

Motivation and Performance of Employees of Pokhara Based Internet Service Providers

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ABSTRACT

Employee motivation is one of the important factors that can help the employer to improve employees and organizational performance. This research paper aims to investigate the impact of motivation on employee performance in Pokhara based internet provider. This article is based on case study method in which 'Pokhara Internet Private Limited' was selected by following lottery method of sampling. The study sample size was about 90% (103) of the population which was randomly selected from each department of the Pokhara Internet Pvt. Limited with the help of employees name list provided by HR Department. The study applied empirical approach in which a survey questionnaire was used to collect quantitative data. For the fulfillment of research objective various statistical techniques has been applied. The hypothesis was set to test under some constraints. The statistical tool like descriptive statistic and inferential statistics like ANOVA, multiple linear regressions was applied for this regard the famous statistical software named SPSS-20 has been used. The results validated the research questions and proved statistically significant impact of employees' motivation on their performance. Moreover, it is also known that female employees had high level of motivation in the sample institution. .

Keywords: *Extrinsic, Employee, Intrinsic, Motivation, Performance*

INTRODUCTION

Employees are considered as a very important 'tools' to the business organization to achieve more in their business. Guay et al. (2010) discuss that motivation mentions to the drive essential behaviour. For the organization employee motivation is one of the best policies to improve effective work management between the organization and employees. Motivation is very significant for the organization or management to treasure a method to motivate their workers. When workers realize that their views are considered to be valued it provides them

an intellect of belongingness which can motivate the employees. Employee performance is a critical component of organization success, and employee motivation plays a significant role in determining the level of employee performance. According to Lai et al. (2019), motivation is a psychological state that drives individuals to take action towards achieving a specific goal or objectives. Motivation can be intrinsic, coming from within the individual, or extrinsic, coming from external factors such as rewards or recognition.

Performance is one of the most important subjects that concern the researchers and administrative leaders alike, this is because the performance reflects the expected result of each activity in organization. Therefore, it can be defined as the way in which employees perform their tasks during the production processes and associated processes by using the available means of production to conduct qualitative approach (Abusharbeh & Nazzal, 2018). Meanwhile, Fadeel (2014) defined it as the way that the organization achieves its goals. He argued that the overall output of an organization results from reconciling many factors such as capital, labour and knowledge. Further, performance is a reflection of the extent to which tasks are accomplished. Performance of individuals is deliberated as what a personnel does and what he does not do. Individual's performance involves quantity and quality of productivity, existence at effort, accommodative and co-operative nature and timelines of results. Individual's performance is essentially prejudiced by motivation as it workers are satisfied or motivated than they will do work more effort and by which performance will increase (Azar & Shafiqhi, 2013). Shahzadi et al., (2014) also describes in his study that when workers are happy than they will do the job with more importance and try to will do better work which will lead to good performance. Motivated workers are more concerned towards self-sufficiency and are more self-driven is compare to low motivated workers. Moreover, motivated workers are extremely participating and elaborate in their job and work more eager to proceeds duties.

In the classical literature, extrinsic motivation has been characterized as a pale and impoverished (even if powerful) form of motivation that contrasts with intrinsic motivation. Extrinsic motivation is a construct that pertains wherever an activity is done in order to attain some separable outcome. Extrinsic motivation thus contrasts with intrinsic motivation, which refers to an activity simply for the enjoyment of the activity itself, rather than its instrumental value. Employees have extrinsic motivation when they engage in the work in order to obtain some goal that is apart from the work itself. Employees have intrinsic motivation; they search for the enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work (Amabile, 1993). Deci and Ryan (1985) argue that the main focus of intrinsic

motivation is on the performance of employee task process only.

Neeraj (2014) has focus that motivation is the most important factors influential organizational performance. Employee motivation is one of the policies of managers to increase effectual job management amongst employees in organizations. He further highlighted the employee motivation and performance is key factors in moving a business forward. Owners, managers and supervisors know positive motivation leads to better performance and higher productivity but may rely on the wrong tools that will create dissatisfaction among employees and leads to poor performance. Motivation increases the willingness of the workers to work, thus increasing effectiveness of the organization. Organization goal is to develop motivated employees and support their morale regarding their respective works for better performance.

The intrinsic motivation or motivation without money is the phenomenon in which an individual want to do a task because he or she wants to do it. There are no external pressures on him/her for completing that task and performance better. In an exploratory study by Hennessey et al., (2015), it has been described that motivation caused by intrinsic stimuli. Ali et al (2016) has concluded that employee's performance is closely related to the motivation of the employees. It was found that teacher's motivation had a significant impact on performance. Extrinsic motivation according to Hennessey et al., (2015) basically refers to as the external goal achievement hat motivates an individual to achieve the task. There are number of factors that stimulate the extrinsic motivation. These factors can be categorized as social and environmental as well. Competition, surveillance, evaluation, rewards, control over task engagement and the time limits are all factors that control the extrinsic motivation in any individual (Deci et al., 1999). A study conducted in public middle level technical training institution of Kenya also revealed a strong correlation between employee's motivation and performance (Hennessey et al., 2015).

The famous theories regarding motivation and performance are Hierarchy of need theory (Maslow 1943) which focus that man are wanting being, unfulfilled need motivate employee and need have hierarchy. David McClland (1961) developed Achievement theory' in which he classified the need of employee into three categories viz., N'Ach, N'Pow and N'Aff. Employees are not only motivated by need but by expectation is the notion of Victor H. Vroom's theory (1964). Another theory ERG was developed by C. Alderfer (1961). He recommended human need that is essential to motivate them; it is collectively studied under Existence, Relatedness and Growth. Two factor theories were developed by Fredrick Herberz (1968) that comprises Hygiene and Motivator factors. According to Nguyen (2017) the presence of hygiene factors

will not motivate, but could avoid dissatisfaction, however the absence will surely lead to demotivation. On the other hand according to Pardee (1990) the presence of motivator factors can lead to an increase in motivation, satisfaction and thus, higher commitment, but the absence of it will not certainly reduce motivation. Koontz and Wehrich (1990) dyed that the notion of equity theory is that employees are positively motivated if they are fairly treated, and they are negatively motivated if they are treated unfairly. Another nominal theory is goal setting theory which believed that motivation and performance are higher when individuals set specific goal. The goal of organization to motivate employee must possess ‘SMART’ characteristics.

Aryan (2015) has studied the impact of motivation on employee job performance in the Banking sector in India and he explored that employee work performance has a positive effect from both non monetary benefits and monetary benefits. The conclusion of research done by Chin et al., (2016) was that the independent variables (Flexible scheduling, promotion, rewards, training and working environment) have the significant relationship with dependent variable (job performance). Ekundayo (2018) did research on the impact of motivation on employee performance in selected Insurance Companies in Nigeria and his research revealed that motivation was the major factor that affected employee performance. Furthermore, the study showed a strong and positive relationship between motivation of employees and their performance. The study (Mulema 2019) aimed to determine the impact of employee motivation on organizational performance and the major findings indicated that there is a positive relationship between motivation of employee and organizational performance. Accordingly Siddiqui (2019) also concluded that there was a positive relationship of intrinsic and extrinsic motivation of employees with their performance. Chaudhary and Chaudhary (2021) investigated the role of motivation on academic staffs of private school in Nepal and concluded that to mitigate the impact of Covid-19 during and after the crisis, the ground reality of staff’s motivation must be taken into consideration. This research recommended that there is a substantial room for motivation in private school, Nepal because role on motivation in school is far from satisfactory. Rachman (2022) has also conducted a research on impact of motivation on performance. It aims to analyze the important role of motivation in improving the performance of company employees with the support of organizational commitment as mediation. The result of the study proves that motivation has a positive and significant effect on employee performance. Motivation-mediated employee success can master intrinsic factors and strengthen the associated extrinsic motivation because high-performance results are supported by affective, continuance, and normative commitment.

The research article is focusing on the motivation and employee performance of internet provider in Pokhara. The primary focus of this study is to determine the impact of intrinsic as well as extrinsic motivation on employee's performance. It aims to examine the impact of intrinsic and extrinsic motivation on employee's performance and further more to examine the relationship between motivation and performance for male and female.

Intrinsic and Extrinsic Motivation on Employee's Performance

The intrinsic motivation or motivation without money is the phenomenon in which an individual want to do a task because he or she wants to do it. There are no external pressures on him/her for completing that task and performance better. In an exploratory study Hennessey et al., (2015), it has been described that motivation caused by intrinsic stimuli. Employee's performance is closely related to the motivation of the employees. It was found that teacher's motivation had a significant impact on performance (Ali et al., 2016).

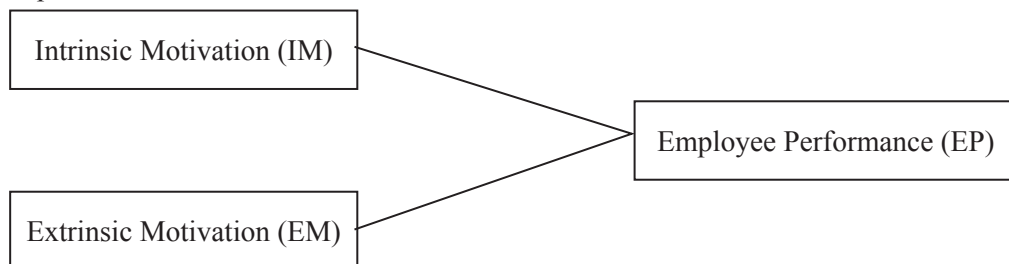
Extrinsic motivation basically refers to as the external goal achievement that motivates an individual to achieve the task (Hennessey et al., 2015). There are number of factors that stimulate the extrinsic motivation. These factors can be categorized as social and environmental as well. Competition, surveillance, evaluation, rewards, control over task engagement and the time limits are all factors that control the extrinsic motivation in any individual (Deci et al., 1999). A study conducted in Publi Middle Level Technical Training Institutions of Kenya also revealed a strong correlation between employee's motivation and performance (Hennessey et al., 2015). This article raises the following question; to what extend does intrinsic and extrinsic motivation impact employee's performance? The following hypothesis has been developed to address the questions raised in this article.

- H1: There is a significant impact between motivation and employee performance in Pokhara Internet Private Limited.
- H2: There is a significant mean difference in employee motivation and performance between the groups of employees by gender in Pokhara Internet Private Limited.

The following conceptual framework has been developed. The construct under the intrinsic motivation are recognition for achievement, growth, promotion and advancement and the work content. Similarly the construct under the extrinsic motivation are job security, relationship with co-worker, relationship with supervisor and working condition. On the other hand the construct of employee performance are skill enhancement, employee commitment and work life balance.

Figure 1

Conceptual Framework



DATA AND METHODS

This study was conducted in Pokhara based internet provider, named Pokhara Internet Pvt. Limited where all the staffs from head office and its branches are included. This study can be useful to develop targeted strategies to improve employee motivation and performance. The study sample size was consisted of 103 employees who represent approximate 90 percent of population which are randomly chosen from every department of the company to shape the study sample with the help of HR department. For this empirical study, a random sampling method has been done from the staffs of sample institution.

This research is basically about the case study of the impact of motivation on employee performance. Survey research design was used for collecting the first hand data. The procedure adopted for this research follows a quantitative approach (descriptive research design) has been used to determine the relationship among the variables and also followed causal research design for showing the impact of independent variables on dependent variable. The major source of data and information used for this study is primary.

Data are collected through survey questionnaire. Questionnaire along with the covering letter were sent to the staff through the email and personal visit. Email addresses of the staff were obtained from the administration. All the questionnaires were closed ended. Demographic information's were collected using nominal question method with number of options to choose. Statements that measure the intrinsic and extrinsic motivation and employees' performance were developed using a five points Likert Scale. A Likert Scale was chosen because respondents can explicitly understand it and scale discriminate well between constructs, their degree of agreement or disagreement.

Based on quantitative data, both descriptive and exploratory analysis was done using the IBM SPSS Statistics version 20 for the preparation of this article. Frequencies, percentages,

means and standard deviations as descriptive analysis were used to describe the samples (demographics) and general results. Beside this, the Cronbach’s alpha coefficient (to determine the internal consistency and reliability), Pearson correlation and multiple regression models were used for the further data analysis. Normality test of major variables (intrinsic motivation, extrinsic motivation and employees performance) were done in order to determine whether the data collected were normally distributed or not.

Model Specification

The econometric models employed in this study tries to analyze the relationship between intrinsic motivation and employee performance and extrinsic motivation and employee performance. The following regression model is use in this study to examine the empirical effect of intrinsic motivation and extrinsic motivation on the employee performance in Pokhara based internet provider.

$$EP = \beta_0 + \beta_1 IM + \beta_2 EM + \dots + \epsilon_i$$

In this model, the dependent variable is the employee performance (EP) where as the independent variable are consider as intrinsic motivation (IM) and extrinsic motivation (EM) and the error term is also included in the model.

RESULTS AND DISCUSSION

The data collected from the sample are presented in the following table followed by the description of data mentioned in the table.

Table 1

Selected Characteristics of Respondent *N = 103*

Characteristics	Categories	Frequency	Percentage
Age Group	Below 30	66	64.08 %
	30-39	31	30.10 %
	40-49	6	5.83 %
	50 and above	0	0 %
Gender	Male	61	59.22 %
	Female	42	40.78 %
Marital Status	Single	57	55.34 %
	Married	46	44.66 %
Years of Service	0-2	49	47.57 %

3-5	34	33.01 %
6-10	12	11.65 %
10 and above	8	7.77 %

Source: Field survey, 2022

The characteristics such as age, gender, marital status and years of service were asked to the respondents in the questionnaire. Majority of the participant were male (59.22%, n=103), with the age group below 30 (64.08 %, n=103). The majority of respondents (47.57 %, n=103) had 0-2 years of service likewise majority of respondents (55.34 %, n =103) were single.

Intrinsic and Extrinsic Motivation on Employee Performance

Under the employee performance (dependent variable) the construct included are, skill enhancement, employee commitment and work life balance. Like wise the intrinsic motivation comprises the recognition for achievement, growth promotion and advancement, the work content and the extrinsic motivation included the job security, relationship with co-worker, relationship with supervisor and working condition.

Table 2

Impact of Intrinsic and Extrinsic Motivation on Employee Performance

Model	Unstandardized Coefficients			t	Sig.
	B	Std. Error	Beta		
(Constant)	8.781	2.627		3.343	0.001
Intrinsic Motivation	0.518	0.099	0.518	5.232	0.000
Extrinsic Motivation	0.264	0.084	0.312	3.152	0.002
R= 0.786 R ² = 0.618 Adjusted R ² = 0.611 F-Statistic = 81					

Source: Survey & SPSS Calculation, 2022

(Note: B= Beta Coefficient, Sig= Significant *p<0.05)

The regression model seems to be, $EP=8.781+0.518\beta_1+0.264\beta_2$. The results show that both intrinsic motivation and extrinsic motivation have a significant positive effect on employee performance. Specifically, the coefficient for intrinsic motivation is 0.518, indicating that a one unit increase in intrinsic motivation leads to a 0.518 unit increase in employee performance, all other variable held constant. Similarly, the coefficient for extrinsic motivation is 0.264, indicating that a one-unit increase in extrinsic motivation leads to a 0.264 unit increase in employee performance, all other variable held constant. The adjusted R square is 0.611, indicating that the two independent factors account for 61 percent of the effect on

the dependent variable. The relationship's strength and direction has indicated by the value of R that is 0.786. The F statistic of 81 is significant at the 0.05 level, indicating that the overall model is a good fit and that the independent variables are jointly significant in explaining the variance in the dependent variable.

Impact of Motivation on Employee Performance

The current article has developed the linear regression analysis regarding study variables i.e., motivation and employee performance. Motivation comprises both intrinsic and extrinsic motivation.

Table 3

Impact of Motivation on Employee Performance

Model	Unstandardized Coefficients			t	Sig.
	B	Std. Error	Beta		
(Constant)	8.781	2.627		3.343	0.001
Motivation	0.264	0.084	0.544	3.125	0.002
R = 0.781 R ² = 0.610 Adjusted R ² = 0.606 F-Statistic = 157.987					

Source: Survey & SPSS Calculation, 2022

(Note: B= Beta Coefficient, Sig= Significant * $p < 0.05$)

The combined variable of motivation (Intrinsic & Extrinsic) has a beta coefficient of 0.544, which is significant. The R-squared value 0.610 indicates that the model explains 61 percent of the variance in employee performance and the adjusted R-squared value of 0.606 suggests that the model is a good fit for the data. The F statistic of 157.987 with a significant level of 0.000 indicates that the overall model is statistically significant. The relationship is statistically significance (0.002) at 0.05 levels of significance. Hence the hypothesis of the study is accepted that there is positive significant impact between motivation and employee performance. The finding of the result is matched with the research done by Ekundayo (2018) because his study revealed that there is a strong and positive relationship between motivation of employee and their performance. The study supported the finding of Mustapha (2020) too.

Motivation and performance between male and female

The mean scores differences of male and female employees, and motivation and similarly the mean scores differences of gender regarding job performance was assessed and subsequent alternative hypothesis was tested using independent t-test.

Table 4*Employee Motivation Based on Gender*

Gender	Count	Mean	Std. Deviation	t	df	Sig.
Male	61	34.625	0.4417			
Female	42	50.239	0.6409	79.55	102	0.000
Total	103	84.864	1.0826			

Sources: Survey & SPSS Calculation, 2022

The mean score for the male respondents was 34.624, with a standard deviation of 0.4417, while the mean score for the female respondents was 50.239, with a standard deviation of 0.6409. The total mean score for the entire sample was 84.864, with a standard deviation of 1.0826. The t-test revealed a significant difference in mean scores between male and female respondents, with $t(102) = 79.55$, $p < 0.001$. The effect size was large, as evidenced by the difference in mean scores and the large t-value. There was a significant difference found in the mean score of motivation between male employees and female employees. It was established that female employees had high level of motivation.

Table 5*Gender Differential in Performance*

Gender	Count	Mean	Std. Deviation	t	df	Sig.
Male	61	16.3438	2.14134			
Female	42	23.7145	3.10704	77.461	102	0.000
Total	103	40.0583	5.24839			

Sources: Survey & SPSS Calculation, 2022

For male participants, the mean score of the variable is 16.3438 with a standard deviation of 2.14. Similarly, for female participants, the mean score of the variable is 23.71 with a standard deviation of 3.10. The t-test shows a significant difference between the means of the two groups, with a t-value of 77.461 and a p-value of 0.000. This suggests that the difference in mean is unlikely to be due to chance, and that the two groups differ significantly on this variable. It was found that there is a significant difference between the male and female employees about performance.

CONCLUSION

There is a significant positive relationship between intrinsic motivation and performance of employees. The most of the employees showed that extrinsic motivators had a minute

impact on employees' performance. Regardless of this, a positive relationship existed between extrinsic motivation and performance of employees. It is concluded that there is positive significant impact of intrinsic motivation and extrinsic motivation on employee performance in sample organization.

This research exposed that there is a positive relationship between employee motivation and employee performance. On the basis of gender, the motivation in female employees was high as match up to male employees in the sample institution and in the same way the performance of female employee was superior to male employees. It is concluded that the performance of female employees are better than male employees. The study concluded that there was a significant difference in motivation and performance with regard to gender.

Hence there was a significant difference in motivation and performance with regard to gender, female employees were greatly motivated as measure up to male and performance was also better than male employees.

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