

**THE INFLUENCE OF INTRINSIC AND EXTRINSIC
MOTIVATION TO EMPLOYEE PRODUCTIVITY
CASE STUDY: BADAN PERENCANAAN PEMBANGUNAN
DAERAH (BAPPEDA) SULAWESI UTARA**

*PENGARUH MOTIVASI INTRINSIK AND EXTRINSIK TERHADAP
PRODUKTIVITAS KARYAWAN
STUDI KASUS: BADAN PERENCANAAN PEMBANGUNAN DAERAH (BAPPEDA)
SULAWESI UTARA*

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ABSTRACT

Human resource is a major asset that affects the progress of organization. One important thing is that the success of a variety of activities in the company in achieving the objectives not only depends on technological advantages, provided operating funds, facilities or infrastructures owned, but also on the human resources aspects. Motivation is a very important thing to be noticed and taken control of by the head of the organization or the company. There are several factors that can influence the productivity such as intrinsic and extrinsic motivation is developed based on Herzberg's theory of motivation. This research used causal type of research where it will investigate the influence of intrinsic and extrinsic motivation to employee productivity in BAPPEDA Sulut. This study reveals those intrinsic and extrinsic motivation has significant effect partially on employee productivity in BAPPEDA Sulut. Therefore, to increase employee productivity in BAPPEDA Sulut these two factors should be considered intensively.

Keywords: *intrinsic motivation, extrinsic motivation, employee productivity.*

ABSTRACT

Karena sumber daya manusia merupakan aset utama yang sangat besar pengaruhnya terhadap kemajuan organisasi. Satu hal yang penting yaitu bahwa keberhasilan berbagai aktivitas didalam perusahaan dalam mencapai tujuan bukan hanya tergantung pada keunggulan teknologi, dana operasi yang tersedia, sarana ataupun prasarana yang dimiliki, melainkan juga tergantung pada aspek sumber daya manusia. Motivasi merupakan hal yang sangat penting untuk diperhatikan oleh pimpinan organisasi ataupun perusahaan. Ada beberapa faktor yang dapat mempengaruhi produktivitas seperti motivasi intrinsik dan ekstrinsik dikembangkan berdasarkan teori Herzberg motivasi. Penelitian ini menggunakan metode kausal untuk melihat pengaruh Motivasi Intrinsik dan Motivasi Ekstrinsik terhadap Produktivitas Karyawan di BAPPEDA Sulut. Penelitian ini mengungkapkan Motivasi Intrinsik dan Motivasi Ekstrinsik memiliki pengaruh yang signifikan secara parsial terhadap produktivitas karyawan di BAPPEDA Sulut. Oleh karena itu, untuk meningkatkan produktivitas karyawan di BAPPEDA Sulut dua faktor ini harus dipertimbangkan secara intensif.

Kata kunci: *motivasi intrinsik, motivasi ekstrinsik, produktivitas karyawan*

1. INTRODUCTION

Research Background

An organization or institution should be able to manage its resources, including human resources as a major asset that affects the progress of organization. The workforce indeed needs to develop the motivation.

Source of motivation is one of the deciding factors in the delivery of services by an employee, including the existence of a sense of pride to be part of the organization where they work. Besides, the work motivation is also influenced by the feeling of safety, fair salary and competitive as well as a pleasant working environment. To obtain the positive contribution of human resources as expected by the organization in achieving its goals, each employee is expected to have high motivation to work so that will increase high productivity.

Motivation is a very important thing to be noticed and taken control of by the head of the organization or the company without motivation, an employee cannot fulfill the tasks assigned to them according to the standards that exist in an organization.

Badan Perencanaan Pembangunan Daerah (BAPPEDA) of North Sulawesi is a government-owned institution that has the responsibility to serve society. Employees should be enthusiastic and highly motivated to work and do his or her job effectively and efficiently, and then in the end shows a high productivity in an effort to realize the mission and objectives that have been set in the first place. In relation to the above-mentioned, the motivation is a very important matter in a company, because it can increase employee productivity. So the ability of management to provide motivation will greatly determine success or failure in achieving corporate goals.

Research Objectives

The objectives of this research are to identify the influence of:

1. Intrinsic and Extrinsic Motivation to Employee Productivity, simultaneously.
2. Intrinsic Motivation to Employee Productivity, partially.
3. Extrinsic Motivation to Employee Productivity, partially.

Theories

Human Resources Management

Within an organization or enterprise human resource management role is essential. Without human resources, no organizations can achieve their goal. According to Snell & Bohlander (2010) Human Resources Management is the process of managing human talent to achieve an organizations objective. Human Resource Management defined as a system of strategies and activities that focus on successfully managing employees at all levels of an organization in order to achieve organization's goal Byars and Rue (2006).

Motivation

Rainey cited by Re'em (2010) states that the word motivation is coined from the Latin word *motus*, a form of the verb *movere*, which means to move, influence, affect, and degree to which a person is moved or aroused to act. Re'em (2010) agrees with the author as he further asserts that motivation is an *individual* phenomenon. Each individual is unique and has different needs, expectations, values, history, attitudes and goals. Hence, a manager cannot assume that what

motivates him/her will also motivate the employee. And what motivates one employee may not necessarily motivate another. Mitchell cited on Re'em (2010) it's that motivation is about the internal and external forces that influence individual's degree of willingness and choice to engage in a certain specified behavior and action. Anyim et al (2012) defines motivation as the act of stimulating someone or oneself to get desired course of action or to push the right button to get desired reactions.

Intrinsic Motivation

Intrinsic motivation is defined as the doing of an activity for its inherent satisfactions rather than for some separable consequence. When intrinsically motivated a person is moved to act for the fun or challenge entailed rather than because of external prods, pressures, or rewards. The phenomenon of intrinsic motivation was first acknowledged within experimental studies of animal behavior, where it was discovered that many organisms engage in exploratory, playful, and curiosity-driven behaviors even in the absence of reinforcement or reward, White (1959).

A different approval has been presented by Herzberg with the two factor theory. His theory is actually based on Maslow's hierarchy of needs but he distinguishes needs in hygiene factors and motivators or growth factors. According to Herzberg's (2002), presents that performance can come as an emanation of feelings like achievement, advancement, growth which are related with motivation. He emphasized the importance of job enrichment and he separated it from job enlargement which includes increased responsibility and involvement, opportunities for advancement and the sense of achievement.

Extrinsic Motivation

Although intrinsic motivation is clearly an important type of motivation, most of the activities people do are not, strictly speaking, intrinsically motivated. This is especially the case after early childhood, as the freedom to be intrinsically motivated becomes increasingly curtailed by social demands and roles that require individuals to assume responsibility for non-intrinsically interesting tasks

According to Herzberg's (2002) hygiene factors (extrinsic motivation), which work in the same way with positive or negative attributes. However, these factors can only have an effect on the dissatisfaction one feels like institution policy, personal or working relationship, working condition, salary, personal life, and feeling a job security. Herzberg said that leaders should avoid placing strong emphasis on fulfilling hygiene need as this will result in employees relying too heavily on extrinsic rewards and may pose impediments to the long term success of the organization.

Employee Productivity

Battu in Anyim *et. al* (2012) asserts that employee productivity is the result of a combination of employee ability, motivation, and work environment. When productivity falls off or more positively, when productivity improves—the change is usually traceable to enhanced skill, motivation, or a work environment conducive to high performance. The authors argue further that if any of these three dimensions or factors is low, productivity is likely to suffer.

Chaudhary and Sharma (2012) posit that Productivity is that which people can produce with the smallest amount of effort. It is a ratio to calculate how well an organization or individual, industry, country converts input belongings, labor, materials, machines etc. into goods and services. Okereke and Daniel (2010) also stated that employee productivity suggests effectiveness and efficiency of the employees.

Research Hypotheses

The hypotheses for this research are as follow:

- H1: There is significant influence of Intrinsic and Extrinsic Motivation to Employee Productivity, simultaneously.
- H2: There is significant influence of Intrinsic Motivation to Employees Productivity, partially.
- H3: There is significant influence of Extrinsic Motivation to Employees Productivity, partially.

2. METHODS

Type of Research

This research is causal research with quantitative approach. This research is conducted to analyze the intrinsic and extrinsic motivation to employee productivity.

Place and Time of Research

This research is conducted in BAPPEDA (Badan Perencanaan Pembangunan Daerah) North Sulawesi Province, Jalan 17 Agustus Manado, North Sulawesi, Indonesia from July to August 2015.

Research Procedures

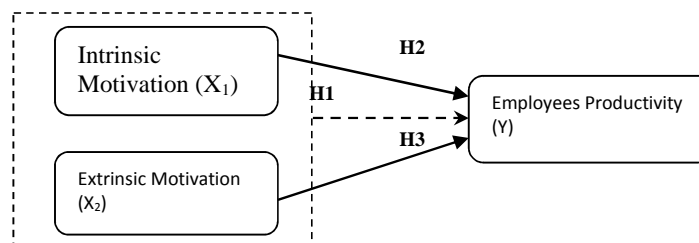


Figure 1. Research Procedure

Source: Data processed (2015)

Populations and Sample

The population in this research is the permanent employees as many as 50 people of the BAPPEDA Sulut. According to Sekaran and Bougie (2009) sample is a subset of a population that comprises some members selected from it. For the sample of this research is employee in BAPPEDA Sulut. This research will use Saturated Sampling as the sampling technique and sample size of this research will be the whole 50 employees of BAPPEDA Sulut.

Data Collection Method

All the data gathered in this research come from two sources of data, which are primary and secondary data to make an appropriate result. The primary data is collected by distributing the questionnaires, while for the secondary data were gathered from related books, journals, and literatures that could be found in the library and the Internet. In this research the questionnaires were distributed to 50 employees in BAPPEDA Sulut, with 15 questions, each questions

containing indicator for each variables. While the measurement, Likert scale was used with five points scale that refers the responses from strongly disagree to strongly agree.

Data Analysis Method

Validity Test

Harrison (2006) in Zulganef. Validity is a measure that indicates that the measured variable is the Multiple Regression Analysis Method.

Reliability Test

According to Harrison (2006) in Zulganef. Reliability is a measure that indicates that the measuring instruments used in the study have reliability as a measuring tool, such as measured by the consistency of the measurement results over time if the phenomenon being measured does not change.

Multiple Regression Analysis Model

Multiple regression analysis is similar to the simple regression analysis but it uses more than one independent variable to explain variance in the dependent variable. (Sekaran and Bougie 2010). The starting point of multiple regression analysis is the conceptual model and the hypotheses derived from that model that the researcher has developed in an earlier stage of the research process. (Sekaran and Bougie 2010). The formula of multiple regression models in this research is shown as follows:

$$Y = + 1X_1 + 2X_2 + e$$

Description:

- Y = Customer Purchase Intention
- = Intercept
- 1, 2 = The Regression Coefficient of Restaurant Atmosphere and Service Quality
- X₁ = Restaurant Atmosphere
- X₂ = Service Quality
- e = Error Standard or Error Term

3. RESULTS AND DISCUSSION

Validity Test Result

Table 1 shows the validity test of variable Intrinsic Motivation (X₁), and Extrinsic Motivation (X₂). The table shows the total number for Intrinsic Motivation (X₁) and Extrinsic Motivation (X₂) are above 0.3, which means that all the indicators are valid.

Table 1. Validity Test Result

Correlations

		Intrinsic Motivation	Extrinsic Motivation	Employee Productivity
Intrinsic Motivation	Pearson Correlation	1	.583**	.673**
	Sig. (2-tailed)		.000	.000
	N	50	50	50
Extrinsic Motivation	Pearson Correlation	.583**	1	.078**
	Sig. (2-tailed)	.000		.000
	N	50	50	50
Employee Productivity	Pearson Correlation	.673**	.678**	1
	Sig. (2-tailed)	.000	.000	
	N	50	50	50

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Processed, 2015

Reliability Test Result

Table 2. Reliability Test Result

Reliability Statistics

Cronbach's Alpha	N of Items
.842	3

Source: Data Processed, 2015

Table 2 shows that the Cronbach's Alpha is 0.842, which is more than 0.6 and indicates that all the indicators of each variable are consistent and reliable.

Multiple Regression Test Results

The analysis result of multiple regression models using SPSS statistic. 20 are the multiple regression formula, which displayed in Table 3.

Table 3. Multiple Regression Result

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std. Error	Beta		
(Constant)	3.655	1.383		2.643	.011
1 Intrinsic Motivation	.530	.111	.530	4.760	.000
Extrinsic Motivation	.243	.083	.328	2.944	.005

a. Dependent Variable: Employee Productivity

Source: Data Processed, 2015

Based on Table 3, the result of multiple regression analysis can be concluded: The equation of this research is:

$$Y = 3.655 + 0.530X_1 + 0.243X_2 + e$$

1. Constant value of 3.655 means that if all the independent variables in this research: intrinsic motivation (X₁) and extrinsic motivation (X₂) are equal to 0 (zero), then the employee productivity (Y) is predicted to be 3.655.
2. Coefficient value of 0.530 means that if the independent variable in this research intrinsic motivation (X₁) increases by one point or one scale, it will increase the employee productivity (y) by 3.655.
3. Coefficient value of 0.243 means that if the independent variable in this research, extrinsic motivation (X₂) increases by one point or one scale, it will increase the employee productivity (Y) by 0.243.

Hypotheses Testing

F-Test

Table 4. F-test result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	93,705	2	46,853	17,229	,000 ^b
	Residual	127,815	47	2,719		
	Total	221,520	49			

a. Dependent Variable: Employee Productivity

b. Predictors: (Constant), Extrinsic Motivation, Intrinsic Motivation

Source: Data processed, 2015

Table 4 shows that the F_{count} Value 17.299 of F_{count} significant is 0.000. The sig is less than 0.05 which means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.010. Therefore, H_0 is rejected and H_1 is accepted. Thus, Intrinsic Motivation (X₁), and Extrinsic Motivation (X₂) influence Employee Productivity in BAPPEDA Prov. Sulut (Y) simultaneously.

T-Test

Table 5. t-test result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,655	1,383		2,643	,011
	Intrinsic Motivation	,530	,111	,530	4,760	,000
	Extrinsic Motivation	,243	,083	,328	2,944	,005

a. Dependent Variable: Employee Productivity

Source: Data Processed, 2015

1. Table 5 shows that t_{count} for Intrinsic Motivation (X₁) is 4.760 which is greater than the value of t_{table} (1677) means that Intrinsic Motivation (X₁) has partially significant influence partially to Employee Productivity in BAPPEDA Prov. Sulut (Y). The sig. value of 0.000 means that prediction Intrinsic Motivation (X₁) influence on Employee Productivity in BAPPEDA Prov. Sulut (Y)'s errors is 0.00 %. Thus the confidence of this prediction is above 95%. Therefore, H_2 is accepted.

2. Table 5 shows that t_{count} for Extrinsic Motivation (X_2) 2.944 greater than the value of t_{table} (1.677) means that Extrinsic Motivation (X_2) has partially significant influence on Employee Productivity in BAPPEDA Prov. Sulut (Y). The sig. value of 0.005 means that prediction of Extrinsic Motivation (X_2) influence on Employee Productivity at BAPPEDA Prov. Sulut (Y)'s errors is 0.00%. Thus the confidence of this prediction is above 95%. Therefore, H_3 is accepted.

Discussion

The result of the multiple regression analysis shows that the value of significance obtained for intrinsic $0,530 < = 0, 05$ it means that intrinsic motivation influence employee productivity significantly. In order to achieve this, a company must find a way to provide a 'space' for employees where they can excel in their work through their own creative way. With this comes also a long-term possibility of expanding employees' skills and ability to the next level by providing opportunities for growth inside the organization. Also, fun and enjoyable working space is crucial in order to ensure employees enjoy their job and thus deliver higher productivity. To maintain the productivity of human resources in BAPPEDA Prov. Sulut there must be cooperation between leadership and employees in BAPPEDA Prov. Sulut because leadership has an influence on intrinsic motivation by giving full responsibility to the employees, as well as awards given for work achievement, freedom granted to employees to be more creative in their work. Referring to the results, the contribution of intrinsic motivation on employee productivity is significant.

The result of the multiple regression analysis shows that the value of significance obtained for quality is $0,243 < = 0, 05$ it means that extrinsic motivation influenced employee productivity. Referring to the result, the contribution of extrinsic motivation to employee productivity is significant. There is significance influence for external factors increasing employees' productivity. The reason for this because extrinsic factors can lead to motivation and extrinsic factors also can support employee productivity which employees can be extrinsically motivated to perform well when the organization succeeds in providing high scores on employee productivity. The idea of Reward and Punishment might sound deliberate and redundant, important though they are. When employees that they are being treated fairly and well by companies, this factors in all various matters including working condition, security, institution policies, salary, and interpersonal relation, their productivity will lead to a higher result.

However both intrinsic and extrinsic motivated is important factors for employee because intrinsic factors does not alone to employee productivity because intrinsic factors needed for equal both motivation factors which sign that appears on T test is 3.706 that means extrinsic factors is important factors even more, where institution policies, security and working condition more dominant causes of employee for increasing productivity. Working condition is an important factor that determines how people feel happy about their job or they do not get feedback on their performance. Working conditions refers to the working atmosphere and the facets of an employee's provisions and circumstances of employment. Supported within are aspects like: the establishment of work and work activities; training, skills and employability; health, safety and well-being; and working time and work-life balance.

4. CONCLUSIONS AND RECOMMENDATION

Based on the result of the research, the research conclusions are as follow:

1. There are simultaneously and significantly influence of intrinsic motivation and extrinsic motivation to employee productivity in BAPPEDA, Sulawesi Utara Province.

2. There is significant partial influence of intrinsic motivation to employee productivity in BAPPEDA Sulawesi Utara Province.
3. There is significant partial influence of extrinsic motivation to employee productivity in BAPPEDA Sulawesi Utara Province.

Based on the result and the conclusion, the research recommendations are as follows:

1. For BAPPEDA Prov. Sulut. After doing the research showed that the intrinsic motivation and extrinsic motivation have a positive effect on employee productivity. So the government and employee of BAPPEDA Prov. Sulut which can thus make a positive intrinsic and extrinsic motivation and can maintain stability. So that human resources in these institutions remain reliable and quality.
2. For the next researcher may need to add another variable or add intervening variables to make this study to be more accurate with the level of different approaches so that it can assist in the process of further research.

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