# Intrinsic motivational factors as a dominant indicator of job satisfaction

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Abstract- Motivated employees are key factors that give companies a competitive advantage. By determining the best way to encourage and improve the performance of employees in organizations, management ensures the success of their company in the market. Adapted employee motivation, i.e. the best incentive for each individual employee, is what brings the organization closer to achieving its goals and objectives. This paper focuses on the employee motivation issue, that is, on determining the merits of intrinsic or extrinsic factors in employee motivation. The paper analyzed several studies that dealt with the influence of internal and external motivation factors on work performance.

*Index Terms*- human resources management, employee motivation, intrinsic motivation, extrinsic motivation

# I. INTRODUCTION

People set overall strategies and goals, design work systems, produce goods and services, monitor quality, allocate financial resources, and market products and services. Individuals, therefore, become "human resources" based on the roles they assume in work sectors. Job roles are defined and described in a way designed to maximize the contribution of employees to the achievement of organizational goals. The task of human resources management is to encourage the development of employees at all levels, to create a motivating work environment, to care for the well-being and sense of satisfaction of employees at the workplace, to encourage the establishment of a balance between business and private obligations.

Employee motivation has become one of the most pressing concerns facing businesses and managers around the world. Employee motivation is an important factor that affects productivity and efficiency in work. Since the early twentieth century, psychologists and behavioral scientists have been fascinated by the relationship between people and their jobs. Today, work and industrial psychology includes the study of motivation at work. Numerous studies have shown that performance quality can differ depending on whether an employee is intrinsically motivated or extrinsically motivated, emphasizing the importance of distinguishing between work motivation and how intrinsic and extrinsic motivation factors affect employee engagement.

The goal of this paper is to determine how important employee motivation is for work efficiency and to determine which factors have a better influence on employee motivation, that is, which motive influences better work performance. The hypothesis that is set:

*H0:* Intrinsic factors have a stronger influence on employee motivation than extrinsic factors.

## **Expected contribution and results**

The scientific goal of the research is to indicate the importance of human resources management in creating a better business environment, in order to improve employee engagement. The study of work motivation basically has two most important goals: improving efficiency, effectiveness, creativity and quality of work and humanizing working conditions, i.e. improving the quality of working life. The results of this study can contribute to empirical evidence and advance research that exists today, as current research on this topic focuses on how employees feel about what factors drive their engagement.

The social goal of this research is to provide knowledge about the effective management of human resources in modern times, understanding attitudes towards work, understanding the motivation that leads to job satisfaction and the goals that drive certain jobs.

# II. METHODOLOGY

The following research methods were applied in the work:

- Content analysis method included the analysis of all available publications, books, published scientific works, examples of good practice related to human resource management strategies.
- Method of description was used to describe facts, processes, causal connections and relationships.
- Analysis method was used when breaking down complex concepts into simpler elements.
- Method of synthesis was used for the purpose of connecting individual elements, processes and phenomena into a whole.
- Using the method of induction, general conclusions were drawn from individual facts.

 The method of deduction helped to derive individual judgments, conclusions or assertions based on general judgments.

# Theoretical considerations Concept of employee motivation

Employee motivation can be defined as a set of processes that are responsible for the intensity, direction and persistence to achieve a goal. Work-related motivation represents the degree of an individual's willingness to invest and maintain effort towards the achievement of organizational goals.2 The employee's motivation arises from the interaction between the employee and his work environment, but the wider social context also plays a significant role. In other words, each employee receives an internal incentive that increases productivity and is aimed at achieving a common goal. Daft and Marcicc (2004) explain that motivation refers to forces inside or outside a person that cause enthusiasm and persistence to follow a certain course of action.<sup>3</sup> Robbins and Coulter (2005)<sup>4</sup> explained the concept of motivation as the desire and willingness to show a high level of inspiration for achieving organizational goals, conditioned by an effort to satisfy some individual needs. It is simply the act of moving people by providing some incentive to achieve a desired goal. Understanding what motivated employees and how they were motivated was the focus of many researchers after the publication of the results of the Hawthorne study. The five main approaches that led to an easier understanding of motivation are Maslow's hierarchy of needs theory, Herzberg's two-factor theory, Vroom's expectancy theory, Adams' fairness theory and Skinner's reinforcement theory.<sup>5</sup>

According to Maslow (Maslow, 1943),<sup>6</sup> there are five levels of needs that employees have: physiological, safety, social, ego and self-actualization. Maslow argued that some regularity exists, that is that lower level needs must be satisfied before the next higher level of needs, so they can or would motivate employees. Herzberg's work categorized motivation into two factors: motivators and hygiene (Herzberg, Mausner, & Snyderman, 1959).<sup>7</sup> What produce job satisfaction, motivator or intrinsic factors is an achievement and recognition. A pay and job security are hygiene or extrinsic factors, and they cause a job dissatisfaction.

Vroom's theory is based on the assumption of a linear direct dependence of reward and motivation (Vroom, 1964).8 The more positive the reward, the higher is employee's motivation, and

vice versa, the negative reward will cause the employee's motivation to drop.

Adams theory assumes that employees always strive for equality between themselves. That balance and equality can be achieved by leveling the ratio of invested and received in one worker to be identical to the ratio of those same invested and received with the other workers (Adams, 1965).<sup>9</sup>

Skinner's theory (Skinner, 1953) observes that positive behaviors with a positive outcome will simply be copied and repeated by other workers, and the task of managers is to encourage and strengthen such behaviors, which in the end would give positive results. By doing so, it would be possible to reject and suppress negative behaviors through negative rewards. <sup>10</sup>

Employee motivation exists when there is alignment between individual and organizational goals and when employees see that they can accomplish their tasks. Workers' willingness to devote time and effort to work tasks is not only influenced by external factors, but is influenced by the interaction of these factors with personal factors. As a result, the intrinsic process of motivation will differ among individuals in the same environment. In addition, due to the contribution of changing environmental factors, an individual's work motivation may also vary over time or in different situations.

A study by Khan and Iqbal (2013)<sup>11</sup> revealed a positive relationship between intrinsic motivation and employee engagement, and extrinsic motivation and employee engagement. It is also concluded that both intrinsic and extrinsic motivation are impacting in strongly positive way on employee engagement. The relationship and impact of extrinsic motivation is stronger on employee engagement compared to intrinsic motivation is a conclusion from this study.

Bergstrom and García (2016)<sup>12</sup> in their study compared the influence of intrinsic and extrinsic motivation on employee engagement in private and public organizations. Focus of study was on the perceptions of managers. So the findings of study emphesized that managers perceive how larger influence on the psychological aspects of employee engagement have intrinsic motivation. They found that extrinsic motivation is less psychologically important for employee engagement, and more as part of the overall package offered to employees by the organization and the manager.

Perceptions of motivation across all types of employees around the world are rapidly changing in response to a number of

<sup>&</sup>lt;sup>1</sup> Vujić D., (2003). Human resource management and quality: people - the key to quality and success, Belgrade

<sup>&</sup>lt;sup>2</sup> Armstrong M, (2001). A handbook of human resource management practice, ed. 8., London: Kogan Page.

<sup>&</sup>lt;sup>3</sup> Daft, R. L. i D. Marcic (2004), Understanding Management (4th ed.). Mason: Thompson.

<sup>&</sup>lt;sup>4</sup> Robins S.P., Coulter M., (2005) Management, 7th edn. A Pearson Education Company

<sup>&</sup>lt;sup>5</sup> Lindner James, (1998), Understanding Employee Motivation, Journal of Extension, Vol.36, No.3, dostupno na: https://archives.joe.org/joe/1998june/rb3.php

<sup>&</sup>lt;sup>6</sup> Maslow, A. H. (1943). A theory of human motivation. Psychological Review, July 1943. 370-396.

<sup>&</sup>lt;sup>7</sup> Herzberg, F., Mausner, B., & Snyderman, B. B. (1959). The motivation to work. New York: John Wiley & Sons.

Vroom, V. H. (1964). Work and motivation. New York: Wiley.
 Adams, J. S. (1965). Inequity in social exchange. In L.
 Berkowitz (ed.), Advances in experimental social psychology.
 New York: Academic Press.

 $<sup>^{\</sup>rm 10}$  Skinner, B. F. (1953). Science and Human Behavior. New York: Free Press.

Khan, W. I. & Iqbal, Y. (2013). An investigation of the relationship between work motivation and employee engagement, Astudy on Allied bank of Pakistan (Master thesis)
 Bergström, E., & Garcia Martinez, M. (2016). The influence of intrinsic and extrinsic motivation on employee engagement: A qualitative study of the perceptions of managers in public and private sector organizations.

key variables. Conventional motivational reinforcements, whether extrinsic or intrinsic, are gradually losing importance. What exactly can re-motivate varies with time and space.

Taylor Frederick was one of the first theorists to try to understand employee motivation. His theory of scientific management, also known as Taylorism, analyzes labor productivity. Taylor's basic theory of motivation is that workers are motivated by money. He did not see employees as individuals, but as parts of a larger collective; while his theory emphasizes that giving individual tasks to employees, providing them with the best means to work, and paying based on their productivity was the best way to motivate them.<sup>13</sup>

Mayo found that employees' productivity increased when they knew they were being watched. He also found that employees were more motivated when they were allowed to provide input about their working conditions and when that input was taken into account. 14 His study of Hawthorne's works led him to the discovery of the Hawthorne effect. The Haothorne effect is the idea that people change their behavior in response to being observed.

Ashmos and Duchon recognize that employees have both a mind and a spirit and strive to find meaning and purpose in their work, as well as an aspiration to be part of the community, thus making their work worthwhile and motivating themselves to work at a high level in view of personal and social development  $(2000)^{15}$ 

Motivation is a process that initiates success and is directed towards a target through physiological or psychological desire. 16 It is the final result of the interface between the person and the organization.<sup>17</sup> Motivation further enhances and promotes goal-driven behavior. 18 It is the essential force that pushes people to attract personal and corporate goals.

#### **Employee motivation factors**

Each employee has his own motivational factors because we individually evaluate specific motivational elements and factors. Since employees are very different from each other, they also have different personal goals, so what they want to achieve with their work in the organization is also different.

Various factors can influence the motivation of workers, they can be material and non-material. Material represents various

There are two types of motivation at work, which originate from internal (intrinsic) and external (external) forces or factors. Intrinsic motivation is based on the nature of the person and is related to satisfying factors. These satisfaction factors include employee achievements, nature of work, recognition and level of responsibility. On the other hand, extrinsic motivation is related to factors that cause dissatisfaction.<sup>20</sup> Factors that cause dissatisfaction include rules and regulations of the organization, hierarchy in the organization, work environment, salary and others. These are important factors influencing job satisfaction and are key factors to measure development to assess job satisfaction.

Intrinsic motivation indicates the pleasure and satisfaction arising from the work itself, extrinsic is more related to the benefits and rewards, recognition and competition arising from the performance of the work activity. Motivating an individual's work reflects not only the ability to increase productivity, but also an increase in the efficiency of human resource management in terms of human resource management.<sup>21</sup>

Intrinsic motivation comes from employees' desire to seek new things and challenge themselves. It is the desire to learn, acquire knowledge and explore one's own values and abilities. When employees have intrinsic motivation, it means that they do their work with interest and enjoyment. Such employees tend to be engaged in their work, do their work with passion and will, striving for better results and self-rewarding, as well as continuous improvement of their skills and abilities. On the contrary, extrinsic motivation refers to the performance of activities to achieve desired results. Extrinsic motivation can arise from internal and external factors. However, most of the time it comes from the influence of external factors, not internal ones. Hence, the main question for management is to find an answer to the question of where to get extrinsic motivation and how employees can maintain their motivation. There are several factors by which extrinsic motivation can be enhanced.

#### **Extrinsic motivation**

<sup>17</sup> Hardré, P. L., & Reeve, J. (2009). Training corporate managers https://doi.org/10.1111/j.1468-2419.2009.00325.x

compensations such as monetary compensation, then incentives, partnership, or solving the housing issue. Intangible factors of motivation can be in the form of praise, promotion, education, team building, flexible working hours or taking part in the management of the organization.<sup>19</sup>

<sup>&</sup>lt;sup>13</sup> Sireesha Nethi, (2020), A literature review on Employee motivation, Journal of Engeneering Sciences, Vol 11, Issue 6 <sup>14</sup> Wiley, C. (1997). What motivates employees according to over 40 years of motivation surveys. International Journal of Manpower

<sup>&</sup>lt;sup>15</sup> Ashmos, D. P., i Duchon, D. (2000). Spirituality at work: A conceptualization and measure. Journal of Management Inquiry. <sup>16</sup> Shalley, C., Gilson, L., & Blum, T. (2009). Interactive effects of growth need strength, work context, and job complexity on self-reported creative performance. Academy of Management Journal, 52(3), 489-505. Dostupno na: https://doi.org/10.5465/AMJ.2009.41330806

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<sup>&</sup>lt;sup>18</sup> Ismajli, N., Zekiri, J., Oosja, E., & Krasnigi, I. (2015). The Importance of Motivation Factors on Employee Performance in Kosovo Municipalities. J Pol Sci Pub Aff, 3(2). available at: https://doi.org/10.4172/2332-0761.1000152

<sup>&</sup>lt;sup>19</sup> Marković T. Roberta, (2014), Job satisfaction assessment and motivation as managerial tools for quality of health facilities improvement, Univerzitet u Nišu Medicinski fakultet, Niš <sup>20</sup> Putra, D.E., Cho, S., & Liu, J. (2017). Extrinsic and intrinsic motivation on work engagement in the hospitality industry: Test of motivation crowding theory. Tourism and Hospitality Research, 17(2)

<sup>&</sup>lt;sup>21</sup> Bequiri Theranda, (2019), Empirical Study on Intrinsic Motivation Factors of Employees in Transition Economies, International Journal of Economics and Business Administration Volume VII, Issue 4

Extrinsic factors include work policies, quality of workplace relations, work environment, leadership, compensation, security and status.<sup>22</sup> Other extrinsic factors include job security, compensation, fringe benefits, working conditions, good pay, paid insurance, vacations, and promotion.<sup>23</sup> Legault, 2016.,<sup>24</sup> points out that commitment to work is influenced by the organization, the work itself and the employee's environment. Extrinsic factors can range from social norms, peer influence, financial need, promise of reward, and more. Being extrinsically motivated means being focused on the usefulness of an activity rather than the activity itself. However, this in no way indicates that extrinsic motivation is less effective than intrinsic. Extrinsic motivation includes bonuses, such as a high salary, praise or promotion, and punishment, such as disciplinary action, pay cuts, or criticism.

- Financial incentives money is the main incentive; no other incentive or motivational technique comes close to it in its influential value. It has the power to attract, retain and motivate individuals to higher performance. <sup>25</sup> The reward motivates the employee which directly affects his performance. Rewards are management tools that contribute to firm efficiency by influencing individual or group behavior. <sup>26</sup> All businesses use salaries, promotions, bonuses or other types of rewards to motivate and encourage high levels of employee performance. Salary as an extrinsic factor enables aspects of job motivation through the employee's ability to meet their financial obligations. <sup>27</sup>
- Advancement when employees experience the possibility of career advancement whether that advancement is internal to the organization through a promotion or externally through the provision of another role they may experience extrinsic motivation. Professionals can devote more time to their work or take on additional tasks to demonstrate their ability to their current employers. Individuals in the workplace may feel motivated to perform certain entry-level roles as a way to gain experience on their way to career advancement.
- Praise- Praise is a far less tangible extrinsic motivator than the ones mentioned above, but it can be a powerful tool when used appropriately. Some people respond particularly strongly to verbal affirmations and praise, and if you supervise or manage a team, it's important to understand which of your colleagues find motivation this way. Praise can help employees feel more valued, and for

- some people, knowing that their superiors appreciate the work they do is essential. Verbal affirmation and praise are different from bonuses, for example, because it is a personal response from one of your superiors.
- Visibility some team members experience extrinsic motivation through the visibility of their successes. For example, if an employer praises an individual's work at a staff meeting or names him as employee of the month, this can serve as inspiration for continued efforts. The potential of receiving professional recognition can inspire individuals to challenge themselves and achieve more. If an employee feels that a particular task, endeavor, or experience can add value to their resume, which they can make visible to future employers, they may feel more motivated to engage in that behavior.
- Work environment. Extrinsic motivators should not be applied too often, because too much pressure is placed on the employee to complete tasks. This pressure can cause the employee to lose interest and no longer feel motivated. However, if a company is able and willing to provide extrinsic motivation to successful employees, a continuous loop is created that sets the company on the path to success.

#### **Intrinsic motivation**

Extrinsic motivators can have an immediate and powerful effect, but it won't necessarily last too long. Internal motivators, which are related to the quality of work, are likely to have a deeper and longer-term effect, because they are inherent to individuals, and not imposed on them from abroad. <sup>28</sup> Considering the changes in the way of work, in recent years the motivation factors for workers have changed and are becoming more and more important, thus influencing management decisions.

Intrinsic reward is an internal reward that employees receive after successfully completing their tasks or projects. These rewards are mostly psychological and based on a person's effort and abilities. Intrinsic rewards evoke a positive emotional response and work to motivate employees to continue to improve, as well as to make lasting behavioral changes when necessary. For example, when someone successfully completes a task, they will often experience a sense of satisfaction and accomplishment. This intrinsic reward then motivates the employee to continue successfully performing that task in the future in order to further experience those positive emotions. Examples of intrinsic rewards in the workplace include pride in one's work, feeling respected by

<sup>&</sup>lt;sup>22</sup> Hee, O. i sar. (2019). Human Resource Management Practices and Career Satisfaction in the Manufacturing Industry in Malaysia. International Journal of Academic Research in Business and Social Sciences, 9(3)

<sup>&</sup>lt;sup>23</sup> Saqar, S., & Al, O. (2016). Factors Influencing Organization Commitments: A Review of Recent Study, 6 (7)

<sup>&</sup>lt;sup>24</sup> Legault, L. (2016). "Intrinsic and extrinsic motivation," in Encyclopedia of Personality and Individual Differences, eds Z. H. Virgil and T. K. Shackelford, (New York, NY: Springer)

<sup>&</sup>lt;sup>25</sup> Abadi F.E. i sar. (2011), A study of influential factors on employees motivation for participating in-service training courses based on modified expectancy theory, International business and management, 2(1)

<sup>&</sup>lt;sup>26</sup> Kalimullah A.R. i sar. (2010). Impact of Employee Motivation on Employee Performance, A Case Study of Private Firms: Multan District, Pakistan. Journal of Economics, Finance and Administrative Sciences. 24

<sup>&</sup>lt;sup>27</sup> Morais, N. (2019). A Study on the Effect of the Hygiene Factors on Overall Job Satisfaction of the Employees in Airline Industry. Colombo Journal of Advanced Research, 1

<sup>28</sup> Armstrong, M. 2006. A handbook of human resource.

<sup>&</sup>lt;sup>28</sup> Armstrong, M. 2006. A handbook of human resource management practice. Kogan Page Publishers

<sup>&</sup>lt;sup>29</sup> Ryan, R. M., and Deci, E. L. (2020). Intrinsic and extrinsic motivation from a self-determination theory perspective: definitions, theory, practices, and future directions. Contemp. Educ. Psychol. 61:101860. doi: 10.1016/j.cedpsych.2020.101860

supervisors and/or other employees, personal growth, gaining more trust from managers, doing work that is enjoyable, a sense of accomplishment, learning something new or expanding competence in a certain area, allowing employees to choose which projects to work on, and being part of a team.

Intrinsic motivation occurs when an individual performs a certain activity because it is interesting in itself and he enjoys performing the given activity. An individual engages in a certain activity voluntarily, without coercion and in the absence of an external reward. Intrinsic motivation is mainly enhanced through curiosity, creativity, challenge and control in relation to the activity being performed.<sup>30</sup>

According to a study by Timon Jr. et al. (2010),<sup>31</sup> experiencing intrinsic rewards is perceived as a critical element in employee retention, organizational satisfaction, and career success. Stumpf et al. (2013) focused on reducing employee dissatisfaction and disengagement in large consultant-designed change programs by increasing intrinsic rewards. Mosquera et al. (2020) examined the role of satisfaction with intrinsic rewards in the three largest real estate agencies in Portugal. The results of their study showed that intrinsic rewards have a positive and significant impact on employee job satisfaction.<sup>32</sup>

Herzberg's ideas suggest that there is more at play than reward and punishment when it comes to motivating people. Where we can say, that the provision of Herzberg's motivators can be used as a kind of reward for correct behavior. A cognitive approach to changing worker motivation builds on the behavioral approach by placing behavior in the context of beliefs and focusing more decisively on results.<sup>33</sup>

Ajila and Abiola (2004)<sup>34</sup> explained that intrinsic rewards have a positive and significant impact on employee performance in an organization. The results further show that intrinsic rewards such as career development, responsibility, recognition, and learning opportunities have less impact on employee performance compared to extrinsic rewards such as salary, bonuses, promotion, and benefits. Employees prefer to receive immediate monetary benefits over recognition for their work.

According to Nelson, B. and Economy P.,  $(2003)^{35}$ , the most important factors of intrinsic motivation are:

- Opportunity for learning and an adequate selection of responsibilities - chances for employees to strengthen their competencies and use their abilities in the work process positively motivate employees and increase their productivity.
- Flexible and free working hours flexible working hours should be applied whenever and as much as there are opportunities for it, because if there is a way to fit the working hours with the obligations that employees have

outside their work organization, they will be more motivated to complete their work obligations on time.

- Praise it is very important to give an employee recognition, either verbally or in writing, because it shows that his work is valued and appreciated, and the employee will have the motivation to work harder in the future in performing work tasks.
- Greater independence in work and decision-making it is very important for employees to gain greater autonomy and independence in performing work, this leads to greater responsibility and the creation of self-efficacy.
- Time spent with the manager managers should deal with their employees and have time for them, it is very important to listen and respect the needs of employees, and the conversation with managers provides an incentive for further work.
- Over the years, numerous theories have been put forward to explain both internal and external factors affect worker motivation. Although these theories differ in terms of specific emphases of "person" factors, almost all theories recognize three broad classes of internal influences on worker motivation:
  - o goals, motives and values
  - self-perception and other personal variables;
     and
  - o cognitive expectations about the relationship between different actions and consequences.

These internal factors influence worker behavior and performance, and also affect how workers process the outcomes or consequences of their actions.<sup>36</sup> The three main internal influences on employee motivation are:

- Goals,
- motives and
- values.

Individuals vary widely in the goals, motives, and values they hold for their work. Not all workers will have the same mix of motives and goals, and the relative importance of certain values and work goals will change over time and situation. However, most theorists agree that such internal factors can be organized into two broad categories:

- lower-level needs, motives and goals related to the satisfaction of basic needs for survival (eg safety, job security) and
- higher-level motives and goals related to fulfillment and self-satisfaction (eg feeling competencies, selfdetermination, fairness).

<sup>&</sup>lt;sup>30</sup> Vockell, E. (2006). Educational psychology: A practical approach. Calumet, IN: Purdue University-Calumet; http://education.purduecal.edu/Vockell/EdPsyBook/index.html. <sup>31</sup> Tymon Jr, W. G., Stumpf, S. A., and Doh, J. P. (2010). Exploring talent management in India: the neglected role of intrinsic rewards. J. World Bus. 45, 109–121. doi: 10.1016/j.jwb.2009.09.016

<sup>&</sup>lt;sup>32</sup> Mosquera, P., Soares, M. E., and Oliveira, D. (2020). Do intrinsic rewards matter for real estate agents? J. Eur. Real Estate Res. 13, 207–222. doi: 10.1108/JERER-12-2019-0051

<sup>&</sup>lt;sup>33</sup> Cameron, E. & Green, M. 2015. Making sense of change management: A complete guide to the models, tools and techniques of organizational change. Kogan Page Publishers. <sup>34</sup> Ajila, C., and Abiola, A. (2004). Influence of rewards on workers performance in an organization. J. Soc. Sci. 8, 7–12. doi: 10.1080/09718923.2004.11892397 <sup>35</sup> Nelson B., Economy P., (2003), Menadžment za neupućene,

Wiley Publishing,Inc.

36 Mendonca M., (1994.), Work motivation models for

developing countries. New Delhi: Sage

Intrinsic motivation will depend on the satisfaction of basic psychological needs (for competence, autonomy and connection) that are influenced by external circumstances. If there are unfavorable environmental conditions, the individual will try to adapt to them and not make a greater effort to satisfy them. The feeling of autonomy is the main prerequisite for the emergence of intrinsic motivation. According to the authors of the Theory of Self-determination, the need for competence is an innate desire to achieve competence, success in an activity. When events from the external environment lead to the perception of competence, intrinsic motivation increases, and in the case of perception of a decrease in competence, intrinsic motivation decreases. The third important prerequisite for the development of intrinsic motivation is the need for connection. The Self-Determination Theory states that a sense of security and connectedness will positively influence intrinsic motivation.<sup>37</sup>

Motivational factors determine the level of employee motivation and satisfaction, and include achievement, work in itself, recognition, responsibility, advancement and growth. Employee motivation comes primarily from the presence of higher-order motivational factors in the work environment. When extrinsic incentives are weak or absent, intrinsic motivation becomes the only viable performance motivator.<sup>38</sup>

#### III. RESEARCH RESULTS AND THEIR ANALYSIS

Research that looked at the influence of internal and external factors on employee motivation was conducted around the world. Mete (2017)<sup>39</sup> notes that extrinsic factors can directly affect an individual's work motivation, although they cannot increase the degree of work motivation, but they can prevent demotivation levels.

The role of salary on work performance and job motivation was also studied by Rismavati et al. (2015)<sup>40</sup> in a study in Indonesia. The study was based on quantitative methodology and used a random sampling method to obtain a target population of 250 respondents, and it concluded that salary amounts and payment dates affect the levels of job motivation of artisans.

Kemunto (2018)<sup>41</sup> conducted a study that examined the impact of work experience on work motivation among secondary school teachers in Kenya. The study used self-esteem theory, a

Chuang et al. (2009)<sup>42</sup> in their research on a sample of employees in the hotel industry examined intrinsic and extrinsic factors that influence job satisfaction. Intrinsic factors such as the nature of the job, a sense of accomplishment, recognition for work, and the provision of a certain degree of decision-making autonomy were found to be key drivers of hospitality employees. Intrinsic motivation is key in empowering the creativity of employees in service-oriented companies. In this sector, creativity enables employees to develop coping strategies and problem-solving skills that enhance work performance. Creativity requires different cognitive skills that only intrinsically motivated employees are likely to achieve.<sup>43</sup>

Cruz et al. (2009), by examining the effect of intrinsic and extrinsic motivation as a determinant of employee knowledge transfer in the context of a Spanish non-profit organization (named Asprona), concluded that employees usually want more from their work than extrinsic compensation. In this context, a qualitative and quantitative analysis was performed on a sample of 76 people using the partial least squares approach, in order to test the research hypotheses. The research results show that in Asprona, knowledge transfer improves through internal motivation, and that extrinsic motivation is not significant for knowledge transfer.

This result is interesting considering that people are involved in non-profit organization for intrinsic reasons and not for financial rewards. A pleasant working environment, an atmosphere of mutual respect, the possibility of experiencing achievement and self-esteem, adequate rest and low stress seem more desirable. Therefore, intrinsically motivated employees are motivated to share their knowledge because other employees will also share their knowledge and this will create desirable work environment criteria. This will accelerate the learning process within the organization and maintain a competitive advantage.<sup>44</sup>

In the research conducted by Dragić M., et al. (2020)<sup>45</sup> were analyzed motivational factors and their influence on the

mixed methods research approach, and a structured questionnaire for data collection processes. The study showed that the work environment and the ability to competently perform work functions is crucial to ensure the level of motivation for the work of the teaching fraternity. From this study, it can be concluded that the work environment is crucial in ensuring the level of work motivation.

<sup>&</sup>lt;sup>37</sup> Nataša Stanišić, (2020), The role and importance of employee motivation in the business policy of hotel companies, US Department of Postgraduate Studies, Doctoral Dissertation, Belgrade

<sup>&</sup>lt;sup>38</sup> Nasri, W. & Charfeddine, L. (2012). Motivating salespeople to contribute to marketing intelligence activities: An expectancy theory approach. International Journal of Marketing Studies, 4(1) <sup>39</sup> Mete, E. S. (2017). The Path Extended from Organizational Culture to Innovative Work Behavior: A Research on a Defense Company. Journal of Business Research -Turk, 9 (1) <sup>40</sup> Rismawati, Gani, i sar. (2015). An Examination of The

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<sup>&</sup>lt;sup>41</sup> Kemunto, M. E. (2018). Influence of Teaching Experience on Job Satisfaction of Secondary School Teachers in Kenya. Education Research International, 8(9)

<sup>&</sup>lt;sup>42</sup> Chuang, N-K, Yin, D., & Dellmann-Jenkins, M. (2009). Intrinsic and extrinsic factors impacting casino hotel chefs' job satisfaction. International Journal of Contemporary Hospitality Management, 21(3)

<sup>&</sup>lt;sup>43</sup> Hon, H. Y. (2012, February). Shaping Environments Conductive to Creativity: The Role of Intrinsic Motivation. Cornell Hospitality Quarterly, 53(1)

<sup>&</sup>lt;sup>44</sup> Cruz M., Perez Natalia & Martin, Celina. Victor & Cantero, (2009). The influence of employee motivation on knowledge transfer. J. Knowledge Management. 13. 478-490. 10.1108/13673270910997132.

<sup>&</sup>lt;sup>45</sup> Dragić Milan, Kastratović Edita, Stojković Hadži Strahinja, (2021), Motivation of employees in the public sector of Serbia - case analysis, available at: https://scindeks-

behavior and performance of employees in the public sector in Banat companies. The results of the research show that motivation in the workplace represents a significant segment of management, influencing the performance of employees and their satisfaction with work and achieved results. Based on the results of various researches in the world, the local region of Balkan and Serbia, it can be stated that there are certain similarities but also differences in terms of motivating factors. The area of the public sector is specific due to certain parameters that indirectly influence the attitude of employees about motivation. Job security, as well as the uneven distribution of tasks and energy among public sector employees contributed to the fact that there is a certain deviation in relation to private sector employees in terms of motivating factors. Employees in the public sector are not significantly motivated by money as are employees in the private sector. The reason for this may be the fact that in the public sector the main motivating factors are flexible working hours, benefits and the atmosphere in the collective.

This is in complete contrast to the results carried out in the public sector in the world, where the main motivating factor is salary. The results also showed certain statistically significant deviations regarding the motivation of younger workers compared to older ones, as well as workers with shorter tenure compared to workers with longer tenure. The results show that respondents with up to 2 years of work experience do not see any role model in their managers.

In contrast to them, respondents with longer tenure mostly agree with the statement that they can look up to their managers as role models. The fact that young people do not see role models in significantly more experienced workers and managers is worrying. Respondents older than 51 are not motivated by the possibility of getting a more responsible job, nor by promotion, as are younger respondents. This is quite logical considering the fact that workers at that age think more about job security, a quieter and less demanding workplace, and retirement.

Unlike them, younger employees aspire to a more challenging and responsible workplace due to higher incomes and a sense of power. The arithmetic mean values indicate that women are more motivated than men in terms of flexible working hours, more responsible work, respect from colleagues. All this indicates the need for an individual approach to motivation. It is precisely this that represents the biggest obstacle in terms of the formation of effective teams. The method of selecting personnel in the public sector is directly dependent on political and party interests, so a studious and strategically justified approach to motivating personnel is completely impossible.<sup>46</sup>

In the research conducted in 2016,47 in the company Podravka, which examined the management of human resources and employee motivation, as well as the factors that influence motivation, by testing extrinsic and intrinsic factors on motivation, it was determined that intrinsic factors have a greater influence than extrinsic ones. Employees are more motivated if factors that increase satisfaction are more prevalent. Employees feel

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comfortable, have a sense of value and are quick to seek tools to solve problems without fear of making a mistake. Extrinsic factors maintain satisfaction but do not provide motivation. Not a single intrinsic factor was observed that would particularly stand out, as the one that has the strongest effect on employee motivation. While in the group of extrinsic factors (those that prevent worker dissatisfaction), money stands out as the main motivator.

#### IV. CONCLUSION

Motivating employees is a great way to achieve optimal business results and boost morale in the workplace. With constant motivation, continuous productivity is encouraged and highquality work is ensured in the long run. Achieving good results requires an understanding of how to motivate employees, which will help ensure the future success of the organization and allow everyone to feel a sense of job satisfaction. Employees receive intrinsic rewards such as job satisfaction, interesting work, job recognition, or the satisfaction of directly helping a client. Workers who are truly motivated love their jobs and enjoy finding new ways to solve problems, and are more likely to spend time identifying problems and generating inventive solutions. Not every employee or individual is motivated by the same factor. Effective management should know and feel what makes their employees motivated and should set the right ways and tools to achieve their goals and motivation goals.

In the conducted studies that were analyzed in this paper, it was found that internal motivation has a greater impact on psychological components. engagement of employees, from the outside.

Hypothesis H0: Intrinsic factors have a stronger influence on employee motivation than extrinsic ones, is confirmed by this research.

Competent staff stimulation requires the manager to know the basic methods of motivation. A subordinate whose contribution to overall achievement is not noticed or appreciated will not want to "prove" himself in the future. Everyone needs praise, both a beginner who joins the team and an experienced worker who wants to hear praise for his work, it boosts selfconfidence and gives motivation for further work.

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