

## **Enhancing Workplace Performance: Exploring the Influence of Intrinsic and Extrinsic Motivation on Employees' Productivity in Iligan City's Appliance Retail Industry**

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### **ABSTRACT**

Motivated employees are the cornerstone of organizational success, with their performance directly influencing productivity and competitiveness. This study investigated the interplay between intrinsic and extrinsic motivation factors and their effects on employee productivity within the appliance retail industry in Iligan City. The research employed a cross-sectional survey design, encompassing 50 first-level managers and rank-and-file employees selected randomly from five prominent appliance stores. The study leveraged a well-validated questionnaire and statistical tools, including correlation analysis and multiple linear regression, to explore the relationships between motivation factors and employee productivity. The findings underscored the significance of both intrinsic and extrinsic motivation in fostering workplace engagement and performance. Key results revealed a strong positive correlation between intrinsic and extrinsic motivation factors and employee productivity, indicating that employees who experience higher levels of motivation tend to be more productive. The multiple linear regression analysis further substantiated these findings, explaining approximately 36.1% of the variance in employee productivity. In conclusion, this research illuminated the pivotal role of motivation in shaping workplace productivity, offering actionable insights for organizations seeking to optimize their workforce's potential. By understanding and harnessing the power of motivation, businesses in the appliance retail sector can create environments that drive employee engagement, elevate job performance, and ultimately secure a competitive edge in their respective markets.

**KEYWORDS:** extrinsic motivation; Iligan; intrinsic motivation; productivity

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## **1. Introduction**

In today's competitive business landscape, organizations are constantly challenged to adapt and evolve to maintain their competitive edge. Central to this adaptability is the ability to harness the full potential of their workforce. Beyond just compensation, understanding and nurturing employee motivation is critical in ensuring optimal performance and achieving sustained success [1].

Motivation, derived from the Latin word "movers," encapsulates the incentives that drive individuals to act in specific anticipated ways. Motivation comes in two distinct forms: intrinsic and extrinsic. Extrinsic motivation is the pursuit of actions driven by external rewards, such as salaries, bonuses, or promotions [2]. In contrast, intrinsic motivation is characterized by behaviors inspired by the inherent satisfaction derived from the work—acknowledgment, a sense of accomplishment, and the intrinsic rewards associated with the job [3].

In the developed cities, exemplified by Iligan City, initiatives to recognize and reward outstanding performance have been implemented with considerable success. These programs emphasize teamwork, individual achievements, and the appreciation of dedicated personnel as pivotal components of employee motivation. Such initiatives have yielded positive feedback and enhanced workforce engagement [4].

However, the scenario differs starkly in many developing nations, as exemplified by the challenges faced in sub-Saharan African countries like Cameroon during the 1980s. Despite recognizing excessive wage bills, employees often grapple with unattractive working conditions, leading to dissatisfaction, absenteeism, and demotivation. It becomes evident that the responsibility of understanding and effectively managing employee motivation rests with the organization and its managers.

In light of these disparities and challenges, addressing employee motivation and performance issues is paramount. This research endeavors to bridge the gap in understanding how motivational techniques can be leveraged to enhance employee motivation, ultimately bolstering work effectiveness and performance in the unique context of the developing world.

## **2. Methodology**

A cross-sectional survey method was employed to investigate the impact of intrinsic and extrinsic motivation on employees' productivity within the appliance retail industry in Iligan City. The study targeted five selected appliance centers within the city. A sample size of 50 participants, comprising first-level managers and rank-and-file employees, was determined using simple random sampling to ensure a representative and diverse sample.

The research instrument, a questionnaire, was adapted from Engidaw's work published in 2021 [5]. The questionnaire employed a four-point Likert scale, where 1 represented "very unsatisfied" and 4 indicated "very satisfied." Before administering the questionnaire, a pilot test was conducted to refine and validate the instrument.

Data analysis was conducted using several statistical tools. Descriptive statistics, including means, were calculated to summarize the data. Pearson correlation coefficient ( $r$ ) was used to explore the relationships between intrinsic and extrinsic motivation factors and employee productivity. Multiple linear regression was employed to assess the combined impact of these motivation factors on employees' productivity, controlling for relevant covariates. In terms of statistical significance, a  $p$ -value threshold of less than 0.05 was considered significant

### **3. Results and Discussion**

#### *3.1 Motivation*

Table 1 presents the results of the survey on the intrinsic motivation levels of the respondents, with a focus on specific items related to their job satisfaction and intrinsic motivators. The table demonstrates that, on average, the respondents in the study displayed a high level of intrinsic motivation. They expressed strong satisfaction with various aspects of their work environment, such as being challenged, deriving satisfaction from their organization, and finding their work interesting due to unique job content. These findings suggest that the respondents were intrinsically motivated by factors related to the nature of their work and the organization they were a part of.

However, it is worth noting that while the overall intrinsic motivation level was very high, there was a slight variation in the satisfaction levels among different intrinsic motivators. For instance, while the respondents were "Very Satisfied" with being challenged and finding satisfaction in their work, the level of satisfaction was slightly lower when it came to receiving feedback and appreciation.

Table 2 presents the results of the survey on the extrinsic motivation levels of the respondents, with a focus on specific items related to their job satisfaction and external motivators. This table demonstrates that the respondents exhibited a remarkably high level of extrinsic motivation. They expressed strong satisfaction with various external factors such as job security, salary, training opportunities, and merit awards. These findings suggest that the respondents were extrinsically motivated by rewards, recognition, and tangible benefits provided by their organization.

Similar to the intrinsic motivation table, there was a slight variation in satisfaction levels among different extrinsic motivators. While respondents were highly satisfied with aspects like job security, salary, and merit awards, the level of satisfaction was slightly lower when it came to receiving bonuses for exemplary performance.

#### *3.2 Productivity*

Table 3 reveals that the respondents perceived their workplace as highly productive, with several factors contributing to this perception. These factors include the presence of supportive supervisors and colleagues who care about personal development, a commitment to quality work, opportunities for learning and growth, and the chance to engage in tasks aligned with their strengths.

The consistently high weighted means across all items and the weighted mean of 3.74 indicate a robust perception of productivity within the workplace. This suggests that organizations that prioritize factors related to personal development, support, and

**Table 1.** Intrinsic motivation of the respondents.

<b>Items</b>	<b>Weighted Mean</b>	<b>Interpretation</b>
1. Being challenged helps me work toward meaningful goals at a continuously optimal level.	3.58	Very Satisfied
2. Working for the organization gives me a sense of satisfaction.	3.54	Very Satisfied
3. Organizational management makes the work interesting by introducing unique job content	3.60	Very Satisfied
4. Feedback on my job performance from the organization persuades me for more hard work	3.38	Very Satisfied
5. I often receive appreciation for good work	3.16	Satisfied
Average	3.45	Very Satisfied

Note: 3.25-4.00=Very Satisfied; 2.50-3.25=Satisfied; 1.75-2.50=Unsatisfied; 1.00-1.75=Very Unsatisfied.

**Table 2.** Extrinsic motivation of the respondents.

<b>Items</b>	<b>Weighted Mean</b>	<b>Interpretation</b>
1. Job security will give me a sense of engagement in my job.	3.72	Very Satisfied
2. My salary is satisfactory in relation to what I do.	3.90	Very Satisfied
3. My organization provides me with training that enables me to learn new things.	3.50	Very Satisfied
4. Merit awards is an effective method for employee motivation.	3.80	Very Satisfied
5. I often get bonuses for achieving exemplary performance in the workplace.	3.10	Satisfied
Average	3.60	Very Satisfied

Note: 3.25-4.00=Very Satisfied; 2.50-3.25=Satisfied; 1.75-2.50=Unsatisfied; 1.00-1.75=Very Unsatisfied.

**Table 3.** Productivity of the respondents.

Items	Weighted Mean	Interpretation
1. My supervisor, or someone at work, seems to care about me as a person.	3.58	Very Productive
2. There is someone at work who encourages my development.	3.70	Very Productive
3. My co-workers are committed to doing quality work.	3.82	Very Productive
4. This last year, I had opportunities at work to learn and grow.	3.78	Very Productive
5. At work, I have the opportunity to do what I do best every day.	3.80	Very Productive
Average	3.74	Very Productive

Note: 3.25-4.00=Very Productive; 2.50-3.25=Productive; 1.75-2.50=Unproductive; 1.00-1.75=Very Unproductive.

alignment of tasks with employees' strengths are likely to foster a highly productive work environment.

### 3.3 Relationship between Motivation and Productivity

Table 4 presents the results of the correlation analysis, revealing significant and positive relationships between intrinsic and extrinsic motivation and employee productivity.

The strong positive correlation coefficients (0.78 for intrinsic motivation and 0.74 for extrinsic motivation) indicate that when employees experience higher levels of motivation, whether it is driven by intrinsic factors (e.g., job satisfaction, personal growth) or extrinsic factors (e.g., salary, job security), they tend to be more productive in their roles. This finding aligns with previous studies that suggest motivated employees are likely to be more engaged and committed and perform better in their jobs [6-9].

The statistically significant p-values of 0.00 further validate the robustness of these correlations, indicating that the observed relationships are not random and are likely to hold true in the broader population.

### 3.4 Influence of Motivation on Productivity

Table 5 presents the results of a multiple linear regression analysis, which aimed to predict employee productivity based on two vital independent variables: intrinsic motivation and extrinsic motivation.

The regression coefficients (B) for both intrinsic and extrinsic motivation are positive, indicating that increases in either type of motivation are associated with higher levels of employee productivity. The statistically significant p-values (both 0.00) suggest that intrinsic and extrinsic motivation significantly impact predicting employee productivity.

**Table 4.** Correlation analysis between the variables of the study.

<b>Variables</b>	<b>R</b>	<b>p-value</b>
Intrinsic Motivation and Employee Productivity	0.78	0.00
Extrinsic Motivation and Employee Productivity	0.74	0.00

**Table 5.** Multiple linear regression predicting employee productivity.

<b>Variables</b>	<b>B</b>	<b>p-value</b>
Intrinsic Motivation	0.53	0.00
Extrinsic Motivation	0.41	0.00

Note: R-square=0.361

The R-square value of 0.361 suggests that the model, which includes intrinsic and extrinsic motivation as predictors, explains approximately 36.1% of the variance in employee productivity. While this indicates a substantial portion of the variance, it also suggests that other factors not included in the model also contribute to employee productivity.

#### **4. Conclusion**

In conclusion, organizations within the appliance retail industry in Iligan City, and likely in similar sectors, can significantly enhance their employees' productivity by prioritizing and optimizing intrinsic and extrinsic motivators. Recognizing and nurturing the individual needs and preferences of employees regarding motivation can lead to a more engaged and productive workforce, ultimately contributing to the success and competitiveness of the organization in a dynamic market environment. These findings offer a valuable roadmap for organizational leaders and HR practitioners seeking to improve workplace performance and maximize the potential of their employees.

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#### **Conflict of Interest Statement**

The authors declare no conflict of interest.

**Author Contributions:** All authors have contributed equally. They have approved the final version of this manuscript.

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