# A STUDY ON MOTIVATIONS THAT INFLUENCE EMPLOYEES' CONTRIBUTION TO GOOD CORPORATE GOVERNANCE

By

Tan Chiaw Joe

This research project is supervised by:

Ngoo Yee Ting
Assistant Professor
Department of Economics
Faculty of Accountancy and Management

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# **DECLARATION**

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- (1) This Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
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Name of Student:	I an Chiaw Joe
Student ID:	18UKM05812
Signature:	
Date:	30 August 2019

# **CHAPTER 1: INTRODUCTION**

# 1. Introduction

The introduction aims to show the research background, problem statement, research question and the significance of the study on the influence of different motivation effect on employees' contribution to corporate governance in terms of productivity across junior, senior and manager-level employees.

# 1.1 Research Background

The increase of modern world competition comes with the urgency of every company to increase its operating efficiency as well as reducing operating costs. Consequently, efficient working performance is crucial to the corporate's survival helps to contribute to the economic growth of the company. According to previous studies by Nachum (1999) and Hodgetts (1999), productivity is a significant factor for success in organization operations in global and competitive conditions. This is supported by Love's (2011) study which showed that organizational performance was recognised as good corporate governance. Therefore it is an important issue for the corporate world on the improvement of the employee's productivity. Employee motivation is a way to improve employee's urge to contribute more to the job as well as the company which will then increase their work productivity (Grimsley, 2018).

Corporate governance is made up of different theories such as the agency theory, stewardship theory and stakeholder theory. According to Jensen & Meckling's (1976) study, the agency theory described agency as a contract which one or more principals employ other persons known as agents and delegating some decision-making authority to the agents. However, this agency theory consists of a problem where the firm is separated by control and ownership when it is being run by managers (agents) when the shareholders own the company. Managers running the firm cannot be held accountable by shareholders which causes issues for the company such as the fraudulent act which is toxic to the company.

Stewardship theory argues in opposition to the agency theory where managerial opportunism does not apply (Donaldson & Davis, 1991; Davis, Schoorman & Donaldson, 1997; Muth & Donaldson, 1998). This is because in the stewardship theory, a manager acts in objective to maximize the firm's performance in order to satisfy the need of achievement and success. The most important difference between the two theories is the presence of trust for the managers in the stewardship theory when it is absent in the agency theory. In the stewardship theory, managers will have similar interests as the owners which is to improve the company's profitability.

On the other hand, the stakeholder theory explains the role of corporate governance by stressing different components of a company such as employees, customers, creditors, governments, banks and society as stakeholders. Hence, employees play an important role as stakeholders in helping the company to increase organizational performance which links to good corporate governance.

Motivation is the stimulation of desire and energy in people by internal and external factors so that people are continually interested and committed to a job, subject or role, or on making an effort to achieve a goal (Motivation, 2018). It is a result from the interaction of both conscious and unconscious aspects such as the force of need or desire, reward value of the goal and the expectations of an individual and of his or her peers. Motivation is divided into two categories which are the intrinsic and extrinsic motivation. Intrinsic motivation is the behaviour that results from being driven by internal rewards (Cherry, 2018). This occurs when individuals act without any obvious external rewards and the individuals behave in order to explore, learn and actualise their potentials. Extrinsic motivation is external factors that drive the action of an employee towards the goal or work task fulfilment (Grimsley, 2018). Extrinsic motivation usually is a form of reward or punishment. A reward motivates the employee to work towards achieving that particular reward whereas the punishment motivates the employee to work in order to avoid that punishment. A form of extrinsic motivation is the salary that is paid to the employee, and depending on the effort put into the job, the employee will either get a pay rise which serves as a reward or no pay rise which to the employee is a punishment. However, having a pay rise is dependent to the corporate's financial performance and the ability for the corporate to give employees a pay rise. Hence, company's focused more on intrinsic motivation as a motivator for employees in order to increase employee's productivity which then in turn increases the company's financial performance.

However, extrinsic motivation does not always have to be a burden for the company in order to drive employees' performance. One of the external motivators that drive employee's contribution without breaking the company's bank is employee's stock ownership (ESO). Employee stock ownership is as the employee owns the stock of their name suggests, employer's company. Moreover, this contributes to the capital of the company which is a mutual win for both parties. Findings showed a positive relationship between the presence of employee stock ownership and firm performance in Netherlands (Duffhues et al., 2002) and Japanese firms that adopted ESOP revealed higher productivity (Jones & Kato, 1995). There is positive correlation between stock ownership concentration and the company's profitability (Xu & Wang, 1999). However, Bacha et al's (2009) study in Malaysia showed an inconsistent finding with previous research as it indicated a negative impact of ESO in small firms but neutral impact for large firms. Core and Guay (2001) study argued that normally employee stock options were seen to have a long investment period and a long average time before expiration. Employees will have to stay with their organisation until that stock option was exercisable. Hence, Rajan and Zingales' (2000) study stated that the employee stock options' deferral feature can effectively direct employees' attention towards the organisation's long-term success and encourage employees on the long-term human capital investment in innovation. Previous studies (Poterba, 2003; Berk, Stanton, and Zechner, 2010) also stated that employees will have to bear substantial amounts of undiversified risk in addition to investing large amounts of human capital into the organisation by holding employer stocks.

Intrinsic motivation also seems to be more effective in motivating employees in the long run as compared to extrinsic motivation. This is influenced by advantages of intrinsic motivation and disadvantages of extrinsic motivation. Total labor costs can be reduced when employees have higher levels of intrinsic

motivation (Ingram, n.d.). This is because managers will have more time to work on more productive tasks when they do not need to spend their effort on motivating employees as employees are already intrinsically motivated. Hence, the business will require lesser managers to operate in the hierarchy, which will then help the company reduce labor costs. Moreover, intrinsically motivated employees thrive on personal accomplishment and career development are more likely to make greater contributions through innovation as they will be more satisfied with accomplishing something meaningful for the organization as compared to extrinsic motivated employees who needed external rewards such as financial incentives in order to achieve job satisfaction. Intrinsically motivated employees are also more self-disciplined on completing work tasks, taking on new projects and are more likely to solve problems on their own rather than acquiring assistance from managers for issues that arose.

Extrinsic motivation is disadvantageous for the long run as it lacks long-term benefits (Gerard, n.d.). Benefit of financial incentives may fade over time and the sense of appreciation or other motivation that was felt by employees will diminish after a short period of time and managers have to try to motivate employees again using yet another financial incentive which increases the company's costings. Moreover, if extrinsic motivations are applied on employees then employees who did not receive any incentives may feel unmotivated if they thought they were doing a good job at work, but their work quality was judged as not satisfying. According to Kochan (2002), money can only produce temporary obedience in workers and was not useful in transforming workers' behaviour and attitude in the long term. It was indicated that money only increases workers' needs in further rewards and may weaken employees' intrinsic motivation in their jobs. However, Lawler's (1973) study stated that employees' job satisfaction was influenced by their pay satisfaction.

Job satisfaction is also a factor affecting the organizational performance as employee satisfaction will affect target and achievement which in turn enhances the employee's productivity, increases their work quality and finally contribute towards the organizational growth. Job satisfaction was described as "a positive or pleasurable state of emotion that resulted from the appraisal of one's job or job

experiences" (Locke, 1976). Therefore, it is important to take note of the impact of the employee's job satisfaction on the organizational performance. Sarwar and Abugre (2013) found that employees will have a more positive attitude towards their job and the commitment towards the organization when they experienced greater job satisfaction. According to Patterson's (2010) study, job satisfaction was shown to be related to absenteeism, employee turnover and to some extent performance. Earlier studies (Farr, Hofmann, & Ringenbach 1993; Phillips & Gully, 1997; Van Yperen & Janssen, 2002) suggested that goal orientation influence employees' job performance and job satisfaction. A previous study by Latif, Ahmad, Qasim, Mushtaq, Ferdoos and Naeem (2013) indicated that there is a positive correlation between job satisfaction and organizational performance. Yee, Yeung and Cheng's (2010) research showed that an employee will have a higher degree of job satisfaction when their work environment was able to fulfil more of their needs, personal characteristics and values. Consequently, previous research (Agarwal & Ferratt, 2001) also indicated that employees had greater work performance and participated more positively, effectively and robustly in work-related activities and had a lower tendency to resign from the company. A study by Raza, Akhtar, Husnain and Akhtar (2015) showed that there was a significant positive relationship among job security, responsibility, achievement and work itself and employees' job satisfaction. Therefore, enhancing employees' job satisfaction was vital to the companies in reducing employee turnover rate and maintaining or increase the organisation's productivity (Price, 2001). All four variables are intrinsic motivational factors which gives enables the employees to enjoy their job and have a sense of pride about their jobs. This supports the study by Hochschild (1979) which reported that feelings of achievement have a large effect on employees' job satisfaction. The increase of employees' satisfaction and performance are dependent on the presence of high feelings of achievement in employees. This showed that as long as the employees are satisfied with their job, then the organizational performance will increase. According to Frey's (1997) study, it was indicated that there is an intrinsic motivation impact on employees' job satisfaction as well as the suggestion that employee's performance is affected by intrinsic motivation as stated in Bonner and Sprinkle (2002).

# 1.2 Problem Statement

The lack of differentiated motivators on different employees in an organization is a concern as it will be useful for the organization to categorize employees according to their motivation needs in order for the company to come up with a policy to increase their work productivity which in turn promotes the growth of the company. It is important for the industry to know what motivates the employees into driving their productivity level. A lot of focus on motivation factors towards productivity has been given towards different employees of different sectors such as banking, education, manufacturing, health, electronic, utility, and telecommunication in Malaysia but so far there is limited to none on this particular research in comparing motivation factors between junior, senior and manager-level employees yet.

# 1.3 Research Questions

# 1.3.1 General Question

How do motivators affect employees' contribution to good corporate governance in terms of work productivity in the Malaysian workplace?

# 1.3.2 Specific Question

- 1. Is there any significant difference between different motivators needed by different levels of employees?
- 2. How do different motivators such as extrinsic and intrinsic motivators influence junior, senior and manager-level employees' work productivity?
- 3. Does extrinsic motivators enhance the job satisfaction between different levels of employees?

# 1.4 Research Objectives

# 1.4.1 General Objective

The study aims to investigate different motivation effect on employees' contribution to corporate governance in terms of productivity.

# 1.4.2 Specific Objectives

- 1. To examine the effect of extrinsic and intrinsic motivators on employees' job satisfaction.
- 2. To evaluate the employee performance based on job satisfaction affected by motivators (examined in Specific Objective 1).

- 3. To determine how junior, senior and manager-level employees differ in motivation needs.
- 4. This study aims to introduce the extrinsic motivation factor such as employee share option scheme on employee productivity that was not studied in Saraswathi's (2011) study.

# 1.5 Significance of the Study

This study supports the confirmation of the intrinsic motivation impact on employees' job satisfaction (Frey, 1997) as well as the suggestion that employee's performance is affected by intrinsic motivation as stated in Bonner and Sprinkle (2002). This study will also support the notion that certain rewards will enhance the intrinsic motivation when there is a strong and salient initial intrinsic task motivation which the rewards confirm the person's skill and work value (Amabile, 1996; Hennessey and Zbikowski, 1993). The result of this study will aid the corporate world in identifying different motivation needs between junior, senior and manager-level employees in the enhancement of their work productivity, which in turn benefits the company's overall growth. Moreover, most of the studies on motivations were done in individualistic countries, therefore this study serves to modify the questionnaire on intrinsic and extrinsic motivation towards employees in a collectivistic country.

# CHAPTER 2: LITERATURE REVIEW

### 2.0 Literature Review

#### 2.1 Introduction

Prior studies (Campbell & Pritchard, 1976; Maier, 1955) considered motivation as a driving force of performance as it is related to a number of work benefits. It is stated that employees that were motivated were more work engaged (Rich, 2006), produced performance of greater quality (Cerasoli et al. 2014) and will benefit more from the occupational training provided (Massenberg et al. 2015). Moreoever, employees are more committed to their job and have greater enthusiasm in achieving more challenging tasks (Becker et al., 2015). Various studies have been carried out in order to link intrinsic motivation effect with job satisfaction (Frey, 1997) and job satisfaction with organizational performance. Hence, job satisfaction indirectly links intrinsic motivation together with organizational performance.

### 2.2 Review of Relevant Theories and Theoretical Models

Self-Determination Theory (SDT) is frequently used to explain extrinsic and intrinsic motivation. Self-determination theory is an extensive, motivational theory of development, wellness and personality in social contexts which focuses on differentiating types of motivation to predict performance and psychologicalhealth outcomes (Ryan & Deci, 2014). The main motivations that were distinguished were autonomous which encompasses intrinsic motivation as well as well-internalized extrinsic motivation and controlled motivations which consisted of externally regulated factors. The foundation of learning and development is a part of intrinsically motivated activity. It is indicated that intrinsic motivation is the result of a need for competence as people engage in activities in order to feel a sense of competence and effectance (White, 1959). This is then supported by a later study which also argued that intrinsic motivation was triggered by the autonomy and competence needs as intrinsic motivation is maintained through people's need to feeling competence and autonomous (Gagne & Deci, 2005). Baumeister and Leary's (1995) study on SDT suggested that satisfaction of need to feel competence and autonomous as well as the need for relatedness are crucial for effective operation of internalization.

According to Maslow's Need Hierarchy Theory (Maslow, 1943), an individual's need is classified into three hierarchical categories, such as physiological needs, psychological needs and self-fulfillment needs. Basic needs such as physiological needs (food, water, warmth and rest), and safety needs are classified as extrinsic motivations whereas both psychological needs such as needs for affection, love and belongingness, and needs for esteem as well as self-fulfillment needs such as self-actualization needs are classified as intrinsic motivations. Maslow's theory also stated that one has to be satisfied of the demands of the first need before being able to feel the second need, and the second need before the third.

Physiological needs are biological needs which are the strongest needs as these physiological needs come first in an individual's search for satisfaction. Safety needs such as a safe working environment and financial security will need to be satisfied when all physiological needs were met and needs for affection, love and belongingness which comes after the satisfaction of both physiological and safety needs. This third need is present as people seek to overcome feelings of loneliness and alienation by giving and receiving affection, love and the sense of belonging. Self-esteem needs will become dominant when the first three classes of needs are satisfied and self-esteem needs include getting self esteem from others and giving other self-esteem. The need of self-esteem stems from humans need for a high level, stable, and firmly based self-respect and respect from others. An individual will only feel self-confident when they feel respected and be valuable as an individual. In the absence of self-esteem, an individual will feel inferior, weak as well as incompetence. As an example, employees' achievement should be recognized by the managers in terms of financial or spiritual means. This would make the employees feel more appreciated as a member of the company. The last need is the need for self-actualization which will only be present when all previous four needs are satisfied. Self-actualization was described as an individual's need to achieve and do what they were "born to do". However, selfactualization is difficult to achieve as it is not always clear what is the need for self-actualization in an individual (Jerome, 2013). However, organizations can try

to fully utilize the abilities and potential of the employees, which can help the organization to enhance the employees' overall productivity and effectiveness.

Gordon's (1965) study stated that these hierarchical needs could be applied to an organization and its employees' performance. Maslow's (1954) study indicated that the utmost important needs to reflect in an organization's cultural framework are employees' physiological and security needs as employees' performance will be improved tremendously when those basic needs are culturally focused.

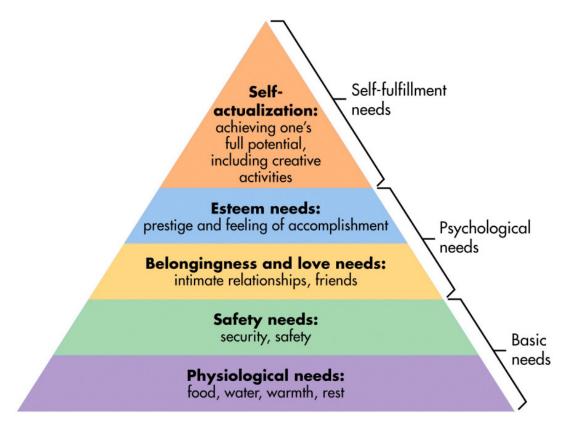


Figure 1. Maslow's Hierarchy of Needs. Adapted from Saul McLeod (2018) prestige.

Two-factor theory by Frederick Herzberg's (1959) study on Two Factor Theory or Motivation-Hygiene Model argued that employee satisfaction was caused by motivational factors such as advancement opportunities, sense of achievement, job security and moral values. The motivational-hygiene model indicated that when employees are faced with challenging yet enjoyable task where an individual is able to grow, achieve and demonstrate responsibility and

advance within the organization, then employee motivation is achieved (Dartey-Baah, & Amoako, 2011). Employees are able to feel that their efforts are recognized and this builds job satisfaction and motivation in employees. Hygiene factors such as physiological, safety and love needs are considered as maintenance factors in Herzberg's theory which is equivalent to Maslow's hierarchy of needs. In Herzberg's theory, these maintenance factors are necessary to maintain a reasonable level of satisfaction but they may also cause dissatisfaction when the needs are not met. They are also present to serve as prevention of dissatisfaction as well as a starting point for motivation (esteem needs and self-actualization needs) and result in good job performance.

Another theory that explains human's motivation is Alderfer's (1969) ERG Theory. This ERG theory was created through the modification of Maslow's hierarchy of needs into three core needs such as existence (E), relatedness (R), and growth (G). According to Alderfer, these three groups of core needs motivates man's actions. This modification was done in order to address Maslow's theory's shortcomings and was regarded as a version of need hierarchy that had more validity (Robbins, 1998). The theory corresponds to Maslow's Hierarchy of Needs by comparing the ERG theory's existence to Maslow's psychological and safety needs, relatedness with social and self-esteem needs as well as growth with selfactualization needs. Luthans's (1998) study stated that the ERG theory had obtained more support on motivation in the work situation. Job-specific nature of the Alderfer theory has been one of its strengths and the research had emphasized mostly on the requirements of the content instead of social psychology impact in the compensation package for employee motivation (Heath, 1999:26). Social psychology had indicated that behaviour will only be affected by external rewards (e.g. pay) when and there was an internal desire for these rewards. However, behaviour will only be influenced by intrinsic reward when external environment made the behaviour worthwhile (Heath, 1999; 27). Thus, this indicated that variables within people (e.g. value, beliefs, personality) that are affected by the reward may have a significant effect on motivating the people. However, No empirical support had been found on how different employees organizational levels vary in how they value flexible pay and fringe benefits (Igalens & Roussel, 1999;1016). Moreover, a study by Lal and Bhardwaj (1981) indicated that different types of employee classes are satisfied by different types of motivations. This showed that different classes of employees have different needs that will drive their job satisfaction which will motivate them to work harder. Hence, a recent study by Arnolds and Boshoff (2002) showed that there was a significant influence when esteem was used as a personality variable on the job performance of both frontline employees and top managers. Frontline employees can be classified as low level employee whereas top managers can be considered as high level employees.

# 2.3 Review of the Literature

# 2.3.1 Intrinsic Motivation as an Example of Autonomous Motivation

Following SDT's concept on intrinsic motivation as an example of autonomous motivation, it is showed that job involvement and the quality of work performance increased when one feels autonomous in their job (Breaugh, 1985). This is consistent with the finding that greater effort and goal attainment was predicted when autonomous motivation was present (Sheldon & Elliot, 1998). Other than that, previous study found a link between autonomous motivation and organizational commitment (Gagne & Koestner, 2002) using O'Reilly and Chatman's (1986) measure to indexed by identification and internalization and using Allen and Meyer's (1996) measure for affective commitment. Findings in a 13-month longitudinal design indicated that initial autonomous motivation of the study projected organizational commitment at the end. Nevertheless, there was no subsequent autonomous motivation was not predicted during the presence of initial commitment. Hence, autonomous motivation was seen as an important factor if organizational goals were to be accepted by employees and in turn generate commitment towards those organizational goal achievement.

McGraw's (1978) study had indicated that understanding of the relation of different types of motivation towards effecting performance that involves performance outcome differentiation in terms of relative task simplicity such as algorithm application or more difficult tasks which required creativity, flexibility, and heuristic problem solving. Several laboratory experiments and field studies (Amabile, 1982; Grolnick & Ryan, 1987; McGraw & McCullers, 1979) showed that autonomous motivation was related to employee performing more effectively on relatively complex tasks, disregarding any difference or short-term advantage

for controlled motivation during involvement of mundane tasks. Benware and Deci's (1984) research supported the notion through findings of siginificantly superior autonomous motivation for the facilitation of text material conceptual comprehension as compared to controlled motivation. However, there was no difference between two types of motivation in the promotion of repetition learning of facts during reading. In contrast, studies showed that employees' performed better on mundane task in the presence of controlled motivation (Grolnick & Ryan, 1987; McGraw, 1978) even though there was a report on worn off advantage within a week (Grolnick & Ryan, 1987).

Another importance difference that has been highlighted by Koestner and Losier's (2002) research were difference in performance, such that better performance was shown by autonomous extrinsic motivation on interesting task whereas autonomous extrinsic motivation had better performance on uninteresting but important tasks that require determination or discipline. Therefore, autonomous motivation which includes both intrinsic motivation and internalized extrinsic motivation was suggested by studies to be superior in situations consisting of both interesting complex tasks and discipline required, less complex tasks. Hence, there seems to be no performance advantage to autonomous motivation during job that consisted of only mundane tasks. Nonetheless, in Ilardi et al's (1993) study of employees with mundane jobs in a shoe factory and in Shirom and colleagues' (1999) study of blue-collar workers with monotonous jobs, autonomous motivation was found to be linked with greater job satisfaction and employee well-being. This showed that organizations prefer autonomous motivation as the advantage to autonomous motivation in terms of well-being and job satisfaction was present even in uninteresting jobs, which in turn would be more likely to generate better attendence and lower turnover (Breaugh, 1985; Karasek & Theorell, 1990; Matteson & Ivancevich, 1987; Sherman, 1989).

# 2.3.2 Impact of Intrinsic and Extrinsic Motivation on Employees' Performance

Turner's (2017) literature review was done to determine the impact of intrinsic and extrinsic motivation on employees' performance. The literature from Bard's (2006) study stated that employees with lower level positions are more susceptible to extrinsic motivation factors as compared to employees with higher

level positions. This is because lower level employees have lower wages than higher level employees, which makes extrinsic motivation factors such as financial motivations be of more importance in the hearts of lower level employees. When lower level employees are more satisfied with their wages, then they will be happier and be more productive; whereas higher level employees will have a balanced view of intrinsic and extrinsic motivational factors therefore extrinsic motivational factors does not affect them as much as lower level employees. Literatures (Bard, 2006; Berg, Grant & Johnson, 2010; Hall & Heras, 2010; Lyons, Duxbury & Higgins, 2006) had shown that intrinsic motivation had more effect on work performance as compared to extrinsic motivation, whereas the effect of extrinsic motivation weightage is dependent on the type of working environment. Wright's (2007) study showed greater gravitation towards intrinsic motivation in the private sector employees with the exception of lower ranking employees. This is supported by Thomas, Sorenson and Eby's (2006) study which indicated that lower ranking employees still search for extrinsic motivational factors in order to determine their rate of work and tended to gravitate toward this kind of policy utilizing companies.

In addition, Akanbi's (2011) study found significant relationship between extrinsic motivation and workers' performance but did not show any significant relationship between intrinsic motivation and workers' performance. There could be a possibility of the workers in Akanbi's study are consisted of more low level or low income workers or their job are more uninteresting and does not intrinsically motivate them. This was supported by Egwuridi's (1981) study which also showed no significant results of low income workers being intrinsically motivated. Nevertheless, in the same study by Egwuridi, there was also no significant results on higher income workers having greater intrinsic motivation than low income workers. Therefore, Egwuridi's (1981) study suggested that employees with different goal orientation will have different motivation needs.

It is confirmed that the effects of intrinsic motivation on employees' task performance were undermined by virtually every type of expected tangible reward made contingent, in a recent meta-analysis by Deci, Koestner, and Ryan (1998). In contrast, choice and the opportunity for self-direction which afford a greater sense of autonomy appeared to increase the intrinsic motivation in employees

(Zuckerman, Porac, Lathin, Smith & Deci, 1978). Motivation in the educational field is also examined as working employees still has a lot of things to learn in the corporate world in order to complete their tasks with greater work quality.

In the education field, studies (Vansteenkiste, Simons, Lens, Sheldon & Deci, 2004) had found that the presence of extrinsic goal framing had an effect on learning activities. The experiment focused on experimental manipulation of goals pursued by the students during an activity that was related to education. For example, the experiment framed the physical exercises learning progress in terms of effectiveness of extrinsic and intrinsic goals achievement. These manipulated goal-content examination showed that different emphasis was placed by different learning contexts on intrinsic as compared to extrinsic goals. As an example, business school will place a different emphasis as compared to an educational school, where business school will emphasize on the earning money as an extrinsic goal whereas education schools will emphasize more on the objective on influencing the community. Different emphasis that was placed on different settings on these goal contents should provide different learning outcomes as different outcomes was influenced by personal valuation of extrinsic and intrinsic goals. A few researches (Vansteenkiste, Simons, Lens, Sheldon & Deci, 2004; Grolnick & Ryan, 1987) had tested this general hypothesis in school settings. Students' learning was framed in terms of whether it served a long-term extrinsic or long-term intrinsic goal in each experiment. Furthermore, the framing of goal content was crossed with either a manipulation of autonomy supportive or controlling social context. The findings were consistent with SDT with both the manipulation of goal-content and the learning context quality within the occurrence of goal framing had produced an independent variance towards predicting learning, performance and persistance of the students.

In Vansteenkiste, Simons, Lens, Sheldon & Deci's (2004) field experiment, the learning of a reading activity on ecological issues was presented in terms of either an extrinsic goal (attainment of saving money) or an intrinsic goal (contributing to the community). The researchers' reason behind this was that learners' attention was distracted by the extrinsic goal framing from the learning

task itself, therefore the full absorption of the learning material will be interfered. This in turn predicted poorer learning and performance during the condition with extrinsic goal. In comparison, there is a closer relation to less focus on external indicators of worth and people's inner growth tendencies, therefore there should be better learning and performance when it was shown that learning is useful for an intrinsic goal. In other words, the intrinsic and extrinsic goal framing in the learning activity was expected to result in a qualitatively different engagement, which will in turn influence acheievement and information processing differently. The research had a cross manipulation of either an autonomy supportive or controlling interpersonal context with the intrinsic and extrinsic goal framing. A few changes of wording instructions was performed in this manipulation, such that the autonomy-supportive instructions consisted of language "we suggest that you" and "you can", whereas language such as "you should" and "you have to" was used in the controlling instructions.

This study was consistent with Grolnick and Ryan's (1987) study where the autonomy-supportive context was predicted to improve learning and performance as compared to the controlling context. Results were in line with the hypotheses, indicating that intrinsic-goal condition had greater test performance and subsequent free-choice persistence as the intrinsic goal framing promoted both observed and self-reported deep-level processing. Moreover, evidence also showed enhanced deep processing, persistence and test performace when students were under the autonomy-supportive condition as compared to when they were under the controlling condition during the occurrence of goal framing. Replicated results were shown in other studies (Vansteenkiste, Simons, Lens, Sheldons, & Deci, 2004; Vansteenkiste, et al., 2005) that experimented with different intrinsic goals such as health and personal growth; different extrinsic goals such as physical attractiveness, different learning materials such as business communications and different age groups that consisted of 5th to 6th graders, 11th to 12th graders and college students. Similar results were observed when during the physical exercises condition as compared to the text material condition of learning. Vansteenkiste, Simons, Soenens, et al's (2004) study examined the different effect of intrinsic and extrinsic goal framing on both short-term persistence and long-term persistence using the physical exercise condition in order to replicate and extend basic set of findings indicated previously. The

researchers told students in 10th to 12th grades that the relevance of physical exercises learning towards the attainment of either physical health and fitness (intrinsic goal) or physical attractiveness (extrinsic goal). Participants were then asked to demonstrate the physical exercises after a duration of either 1 week, 1 month and 4 months following the induction period. Participants were also given the opportunity to sign up for a year-long course in tai-bo, one of the martial arts at the 4-month assessment.

The research findings replicated the full findings of Vansteenkiste, Simons, Lens, Sheldon and Deci's (2004) research, where intrinsic goal framing was shown to produce greater performance and increased persistence over the short period (1 week after the experiment). Moreover, at each of the follow-ups, intrinsic and extrinsic goal framing positively projected persistence and also participants' intention of joining the year-long physical exercise course. Another experimental study examined the presence of a differential effect on conceptual and rote learning when intrinsic versus extrinsic learning was applied (Vansteenkiste, Simons, et al., 2005). Vansteenkiste, Simons, Lens, Sheldon, and Deci's (2004) research tapped only conceptual learning even though self-reports of deep-level learning and superficial processing was included. Extrinsic goals should have an effect of shifting away students' attention from the learning task to the external indicators of worth and narrowing of the students' attention to the instrumentality for the extrinsic outcomes. Following the focus on the extrinsic goal framing, it was expected to result in only the memorization but not the conceptual understanding of the learning material. Extrinsic goal framing was found to be in line with these hypotheses, where it diminished conceptual learning throughout three field studies without harming rote learning in children. Extrinsic goal framing as compared to intrinsic goal framing was instead found to enhance the literal and factual processing of material that was related to rote learning in two out of the five experiments of rote learning across three studies (Vansteenkiste, Simons, et al., 2005). There was no significant differences between intrinsic and extrinsic goal framing on rote learning in three other cases. Implicit suggestion of these results on the harmful effects of extrinsic goal framing might not be present for rote learning required learning tasks but there was no research to date that had tested this hypothesis directly. Furthermore, it was reported that goal contents had been crossed with social context in each of the three studies in Vansteenkiste, Simons, et al's (2005) research). Conceptual learning was shown to be greater when goals with autonomy-supportive language was presented to children as compared to when goals were presented with controlling language. However, the rote memorization did not differ as a function of the presentation style.

As stated in SDT, there should be an advantage for the learning and wellbeing of all students when the framing of learning activities was done in terms of attaining intrinsic goals as these goal contents would be more in line with students' basic psychological needs. Contrariwise, it was suggested by the match perspective that there will be promotion of learning and performance during the presence of intrinsic goal framing among intrinsic goal-oriented individuals, whereas extrinsic goal-oriented individuals will benefit more in learning in the presence of extrinsic goal framing (Hidi & Harackiewicz, 2000; Sagiv & Schwartz, 2000). Therefore, the difference between the impact of goal framing will be more dependent on the fit between the learners' goal orientation and the goal framing that was being presented. Therefore, the match approach should suggest an overall learning and persistence improvement in the intrinsic goal condition were carried mainly by intrinsically goal-oriented learners. Vansteenkiste, Simons, Lens, Sheldon and Deci's (2004) study explored on this issue among business students, to determine whether there would be any detrimental effects on learning for people with mainly extrinsic goal orientation during the representation of a learning activity as an extrinsic goal attainment. Studies had found that these students were more extrinsically than intrinsically goal oriented (Duriez et al, 2004; Kasser & Ahuvia, 2002). These students were told that the learning activity involving communication principles would be beneficial to them in terms of achieving either the intrinsic goal of personal development in their work or extrinsic goal of financial success in their work. According to the match hypothesis, education students would show negative effects on the achievement of extrinsic goal framing (Vansteenkiste, Simons, Lens, Sheldon & Deci, 2004; Study 1) whereas business students would show positive effects on the achievement of extrinsic goal framing due to the high value placement on the extrinsic goal of financial success (Vansteenkiste, Duriez, et al.,

2006). Nevertheless, research results showed that extrinsic goal framing undeniably diminished the learning and persistence in relation to intrinsic goal framing for both education and business students.

Nevertheless, previous studies stated that intrinsic motivation may be interfered by certain forms of rewards (Frey, 1997) and enhanced by motivational synergy process under certain circumstances (Amabile, 1996; Hennessey and Zbikowski, 1993). When two conditions such as (i) a strong and salient initial intrinsic task motivation and (ii) simultaneous reward reinforcement of the value of the person's work and competency or enhance the person's engagement in the intrinsically interesting work.

# 2.3.3 Organizational Learning on Job Satisfaction and Work Performance

The motivation studies done in the educational sector showed some relation to organizational learning and the outcome of their work performance. The importance of learning orientation to overall firm performance had long been acknowledged by various scholars (Slater & Narver, 1994). This is because learning orientation impacts the firm in the promotion of generative learning as a long-lasting core competency (Hunt & Morgan, 1996; Sinkula, Baker, & Noordewier, 1997). Learning oriented firms are willing to improve their welloperated organizational systems and have their fundamental operating philosophies be updated (Senge, 1990; Mone, Mckinley & Barker, 1998). These types of attitudes will be able to lead the company to superior long-term performance. It is in consistent with the general consensus that organizational learning is crucial for success in organizational change and performance (Garvin, 1993; Hendry, 1996). Previous study had suggested that organizational learning could improve employees' intellectual abilities, which will in turn benefit the organizations (Watkins & Marsick, 1996). Moreover, it can also be regarded as a contribution towards superior performance where creation, acquisition and integration of knowledge were aimed towards developing resources and capabilities (Chonko et al., 2003; Choe, 2004; Wu and Cavusgil, 2006). Research findings showed a significant positive relationship between learning activities and performance at work which predicted that higher performers had been involved in

greater volume of learning activities (Garver, 1996). Other studies also reported having a positive impact on organizational performance in the presence of organizational learning (Jashapara, 1993; Dimovski, Skerlavaj, Skrinjar & Spicer and Sadler-Smith's (2006) study in small Stemberger, 2006). manufacturing firms reported a positive relationship with the firms' financial and non-financial performance for organizational learning. Several experimental studies also showed consistent results where positive relationship was present between organizational learning and performance outcomes (Correa, Morales, & Pozo, 2007; Ellinger et al., 2003; Jimenez & Navarro, 2006; Khandekar & Sharma, 2006; Power & Waddell, 2004; Schroeder, Bates & Junttila, 2002). Greater profitability and improvement of employees' job satisfaction was seen in organizations that prioritized in learning, education and development (Leslie et al., 1998). A research study on the impact of workplace learning on job satisfaction indicated a significant relationship between learning in the workplace on employees' job satisfaction (Rowden & Conine, 2005). The availability of job learning opportunities attributed towards major part of the job satisfaction. Another study also reported positive correlation between organizational learning culture and employees' job satisfaction (Egan, Yang & Bartlett, 2004). Several experimental studies also report consistent findings of the relationship between the job satisfaction and work performance (Judge et al., 2001; Politis, 2005; Suliman & Iles, 2000; Wilson & Frimpong, 2004; Yousef, 1999).

Crossman and Abou-Zaki's (2003) study suggested that the job satisfaction that employees experienced will impact the service quality they rendered and subsequently influence their work performance. Hence, the reason behind this is that employees with greater job satisfaction will have a tendency to be helpful, cooperative, respectful and considerate, which in turn contributes in delivering their job with excellence (Wilson & Frimpong, 2004). Reports of positive outcomes on employee's behaviour and desirable results from organizational commitment generated much of the organizational commitment interests (Kamarul & Raida, 2003). Benkoff's (1997) study also stated work related commitment is important in explaining the relationship between work-related behaviour and employees' work performance. McDermontt, Laschinger and Shamian's (1996) study stated that organizational commitment can be seen as a

measurement of organization effectiveness through employees' work performance and turnover reduction. Various studies had showed findings with positive relationship between organizational commitment and work performance (Arnett, Lavarie & McLane, 2002; Suliman & Iles, 2000; McNeese-Smith, 1997). Other studies also showed significant positive association between organizational commitment in relation to job satisfaction (Bhuian & Abul-Muhmin, 1997; Yousef, 2002; Yavas & Badur, 1999). Studies had also found that organizational commitment had a positive relationship with job satisfaction and the competitiveness of the organization (Liou, 1995; Baugh & Roberts, 1994). A study conducted by Russ and McNeilly (1995) using experience, gender and performance as moderators reported that experience and performance moderated the association between job satisfaction and organizational commitment. However, another study showed no significant linkage between organizational commitment and job satisfaction (Curry, Wakefield, Price & Mueller, 1986). Wright's (1997) study revealed that organizational learning strongly influenced the outcomes of organizational commitment and job satisfaction. The study by Rose, Kumar and Pak (2009) suggested that organizational learning significant effect towards the contribution of organizational commitment and job satisfaction and employees' performance. Hence, this can contribute to how inexperienced employees such as junior or low-level employeess and their ongoing learning process in the company affect their work performance.

Study by Omilani and Akintolu (2017) stated that the years of experience had a significant difference on the employees' workplace productivity as well as a significant difference between motivational packages and junior and senior employees. However, intrinsic motivation in students decreases with each advancing grade due to the social demand that increasingly curtailed their freedom to be intrinsically motivated as shown in Ryan and Deci's (2000) study. Thus this finding may suggest that in the corporate world, high level employee with greater years of experience will have decreased intrinsic motivation due to external environmental issues such as social demand or extrinsic goal framing. Hence, it can be suggested that when external environmental issues or extrinsic goal framing has been excluded, then high level employee with greater years of experience as well as competency will have increased needs in intrinsic

motivation as compared to low level employee with lesser years of experience and competency.

# 2.4 Research Gap

The majority of research focused on the issue of autonomy versus control intead of competence, regarding the effects of environmental events on intrinsic motivation (Ryan & Deci, 2000). In addition, there was a lack of attention given to employees with different level of experience which shows employees' competency and what kind of intrinsic motivation influences them most in their intention to work harder in their job when extrinsic goal framing or external environmental issues are excluded.

# 2.5 Conclusion

Overall, the literature review showed that extrinsic motivation is found to diminish the effects of intrinsic motivation on task performance. According to studies stated above, there was a positive correlation between organizational learning culture and employees' job satisfaction, whereas other study suggested that the job satisfaction that employees experienced will impact the service quality they rendered and subsequently influence their work performance. Studies had also found that organizational commitment had a positive relationship with job satisfaction and the competitiveness of the organization. Therefore, Hence, it can be suggested that when external environmental issues or extrinsic goal framing has been excluded, then high level employee with greater years of experience as well as competency will have increased needs in intrinsic motivation as compared to low level employee with lesser years of experience and competency.

# **CHAPTER 3: METHODOLOGY**

# 3.0 Methodology

# 3.1 Introduction

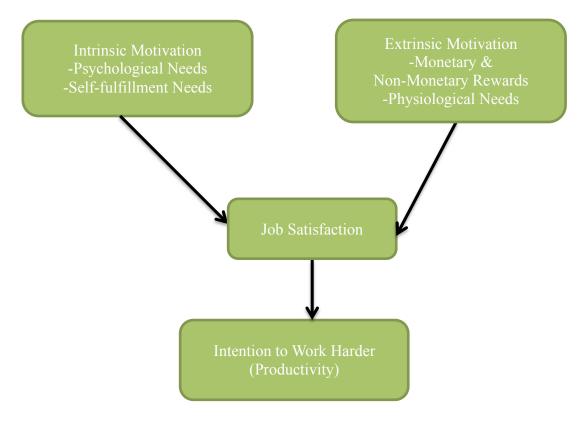
The research methodology section consisted of research design, theoretical framework and hypothesis statement, sampling design, data collection methods, questionnaire design as well as validity and reliability, and the data analysis of the research study.

# 3.2 Research Design

The research design used in this study is the descriptive quantitative research as it is able to help describe, record, analyse and interpret existing conclusion in the study.

# 3.3 Theoretical / Conceptual Framework / Hypothesis Statement

# 3.3.1 Theoretical Framework



According to literature review stated previously, intrinsic motivation such as psychological needs and self-fulfillment needs and extrinsic motivation such as

physiological needs, monetary and non-monetary rewards will affect the job satisfaction of the employee and then in turn influence their intention to work harder for the company. Therefore, job satisfaction is also considered a mediator for the employees' status of performance which is also identified as productivity.

# 3.3.2 Hypothesis Statement

H1: Employees have significantly greater job satisfaction in the presence of both intrinsic and extrinsic motivation.

H2: Employees have significantly greater productivity (status of performance) when they have greater job satisfaction.

H3: Junior employees have significantly greater productivity when they have greater intrinsic motivation as compared to senior and manager-level employees.

H4: All level employees are significantly motivated by the presence of Employee Stock Ownership Scheme.

H5: Manager level employees will have significantly greater job satisfaction as compared to senior and junior level employees.

# 3.4 Sampling Design

The sampling design used in this study comprises of a population of working employees aged 18 and above. The sample size for this study was derived from the working population of Wilayah Persekutuan Kuala Lumpur and Wilayah Persekutuan Putrajaya which totals up to 1,437,700 individuals (Dosm.gov.my, 2019). The ideal sample size is 68 individuals with a confidence level of 90 percent and a margin error of 10 percent (Qualtrics, 2019). Data was collected from 60 employees but 17 participants had to excluded from the analysis as the data was incomplete. The sample size of the study is 43 employees of male (16) and females (27) (12 Junior Level Employees, 19 Senior Level Employees and 12 Manager Level Employees). The sampling location will be private and public companies in Kuala Lumpur and Klang Valley (Selangor). There will be three groups of independent variables such as junior, senior and manager level employees; and extrinsic motivators such as physiological needs and monetary rewards as well as intrinsic motivation such as psychology needs an selffulfillment needs. The dependent variable will be the employees' status of performance (as a prediction of productivity level).

# 3.5 Data Collection Methods

This study will use the Motivational Strategies on Productivity Scale (MSPS) with a five likert scale as follows: Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Disagree (5).

# 3.6 Questionnaire Design

The questionnaire used (Appendix A) in this study is tagged Motivational Strategies on Productivity Scale (MSPS). It is also designed to exclude extrinsic motivation as extrinsic motivation may undermine the effects of intrinsic motivation in employees. The questionnaire consisted of two parts: one part with demographic data to retrieve information such as age, gender, marital status, educational qualification, income level, length of service, type of company and industry. The second part of the questionnaire consisted of structured questions based on intrinsic motivations and extrinsic motivations with the intentions of testing the research hypotheses in this study.

The structured questions will contain 8 questions on intrinsic motivation such as psychological needs which consisted of esteem needs and needs for affectionate, love and belongingness; 4 questions on self-fulfillment needs which consisted of the need for self-actualization and 8 questions on extrinsic motivations such as incentives, environments, advancement opportunities and job learning opportunities. Other than that, the questionnaire also will contain 12 questions on job satisfaction which consisted of job satisfaction related to both intrinsic and extrinsic motivations. Lastly, the questionnaire will consist of 15 questions on employees' status of performance that is used to examine employees' productivity.

# 3.7 Validity and Reliability

The questionnaire tagged Motivational Strategies on Productivity Scale (MSPS) is reliable as it is adapted from the previous study by Omilani and Akintolu (2017) on the effectiveness of motivational strategies on productivity and Alalade and Oguntodu's (2015) study on motivation and employees' performance in the Nigerian banking industry. The questionnaire was purposely designed to elicit information from the staff of Union Bank of Nigeria, Ibadan and

First Bank of Nigeria. Part of the questionnaire on intrinsic motivation was adapted from a research on WPI (Work Preference Inventory) by Amabile, Hill, Hennessey and Tighe (1994).

Experts in the field from the faculty determined the validity of the instrument and the reliability of the instrument was examined using the test and re-test method.

# 3.8 Data Analysis

The major statistical techniques applied in this research study is the 3x2 Repeated Measures ANOVA Design in the Statistical Package for the Social Sciences (SPSS version 22.0). The significance of the main effects between the independent variables will be analysed as well as the whether there are significance in the difference of experience (years) in employees on their intrinsic motivation needs. The significance of correlation between the independent and dependent variables will be analysed using stepwise regression analysis. The interaction between the variables of both groups will be analysed. The F-ratio will be analysed in order to determine the probability of truthfulness of the null hypothesis.

# 3.9 Conclusion

The research method questionnaire with a quantitative design will be carried out after a pretest is done and data will then be analysed using a 3x2 Repeated Measures ANOVA Design and stepwise Regressions analysis.

# **CHAPTER 4: RESULTS**

### 4.0 Results

# **4.1 Descriptive Statistics**

Descriptive statistics consisted of the study's demographic data which included age group, gender, race, marital status, educational qualification; income level; job position; and length of service (years of experience). It also comprised of intrinsic motivation extrinsic motivation, job satisfaction and status of performance. Age group of the participants have a mean of 2.74 and standard error of 0.14; whereas gender have a mean of 0.60 and standard error of 0.08. Race of the participants have a mean of 1.16 and standard error of 0.07 whereas marital status have a mean of 1.40 and standard error of 0.10. Educational qualification have a mean of 1.47 and standard error of 0.14 while income level have a mean of 4.88 and standard error of 0.38. Job position have a mean of 1.00 and standard error of 0.12 while the mean of employee's years of experience is 8.88 and standard error is 1.09. Intrinsic motivation (M = 3.98, SE = 0.09) had greater mean and but similar standard error when compared with extrinsic motivation (M = 3.68, SE = 0.09). In general, the job position for junior level employee had the highest mean of 3.89 and standard error of 0.14; whereas senior level employee had a mean of 3.85 and a standard error of 0.11 and manager-level employee had the lowest mean of 3.76 and standard error of 0.14.

4.2 Job Satisfaction and Status of Performance

				Std.			
				Devia	Std.		
		N	Mean	tion	Error	Min.	Max.
Job Satisfaction	J	12.00	3.36	0.44	0.13	2.67	4.00
Average	S	19.00	3.56	0.92	0.21	1.00	5.00
	M	12.00	3.60	0.96	0.28	1.33	4.58
	Total	43.00	3.52	0.82	0.12	1.00	5.00
Status of	J	12.00	3.74	0.25	0.07	3.40	4.07
Performance	S	19.00	4.04	0.49	0.11	3.13	5.00
Average	M	12.00	3.85	0.58	0.17	2.47	4.40
	Total	43.00	3.90	0.47	0.07	2.47	5.00

Table 1. Descriptives Statistics for Job Satisfaction and Status of Performance between Junior, Senior and Manager Level Employees.

Job satisfaction in junior employees (M = 3.36; SE = 0.13) are perceived to be lowest among senior employees (M = 3.56; SE = 0.21) as well as managers and above (M = 3.60; SE = 0.28). Overall, senior employees had greater intrinsic and extrinsic motivations as compared to both junior and manager-level employees. Whereas manager-level employees had overall greater job satisfaction as compared to senior employees and junior employees who had least job satisfaction among all three employee levels. As for the status of performance, the interpretation of data follows the previous study (Omilani & Akintolu, 2017) where the following scale were applied, 0 = not applicable, 0.1 to 1.0 = weak; 1.1to 2.0 = fair; 2.1 to 3.0 = satisfactory; 3.1 to 4.0 = very satisfactory; 4.1 to 5.0 = very satisfactoryexcellence. Senior level employees had shown a high level of status of performance (M = 4.04; SE = 0.11) which signified that their status of performance are "excellent". This finding in turn can be interpreted as senior level employees are "often" motivated as compared to junior (M = 3.74; SE = 0.07) and manager-level employees (M = 3.85; SE = 0.17) which can only be categorised as "very satisfactory".

# 4.3 Demographic and Job Position

			length of
	income level	age	experience
Job Position (J/S/M)	2.06**	3.26**	2.14**

<sup>\*</sup> Denotes the p-value significant at .10 level

Table 2. Relationship between Demographics and Job Position

Simple linear regression was carried out to study the relationship between income level, age and length of work experience; and job position. Findings showed that income level, t = 2.06, p < 0.05; length of experience t = 2.14, p < 0.05; and age, t = 3.26, p < 0.05 all had significant relationship with job position.

<sup>\*\*</sup> Denotes the p-value significant at .05 level

<sup>\*\*\*</sup> Denotes the p-value significant at .001 level

# 4.4 Motivation and Job Position

Job Position (J/S/M)		Mean	Std. Error
J	1	3.99	0.17
	2	3.79	0.16
S	1	4.03	0.14
	2	3.66	0.13
M	1	3.93	0.17
	2	3.58	0.16

<sup>1 =</sup> intrinsic Motivation

Table 3. Intrinsic and Extrinsic Motivation Level between Junior, Senior and Manager Level Employees.

The result shown above summarizes how intrinsic and extrinsic motivation affected junior, senior and managerial employees and their job satisfaction and status of performance. Junior employees (M= 3.99; SE = 0.17) had lower intrinsic motivation than senior employees (M= 4.03; SE = 0.14) but had greater intrinsic motivation than that of manager-level employees (M = 3.93; SE = 0.17). However, the extrinsic motivation in junior employees (M = 3.79; SE = 0.16) were higher as compared to senior employees (M = 3.66; SE = 0.13) and manager-level employee (M = 3.58; SE = 0.16).

	Motivation Types	Job Position (J/S/M)
Job Position (J/S/M)	0.18*	11.50**

<sup>\*</sup> Denotes the p-value significant at .10 level

Table 4. ANOVA results on Motivation and Job Position.

A test carried out using repeated measures Analysis of Variance on motivation and job position indicated significant results for motivation, F (1, 40) = 11.50, p < 0.005. However, there was no significant effect between employees' job position level and motivation types, F (2,40) = 018, p = 0.83. The employees' job position also did not show significant effect between junior, senior and manager-level employees, F (2,40) = 0.24, p = 0.79.

<sup>2 =</sup> Extrinsic Motivation

<sup>\*\*</sup> Denotes the p-value significant at .05 level

<sup>\*\*\*</sup> Denotes the p-value significant at .001 level

# 4.5 Motivation and Job Satisfaction

Regression Analysis for Different Variables

	Job Satisfaction and Status of Performance	Motivation and Job Satisfaction	Motivation and Status of Performance
F	31.47***	31.40***	44.45***
R-square	43.40%	59.00%	58.60%

<sup>\*</sup> Denotes the p-value significant at .10 level

Table 5. Regression Analysis Results between Different Variables.

A stepwise simple linear regression was carried out to test the correlation between intrinsic and extrinsic motivation and job satisfaction. The linear regression analysis showed R = 0.77; a high degree of correlation between intrinsic and extrinsic motivations. The analysis also showed that R square as a considerably large amount of the total variation, which is 59.0 % in the dependent variable, job satisfaction can be explained by both intrinsic and extrinsic motivations. Overall, the results indicated that the model was a significant predictor for job satisfaction, F(2, 40) = 31.40, p < 0.0005. Extrinsic motivation is shown to have a significant prediction on employees' job satisfaction, p < 0.0005; whereas intrinsic motivation does not have a significant prediction on employees' job satisfaction, p = 0.15. The results also showed a significant correlation between extrinsic motivation and job satisfaction, p = 0.0005.

### 4.6 Job Satisfaction and Status of Performance

A simple linear regression was also carried out to examine the correlation between job satisfaction and status of performance. The linear regression analysis indicated a high degree of correlation between job satisfaction and status of performance, R = 0.66. On the other hand, R square is 43.4% which is acceptable amount of the total variation which indicated that status of performance can be explained by job satisfaction. The result also showed that there was a significant correlation between job satisfaction and status of performance, F(1, 41) = 31.47, p < 0.0005. The findings was consistent with Crossman and Abou-Zaki's (2003) study on the effect of job satisfaction on employees' work performance. The outcomes for both junior and senior level empoyees were supported by Wilson

<sup>\*\*</sup> Denotes the p-value significant at .05 level

<sup>\*\*\*</sup> Denotes the p-value significant at .001 level

and Frimpong's (2004) study, suggesting that employees with greater job satisfaction will in turn contribute in delivering their job with excellence.

# 4.7 Motivations and Status of Performance

A stepwise linear regression was calculated to determine the correlation between the two types of motivations and status of performance. The regression found a significant equation on both intrinsic and extrinsic motivation, F(2,40) =44.45, p < 0.0005. The linear regression analysis indicated a high degree of correlation between intrinsic motivation and status of performance, R = 0.77; while, R square is 58.6% which was considerably large amount of the total variation which indicated that status of performance can be explained by intrinsic motivation. However, results showed higher degree of correlation where the variance of status of performance and both intrinsic and extrinsic motivation were accounted for, R = 0.83; whereas R square is 69.0%. Therefore, the extrinsic motivation only accounted for a small amount of the total variation as compared to intrinsic motivation, R = 0.07; whereas R square is 11.6%. Findings displayed a significant correlation for status of performance and both intrinsic and, extrinsic motivations, F (1,41) = 58.04, p < 0.0005. It was found that extrinsic (B = 0.32, p < 0.0005) and intrinsic (B= 0.47, p < 0.0005) motivations were significant predictors of status of performance. Nonetheless, intrinsic motivation was found to be a stronger predictor as compared to extrinsic motivation.

Therefore the equation for status of performance would be:

Status of Performance = 0.83 + 0.47 (intrinsic motivation) + 0.32 (extrinsic motivation), R2 = 0.69.

There was a significant main effect of intrinsic and extrinsic motivation on status of performance, F (2, 40) = 44.45, MSE = 3.24, p < 0.0005.

# 4.8 Mediation Effect

	Intrinsic Motivation	Extrinsic Motivation	Status of Performance
Job Satisfaction	0.24*	1.03***	0.11***
Status of Performance	0.47***	0.32***	-

<sup>\*</sup> Denotes the p-value significant at .10 level

<sup>\*\*</sup> Denotes the p-value significant at .05 level

Table 6: Beta and significant level between motivation types, job satisfaction and status of performance.

# X1 (intrinsic motivation) + X2 (extrinsic motivation) → Y (status of performance)

Regression results showed a general higher effect on employees' status of performance for intrinsic motivation, b1 = 0.47, p < 0.0005; compared to extrinsic motivation, b12 = 0.32, p < 0.0005. The data showed that both intrinsic and extrinsic motivation had a significant effect on predicting the status of performance.

# X1 (intrinsic motivation) + X2 (extrinsic motivation) → M (Job Satisfaction)

Consequently, another regression was carried out in order to examine the relationship between intrinsic and extrinsic motivation on job satisfaction. Findings indicated that extrinsic motivation, b2 = 1.03, p < 0.0005; exhibited a significant relationship on job satisfaction but there was no significant relationship between intrinsic motivation and job satisfaction, b22 = 0.24, p = 0.15. Therefore, this showed that only extrinsic motivation was able to predict job satisfaction of an employee as compared to intrinsic motivation.

# X1 (intrinsic motivation) + X2 (extrinsic motivation) + M (Job Satisfaction) → Y (status of performance)

Regression was done again for all three factors: intrinsic, extrinsic motivation and job satisfaction. However, there is no significant effect for both job satisfaction b4 = 0.11, p = 0.17; and extrinsic motivation b3 = 0.21, p = 0.09, on status of performance; whereas intrinsic motivation had a significant effect on status of performance, b32 = 0.45, p < 0.0005. Nonetheless, the results showed that extrinsic motivation and job satisfaction still exhibit some effect on status of performance, intrinsic motivation only display a partial effect on the status of performance.

A causal mediation analysis was carried out to examine whether which type of motivation causes the disappearance of the mediation effect. Findings indicated that both intrinsic (ACME = 0.03, p = 0.49) and extrinsic motivation (ACME = 0.12, p = 0.09) displayed no significant causal mediation effects.

# 4.9 Conclusion

The data showed that there income leve, age and length of work experience all had significant relationship with job position. Significant results was revealed for motivation but there was no significant effect between employees' job position level and motivation types. The employees' job position also did not show significant effect between junior, senior and manager-level employees. The data also showed a high degree of correlation between intrinsic and extrinsic motivations. The results indicated that the model was a significant predictor for job satisfaction. Extrinsic motivation is shown to have a significant prediction on employees' job satisfaction; whereas intrinsic motivation does not have a significant prediction on employees' job satisfaction. The results also showed a significant correlation between extrinsic motivation and job satisfaction, Senior level employees had shown a high level of status of performance which signified that their status of performance are "excellent". This finding in turn can be interpreted as senior level employees are "often" motivated as compared to junior and manager-level employees which can only be categorised as "very satisfactory". The result showed a high degree of correlation between job satisfaction and status of performance and a significant correlation between job satisfaction and status of performance.

Findings displayed a high degree of correlation between intrinsic motivation and status of performance and a significant correlation for status of performance and both intrinsic and, extrinsic motivations. The result showed that both intrinsic and extrinsic motivations were both significant predictors of status of performance. Nonetheless, intrinsic motivation was found to be a stronger predictor as compared to extrinsic motivation. No mediation effect was found for job satisfaction for intrinsic, extrinsic motivation and status of performance.

Overall, only hypothesis 2 was accepted: Employees were found to have significantly greater productivity (status of performance) when they have greater job satisfaction.

#### **CHAPTER 5: DISCUSSION**

#### 5.0 Discussion

#### 5.1 Effect of Motivation type on Status of Performance

The findings on intrinsic and extrinsic motivation influencing status of performance indicated that both intrinsic and extrinsic motivation will increase employees' productivity. This increase in productivity in turn will increase organizational performance supported Love's (2011) notion on organizational performance being recognized as good corporate governance.

The findings showing intrinsic motivation having a greater effect than extrinsic motivations towards productivity replicated the outcome from previous literatures (Bard, 2006; Berg, Grant & Johnson, 2010; Hall & Heras, 2010; Lyons, Duxbury & Higgins, 2006). This study strengthened the findings of previous literatures in pointing out the importance of extrinsic motivation such as financial motivations in the hearts of lower level employees.

The study results indicated a trend on the differences between intrinsic motivation and extrinsic motivation. Data showed that employees had greater intrinsic motivation as compared to extrinsic motivation despite the salary difference between junior, senior and manager-level employees.

#### 5.2 Employees' Job Position and Motivation Type

The result did not support the previous study by Lal and Bhardwaj (1981) as all three employee levels: junior, senior and manager had greater intrinsic motivation as compared to extrinsic motivation. This suggested that different level of employees had similar needs of motivation that will increase their productivity. However, the difference in result between this study and the previous study (Lal & Bhardwaj, 1981) may be influenced by the job scope of participants. There could be a possibility that the majority of the participants in this study had jobs that were interesting and were able to intrinsically motivate them through intrinsic motivation such as psychological needs and self-fulfulment needs instead of the monetary rewards that was obtained from the job.

It was also shown that between the three levels of employees, senior level employees had the highest level of intrinsic motivation which was followed by junior level employees and lastly manager-level employees. However, in the case of extrinsic motivation, junior level employees ranked highest then followed by senior level employees and finally manager-level employees. Results had shown that despite having the highest salary among senior and junior level employees, manager-level employees had the lowest amount of intrinsic and extrinsic motivation. This trend was inline with Omilani and Akintolu's (2017) study that high level employee with greater years of experience will have decreased intrinsic motivation as compared to low level employee due to external environmental issues such as social demand. In the manager-level employees' case it would be the need to answer to the demand of their employer.

The result in senior level employees' intrinsic motivation level which is higher than manager level employee supported Ryan and Deci's (2000) study. This suggested that high level employee with greater years of experience and competency will have increased intrinsic motivation needs when the external environment issue such as social demand has been excluded. However, the difference of intrinsic motivation level between junior level employees and senior level employees opposed the findings of Ryan and Deci's (2000) study on intrinsic motivation decreasing with each increasing grade. In the case of the current study, senior level employees should have displayed lower intrinsic motivation than that of junior level employees but the findings showed differently.

The difference of income level between senior level employees and junior level employees also suggested that since senior level employees had higher salary and greater benefits as compared to junior level employees, it enhanced their intrinsic motivation. This suggestion supported previous studies by Amabile (1996) and Hennessey and Zbikowski (1993) on the notion that certain rewards will enhance the intrinsic motivation when there is a strong and salient initial intrinsic task motivation which rewards confirms the person's skills and work value. In contrast, junior level employees with lower income had slightly lower level of intrinsic motivation when they also had the need to attain a greater amount of income in order to improve their lifestyle and to live a better life. Hence, junior level employees displayed the highest level of extrinsic motivation among senior and manager-level employees in this research.

In relation to their need for extrinsic motivation among the three level of employees, junior level employees also had the lowest level of experience, which also related to their high intrinsic motivation needs as compared to extrinsic motivation. This implied that junior level employees were more driven by intrinsic motivation such as opportunities to learn whilst working in order to improve their work and increase their chances of obtaining advancement opportunities and rewards in the workplace.

The decreasing needs of extrinsic motivation with the increasing level of employees suggested that higher level employees with higher salary were less attracted to extrinsic motivation as compared to lower level employees with lower salary. This finding was supported by previous study (Kovach, 1987) stating that younger workers with low incomes were more motivated by money as compared to older workers with high incomes who were more concerned with interesting work, job security and recognition.

Albeit non significant, the trend of different motivation needs between junior, senior and manager employees was consistent with Lal and Bhardwaj's (1981) study on the notion of different types of employee classes were satisfied by different motivators. This was shown when the intrinsic motivation and extrinsic motivation and their rank of importance differ across junior, senior and managerlevel employees. In intrinsic motivation, achievement in junior level employees is the most important, followed by increasing knowledge and skills, self-esteem and gaining new experience. On the other hand, both senior and manager-level employees ranked increasing knowledge and skills as most important followed by self-esteem, gaining new experience (senior); relate to colleagues (manager) and achievement. In extrinsic motivation, both junior and senior level employees ranked training as the most important. It was followed by leave allowances, medical insurance scheme and colleagues for junior level employee; while it was follwed by medical insurance scheme, advancement opportunities and leave allowances for senior level employees. However, manager-level employees ranked leave allowances as utmost important, followed by colleagues, training and friendly work environment.

Therefore, the data shown across junior, senior and manager employees in the difference of intrinsic and extrinsic motivation needs indicated that employers might need to accustom the placement of different types of intrinsic motivation towards different levels of employees in order to achieve highest level of job satisfaction among junior, senior and manager-level employees.

#### 5.3 Intrinsic Motivation, Extrinsic Motivation and Job Satisfaction

However, findings showed that intrinsic motivation did not affect employees' job satisfaction which was in contrast to extrinsic motivation which was shown to influence employees' job satisfaction. This signified that all junior, senior and manager-level employees derive more job satisfaction from extrinsic motivation as compared to intrinsic motivation. This outcome was inconsistent with Latif et al's (2013) findings which stated that lower level employees derive more job satisfaction from extrinsic motivation; whereas higher level employees derive more job satisfaction from intrinsic motivation. This finding also can be explained through previous study by Frey (1997) on the notion that intrinsic motivation may be interfered by certain forms of rewards in the extrinsic motivation.

Nevertheless, the failure of intrinsic motivation effect on employee job satisfaction was supported by Huang and Evert Van's (2003) study. The study explained that the linkage between intrinsic motivation and job satisfaction was stronger in countries that are more wealthy, have a better governmental social welfare programs, smaller power distance and more individualistic countries. This explained the outcome of intrinsic motivation effect on employees' job satisfaction as Malaysia is a collectivistic, less individualistic country. On the other hand, extrinsic motivation had a stronger and positive relationship with job satisfaction in all countries. Workers in richer countries may be more attracted to intrinsic motivation because they attach more value to the intrinsic aspect of work because they have taken survival for granted (Inglehart, 1997, p.31). Hofstede's (1991) study indicated that people in individualistic cultures tend to be selfmotivated and value more on individual interest. Hence, employees in individualistic countries should logically value intrinsic job characteristics as compared to employees' in collectivistic countries. Kanungo's (1990) study revealed that employees in collectivistic countries in opposition to individualistic countries value more on extrinsic job characteristics such as economic and social security than freedom and control in the work place. Previous literatures (Alpander & Carter, 1995; Nevis, 1983) showed that collectivistic countries ranked higher in economic and social goals as compared to individual goals.

#### 5.4 Job Satisfaction and Status of Performance (Productivity)

Positive correlation between job satisfaction and status of performance in this study showed that when employees had higher job satisfaction, then they will have higher productivity. This finding was consistent with previous studies by Latif et al's (2013) and Abdullah and Wan's (2013).

#### 5.5 Intrinsic Motivation, Job Satisfaction and Status of Performance

Despite previous research (Frey, 1997) stating that intrinsic motivation will affect employees' job satisfaction, the current research findings showed otherwise.

The research found that extrinsic motivation diminished the effect of intrinsic motivation on job satisfaction. Yet intrinsic motivation was a stronger predictor than extrinsic motivation in the case of productivity. Other than that, all three levels of employees displayed a trend of having greater intrinsic motivation than extrinsic motivation despite their difference in salary.

#### 5.6 Job Satisfaction as a Mediator

This study showed that job satisfaction did not link intrinsic motivation with status of performance which contradict previous studies on the notion of job satisfaction as a linkage between intrinsic motivation and status of performance. Extrinsic motivation displayed no significant effect on status of performance in the presence of job satisfaction whereas intrinsic motivation still showed significant effect on status of performance. Thus, this suggested the mediating effect of job satisfaction was suppressed by the presence of extrinsic motivation during the prediction of employees' status of performance. This study showed that job satisfaction did help in predicting an employee's status of performance. Yet, it sabotaged the effects of extrinsic motivation on status of performance. The findings indicated that job satisfaction is not a mediator of intrinsic and extrinsic motivation on status of performance as no mediation effect was shown and only extrinsic motivation was able to significantly predict employees' job satisfaction.

The absence of mediating effect in job satisfaction together with the presence of correlation between job satisfaction and employees' status of performance in the study suggested that instead of being a mediator between intrinsic, extrinsic motivation and employees' status of performance, job

satisfaction should be one of the independent variables in affecting employees' status of performance.

Job satisfaction might still predict status of performance, albeit weaker as compared to extrinsic motivation and intrinsic motivation.

Intrinsic motivation had strongest prediction of status of performance as compared to extrinsic motivation and job satisfaction.

## 5.7 Intrinsic and Extrinsic Motivations, Job Satisfaction and Status of Performance across Junior, Senior and Manager Level Employees

The data showed that income level, length of experience and age positively affected employees job position. Moreover, job satisfaction was positively correlated to employees' status of performance; while job satisfaction increase according to increasing level of job position in the case of junior and senior level employees. Hence, it can be deduced that employees' job satisfaction and status of performance will increase together with income level, length of experience and age.

The rising trend of job satisfaction from junior level employees to senior, then manager-level employees suggested that higher level employees will have greater job satisfaction. This was in opposition to their declining trend in extrinsic motivation which show that lower level employee had greater extrinsic motivation needs which decreases as their salary and responsibilities or work difficulties increases. However, results showing job satisfaction across employee levels increases with their income level somehow supported Sloan (2002) statement on employee desire more money and money is considered to be utmost important in life as one can never have enough money.

Moreover, as the study had shown that only extrinsic motivation had a signification prediction and correlation with job satisfaction; then the extrinsic motivation and job satisfaction between three level of employees would correlate with each other. Therefore, the results revealed that junior level employees with highest extrinsic motivation had lowest job satisfaction followed by senior level employees and lastly manager-level employees with lowest extrinsic motivation and highest job satisfaction. This phenomena suggested that manager-level employee with highest income level amongst all employee levels were less attracted to extrinsic motivation as most of the extrinsic motivation were unable to

attract manager-level employees due to their high income which in turn influenced their job satisfaction level. On the other hand, the positive correlation between intrinsic motivation and status of performance in senior level employees supported Maslow's (1954) notion that higher order needs such as intrinsic motivation (psychological needs and needs) will prioritize when lower order needs such as physiological needs are met. Hence, extrinsic motivation such as additional raise in salary do not further motivate the employees. This also explained why senior and manager-level employees showed greater intrinsic motivation needs as compared to junior level employees as well as junior level employees.

Other than that, the similar trend between intrinsic motivation and status of performance across the three level of employees showed a positive correlation with each other. This in turn revealed that intrinsic motivation played an extremely important role in increasing the status of performance, in other words, the productivity across junior, senior and manager-level employees.

#### 5.8 Availability of Employee Stock Option Scheme

The use of employee stock option scheme as a type of extrinsic motivation in hope that it will affect the employee's performance. However, it's not the case in this research study. There might be a possibility that employees thought that having ESOS in the company will indirectly bind them to the company so that they had to think twice in resigning from the company to get a better offer elsewhere. Other than that, there might be some consequences in order to obtain the employee share from the company. Another reason that employee stock option scheme was not successful may be due to the fact that employees' might like monetary reward such as pay rise of salary, bonus but not stock option which will take longer to convert into monetary rewards.

Previous study (Core and Guay, 2001) on employee stock options argued that normally employee stock options was seen to have a long investment period and a long average time before expiration. The absence of effect of Employee Stock Option might be caused by the long-term investment period of the Employee Stock Option as employees will have to wait until the stock is

exercisable before they can leave the company; unless they wanted to leave immediately and forfeit their investment on the stock. Hence, Rajan and Zingales' (2000) study stated that the employee stock options' deferral feature can effectively direct employees' attention towards the organisation's long-term success and encourage employees on the long-term human capital investment in innovation. Previous studies (Poterba, 2003; Berk, Stanton, and Zechner, 2010) also stated that employees will have to bear substantial amounts of undiversified risk in addition to investing large amounts of human capital into the organisation by holding employer stocks.

The data displayed a trend showing that the availability of employee stock ownership scheme was more attractive to junior level employees as compared to senior and manager-level employees. This is because junior level employees had the lowest income level among three employee levels, thus having access to employee stock ownership increases their means of income other than their basic salary.

#### 5.9 Conclusion

Overall, the findings confirmed the effect of intrinsic motivation on employees' productivity as stated in Bonner and Sprinkle's (2002) study. However, the absence of intrinsic motivation effect on job satisfaction in this study did not support Frey's (1997) study. The absence of intrinsic motivation effect on job satisfaction however was supported by Huang and Evert Van's (2003) study as the study was done in Malaysia, a collectivistic country. Hence, employees who value more extrinsic motivation as compared to intrinsic motivation will therefore produce an effect from extrinsic motivation effect on job satisfaction instead of intrinsic motivation. The absence of effect of Employee Stock Option was due to the long-term investment of the Employee Stock Option as employees will have to wait until the stock is exercisable before they can leave the company; unless they wanted to leave immediately and forfeit their investment on the stock.

#### **CHAPTER 6: LIMITATIONS**

#### 6.0 Limitations of the Study

The ideal sample size number of participants for this study was 68 from the qualtrics sample size calculator. However, due to research circumstances and time constraint, only 43 participants were successfully recruited for the experiment.

However, question arised from outcome as all three employee levels had higher intrinsic motivation as compared to extrinsic motivation. Moreover, intrinsic motivation had a greater effect than extrinsic motivation on employees' status of performance.

In addition, the outcome of the research might not apply to employees with a mundane job as they will think that their job scope is uninteresting and does not provide learning opportunities. Hence, their intrinsic motivation will be low as compared to extrinsic motivation, which indirectly decreases their job performance. However, this can be solved by rewarding employees with non-monetary incentives such as employee stock ownership scheme and other benefits as shown in Abdullah and Wan's (2013) study to increase their job satisfaction which then indirectly increases their status of performance.

Another limitation was the employee stock option scheme which would be caused by employees' did not view the employee stock option as a reward as a motivator to increase their job performance (McCarthy, 2010).

#### **CHAPTER 7: IMPLICATIONS**

#### 7.0 Implications

The findings of this study may be of help to various companies that have difficulties and need to improve their companies' productivity. Organizational performance in turn act as a type of good corporate governance. This is of utmost importance in the corporate world in order to survive the intense competition between competitors. This finding strive to assist various companies in achieving a mutual win situation between employer and employees.

The results shown from intrinsic and extrinsic motivation needs across junior, senior and manager-level employees can assist employers in choosing intrinsic and extrinsic motivators according to different needs across three employee levels in order to increase their productivity.

As stated in McDermontt, Lasschinger and Shamian's (1996) study, organizational commitment can be seen as a measurement of organization effectiveness through employees' work performance and turnover reduction. Hence, the research outcome may aid in the reduction of turnover rate across junior, senior and manager-level employees.

Other than that, higher intrinsic motivation across all three level of employees implied that employees were more intrinsically goal oriented even though they were collectivistic employees that were supposed to value extrinsic motivation more than intrinsic motivation; and will be more willing learn and improve on their work. This is invaluable towards each and every employer as intrinsically goal oriented employees can potentially help to increase the quality of work produced by employees thus increasing the company's productivity. This in turn increases the market value of a company; in the case of public companies, their stock price will increase. On the other hand, when the quality of work increases, the company will be more widely recognised and the company's revenue will gradually increase in the long run. This will be able to serve as a company's mutual beneficial solution for both employer and employees. In the case of budget restrained situation, employers will have the option to motivate employees using intrinsic motivations such as learning opportunities, challenging tasks and gaining new experience through new work opportunities.

Critical factors among intrinsic and extrinsic motivation were shown to play an important role in affecting employees' job satisfaction and status of performance. Junior, senior and manager-level employees all had different intrinsic and extrinsic motivation needs. In intrinsic motivation, achievement in junior level employees is the most important, followed by increasing knowledge and skills, self-esteem and gaining new experience. On the other hand, both senior and manager-level employees ranked increasing knowledge and skills as most important followed by self-esteem, gaining new experience (senior); relate to colleagues (manager) and achievement. In extrinsic motivation, both junior and senior level employees ranked training as the most important. It was followed by leave allowances, medical insurance scheme and colleagues for junior level employee; while it was follwed by medical insurance scheme, advancement opportunities and leave allowances for senior level employees. However, manager-level employees ranked leave allowances as utmost important, followed by colleagues, training and friendly work environment.

Thus, employers will be able to motivate different levels of employees according to their needs in order to achieve highest level of job satisfaction among junior, senior and manager-level employees; which in turn increases employees' work performance. Consequently, organizations will be more productive and have a good working environment and better reputation with the presence of satisfied employees (Lal & Bhardwaj, 2013).

The drop of intrinsic motivation and status of performance in manager-level employees in the study suggested that manager-level employees' intrinsic motivation was diminished by external factors such as stress and social demands. This was shown in the study of Skakon, Kristensen, Christensen, Lund and Labriola (2011) indicating managers experienced higher level of conflict, higher demands, and lower degree of social support from peers. Therefore, employers should work hard to ensure that manager-level employees are able to increase their status of performance by motivating them with intrinsic motivation or extrinsic motivation so that they are able to diminished the effects of stress and social demands in the workplace.

The study outcome of absence of intrinsic motivation effect on job satisfaction confirmed that the findings are attributable to employees in collectivistic countries. This was supported by Huang and Evert Van's (2003)

study on the notion of employees in collectivistic countries value extrinsic motivation more than intrinsic motivation when it comes to job satisfaction.

In order to encourage employees into taking up the Employee Stock Options, organisations have the option to adapt the investment period so that employees will not feel that the stock option is a tool to bind them to the company. The investment period can still persist with the expiration period, the only difference is that when employees wanted to leave the company, they will be able to excise the employee stock option without waiting for the expiration period. This might not be the best option to reduce employee turnover rate but it might be an additional way to increase employees' extrinsic motivation which plays a vital role in the job satisfaction in Malaysia as a collectivistic country. As stated by Huang and Evert Van's (2003) study, employees in collectivistic country values extrinsic motivation more as compared to intrinsic motivation. Hence, using Employee Stock Option as one of the extrinsic motivations to increase employees' job satisfaction and work performance will be effective for the organisation as well as lower the cost of recruiting new employees in the long run.

#### **CHAPTER 8: RECOMMENDATIONS**

#### 8.0 Recommendation

Future research can be done in measuring participants' job scope whether it is interesting or mundane in order to determine the effect of intrinsic or extrinsic motivation within the results of the study. Other than that, research can be done between employees of different industries which had job scopes with either interesting tasks or mundane tasks. This can help to study the factor which influencing results of intrinsic motivation and extrinsic motivation in the experiment.

In addition, the turnover rate across junior, senior and manager-level employees can be examined in the future in order to study the relationship between motivators, job satisfaction, turnover rate and employees' work performance across junior, senior and manager-level employees.

As shown in the results above, job satisfaction did not have a mediation effect between motivators and employees' status of performance. Thus, further research can be carried out to investigate the relationship between intrinsic, extrinsic motivations, job satisfaction as independent variable and turnover rate and employees' status of performance as dependent variables.

However, as this study takes place in an Asian country, Malaysia; further studies could be done to confirm the results on extrinsic motivation as the main predictor of employees' job satisfaction. This indirectly confirms the notion from Huang and Evert Van's (2003) study on employees from collectivistic countries were more motivated by extrinsic motivation, which in turn increases their job satisfaction. In addition, the study could be done Further studies can be done to examine the employee's willingness to take up the employee stock options as a part of the extrinsic motivation which will then increase their job satisfaction and work performance. However, the policy of employee stock option will need to be revised in different versions to study which type of employee stock option will be most favoured across junior, senior and manager-level employees. The lack of gain between the market price of company stock and employee stock options may play a part in ESOS's lack og ability to motivate employees as an extrinsic motivator. Therefore, it is important for the researcher to analyse different types of employee stock option so that the gain from difference in market price of the

stock price and the price of employee stock option would not be lost to taxes (Long and Musibau, 2013).

How external factor decreases manager-level employees' status of performance should be taken into consideration during employee motivation. This is caused by factor such as the role of stress may be important in decreasing the intrinsic motivation which was indirectly linked to status of performance in manager-level employees. Other than that, social demand such as employer's demand could also be a factor that decreases the status of performance in manager-level employee. Consequently, studies should be done across manager-level employees in different industry on how to increase their intrinsic motivation despite the high level of stress, conflict and low support from peers in order to increase their status of performance.

#### **CHAPTER 9: CONCLUSION**

#### 9.0 Conclusion

The paper studies the relationship between intrinsic and extrinsic motivation on job satisfaction and employees' contribution towards good corporate governance in terms of status of performance across junior, senior and manager-level employees. Findings showed greater intrinsic motivation than extrinsic motivation across all employee levels. However, job satisfaction did not display a mediating effect on status of performance as intrinsic motivation had no effect on job satisfaction. Overall, the intrinsic motivation greatly predicts employees' status of performance as compared to extrinsic motivation indicating that intrinsic motivation should be used to motivate employees and extrinsic motivation should be used as a last resort to enhance the productivity of the already intrinsically motivated employees.

Limitations of the research showed that the outcome of the research might not apply to employees with a mundane job as they will think that their job scope is uninteresting and does not provide learning opportunities. Hence, their intrinsic motivation will be low as compared to extrinsic motivation, which indirectly decreases their job performance.

Implications indicated that Other than that, higher intrinsic motivation across all three level of employees implied that employees were more intrinsically goal oriented even though they were collectivistic employees that were supposed to value extrinsic motivation more than intrinsic motivation; and will be more willing learn and improve on their work. This is invaluable towards each and every employer as intrinsically goal oriented employees can potentially help to increase the quality of work produced by employees thus increasing the company's productivity. This in turn increases the market value of a company; in the case of public companies, their stock price will increase. On the other hand, when the quality of work increases, the company will be more widely recognised and the company's revenue will gradually increase in the long run. This will be able to serve as a company's mutual beneficial solution for both employer and employees. In the case of budget restrained situation, employers will have the option to motivate employees using intrinsic motivations such as learning

opportunities, challenging tasks and gaining new experience through new work opportunities.

Recommendations were provided for further study on examining the different needs across junior, senior and manager-level employees in order to achieve greater success in employee motivation. Moreover, studies done between employee levels with job that were interesting and mundane might produce different results in their motivation needs.

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#### CHAPTER 11: APPENDIX

#### 11.0 Appendix A Questionnaire

	20-29 / 30-39 / 40-49 / 50-59 / 60 and
Age Group	above
Gender	Male / Female / Others
Race	Malay / Chinese / Indian / Others:
	Single / Married /Separated / Divorced /
Marital Status	Widowed / Others:
	Graduates / Postgraduate / Masters / Ph. D
Educational	/
Qualification	Others:
	2000-3999 / 4000-5999 / 6000-7999 /
Income Level	8000 – 9999/ 10,000 and above
Job Position	Junior / Senior / Manager
Length of Service	
(Years of Experience)	Years
Industry	
Company	Private / Public

#### **Survey Introduction**

This research aims to investigate how different motivators such as intrinsic (eg. Self-fulfilment) and extrinsic motivators (eg. Employee Share Option Scheme) affect the work productivity on junior and senior employees.

### <u>Kindly answer all the statements below using the likert scale (1- strongly disagree; 10 – strongly agree).</u>

#### **Intrinsic Motivators**

Intrinsic motivation is the behaviour that results from being driven by internal rewards (Cherry, 2018). This occurs when individuals act without any obvious external rewards (e.g. monetary and non-monetary rewards given by the company) and the individuals behave in order to explore, learn and actualize their potentials. Examples of internal rewards are such as psychological needs and self-fulfillment needs.

#### **Psychological Needs**

Psychological needs are such as needs for affection, love and belongingness, and needs for self-esteem.

No.	Statements	1	2	3	4	5

	Achievement in the job makes			
1	you feel respected.			
	Being able to complete the			
	task increases your self-			
2	esteem.			
	Job accomplishment is able to			
3	relate you to other colleagues.			
	I have a sense of belonging in			
4	my place of work.			

#### **Self Fulfilment Needs**

Self fulfilment needs are such as self actualisation needs which was described as an individual's need to achieve and do what they were "born to do".

No.	Statements	1	2	3	4	5
	The more difficult the					
	problem, the more I enjoy					
5	trying to solve it.					
	I want my work to provide me					
	with opportunities for					
	increasing my knowledge and					
6	skills.					
	No matter what the outcome					
	of a project, I am satisfied if I					
	feel I gained a new					
7	experience.					
	I prefer work I know I can do					
	well over work that stretches					
8	my abilities.					

#### **Extrinsic Motivation**

Extrinsic motivation are external factors that drives the action of an employee towards the goal or work task fulfillment (Grimsley, 2018). Extrinsic motivation usually is a form of reward or punishment. A reward motivates the employee to work towards achieving that particular reward whereas the punishment motivates the employee to work in order to avoid that punishment. Employee Stock Ownership Scheme (ESOS) is as the name suggests, employee owns the stock of their employer's company.

	Statements					
No.		1	2	3	4	5
9	I find opportunities for					
	advancement in this organization.					
10	The salary given is not enough to					
	motivate me to do my job.					
11	I like the people I work with.					
12	Training is encouraged when due.					

13	Leave allowances, bonus are paid			
	as at when due (maternity,			
	paternity, study			
14	There is availability and			
	accessibility of medical insurance			
	scheme to employees			
15	There is availability of Employee			
	Stock Ownership Scheme (ESOS).			
16	Working environment provided by			
	the organization is friendly to the			
	work.			

#### **Job Satisfaction**

Job satisfaction is the feeling of happines and satisfaction with the job when intrinsic or extrinsic motivations are met.

#### <u>Please rate the level of satisfaction for the statements below with the 10 point</u> <u>Likert Scale (1-Strongly Dissatisfied; 10- Strongly Satisfied).</u>

No.	Statements	1	2	3	4	5
17	Satisfaction with Compensation					
18	Satisfaction with Security					
19	Satisfaction with Supervision					
	(Training)					
20	Satisfaction with Growth					
21	Satisfaction with Rewards					
22	Satisfaction with Recognition					
23	Satisfaction with Promotional					
	Opportunities					
24	Satisfaction with Current Salary					
25	Satisfaction with the Availability					
	of Employee Stock Ownership					
	Scheme					
26	Satisfaction with Work					
	Environment					
27	Satisfied with Relationship with					
	Coworker					
28	Satisfaction with Sense of					
	Achievement					

# Status of Employees' Performance Please rate the descriptive below with the 10 point Likert Scale (1-Strongly Disagree; 10- Strongly Agree).

No.	Descriptive	1	2	3	4	5
1	My salary is based on					
	my performance					
2	I will perform well if					
	am promoted					
3	Satisfaction has to do					
	with my performance					
	on my job					
4	Communication is					
	most important in					
	employees					
	performance					
5	Performance and					
	attitude helps towards					
	achieving					
	organizational goals					
6	I am clear about what					
	I need to do and how					
	my job performance					
	will be evaluated					
7	I perform well if I am					
	given the opportunity					
	to					

resume early to work  9 My aim is self- knowledge and the most important thing to me is realizing my ultimate personal	
knowledge and the most important thing to me is realizing my ultimate personal	
most important thing to me is realizing my ultimate personal	
to me is realizing my ultimate personal	
ultimate personal	
potential	
10 I am satisfied with	
communication	
between the staffs	
and management	
11 Training and	
development is	
important if workers	
must perform well.	
12 The location of my	
job is convenient	
13 I make sure I	
complete any task	
assigned to me	
14 I engage in tasks that	
are not assigned to	
me	
15 I do not need to be	
told to do things	
needed to be done	