

## **Moderating Effects of Intrinsic motivation: Social Economic factors and employee performance**

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### **Abstract**

The main focus of this study was to assess how intrinsic motivation can moderate employee performance focusing on social and economic factors. Normally performances are so related with social economic situation in production of good output in the organization both formal and informal.

In this study the researcher used qualitative and quantitative method as an instrument of data collection in which questionnaire, observation and interview has been used, also the researcher was used a total number of 300 respondents from different Government Organizations in Tanzania as a sample size to be conducted, finally both primary and secondary data has been applied in the data collection process.

The finding revealed the existence of the significance relationship between the independent variable (intrinsic motivation) and dependent variable (employee performance). This study reflects that employees having intrinsic motivation (job security, achievement) will increase their loyalty commitment and increase their performance in their working areas regardless any social and economic aspect. For example by giving job security to employees organization retains its high capital within the organization and gets fruitful outcome by using their skills to their work in the organization.

**Key words:** Intrinsic motivation, employee, employee performance, government organization, performance

### **I. Introduction**

The purpose of this report is to assess how intrinsic motivation can moderate employee performance focusing on social and economic factors; the research was conducted in Government Organizations in Tanzania. Employee performance is the job related activities expected of a worker and how well those activities were executed. Many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement (Jones, Chonko et al. 2007).

The term motivation is delivered from Latin word 'movere' which means to move (Hasan 2012). Motivation has been described as the process of arousing and sustaining goal-directed behavior (Nelson, 2013). The employee performance can large be influence by motivation where by the performance can rise or fall according to employee behavior in organization due to the availability or absence of motivation (Ndubisi and Ndubisi 2013).

It is well known that there is two types of motivation namely extrinsic and intrinsic. Intrinsic motivation is that behavior which an individual produced because of pleasant experiences associated with the behavior itself (Waiyaki 2017). Intrinsic rewards accrue from performing the task itself, and may include the satisfaction of accomplishment or a sense of influence (Armstrong and Taylor 2014). Employees are motivated by the combination of both factors at any given point in time (Riggio and Tan 2013).

The study of job performance has been based on two somewhat independent assumptions: that performance can be understood in terms of the individual's ability to perform the task, and the performance depends solely upon the level of motivation (Kang, An et al. 2013). Motivation is generally defined as the psychological forces that determine the direction of a person's level of effort, as well as a person's persistence in the face of obstacles (Stanley, Cumming et al. 2012). The responsibility of motivation is three-fold: it falls into senior leadership, the direct manager and the employee (Bhuvanaiah and Raya 2015).

Motivating employee for the better performance encompasses these critical factors: employee engagement, organization vision and value, management acknowledgement and appreciation of work well done and overall authenticity of leadership (Bag and Anand 2014). Motivating an employee is a challenge and keep employee motivated an even greater challenge (Orosz, Farkas et al. 2013).

The individual motivation of employees plays an important role in getting high level satisfaction (Petcharak 2004). Motivation is a process in which people are influenced to move onwards for performing something especially to fulfill their needs and get satisfaction (Green and Butkus 1999). (Benson 2008) assume that motivation correspond to such emotional process that cause the inspiration and determination of voluntary action that helps to attain the goals.

Some of the studies conducted in Tanzania have discovered that; the poor performance of employees in Government Organizations in Tanzania is much caused by the issues of low salaries and the grievances among the employers and employees on the context of salaries and wages. This problem was contributed by the political and economic changes in Tanzania, whereby inflation in 1980' during the reign of President Ali Hassan Mwinyi ordinary affected the standard of living of people particularly workers in Government Organization, this in turn adversely affected productivity of workers, whereby the workers could receive low salaries and wages which could not help them to sustain the living cost because of inflation.

Low performance among employers can led organization to fail to meet their daily objective both long term and short term plan, when employer and employee should understand one another those issue which led to perform poor or within low standard (Aguinis, Gottfredson et al. 2012). Worker performance is a product of a person set up of needs, goal, drive and experience by simplification they means that factor which govern motivation ,job satisfaction workers performance and attitude to work from society to another. This study intends to make an assessment how intrinsic motivation can moderate employee performance focusing on social and economic factors.

This study will examine how intrinsic motivation can lead to higher employee performance in Tanzania government organizations, where have the problem of low employee's performance due to various socio economic factors.

#### **A. Statement of the problem**

Low employee performance is a serious problem to the government organization in Tanzania; the problem leads to low productivity of the organizations in Tanzania, low growth or death of an organization, poverty and underdevelopment of our country in general. The problem started in 1980's since when the country started to experience the high inflation rate with low economic growth in Tanzania. So many measures has been taken to improve the situation such as the raise of worker's wages and improving their working condition to have high performance in government organization in Tanzania, but the situation still worse.

So, this study was intended to make an assessment how intrinsic motivation can increase employee performance in Tanzania government organizations focusing on social and economic factors.

#### **B. Research question**

The following research questions were raised based on the study background

- i. How intrinsic motivation can moderate employee performance focusing on social factors
- ii. How intrinsic motivation can moderate employee performance focusing on economic factors

#### **C. Purpose of the study**

The main purpose of this study was to assess how intrinsic motivation can moderate employee performance focusing on social and economic factors.

#### **D. Research hypothesis**

The following hypothesis was tested in this study to assess how intrinsic motivation can moderate employee performance focusing on social and economic factors.

**Hypothesis 1.** There are relationship between intrinsic motivation and employee performance focusing in social factors

**Hypothesis 2.** There are relationship between intrinsic motivation and employee performance focusing in economic factors.

## ii. Literature review

Motivation has been described as the process of arousing and sustaining goal-directed behavior (Nelson,2013). The employee performance can large be influence by motivation where by the performance can rise or fall according to employee behavior in organization due to the availability or absence of motivation (Ndubisi and Ndubisi 2013).

Motivation should be understood as a continuous and dynamic process of activating and building the workforce of an organization.

Various scholars have different meanings and definitions of motivation. Flippo (1984) states that motivation is a managerial responsibility for eliciting what employees expect the organization to supply them with and at the same time the responsibility for eliciting certain types of behavior from the employees. Managers motivate by providing an environment for employees to produce to their full capacity. As a number of motivational researchers have pointed out that wants vary with people and situations.

Research has shown that workers with few skills want such factors as job security, pay, benefits, less restrictive plant rule and more sympathetic and understanding supervisors. People like to feel that the managers are truly concerned with their welfare, they like feedback on their performance. According to Armstrong (1988), motivation is about what 10 makes people act or behave in certain ways and take whatever steps required to ensure that they get satisfied.

Employees like to be to be appreciated and recognized for their work. People like to be involved, consulted and given an opportunity to offer suggestions. In one aerospace missile plant, increased morale and productivity, as well as greatly reduced turnover and absenteeism resulted from the simple technique of having all employees' names on placards at their workstations and having each program group work in an area in which machines and equipment were painted a different color. According to Wancevick (1994), giving people recognition is key to motivation.

According to Saleemi (1997), motivation is derived from the word motive; motives are drives or impulses within an individual, which prompt him to action. They are expressions of a person's needs or wants hence they are personal, internal and they determine the behavior of an individual. Therefore, organizations need a better understanding of what it is that people want. Cole (1997), comments that motivation is a process in which people choose between alternative forms of behavior in order to achieve personal goals. Graham and Bennet (1988), on the other hand, state that motivation consists of all the drives forces and influence, conscious or unconscious that causes the employees to want to achieve certain aims. Hannagan (1998), points out work motivation as a psychological concept that is primarily concerned with increasing the strength and direction of people's work related behavior to influence the quality and quantity of people's performance output. Krant and Korman (1991), state that motivation is of two types. Self enhancing motivation involve action of making choices that match and fulfils one's personal needs, engaging in activities that foster self growth, attempting to attain high level of work performance and working for goals that legitimately enhance oneself in one's own eyes and those of others. Self-protective motivation on the other hand involves the desire to defend oneself from perceived threatening environmental and personal forces that might affect ones sense of identity

## iii. Methodology

### A. Research design

Sampling design is a design, is a working plan that specifies the population frame, sample size, sample selection, and estimation method in detail. Objective of the sampling design is to know the characteristic of the population and present the best conducts for the research to be done.

### B. Population

Information was collected from different respondents within government organization in Tanzania.

### **C. Data collection method**

The study was used various scientific data collection methods which include primary and secondary data source. In the primary data information were extracted from respondents through questionnaires and interview. In the secondary data the researcher was collect information from files, books, journals, newspaper and other documents.

### **D. Validity and Reliability of the instruments**

The instrument (questioner) was first checked through the feasibility study to test the applicability and examine the validity and reliability of the instrument before starting the data collection process.

### **E. Organization of data collection**

Data was collected personally through well designed and managed questionnaire from the respondents. The questions were into two forms open and closed ended. The respondent were given the questionnaire for three days and collected for further step of data analysis. The total numbers of respondent were 300 from different government organization in Tanzania.

### **F. Data analysis**

Data was analyzed by using SPSS trough simple regression analysis including two variables, intrinsic motivation as independent variable and employee performance as dependent variable.

#### **iv. Empirical result and discussion**

Employees are human resources of company and the most valuable asset. The performance of any organization is depends on the job performance of employee within the organization. Organization need to manage and develop their job performance, many factors that can affect the performance of employees. In this research, the researcher describe the characteristic of the employee in government organizations as the respondent that were categorized based on Gender, age and educational level of work of employee which every employee had their own desire as motivation and this is important for support employee job performance.

The total number of the respondents was 300 equivalents to 100% of the targeted sample male respondent were 107 equivalents to 35.7% and female respondents were 193 equivalents to 64.3%. In terms of age 47% of respondent were between age 35-45 and 30% were between age 46 and above and others were 23%. In terms of the level of education among the most respondents was secondary and university level. When respondents were asked about how intrinsic motivation can moderate employee performance focusing on social and economic factors in government organization the 153 (51%) agree that intrinsic motivation can moderate employee performance focusing on social and economic factors in government organization , 67 (22.3%) were strongly agree that intrinsic motivation can moderate employee performance focusing on social and economic factors in government organization, 73 (24.3%) of the respondent said they don't know if intrinsic motivation can moderate employee performance focusing on social and economic factors in government organization, 4 (1.3%) disagree that intrinsic motivation can moderate employee performance focusing on social and economic factors in government organization while the remaining respondents 3 (1.1%) strongly disagree that intrinsic motivation can moderate employee performance focusing on social and economic factors in government organization .

The finding revealed the existence of the significance relationship between the independent variable (intrinsic motivation) and dependent variable (employee performance) .This study reflects that employees having intrinsic motivation (job security, achievement) will increase their loyalty commitment and increase their performance in their working areas regardless any social and economic aspect. For example by giving job security to employees organization retains its high capital within the organization and gets fruitful outcome by using their skills to their work in the organization.

#### **v. Conclusion**

The study assesses how intrinsic motivation can moderate employee performance in government organizations in Tanzania focusing on social and economic factors. The finding shows that employees having intrinsic motivation (job security, achievement) will increase their working performance in their working areas where by the performance will be influenced much by the employees intrinsic motivation rather than social of economic factors in their working areas.

## vi. Recommendations

The findings could have implication for the manager's practices of intrinsic motivation strategies. The structures of employee job will have the opportunity to express their need for autonomy, competitiveness and social association to fulfill intrinsic needs. From the finding managers can learn and observe on how intrinsic motivation has impact in employee's performance in their working areas.

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