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OUTTURN OF MOTIVATION ON EMPLOYEE PERFORMANCE

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Abstract

This research aims to examine the impact of intrinsic motivation, extrinsic motivation, and employee commitment on employee performance. While many employees are motivated by monetary benefits from their organization, such as salaries and bonuses, others seek recognition and non-monetary rewards. The study investigates how these factors, including extrinsic motivation, intrinsic motivation, and employee commitment, influence employee motivation. The paper explores various motivational theories to understand why and how employees strive within organizations. Both intrinsic and extrinsic motivation are believed to affect employee performance. The research focuses on the banking sector of Karachi and includes respondents of both genders. Results indicate a positive correlation between employee performance and intrinsic motivation, extrinsic motivation, and employee commitment. Throughout the study, it becomes evident that increasing levels of intrinsic motivation, extrinsic motivation, and employee commitment lead to enhanced employee performance. This research highlights the importance of considering both intrinsic and extrinsic factors in motivating employees. By understanding the influence of intrinsic motivation, extrinsic motivation, and employee commitment, organizations can better support their employees and enhance overall performance.

Keywords: Employee Performance, Extrinsic Motivation, Intrinsic Motivation, Employee Motivation, Human Resource.

Introduction

When discussing organizational performance, it is crucial to consider both financial and human resources. In today's competitive environment, retaining staff is a primary concern for businesses (Waiyaki, 2017). Highly trained, experienced, and knowledgeable personnel are essential assets to any business, and retaining them is critical. Studies have consistently shown that motivated employees tend to perform better in all aspects (Waiyaki, 2017).

Employee motivation is reflected in their energy, commitment to work, and creativity. The term "motivation" originates from the Latin word movere, meaning movement (Baron & Henley, 2002). Hassan et, al., (2022) described employee motivation as the willingness to work because of one's own choice. Motivation is essentially the driving force behind people's actions (Haque et al., 2023), an intrinsic drive that compels individuals to complete tasks and fulfill unmet needs (Lindner, 1998). It is the process that drives people to work towards and achieve their goals (Hanus, Fox et al., 2015). Motivation is also seen as the mechanism that gives direction

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and purpose to a person's behavior (Kreitner & Kinicki, 1995), making it a crucial psychological concept.

The term "inspiration" was used in the early 1880s; prior to that, social theorists and philosophers referred to "will" or "motivated human behavior" (Forgas, Williams, et al., 2005). Motivation refers to the underlying drive behind a series of actions prompted by constant input (Smith & Guthrie, 1923). Guo & He, (2021) defined motivation as "a reasonably persistent stimulus that controls an individual's behavior until he reacts in such a way that he is no longer impacted by it." Motivation is described as a collection of domain-specific perceptions, beliefs, behaviors, values, and interests (Lai, 2011).

Recent studies suggest that employees' motivation significantly impacts organizational performance, including productivity, innovation, and overall success (Bauer & Erdogan, 2020). Motivated employees are more likely to demonstrate a more significant commitment to their tasks and exhibit proactive behaviors, contributing positively to organizational outcomes (Grant, 2012).

Moreover, research has highlighted the role of intrinsic motivation in fostering employee engagement and job satisfaction (Ryan & Deci, 2017). Intrinsic motivation, such as the enjoyment of the task itself or the sense of accomplishment, has been linked to higher levels of performance and well-being among employees.

Furthermore, contemporary perspectives on motivation emphasize the importance of autonomy, mastery, and purpose in driving employee engagement (Pink, 2009). When employees feel a sense of autonomy in their work, have opportunities to develop their skills, and understand the purpose behind their tasks, they are more likely to be motivated and perform at their best.

Employee motivation significantly impacts their ability to achieve objectives. Managers play a crucial role in leveraging the workforce to accomplish tasks within any organization. Effective management entails inspiring employees to meet organizational goals, though this can be challenging. Motivated employees facilitate coordination and cooperation, optimizing human resource utilization (Shahzadi et al., 2014). Motivation is particularly vital for talent retention in today's competitive business environment (Stanley, 2012). Establishing an engaging work environment where employees thrive is essential for organizational success (Waiyaki, 2017). While financial resources are essential, the value of human resources cannot be overlooked. Employees must be treated with care and sensitivity since the strength of an organization lies in its personnel (Cowling & Mailer, 2013).

Employee performance is influenced by various factors, with motivation being one of the most significant. Motivated employees are self-driven and value autonomy (Khan et al., 2023). Motivation not only enhances performance but also increases job engagement and willingness to take on additional tasks as employees become more involved. Training can influence employee motivation as satisfaction increases with training, leading to improved performance (Rowden & Conine Jr, 2005; Tsai et al., 2007).

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Motivation is a shared responsibility that extends beyond line managers; it involves senior management, direct supervisors, and employees (Bhuvanaiah & Raya, 2015). Motivated employees are not only influential team players but also appreciate autonomy, fostering collaboration (Stanley, 2012). Herzberg's Two-Factor Theory distinguishes between intrinsic and extrinsic motivation, highlighting how these factors can be used to motivate employees (Staw, 1976). Employees may be motivated by both intrinsic and extrinsic rewards simultaneously to enhance their performance (Kumar, et. at., 2022). Intrinsic motivation originates from personal interest, while extrinsic motivation is driven by monetary gain and recognition (Silva et al., 2018).

Analysis of the Gap

Waiyaki (2017) suggests that employees require motivation based on performance appraisal, and a lack of incentives can hinder their performance. However, this conclusion is drawn from a single study with a small sample size, indicating the need for further research. It is crucial to examine employee motivation and its effects across different demographics and industries. Employers need to assess motivation levels among all employees based on the industry's nature and work environment, considering factors like job security and health and safety standards. Further research is needed to explore motivation in various settings, such as the mining sector, where dangerous work environments require incentives (Kuranchie-Mensah, Amponsah-Tawiah et al., 2016).

Studies comparing intrinsic and extrinsic rewards in different sectors recommend investigating both together (Kuvaas, Buch et al., 2017). Research in the banking sector found a strong link between intrinsic motivation and extrinsic rewards, necessitating further examination of extrinsic rewards' impact on performance (Olafsen, Halvari et al., 2015). Similarly, studies in Pakistan's educational sector prompt examination in other industries, considering the significant impact of motivation on work performance (Ali, Dahie, et al., 2016). Studies in other countries, such as Norway, highlight the importance of intrinsic motivation and the need to study the influence of extrinsic motivation on performance (Gagné, Forest et al., 2010).

Problem Statement

Employee motivation is crucial for mitigating issues such as high turnover rates and underperformance (Steers et al., 1996). A demotivated workforce can be costly for a company, leading to absenteeism, low morale, increased costs, high turnover, and reduced productivity (Jobber & Lee, 1994). Despite offering above-average pay, some businesses still experience high turnover rates, indicating that monetary incentives alone are insufficient for motivating employees (Aguinis & Glavas, 2012). It has been shown that higher wages alone do not improve employee performance (Jones et al., 2013). Each individual requires a tailored motivation strategy, and managers should avoid a one-size-fits-all approach (Jones et al., 2013). While motivation is associated with better performance, other factors such as capabilities, resources, and technology also play a role (Certo, 2003).

Hence, this study aims to investigate the impact of motivation on employee performance, specifically focusing on intrinsic and extrinsic motivation and their

distinct effects. This research aims to explore how intrinsic and extrinsic motivation predict and influence employee performance in the workplace.

Research Questions

1. Is there a significant relationship between intrinsic motivation and employee performance?

2. Does employee performance suffer due to extrinsic motivation?

Objectives of the Research

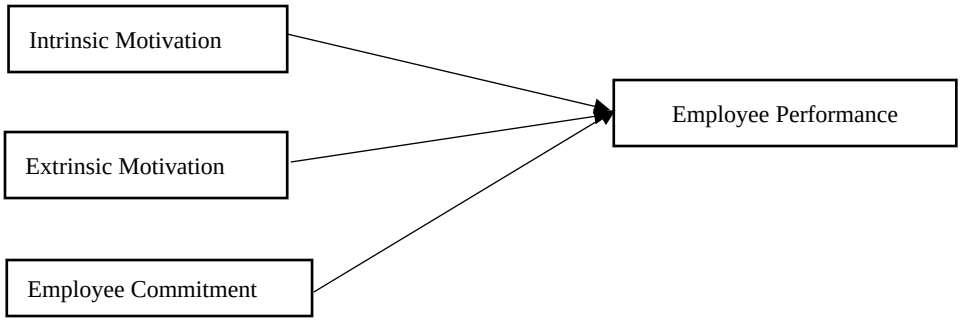
The primary objective of this study was to examine the impact of intrinsic and extrinsic motivation on employee performance within the banking sector in Karachi, Pakistan. This research is conducted at an organizational level and focuses on human resource management practices aimed at enhancing employee performance. By focusing solely on the influence of motivation on employee performance, this study does not consider other factors that may positively or negatively affect performance. It does not delve into aspects such as the quantity or quality of work, self-reliance, or productive work habits individually.

- To investigate the influence of intrinsic motivation on employee performance.

- To explore the impact of extrinsic motivation on employee performance.

Conceptual Framework

It includes three independent variables, intrinsic Motivation, Extrinsic Motivation, and Employee Commitment, and one dependent variable, Employee Performance. The diagram below illustrates these variables.



Research Hypotheses

Below are the hypotheses that will guide this research and serve as tools to examine the entire scenario:

H_1: Intrinsic motivation significantly influences employee performance in the banking sector.

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H_2: Extrinsic motivation significantly influences employee performance in the banking sector.

H_3: Employee commitment significantly influences performance in the banking sector.

Significance of Study

This study contributes to the current understanding of employee motivation and performance in several ways. Firstly, it offers insights into the motivational factors driving employees in Pakistani banks and suggests ways to enhance their performance. Secondly, it serves as a reference for other organizations, particularly banks, on how to motivate staff to improve their performance.

Literature Review

Employee Performance

Human resource management (HRM) involves processes of attracting, motivating, and retaining personnel to ensure the organization's sustainability (Schuler & Jackson, 1987). According to Delery and Doty (1996), HRM strategies are developed and implemented to ensure that human capital plays a significant role in achieving the organization's goals. Properly executed HRM practices have a substantial impact on the quality of the workforce and the level of employee commitment (Purcell, 2003). Activities such as training, development, and performance evaluation enable employees to perform better, thereby enhancing organizational performance (Snell & Dean, 1992; Pfeffer, 1998). Researchers have established a direct link between employee performance and managerial interactions with them (Boheene & Asuinura, 2011), emphasizing the impact of HR activities like employee selection, performance appraisal, benefits management, and training on productivity and performance. Implementing effective HRM practices can enhance an organization's ability to attract and retain competent and motivated employees, leading to increased profitability, reduced turnover, and improved productivity (S. Khan et al., 2022).

Performance & Intrinsic Motivation

Intrinsic motivation, often referred to as motivation without external rewards, occurs when individuals engage in activities because they find them inherently satisfying (Khan, Khan, et al., 2023). This type of motivation is driven by internal cues (Hennessey, Moran et al., 2015). Intrinsic motivation leads to a sense of joy and satisfaction from task completion, which in turn influences the work environment and performance (Hennessey, Moran, et al., 2015).

Research has shown a direct correlation between staff motivation and employee performance. In a study conducted in secondary schools in Somalia, motivated teachers were found to have a significant impact on student achievement (Ali, Dahie et al., 2016). Employees are assigned tasks and responsibilities within organizations, and their performance is evaluated based on how well they accomplish them, leading to classification as either excellent or poor performers (Sherbaz et al. et al., 2022). Employee performance refers to how effectively individuals contribute to the organization's goals, whether directly or indirectly (Rich, Lepine, et al., 2010).

External factors can influence intrinsic motivation according to the factor analytic theory. If rewards for completing a task are informative, intrinsic motivation is strengthened as individuals feel more competent. Conversely, if rewards are controlling, intrinsic motivation diminishes as individuals feel less competent (Fishbach & Woolley, 2022). Moreover, if employees are rewarded for tasks that already interest them, intrinsic motivation may decrease, affecting performance (Lepper, Greene, et al., 1973). Self-determination theory, which underpins human behavior and intrinsic motivation, posits that different forms of motivation are not additive and helps differentiate between them (Khan, Qabool, et al., 2023). This theory suggests that people have an inherent tendency toward intrinsic motivation and goal integration and that more rewards and incentives do not always lead to better outcomes, a concept supported by agency theory (Olafsen, Halvari, et al., 2015).

A study conducted in Norway involving 166 bank employees revealed that while monetary rewards do not influence intrinsic work motivation, procedural fairness in compensation has a significant impact on intrinsic motivation, which in turn affects employee performance (Olafsen, Halvari, et al., 2015). Furthermore, research has shown that the highest levels of intrinsic motivation are associated with the "ideal experience" or "flow" (Riar, et. al., 2022). Another study found a positive correlation between employees' intrinsic motivation and their performance, indicating that intrinsically motivated individuals perform better (Sherbaz et al. et al., 2022). Additionally, research conducted across 49 nations revealed that employees from industrialized countries tend to be more intrinsically motivated and thus perform better than those from developing countries (Huang, Van de Vliert, et al., 2003). A study conducted in Pakistani schools found a significant influence of staff members' intrinsic motivation on their performance (Shahzadi & Javed et al., 2014).

Performance & Extrinsic Motivation

Extrinsic motivation is characterized by external incentives that drive individuals to complete tasks (Hennessey, Moran, et al., 2015). These incentives can stem from various factors, both social and environmental, such as contests, supervision, assessments, rewards, task control, and time constraints (Fishbach & Woolley, 2022).

In a study involving 145 employees from four mining companies in Ghana, including AngloGold Ashanti Ltd., Goldfields Ghana Ltd., Chirano Gold Mines Ltd., and Newmont Ghana Ltd., it was found that extrinsic incentives, particularly compensation and rewards, significantly influenced employee performance (Kuvaas & Buch, 2017).

Similarly, research conducted in Kenya's public middle-level technical training institutions demonstrated a significant correlation between employee motivation and performance (Khan, Khan, et al., 2023). The study, which involved 315 employees from teaching and non-teaching personnel, revealed that increasing employee motivation led to improved performance (Kiruja & Mukuru, 2018).

While some researchers argue that specific constraint-oriented motivators may become internalized over time and cease to be seen as extrinsic motivators (Shrivastava, 2020; Hennessey & Moran, 2015), others classify them as extrinsic

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motivators due to the lack of inherent satisfaction and enjoyment derived from task completion (Fishbach & Woolley, 2022). This can lead to a scenario where intrinsic motivators are crowded out by extrinsic motivators, resulting in decreased overall motivation (Shrivastava, 2020).

Moreover, a survey involving 630 employees and store managers from 106 petrol stations in Norway found an inverse relationship between extrinsic motivation and performance (Kuvaas & Buch, 2017). There is a common perception that extrinsic incentives should be minimized, as intrinsic motivation consistently yields positive outcomes. However, extrinsic motivators, particularly those related to monetary rewards, can sometimes create issues in the workplace, as employees may focus more on tangible rewards than on the inherent satisfaction derived from their work.

Vroom's (1964) expectancy theory suggests that both intrinsic and extrinsic motivation predict employee well-being and performance. While some scholars believe that intrinsic and extrinsic motivation are unrelated (Kuvaas & Buch, 2017), others argue that there is a negative relationship between them (Fishbach & Woolley, 2022).

Another study conducted among 950 engineering students demonstrated a significant relationship between extrinsic motivation and student performance (Silva & Arrieta, 2018). Similarly, a study in Nairobi involving 50 employees of Pam Golding Properties revealed that employee motivation significantly influenced performance, mainly when employees were involved in the management's goal-setting process (Waiyaki, 2017).

Performance and Employee Commitment

Employee commitment refers to the level of dedication and involvement a worker has toward their organization. It is crucial in determining job satisfaction, organizational commitment, job attitudes, and performance (Khan, Rashid, et al., 2023). A complex relationship exists between job satisfaction and performance, with earlier literature debating whether job satisfaction leads to performance improvement or vice versa (Bagozzi & Linz).

Mayer and Allen propose that organizational commitment comprises three multidimensional components: Affective Commitment, Continuity Commitment, and Normative Commitment. This commitment is vital as it influences whether employees will leave the organization or enhance their performance.

Research Methodology

Study Nature

The research conducted is explanatory, aiming to explain the relationship between motivation and employee performance in the context of Karachi's banking sector. The study follows a prevalence design, which seeks to determine the prevalence of certain variables within a population.

Population and Sample

The target population for this research includes employees working in government and private sector banks in Karachi. Due to the impracticality of surveying the entire population, a small sample is selected, and the findings are then generalized to the entire population. The sample consists of employees earning a monthly income ranging from Pakistani Rupees 30,000 to 100,000, aged between 20 and 60 years.

Instrument Development

Given that over 80% of the bank employees in Karachi are proficient in English, the questionnaires are designed in English, which is also the predominant language used in Pakistani banks. The questionnaire covers areas such as customer service, human resources, finance, and general operations. The instruments used in the study include questions adapted from existing literature. The employee performance questions are adapted from Forgas and Williams (2005), with four items in total. The intrinsic and extrinsic motivation questions, each with three items, are adapted from Gagné and Forest (2010). A pilot study involving 200 respondents will be conducted to test the reliability of the questions and ensure their effectiveness.

Method and Tools

The data collected was analyzed using Partial Least Squares (PLS) and reliability statistics. The Statistical Package for Social Sciences (SPSS) software and Smart PLS will be utilized for data analysis. PLS is a structural equation modeling technique suitable for analyzing complex models with latent variables. It allows for the examination of both measurement and structural models simultaneously, making it ideal for analyzing the relationships between motivation and employee performance. Reliability statistics will be used to assess the consistency and stability of the questionnaire items and their ability to measure the intended constructs accurately. The use of both PLS and reliability statistics ensures robust and accurate data analysis, leading to reliable research findings.

Analysis and Interpretation

Table 01 below shows the loads derived from CFA, also known as Confirmatory Factor Analysis. This CFA is used to examine whether the measures of a construct are internally consistent with my understanding of that construct. When the loading of a construct is 0.5, it is considered a vital loading variable. On the contrary, when the loading of a construct is below 0.5, it is considered a weak loading variable. Also, the weak loading variable is removed from the final demographic table.

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Table 01: Loadings from CFA				
Variable	Constructs	Item loading	T-value	P-value
Intrinsic motivation	IM.1	0.777	12.690	0
	IM.2	0.718	08.804	0
	IM.3	0.740	12.123	0
Extrinsic motivation	EM.1	0.822	14.745	0
	EM.2	0.857	28.680	0
	EM.3	0.791	21.389	0
Employee Commitment	EC.1	0.798	13.717	0
	EC.2	0.788	18.742	0
	EC.3	0.765	16.756	0
Employee performance	EP.1	0.846	30.532	0
	EP.2	0.849	25.380	0
	EP.3	0.852	33.634	0
	EP.4	0.792	14.978	0

All the components connected to the independent variable's intrinsic motivation, extrinsic motivation, and employee commitment, as well as the dependent variable employee performance, had loading values of more than 0.70, indicating high loading. If we analyze the T values, they are more significant than 1.96, followed by P values less than 0.5. all values lie between the limitations to prove the data is trustworthy.

Convergent Validity

Convergent validity refers to the degree to which two or more measures of the same construct are consistent (Gusenbauer & Haddaway, 2020). It is assessed by examining the variance and ensuring it contributes to the convergent validity of each component (Kim & So, 2022). Convergent validity is confirmed when the variance extracted value exceeds 0.5.

The Cronbach's Alpha value should ideally range between 0.7 and 1 to ensure reliability (Ekwoaba & Ikeije, 2015). When Cronbach's Alpha falls within this range, the questionnaire and the collected data are considered reliable and valid. For my dependent variable, Employee Performance, Cronbach's Alpha is 0.856, indicating a high level of internal consistency across the four items. Similarly, for the second independent variable, Intrinsic Motivation, Cronbach's Alpha is 0.717, demonstrating reliability across its four items. The third independent variable, Extrinsic Motivation, has a Cronbach's Alpha of 0.765, which falls within the acceptable range, indicating reliability across its four items. Likewise, Cronbach's Alpha for the fourth independent variable, Employee Commitment, is 0.736, indicating reliability across its items. Therefore, all four variables exhibit satisfactory levels of reliability.

Table 02: Convergent Validity			
Variables	Cronbach's Alpha	Construct Reliability	Average Variance Extracted (Ave)
Intrinsic motivation	0.717	0.864	0.689
Extrinsic motivation	0.765	0.789	0.679
Employee Commitment	0.741	0.826	0.684
Employee performance	0.856	0.902	0.656

Table 02 clearly indicates that the variance extracted values for all variables, including employee performance, intrinsic motivation, extrinsic motivation, and employee commitment, are more than 0.5. Convergent validity, on the other hand, is supported.

Discriminants Validity

Discriminate validity refers to any single idea that differs from the other constructs in the model. When the constructs have an AVE loading of more than 0.5, the discriminate validity results are promising, implying that the constructs made up at least 50% of the variance (Sarstedt, 2022).

Table 03: Results of the discriminant validity			
	Intrinsic motivation	Extrinsic motivation	Employee performance
Intrinsic motivation	0.746		
Extrinsic motivation	0.542	0.824	
Employee performance	0.526	0.556	0.835

Table 03 clearly demonstrates and proves that discriminating validity findings are satisfactory when the AVE loading is more than 0.5, implying that the concept accounted for at least 50% of the variance. Hence, the variables are reasonable.

PLS Algorithm

The R square value of 0.218 in the flowchart below reflects the variance in employee performance caused by intrinsic motivation. This clearly shows that intrinsic motivation affects employee performance by 21.8 percent. The R square value of 0.343 is then presented, which postulates the variance in employee performance induced by extrinsic incentives.

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Table 04: Outcomes of the Hypotheses				
Hypotheses	Standard Deviation (St. Dev.)	T-Values	P-Values	Decision
Employee performance in the banking business is influenced by intrinsic motivation.	0.069	4.760 (if it exceeds +-2, then P values can be disturbed)	0.002	Supported
Employee performance in the banking business is influenced by extrinsic motivation.	0.072	3.156	0.000	Supported
Employee performance in the banking business is influenced by employee commitment.	0.071	3.958	0.001	Supported

The table indicates that all three variables (intrinsic motivation, extrinsic motivation, and employee commitment) have a positive relationship with employee performance because all p-values are less than 0.05, suggesting that intrinsic motivation, extrinsic motivation, and employee commitment have a positive impact on employee performance. The t-values suggest a significant difference between the variables of intrinsic motivation, extrinsic motivation, employee commitment, and employee performance. At the same time, the p-values indicate that no relationship has been rejected, supporting the alternative hypothesis.

PLS Bootstrapping

The flowchart above shows the t-values and their significance. Our hypothesis is confirmed, and the study is validated if the t-value exceeds 1.96 and the significance level is less than 0.05. Conversely, if the t-value is less than 1.96 and the significance threshold is more significant than 0.05, our hypothesis is rejected, and the null hypothesis is accepted. In our study, we found that extrinsic motivation and employee performance have t-values > 1.96 and a significance level of 0.05. Therefore, our hypothesis that extrinsic motivation positively influences employee performance has been accepted, as the value is significant at the 0.05 level. Intrinsic motivation also had t-values greater than 1.96 and a significance level of 0.05, indicating that intrinsic motivation is positively related to employee performance.

Discussion

This research aimed to investigate the influence, direction, and magnitude of intrinsic motivation, extrinsic motivation, and employee commitment (independent variables) on employee performance (dependent variable). These factors were identified following a thorough review of the literature, and their effects on employee performance were examined.

Intrinsic Motivation

Both internal and extrinsic motivation are necessary for employees to perform effectively and achieve both individual and organizational goals. Contrary to the Agency theory, which suggests that employees are solely motivated by monetary rewards, my findings demonstrate that employees also require recognition and intrinsic motivation to improve their performance. This is consistent with the self-determination

theory, which posits that humans have an innate tendency toward intrinsic motivation (Olafsen & Halvari, 2015). The cognitive evaluation theory also supports these findings, suggesting that external events shape employees' intrinsic motivation (Khan, Khan, et al., 2023). According to Fishbach & Woolley (2022) if the reward for an activity is informative, intrinsic motivation is high because the individual feels competent. Maslow's hierarchy of needs theory has significant implications for managers, as employees view managers who implement the pyramid of needs techniques as more supportive and caring (Pittman, 2020). Managers must create an environment that allows employees to reach their full potential or risk employee dissatisfaction, decreased performance, lower job satisfaction, and increased disengagement (Porter & Bigley, 2003). Herzberg's theory also supports these findings, as managers must go beyond simply resolving issues that cause work dissatisfaction; they must also motivate employees (Vansteenkiste et. al., 2020). This study has significant implications not only for businesses but also for educational institutions and students, as teacher motivation has a positive impact on student performance (Ali & Dahie, 2016). Managers can inspire employees by involving them in decision-making processes (Waiyaki, 2017).

Extrinsic Motivation

Employees are motivated not only by extrinsic rewards but also by intrinsic ones. The Equity Theory, which suggests that people are motivated not only by their incentives but also by the rewards received by other employees, supports both of our assumptions. Job design and the nature of the task also influence employee motivation (Ramlall, 2004). According to the achievement theory, performance and motivation can vary based on the desire for success (Kreitner & Kinicki, 1995). Previous studies have shown that more motivated employees perform better (Kiruja & Mukuru, 2018). Most motivation theories explore how motivation affects job performance and how extrinsic and intrinsic motivations are mediated by incentives and performance. Organizations must address both internal and external employee motivation separately (Sherbaz et al. et al., 2022). Employees do not always benefit from extrinsic rewards alone; they also require intrinsic motivators (Kuvaas & Buch, 2017). Studies suggest that extrinsic motivation tends to diminish intrinsic motivation, and the two are antagonistic rather than synergistically beneficial (Deci & Koestner, 2001). Not only physical incentives but also penalties decrease intrinsic motivation or an employee's willingness to complete work for its own sake (Bowles & Polania-Reyes, 2012). Therefore, my research supports the idea that employees need to be motivated both extrinsically and intrinsically.

Employee Commitment

This paper aimed to examine the link between employee commitment and organizational success, as well as the relationship between employee commitment and motivation, job satisfaction, and job involvement. The theory was tested in this study, and the findings revealed a positive relationship between employee commitment and organizational performance, suggesting that higher levels of commitment lead to improved organizational performance (Khan, 2010). It has also been demonstrated that commitment leads to increased work efficiency. Additionally, a positive link between job satisfaction and employee commitment was found, indicating that job satisfaction leads to increased work efficiency, productivity, and positive work values. Committed

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employees tend to stay and share their expertise, resulting in lower turnover and increased productivity (Kanaan, 2013). Employee job satisfaction indirectly improves employee commitment, leading to increased productivity. Furthermore, a positive relationship between employee motivation and commitment was identified. When employees receive good salaries and recognition, they become more committed, resulting in increased productivity (Curtis, 2009). Finally, a positive link between job involvement and employee commitment was found, suggesting that increased job involvement leads to more significant commitment to organizational goals and increased productivity (Robbins, 2005).

Conclusion

This study aimed to investigate how both intrinsic and extrinsic motivation affect employee performance. The findings indicate that both types of motivation have an impact on employee performance. Managers should strive to motivate their employees both intrinsically and extrinsically to ensure adequate performance and goal achievement. When individual goals are met, organizational goals are also achieved. Providing attractive pay packages, bonuses, and other financial incentives can motivate employees extrinsically. However, non-monetary incentives are also important motivators for employees, as evidenced by research findings. While some studies suggest that intrinsic motivation has a more significant impact on performance, our research indicates that extrinsic motivation has a more substantial influence. This is supported by the analysis of regression coefficients in the discussion section and is consistent with previous literature.

Despite having intrinsic motivation, some employees still struggle to perform well, and monetary rewards may not constantly improve their performance. This is because exceptional performance depends on more than just motivation. Other factors that influence employee performance are explored in detail in the literature review. Managers should identify areas where employees may be lacking and develop strategies to address them. Effective managers and leaders can determine which employees require extrinsic incentives and which need intrinsic motivation. They can then categorize employees and devise motivation strategies accordingly. A good manager should assign specific tasks to their employees and evaluate who needs financial rewards and who responds better to non-monetary benefits to enhance performance. This study aimed to quantify the impact of intrinsic motivation, extrinsic incentives, and employee commitment on employee performance so that managers can better support their staff.

Recommendations

Managers should focus on creating a work environment that fosters both intrinsic and extrinsic motivation. This could involve providing opportunities for skill development, recognition for achievements, and fair compensation packages. Additionally, managers should regularly communicate with their employees to understand their individual needs and motivations. Secondly, organizations should invest in training programs that enhance employees' intrinsic motivation by promoting autonomy, mastery, and purpose in their work. Thirdly, it is crucial to ensure that performance evaluation systems are fair and transparent, with clear goals and feedback mechanisms in place. Lastly, organizations should encourage a culture of continuous

improvement and innovation, which can be achieved by rewarding employees for their creative ideas and contributions. By implementing these recommendations, organizations can create a motivating work environment that drives employee performance and contributes to overall success.

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