, and sustains behaviour and performance (Luthans, 1998). That is, it is the process of stimulating people to action and to achieve a desired task. In brief, it can be said that a person is motivated when he/she wants to do something. Motivation is a tool with which managers can use in organizations. If managers know what drives the people working for them, they can set job assignments and rewards to what stimulates these people.

Motivation is a multidimensional framework because people are usually motivated by a combination of different factors. Being a complex topic of research motivation has been studied from many different approaches. Reinhold (2006) argue that the organizational science literature on motivation has for long been polarized into two main positions; the organizational economic position focusing on extrinsic motivation and the organizational behaviour position emphasizing intrinsic motivation. She continued that the organizational economic approach and the organizational behaviour approach to human motivation and behaviour, hence both intrinsic motivation and extrinsic motivation, are needed to analyze and understand motivation and behaviour in organizations.

Motivation Theories

Employees were considered as solely one of the inputs of the production system in the initial stages of the industrial revolution. It was the Hawthorne Studies conducted by Elton Mayo from 1924 to 1932 that revealed the shift in the perception about employees by organizations. These studies concluded that employees are not motivated merely by money and that employee behaviour is linked to their attitudes. The

Hawthorne Studies began the human relations approach to management, and then the needs and motivation of employees become an important topic for managers (Kulkarni and Chiniwar, 2009).

The most influent theory is Maslow's Hierarchy of Needs. Maslow (1943) advanced the following important prepositions about human behaviour: humans want beings (they always want, and they want more), a satisfied need is not a motivator of behaviour and human needs are arranged in a series of levels-a hierarchy of importance. Maslow classified people needs in 5 categories: physiological, safety, social (sense of belonging), esteem and self-realization needs. Maslow said that, when an inferior rank need is satisfied (for example, assuring food, clothing, the need of breathing, etc), the next level need becomes dominant, and the attention of the person is dedicated to the accomplishment of this higher rank need. He mentioned that only an unsatisfied need can motivate the behaviour, the dominant need being the primary factor for behaviour motivation.

In his research into human motivation, McClelland (Hicks and Gullett, 1981) identified three motives: affiliation, power and achievement. According to achievement theory individuals behave by one or combinations of those needs. These needs correspond to the social, esteem and self-realization needs of Maslow's hierarchy.

Another motivation theory is Frederick Herzberg's Two Factors Theory. Herzberg (1964) interviewed "white collar" employees and managers to determine those things that caused them to be satisfied and dissatisfied. He identified five factors that most often contributed to employee dissatisfaction: perceived fairness of company policy, pay, working conditions, relations with one's supervisor, and relations with co-workers. He stated that to satisfy or motivate employees a different set of factors were needed. These satisfiers included achievement, recognition, the work itself, responsibility, and advancement. He labelled the factors that produce satisfaction motivators and the factors that produce dissatisfaction hygiene factors. He meant that motivation factors resulted from internal generators in employees and motivators produced satisfaction, arising from intrinsic conditions of the job itself. Motivation and the increase of work performance could be only obtained through the action of the motivational factors, which directly reflect the content of the executed work by the employee on his position. The contextual factors represent only the conditions necessary for the execution of work processes. This theory implies that in order to advance job attitudes and productivity, managers should identify and concentrate to both sets of characteristics.

Those are three of the content theories. Content theories emphasize the specific factors that motivate the employees, while the process theories underlined the psychological forces that have an effect on motivation. Below are some of process theories.

The expectancy theory was initially elaborated by Vroom (1964) and then developed by Porter and Lawler (1968). This theory establishes a connection between the employees' motivation and their expectancies. The motivation is possible only when there is a clear relation between the work performance and its results and the results are means to satisfy a certain need. Porter and Lawler advocated structuring the work environment so that effective performance would lead to both intrinsic and extrinsic rewards, which would in turn produce total job satisfaction. Intrinsic motivation involves people doing an activity because they find it interesting and derive spontaneous satisfaction from the activity itself. Extrinsic motivation, in contrast, requires an instrumentality between the activity and some separable consequences such as tangible or verbal rewards, so satisfaction comes not from the activity itself but rather from the extrinsic consequences to which the activity leads.

Skinner's (Davis, 1987) operant conditioning is based on a fundamental concept of learning theory. In this theory behaviour that is appropriately reinforced tends to be repeated while not reinforced or punished tends not to be repeated. Individuals will take those actions that lead to the rewards that they want and will stop doing those things that result in no rewards or punishment. Behaviour is thus a function of the reinforcements supplied by the environment.

The goal setting theory states that the level of motivation and performance is higher when the individual has specific objectives established and when these objectives, even with a high level of difficulty, are accepted and are offered a performance feedback (Lantham and Locke, 1979).

The equity theory, developed by Adams (1975) explains about the people perceptions regarding the way they are treated in comparison with others. Actually, the theory states that the people are higher motivated when they are fairly treated and less motivated when there is no equity between employees.

A theory called "Self-Determination Theory" claimed that human behaviour can be driven both by internal and external sources of the individual (Ryan and Deci, 2000). In Self-Determination Theory there are different types of motivation based on the different reasons or goals that give rise to an action. The most

basic distinction is between intrinsic motivation and extrinsic motivation. Intrinsic motivation refers to doing something because it is inherently interesting or enjoyable and extrinsic motivation refers to doing something because it leads to a separable outcome. Figure-1 graphically illustrates the various forms of intrinsic and extrinsic motivation.

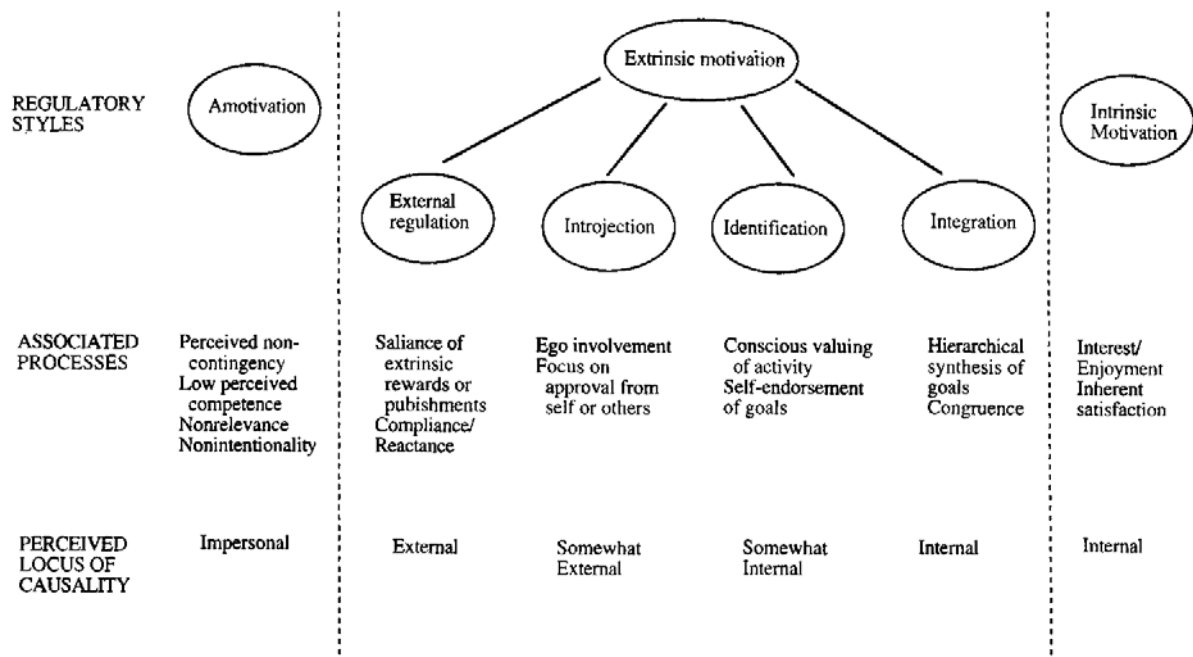


Figure 1. A taxonomy of human motivation. (Ryan and Deci, 2000)

It can be seen that there are two common perspectives on motivation in the organizational science literature: extrinsic motivation and intrinsic motivation. In a review of the literature on work motivation, Ambrose and Kulik (1999) stated that intrinsic motivation still is perceived to be highly dominant. On the other hand it is said that both intrinsic motivation and extrinsic motivation are needed to analyze and understand motivation and behaviour in organizations (Reinholt, 2006).

Objective of the Study

This study firstly aimed to understand the effects of intrinsic and extrinsic motivation factors and then what factor was more effective on employee motivation. Secondly, this study investigated the differences between intrinsic and extrinsic motivation factors' effectiveness according to demographic characteristics. The following research questions were developed to guide the study.

What degree motivation factors affect on employee motivation?

What factors are more effective on employee motivation?

Is there any difference between effectiveness of intrinsic and extrinsic factors on employee motivation when comparing to demographic characteristics accordingly?

Methodology

This study used a descriptive survey design.

The target population of the study was personnel of an electricity delivery company located in the province of Ağrı, Eastern Anatolia, Turkey. There were 41 participants of 60 personnel of the company.

Instrument

A modified questionnaire tagged intrinsic and extrinsic motivation factors was used for the collection of data on the study. The questionnaire was specifically designed to accomplish the objectives of the study using five-point Likert Scale with responses ranging from highly motivates to never motivates. The first section collected information such as age, gender, experience, professional status, position, and so on. The

second section contained the items, and was divided into two parts. First part measures the effects of intrinsic motivation factors while second part measures that of extrinsic motivation factors. First part yielded an $r=0.80$ and second part yielded an $r=0.86$ Cronbach Alpha. The overall reliability co-efficient of the instrument yielded an $r=0.87$ Cronbach Alpha. To evaluate means, a range table established. It is shown in Table 1.

Table 1. Ranges to evaluate means

Range	Answers
1.00-1.80	Never motivates
1.81-2.60	Rarely motivates
2.61-3.40	Middle motivates
3.41-4.20	Motivates
4.21-5.00	Highly motivates

Data Analysis

Descriptive statistics such as frequency, percentage, mean and standard deviation and for classification t-test and one-way Anova were applied to analyze the collected data.

Results

The results of the analysis on the study are below.

Demographic characteristics of participants are shown in Table 2.

Table 2. Demographic characteristics of participants

	Number	Percentage (%)
Gender		
Female	9	22
Male	32	78
Total	41	100
Position		
Manager	10	24
Employee	31	76
Total	41	100
Academic Qualification		
Secondary School	15	37
Vocational High School	14	34
Faculty	12	29
Total	41	100
Seniority		
To 10 years	14	34
10-15 years	13	32
More than 15 years	14	34
Total	41	100
Age		
To 25 years	4	10
25-35years	18	44
35-45years	12	29
More than 45 years	7	17
Total	41	100

Research Question 1: What degree motivation factors affect on employee motivation?

Table 3. Effects of motivation factors

	Number	Mean	Range
<i>Intrinsic Factors</i>	41	4,44	Highly motivates
<i>Extrinsic Factors</i>	41	3,71	Motivates

The result in Table 3 above reveals both intrinsic and extrinsic factors are effective on employee motivation.

Research Question 2: What factor is more effective on employee motivation?

Table 4. Effectiveness of intrinsic and extrinsic factors on employee motivation

	Number	Mean	Std. Dev.	t	p
<i>Intrinsic Factors</i>	41	4,44	0,743	4,80	0,000
<i>Extrinsic Factors</i>	41	3,71	0,901		

The result in Table 4 above shows that a significant difference observed between the effectiveness of intrinsic and extrinsic factors on employee motivation as $p < 0.05$. It can be seen that intrinsic factors are more effective on employee motivation.

Research Question 3: Is there any difference between effectiveness of intrinsic and extrinsic factors on employee motivation when comparing to demographic characteristics accordingly?

T test was used while comparing to two groups (gender and position of participants) and one-way anova was used while comparing more than two groups (academic qualification, seniority and age of participants).

Table 5. Comparisons according to demographic characteristics

		t	p
Gender	<i>Intrinsic Factors</i>	1,041	0,304
	<i>Extrinsic Factors</i>	0,262	0,794
Position	<i>Intrinsic Factors</i>	0,189	0,851
	<i>Extrinsic Factors</i>	0,833	0,410
		F	p
Academic Qualification	<i>Intrinsic Factors</i>	1,524	0,231
	<i>Extrinsic Factors</i>	0,437	0,649
Seniority	<i>Intrinsic Factors</i>	0,195	0,824
	<i>Extrinsic Factors</i>	0,565	0,573
Age	<i>Intrinsic Factors</i>	0,154	0,927
	<i>Extrinsic Factors</i>	2,791	0,054

The result in table 5 shows that no difference exists between the effectiveness of intrinsic and extrinsic factors on employee motivation when comparing to demographic characteristics of participants as $p > 0.05$ for all comparisons.

Conclusion

An organization is effective to the degree to which it achieves its goals. In this sense, human element has a critical importance for organizations in today's competitive business environment. In order to make employees work efficiently and produce beneficial results to the organization, managers have to understand human behaviour. Motivation is an important part of understanding behaviour and is a tool with which managers can use in organizations to make people do what they want. The subject of this study is to investigate the effectiveness of intrinsic and extrinsic factors on employee motivation.

The findings of the study reveal that both intrinsic and extrinsic factors affect workers while they achieve their tasks. Another result is that intrinsic factors are more motivating than extrinsic factors. This

result agrees with motivation theories and researches. When results compared according to demographic characteristics, no differences was observed.

The data was collected only in one company, so this is the main limitation of the study. Therefore one cannot generalize findings to other companies or provinces of the country. On the other hand being the first one in the province of Ağrı, this study is meaningful and valuable. Future researchers may focus on the other companies and provinces and then it would be possible to generalize the results.

References

1. Adams, S. A. (1975). Inequity in Social Exchange, Motivation and Work Behaviour, McGraw Hill, 138-154.
2. Ambrose, M. L. and Kulik, C. T. (1999). Old Friends, New Faces: Motivation Research in the 1990s, Journal of Management, 25(3):231-292.
3. Davis, K. (1987). Human Behavior at Work: Organizational Behaviour, McGraw Hill.
4. Eren, E. (2007). Örgütsel Davranış ve Yönetim Psikolojisi, Beta, İstanbul.
5. Herzberg, F. (1964). The Motivation-Hygiene Concept and Problems of Manpower, Personnel Administration, 27, January-February, 3-7.
6. Hicks, H. G. and Gullett, C. R. (1981). Management, McGraw Hill, Inc.
7. Koçel, T. (2010). İşletme Yöneticiliği, Beta, İstanbul.
8. Kulkarni, P. M. and Chiniwar, S. G. (2009). Employee Motivation and Work Performance - a Study of Small-Scale Sector in the city of Belgaum, Karnataka State, India, International Conference on Technology and Business Management, March 29-April 1, 701-706.
9. Latham, G. P. and Locke, E. A. (1979). Goal Setting-A Motivational Technique That Works, Organizational Dynamics, 8(2), 68-80.
10. Luthans, F. (1998). Organizational Behaviour, 8th ed., Irwin McGraw-Hill.
11. Maslow, A. H. (1943). A Theory of Human Motivation, Psychological Review, 50:370-396.
12. Owens, R. G. (2004). Organizational Behaviour in Education, Pearson Education, Inc.
13. Porter, L. W. and Lawler, E. E. (1968). What Job Attitudes Can Tell Us About Employee Motivation, Harvard Business Review, 46(1), 118-126.
14. Reinholt, M. (2006). No More Polarization, Please! Towards a More Nuanced Perspective on Motivation in Organizations, Copenhagen Business School, SMG Working Paper No. 9, Denmark.
15. Ryan, R. M. and Deci, E. L. (2000). Intrinsic and Extrinsic Motivations: Classic Definitions and New Directions, Contemporary Educational Psychology, 25:54-67.
16. Tansky, J. (2003). Foundations of Management and Human Resources, McGraw Hill.
17. Vroom, V. H. (1964). Work and Motivation, John Wiley, New York.