

Does intrinsic or extrinsic motivation work? essay sample

[Psychology](#), [Motivation](#)



Introduction

There are various types of rewards to motivate employees in today's workforce. Organizations are interested in understanding the ways to recognize and reward employees so as to sustain and improve employee's performance in the long run. Hence, the research question that our group came up with would be: " Does extrinsic rewards motivate people?"

The objective of the report aims to gain a detailed understanding of the underlying reasons that motivates the employees by researching on their thinking and behaviours. The report will cover four main sections namely; Introduction, findings, analysis and conclusion and recommendations. The findings section was derived from literature review and survey. Literature review will consist of the current knowledge to extrinsic and intrinsic rewards that help motivate people. It includes the additional findings and provides substantial in depth evaluation of secondary data to the research question. Upon gathering of results, data were analysed through their similarities, differences or by identifying the pattern of responses. We interpret the data collected and identify the underlying reasons that motivate employees and provide recommendations for organization to counter the underlying problem. Literature Review

Motivation is an extra boost that keeps an individual driven to act in a certain way in attaining goals. Work motivation is certainly an important phenomenon as it strongly influence various work related (Karatepe and Uludag, 2007) and attitudinal outcomes (Majid et al, 2010).

Most organizations implement extrinsic value such as tangible money as reward. It is believed that it will help to motivate employees but in the long run, intrinsic rewards such as sincere praise and personal gestures are far more effective and economical than money alone. Intrinsic program has a greater impact; ' the level of motivation of employees increases when employees get unexpected recognition, praise and salary increment.' (La Motta, 1995). It is also recommended that organization should focus on intrinsic motivation, as this is usually associated with relatively highly valued constructs, such as competence, personal causation, and self-determination and autonomy (Carton, 1996).

According to self-determination theory (Deci & Ryan, 1985), autonomy, relatedness and competence are three intrinsic needs that will lead to greater satisfaction, performance, and general well-being if fulfilled.

Herzberg's two factor theory proves that motivation is intrinsic and job content factors such as achievement, recognition and advancement have to be present for satisfaction to take place. Job context factors such as working condition, fair policies and security would lead to dissatisfaction if intrinsic rewards are absent. Money is considered as a hygiene factor that does not motivate. Hygiene factors are equally important. Without hygiene factor, the absences (of money) lead to dissatisfaction at work. Organizations often misunderstand and claim that employees are motivated to do something in return for incentive but they in fact are motivated for movement. The desire to move is a built-in drive, coming from within the employee.

Motivating employee intrinsically would stimulate creativity, flexibility and spontaneity (Deci & Ryan, 1985) However, money is also considered as the strongest motivators by Mani and aids as a short term incentive, pushing employees to work hard as there is strong linkage between performance and result. Providing pay for performance compensation enhance employee motivation and performance (Delaney and Huselid, 1996). It was suggested that the decision of an employee to join an organization and perform well depends, upon the prevailing rewards and incentives system (March and Simon 1966| Rosenstiel 1975; Weinert 1998) Robbins (2001) asserts that promotions create the opportunity for personal advancement and increase their level of responsibility. This conveys that rewards enhance the level of productivity and performance at jobs.

Flynn (1998) argued that rewards and recognition programs create high spirits among employees which will increase their general morale. It also helps in strengthening employees' working relationships and encourages them to perform better for their next task. As a result, it may probably help the organisation to have an increase in sales profit. Yet, motivation theories connect and contradict in many ways. There are various types of motivation theories that can be applied in real-life workforce on how organizations recognize and reward employees.

Feldman states that there are more than two simple types of motivation, and many types of motivation " could not be easily defined as either extrinsic or intrinsic." Any particular motivation may be subject to multiple interpretations along extrinsic/intrinsic lines. Fairness for instance

was intrinsic motivators traditionally. A more nuanced view would suggest that fairness has both intrinsic and extrinsic components. It is crucial to study human behaviour on what motivates different people in the workforce in implementing the most suitable types of rewards so as to enhance employee performance.

Methodology

A primary survey was conducted in aiding to our research. It comprises of both qualitative and quantitative questions taking into account the key themes of literature review. We will be conducting the survey via face-to-face interaction to have an in-depth understanding of respondent's responses especially when asked a qualitative open ended question like " If there's a job opportunity that provides a higher salary, will you consider joining them? Why?" We believe that by surveying our respondents in person, the result obtained would gain accurate validation of facts, estimates and predictions about relationships.

Our group will be targeting on a sample size of 10 respondents who are currently in the work force of any industry. Targeting accurate and significant results in the area distinguish the relationships between rewards and employee motivation. A short interview would be conducted with respondents who are university graduate, regardless of the institute they attended. Moreover, this group of respondents will have to fall under the age range between 23 to 32 years old and most importantly, their working experience have to be either less than a year or more than five years. The

respondents are of both genders so as to avoid biases in collating the results.

Results

A cross-tabulation of how extrinsic and intrinsic factors would influence an individual when looking for a job based on the number of years on job experience are shown in both Graph 1 and 2 (Question 2 of Questionnaire). Respondents who have less than a year of work experience have chosen Job Salary, Job security, Satisfy personal life and Interesting job as their most four important factors. They formed mostly extrinsic factors. As comparison, the remaining respondents with more than five years of work experience have chosen Job succession, Interesting Job and Recognition and praises as their top three factors which are intrinsic factors. *

Table A shows a comparison of what respondents valued using the years of experience. (Question 5 of Questionnaire) Both groups of respondents have chosen pay increment and bonus as their top two rewards they valued. However, the responses received down the rank mainly comprise of respondents with less than a year experience choosing extrinsic rewards as their valued rewards. On the other hand, respondents who has more than five years experience, chosen intrinsic rewards. *

A comparison on satisfaction level on the current job together with company rewards based on performance would lead to employee loyalty to remain in the current job even if there is a higher pay job offer. (Questions 1, 4 and 6 of Questionnaire) From the result shown in Table B, even with high

satisfaction and company rewarding system, respondents from different years experience differ. Respondent group with less than one year of experience would change job for a higher salary. While respondent group with more than five years experience would mainly choose to remain in the current job even with a higher pay opportunity job. *

For question 7 of Questionnaire, we asked respondents for their individual ability to comprehend a problem when being given. Obtaining an average from the respondents as shown in Table C, it shows that respondents with less than one year experience has lower comprehension level when a problem is given to them in compare to respondents with more than five years experience. *

Discussion

Based on the results in Graph 1 and 2, we infer that an interesting job is essential for an individual especially when they are new to the workforce. Their education knowledge or passion could be the reason why they are driven. Another reason could be one refuses to handle the same routine of work throughout and would prefer work task given to be challenging, interesting and exciting. Salary is as important for them as they currently have the spending power as compared to their life of a full time degree undergraduate earlier. Being young adults still at their prime, they might not have any children commitment hence; spending more on themselves.

Job security was chosen probably because of the uncertainty and respondents' inexperience in the workforce. New in the workforce, they

would instil fear in losing their jobs. Job security is important in gaining more work experience. Satisfying personal life is as equally important. Young adults prefer to have a work life balance between work and personal life. They would probably value “ Work hard, play hard”. Experienced respondents choose to have an interesting job as they recognized that a job requires long term commitment, probably needs to be interesting and not a mundane job scope. They rather choose an interesting job over a routine job that pays better. Recognitions such as praises by superiors are valued. This could be an excellent tool driver to motivate employees’ inner drive to “ go-the-extra-mile” in excelling their work task given.

Respondents have a clearer idea of their future pathway in their career. They would hope to enhance themselves in order to “ climb-up” the corporate ladder and get a job promotion. With their past experiences and capability, they would be able to secure another job faster than fresh graduates hence, they are more keen on job promotion than job security. As they gradually get promoted to a higher position, their salary increases too. This might be the reason why job succession was selected over job salary. In Table B, respondents with less than one year experience are mostly satisfied with their current job, believing that their company would reward them based on their individual job performance.

Yet a job opportunity offering higher salary would trigger respondents to change their job. This infers that the respondents with less than one year experience value on extrinsic rewards. However, respondent with more than five years experience differ from the result of the respondents with less than

one year experience although the number of the satisfaction level of their current job is the same. There are two respondents who are not satisfied, reason may lie in their company rewarding system since they are not rewarded based on performance. One of the respondents decided to change his job while the other respondent gave the reason of dissatisfaction with her job, yet she was comfortable with it. Hence, we conclude that she may be lazy or is resistance to change.

Application of Vroom ' s Expectancy Theory

Respondents with less than a year experience think they are capable in performing well in their field of work but in actual fact, are inexperienced. It brings their level of expectancy to moderately low. Respondents believe that their companies reward on their performance. They also place high value in extrinsic rewards, specifically their base salary. This shows that the respondents had a high level of both instrumentality and valence. Using Vroom's expectancy theory, a moderately low level of expectancy but a high level of instrumentality and valence brings the overall motivation level to be moderately high.

Despite so, respondents might move on to another company if a higher base salary was offered as they value extrinsic rewards. On the other hand, respondents with more than five years experience were capable of achieving results in their field of work as they are experienced. They also scored a moderately high level of both instrumentality and valence, bringing the overall motivation level to moderately high. Respondents with more than five years of experience value their job and their company rewards them based

on their performance. Vroom Theory is both consistent in theory and practical.

Application of Herzberg's two Factor Theory

Referring to Graph 1, respondents with less than a year experience have chosen extrinsic rewards as their influences in a job. This is inconsistent with Herzberg Theory of needs as it was mentioned that the the absence of extrinsic rewards cause dissatisfaction. Respondents with more than 5 years of experience have chosen intrinsic rewards as their top motivators. It is consistent with Herzberg theory because motivation comes from the inner-being of a human being.

Although intrinsic rewards were chosen, hidden meaning exist as referring to Table A, extrinsic rewards are being rank as top 2 valued supporting the theory of Feldman " Any particular motivation may be subject to multiple interpretations along extrinsic/intrinsic lines".

The respondent value both extrinsic (Individual bonuses and Pay increment) and intrinsic rewards (recognition and praises) because company usually reward the employees more on extrinsic rewards. This set as a benchmark for respondents and companies to measure their performance.

Conclusion

Extrinsic rewards motivate people to a certain extent as we have to take into consideration that the results obtained does not imply the whole population. It was assumed that extrinsic rewards motivate employee for a short period of time for employees have worked in the workforce for less than a year. It

can be supported by the theories stated in the literature review as well as the survey results that we have obtained.

Likewise, employees who have been in the workforce for more than five years experience will tend to favour more towards intrinsic rewards. Survey results collected shows that respondents with less than a year of experience value extrinsic rewards than intrinsic rewards. There is a difference in the type of rewards which employee value when comparing it with the existing research and data collected from our surveys. It shows that intrinsic rewards have motivate and have a larger impact in the longer period of time which eventually leads to the increase in employee performance. Extrinsic rewards are not sufficient to motivate people. Different people are motivated differently in the workplace. it will be of great advantage if organization could provide both types of rewards in an organization. Recommendations

The presences of both extrinsic and intrinsic rewards are essential in keeping employees satisfied and valued. We have come up with some recommendations that could enhance and improve the performance of individuals and groups in the workplace. They are as follow: Health Insurance coverage

The basic health care coverage is offered to all employees. Setting aside funds to pay for health care claims submitted by employee such as medical office visits for illness and checkups, hospitalization, emergency room services, ambulance transportation, operations, physical therapy, and even prescription drugs. In return, employees would be grateful that they are well

taken care of, hence, driven by their inner being to do their best for the organization.

Wall of Fame.

Implementing an “ Employee of the Month” recognizes employee’s hard work that has been done with pride. By implementing a space in the company where photos of employees who have accomplished something truly special along with the details of what they have done, it could motivate other employees to work hard in order to achieve the same recognition.

Professional growth and development programs.

Providing educational programs, training or seminars will expand employees’ skills and knowledge. This will benefit both employees and company when the employees broaden their expertise. Employees at the same time will probably have a sense of satisfaction for they feel that they are the ‘ selected’ few that were chosen by the organisation for further enhancement programs. Long Service Award

Long Service Award is granted to employees once they have worked 10 years in recognition of their long period of service with the organisation. Subsequently, they would be awarded every 10 years. Organization value employees who have been committed and loyal, in addition, a one lump sum amount of \$10, 000 cash, would be given as a token of appreciation.

References Article 1

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Recognition in Employee Motivation” in Compensation & Benefits Review
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Article 2

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Article 3

Zani, RM, Rahim, NA, Junos S, Samanol S, Ahmad SS, Merican MI, Saad SM, Ahmad IN, (2011), “ Comparing The Impact Of Financial And Non-Financial Rewards Towards Organisational Motivation”, in Interdisciplinary Journal of Contemporary Research In Business, Volume 3, Issue 4, p. 328

Article 4

John S. Carton, (1996), “ The Differential effects of tangible rewards and praise on intrinsic motivation: comparison of cognitive evaluation theory and operant theory”, in National Center for Biotechnology Information.

Article 5

Judy Cameron, (1994) “ Reinforcement, Reward, and Intrinsic Motivation: A Meta-Analysis. Review of Educational Research, Volume 64, Number 3” in Sage Journal, Review Educational Research. Article 6

Joanna Danish, Rizwan Qaiser, (2010), “ Impact of Reward and Recognition on Job Satisfaction and Motivation: An Empirical Study from Pakistan”, in

International journal of business and management (1833-3850), 5 (2), p. 159.

Article 7

Md Zani, Rosliza, (2011), " Comparing the Impact of Financial and Non-Financial Rewards towards Organizational Motivation", in Interdisciplinary Journal of Contemporary Research in Business Vol. 3 Issue 4, p328-334

Article 8

Yurtseven, Gulden and Halici, Ali, (2011), " Importance of the Motivational Factors Affecting Employees Satisfaction", in International Business Research, Volume 5 Issue 1, p72-79 Article 9

Jahanzeb Shah, Jamila Khatoon Warsi, Shoaib bin Naeem, Aamir Ghafoor Chaudhry, (2011), " Reward Practices: A Technique Towards Enhanced Organizational Performance", in Interdisciplinary Journal of Contemporary Research in Business, Volume 3 Issue 2, p1198-1210 Article 10 Nadeem Shiraz Khan, Adnan Riaz, Majed Rashid, (2011), " The impact of Work Content, Working Conditions, Career Growth on Employee Motivation", in Interdisciplinary Journal of Contemporary Research in Business, Volume 3 Issue 3, p1428-1434 Appendices (Survey Questionnaires)

Welcome!

Thank you for your interest and for assisting us in conducting this survey. We will be asking you a few questions regarding motivation and the survey would take approximately 5 minutes to complete. 1. Do you enjoy going to

work every day and performing at your best? Why? ◦ Yes;

_____ ◦ No; _____ 2. From a scale of 1

to 5, rate the factors that influence your decision in looking for a job. 1 being

the least important and 5 being the most importance. Job security

1

2

3

4

5

Job responsibility

1

2

3

4

5

A good boss

1

2

3

4

5

Recognition and appreciation for the work I do

1

2

3

4

5

A satisfying personal life

1

2

3

4

5

Opportunity for advancement

1

2

3

4

5

A prestigious or status job

1

2

3

4

5

An interesting job

1

2

3

4

5

Good working conditions

(nice office, air-conditioned, etc)

1

2

3

4

5

A job I can succeed

1

2

3

4

5

Salary

1

2

3

4

5

3. Does your company offer any form of rewards to motivate employees? ◦

Yes (Please proceed to 3a) ◦ No (Please proceed to 4)

a) Please tick any form of rewards that are implemented in your organization.

Praise/Recognition Opportunity for advancement Sense of achievement

Awards (Employees of the month etc) Pay Increment Business

Allowance 4. Does your company reward you based on your work performance?

◦ Yes ◦ No 5. Rank (1 to 10) the types of rewards you value from the most to the least. Praise & Recognition

Good working conditions/environment

Pay Increment

Sense of achievement

Good relations with colleague

s Business trip allowance

Bonus

Opportunity for advancement

Overtime pay

Employees benefit 6. If there's a job opportunity that provides a higher salary, will you consider joining them? Why? ◦ Yes; _____ ◦ No; _____

7. On a scale of 1-5, rate your capability in completing a task given to you. 1 being the least and 5 being the most 1

2

3

4

5

Personal Particulars 1. Please indicate your age range: 23-27 28-32 2.

Please indicate your gender: Male Female 3. Please indicate the number of years of work experience: 5 years 4. Please indicate your highest qualification level:

Diploma

Degree We have come to the end of the survey.

We will ensure that all responses are kept confidential.

Thank you for your participation. You have been a great help!