

Research Horizon

ISSN: 2808-0696 (p), 2807-9531 (e)

Research Horizon

Volume: 04

Issue: 06

Year: 2024

Page: 195-202

The Effect of Intrinsic Motivation on Employee Performance: A Systematic Literature Review

Muhammad Faried Sulistamtama^{1*}, Raditya Setiawan¹, Ahyar Yuniawan¹

¹ Universitas Diponegoro, Semarang, Indonesia

*Corresponding author: Muhammad Faried Sulistamtama (mfarieds@students.undip.ac.id)

Abstract

This research was conducted to analyse the influence of intrinsic motivation on employee performance through Systematic Literature Review. The main problem addressed in this study is how the analysis method and indicators of intrinsic motivation significantly affect employee performance. To answer these problems, the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) method was used with the help of Watase Uake tools to select and identify relevant journals. The study showed that intrinsic motivation plays an important role in improving employee performance, work engagement, and innovation in the work environment. Key findings include the importance of a supportive work environment, including autonomy, positive interpersonal support, servant leadership, and high-performance work systems that play a role in increasing intrinsic motivation and employee productivity. In addition, cultural values and aspects of spirituality are shown to be significant mediators in the relationship between intrinsic motivation and performance, especially in certain contexts. This study offers a comprehensive view of the importance of management strategies that focus on intrinsic motivation to improve organizational performance and competitiveness across various industry sectors. This approach is expected to provide a basis for the development of more effective management policies in creating a work environment that is more effective for the organization.

Keywords

Employee Performance, Intrinsic Motivation, Preferred Reporting, Watase Uake

1. Introduction

Studies show that the manufacturing industry is currently embarking on a new industrial revolution that will have a significant effect on the organization's level of employee participation (Wahid & Sarfiah, 2021). This was mentioned in several journal literature reviews. Amazon led this revolution by starting a business model to improve the performance and effectiveness of their distribution facilities (Hassel & Sieker, 2022). Amazon utilized an advanced productivity monitoring system to subdivide tasks into easy and routine tasks, which decreased employee break time to less than 18 minutes per ten-hour shift. According to critics, Amazon's approach represents a retreat and a return to Frederick Taylor's scientific management. While there is no denying that Amazon has increased performance and efficiency, its neo-Tayloristic approach may have had a negative impact on employee engagement and loyalty. In fact, advanced technology literally turns workers into cogs in a machine, according to allegations made in the media (Del Rey, 2022; Hartnell et al., 2023). According to the ideas created by Gagné & Deci (2005) employees are intrinsically more motivated when they work in an environment that encourages autonomy and constructive interpersonal relationships. Over time, this increases productivity in the workplace, as shown by research carried out by Baumeister & Leary, 1995; (Hartnell et al., 2023), social support from coworkers may be able to increase an employee's internal motivation and improve their performance. Research on this topic has recognized the social-contextual elements that influence employees' intrinsic motivation. This research examines Gagné & Deci (2005) and Hartnell et al. (2023), claiming that a leader's interpersonal style and the environment they have created have a major impact on how intrinsically motivated their employees are. This study combines two contextual clues that relationally created an environment of interactional justice and support from coworkers to explain how social interactions in work groups increase employees' intrinsic motivation, which in turn increases work efficiency (Canagarajah, 2020).

Personal resources allow employees to increase their intrinsic motivation to grow, learn, and develop, leading to the attainment of their work goals (Bakker & Demerouti, 2007). People who are intrinsically motivated to stay focused, take initiative, and actively engage in their work may produce better work output. Intrinsically motivated workers are more likely to take initiative when faced with challenging tasks and problems, which increases output (Shin & Grant, 2019). Workers can invest more time and energy in their work when they are intrinsically inspired by the goal, which ultimately leads to increased performance. Demotivated employees tend to avoid the office, produce lower quality work, work less hard to complete tasks, and, if given the opportunity, leave their jobs (Pudjianto et al., 2023). On the other hand, a motivated employee is more likely to be eager to complete tasks, deliver high-quality work, and hone their creativity, perseverance, and productivity. Extrinsic and intrinsic motivation are two categories of employee motivation. While intrinsic motivation comes from the intrinsic value of the work to the individual (such as interest in the value), extrinsic motivation comes from the desire to achieve goals (such as rewards) that are not related to the work itself. (Amabile, 1993). Everyone in an organization has a different set of motivations. Employee motivation is affected by various internal and external factors, such as satisfying work, job rewards, job security, stress, job security, growth and promotion, rewards, workplace, punishment and recognition, and others (Palaniammal, 2013). Many studies have shown that employee motivation can be utilized to engage employees in their work within the organization. Many businesses have recognized that, in addition to offering motivation, employee engagement is critical to success in today's highly competitive environment. According to Habte (2016) managers believed that

intrinsic motivation has a greater influence on the psychological aspects of employee engagement than extrinsic motivation.

Intrinsic motivation includes elements of enjoyment and interest (Leung et al., 2014; Wang et al., 2024). Because employees' interest in the activity itself serves as motivation, this behaviour is usually autonomous (Gagné, 2005). High-performance work systems, such as job security, comprehensive training, or employee participation in decision-making processes, allow employees to express their personal and professional needs. Strong intrinsic motivation also makes workers feel good about their jobs and increases their desire to work longer. Workers who spend more time on their jobs are more likely to make changes, which encourages creativity and new concepts as well as improving innovation performance (Fischer et al., 2019). state that intrinsic motivation can enhance employee productivity and overall performance, especially when spiritual principles and internal work ethics are applied in the workplace (Shifa & Harto, 2024). We are trying to find out whether intrinsic motivation, characterized by showing interest and excitement and exerting effort to do something for one's own acts as a mediator in the relationship between employee performance and intrinsic religiosity and spirituality. Employee intrinsic motivation results in higher levels of performance and productivity, which creates this mediating relationship (Abror & Muharam, 2024). According to research conducted by intrinsic motivation, which is part of self-determined motivation, has a positive correlation with the level of employee engagement in their work. This ultimately leads to improved employee performance and Jeremy show how workers' perceptions of transformational leadership drive intrinsic motivation, an essential element in enhancing engagement and work outcomes (Chua & Ayok, 2021). To achieve this goal, this research seeks to answer the following questions:

RQ1: What indicators are used for each variable of intrinsic motivation and employee performance?

RQ2: What is the relationship between intrinsic motivation and employee performance?

2. Methods

The Systematic Literature Review (SLR) method is employed in this study to ascertain the indicators that influence intrinsic motivation on employee performance and the relationship between intrinsic motivation and employee performance. Systematic Literature Review (SLR) is employed to delineate research inquiries and establish a robust basis for subsequent investigation (Tóth et al., 2023). This methodology enables researchers to methodically and sequentially locate, evaluate, and interpret findings from studies in the discipline. This research can explore characteristics such as intrinsic motivation and staff performance using SLR. The employed methodology is the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework, utilizing the Watase Uake tools to select and identify pertinent journals from the Scopus database (Fadlillah & Kusaeri, 2024).

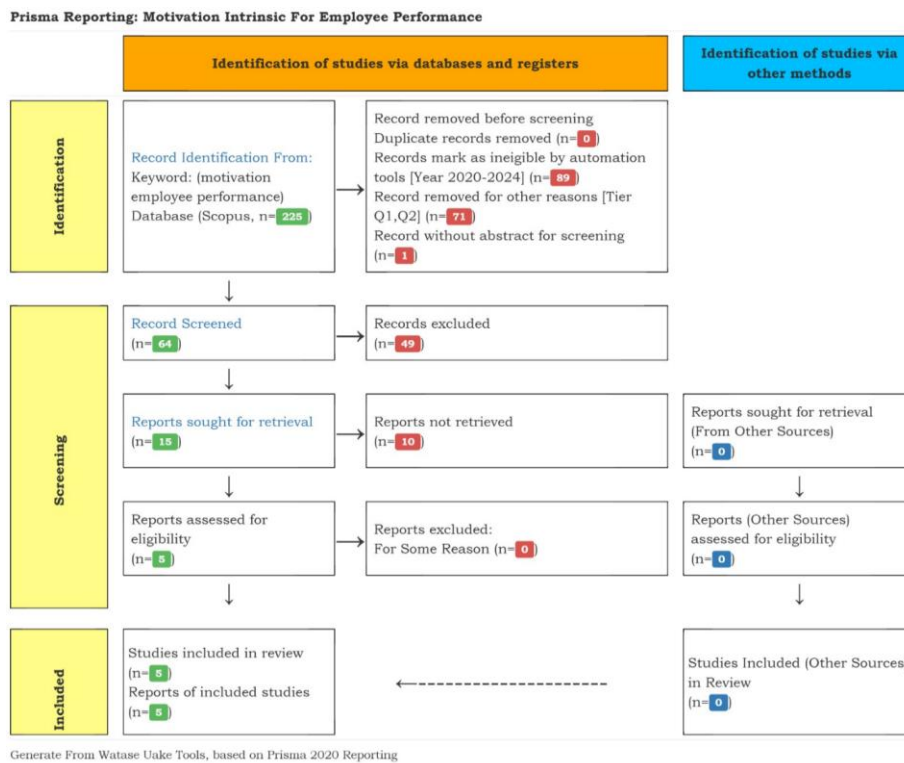


Figure 1. PRISMA Analysis Report using the Watase Uake tools

The stages of the Systematic Literature Review (SLR) using the PRISMA method with the Watase Uake tool involved searching for journals using the keyword "motivation employee performance," which yielded 225 journals. Identification criteria included journals published from 2020 to 2024, those with Scopus Q1 and Q2 ratings, and those with an abstract in the introduction. After identification, 64 journals remained. In the screening stage, a manual selection was conducted by reading the abstracts relevant to the title, resulting in 15 journals. The retrieval stage involved searching for each journal from the titles obtained and inputting them into the Watase Uake tool, finding 5 satisfactory journals. The final stage involved tabulating, comparing, and analysing the 5 journals to draw conclusions.

3. Results

According to the analysis results on the relationship between intrinsic motivation and employee performance in accordance with the Systematic Literature Review (SLR) using the PRISMA method with the Watase Uake tools with 5 (five) journal articles that have been presented. Several studies have examined the impact of various factors on intrinsic motivation and employee performance across different organizational contexts. Hartnell et al. (2023) investigated how servant leadership influences intrinsic motivation and employee performance in the manufacturing industry. Using a longitudinal survey with a sample of 296 employees and 44 supervisors, the study found that intrinsic motivation positively impacts employee voice behaviour and role performance. Moon et al (2020) explored the influence of employee spirituality on work performance, with intrinsic motivation and job crafting as mediators. Data were collected in two stages from 306 employees in South Korea, and the findings indicated that employee spirituality enhances intrinsic motivation, which strengthens job crafting and improves work performance. Similarly, Engidaw (2021) examined the effect of intrinsic and extrinsic motivation on employee engagement in the public sector. Through an explanatory survey

design involving 349 respondents from city administration offices in the North Wollo zone, the study revealed a significant positive relationship between motivation and employee engagement.

In the context of organizational innovation, Wang et al. (2024) analysed how high-performance work systems affect innovation performance through the mediating role of intrinsic motivation and the moderating role of person-organization fit. Utilizing structural equation modelling (SEM) and a sample of 309 employees from small and medium enterprises in China, the research concluded that high-performance work systems positively impact innovation performance by enhancing intrinsic motivation. Finally, Hassi et al. (2021) examined the effects of spirituality, intrinsic religiosity, and Islamic Work Ethics (IWE) on employee performance in Morocco, with intrinsic motivation as a mediator. Drawing on a sample of 224 employees and employing SEM and Bayesian analysis, the study found that only IWE has a significant direct positive impact on employee performance, while intrinsic motivation mediates the relationship between IWE and performance. Meanwhile, spirituality and intrinsic religiosity do not significantly influence performance through intrinsic motivation.

From the results of the literature study of these five journal articles, several key findings can be drawn related to the variables of leadership, intrinsic motivation, spirituality, job crafting, as well as high-performance work systems and their impact on employee performance in various contexts (Messersmith et al., 2011). The Influence of Leadership on Employee Motivation and Performance according to research conducted by Hartnell et al. (2023), servant leadership has a positive impact on intrinsic motivation, voice behaviour, and employee role performance. Servant leadership encourages employees to become more engaged in their work and enhances their intrinsic motivation through an interactional justice climate and coworker support as mediators. This shows that leadership that supports employees' psychological and relational needs and focuses on the human aspects in the work environment significantly impacts employee motivation and performance (Paais & Pattiruhu, 2020).

The influence of spirituality on performance through motivation and intrinsic factors in the workplace can encourage individuals to find meaning and purpose in their work, thereby being driven by intrinsic motivation. With the presence of intrinsic motivation from a spiritual perspective, it is hoped that it will foster job crafting or efforts to reshape aspects of work to better align with employees' interests and personal values. Moon et al. (2020) employee spirituality is a factor that influences work performance. This study found that spirituality enhances intrinsic motivation and performance through job crafting. This result shows how important emotional and psychological components such as spirituality are in shaping deeper motivation in employees. So that they feel more engaged and satisfied in doing and completing their work, which will subsequently optimize their performance. Intrinsic and extrinsic motivation significantly influence the public service sector. In a study conducted, Engidaw (2021) in the Ethiopian public sector, it was found that both intrinsic and extrinsic motivation enhance employee engagement. This shows that extrinsic motivation, such as salary or incentives, may be as important as intrinsic motivation in driving employee engagement in the public workplace. Intrinsic motivation fosters employee dedication by aligning with their personal values, enabling consistent task performance. Meanwhile, extrinsic motivation is needed to attract and retain employees through external incentives such as salaries and benefits (Ali & Tirimba, 2015).

According to research conducted by, high-performance work systems, also known as High-Performance Work System (HPWS), can enhance organizational innovation performance. The fit between employees and the organization acts as a moderating factor in this relationship, while intrinsic motivation acts as a strong

mediator. This shows that an organization's ability to innovate is directly correlated with a work structure designed to optimize employee performance (Sadikoglu & Zehir, 2010). With HPWS, employees will feel supported and have the skills and resources needed to think creatively and seek new solutions, especially when employees feel comfortable with the company's principles and goals. The impact of Islamic work ethics on employee performance in a study by, which conducted research in Morocco, found that Islamic work ethics, or Islamic work ethics, significantly influence employee performance. They found intrinsic motivation to be an important mediator. However, this significant impact only applies to Islamic work ethics and does not apply to other factors such as spirituality and intrinsic religiosity. This principle of Islamic work ethics shapes a dual professional attitude and a high commitment to tasks, because employees will feel that their work is a form of worship and trust. By encouraging work behaviour in accordance with Islamic values such as honesty, responsibility, discipline, justice, and cooperation, employees will be motivated to work more diligently, consistently, and efficiently, which will ultimately improve individual and organizational performance. These results show how cultural differences and religious values influence desires and performance in the workplace.

4. Discussion

Subsequent to the discussion of these findings, it was elucidated that intrinsic motivation serves a pivotal mediating function in nearly all research. Enhancing employee engagement, in terms of job performance and organizational involvement, is significantly affected by intrinsic motivation (Hartnell et al., 2023). This aligns with motivation theory, which posits that intrinsic drive, such as job satisfaction stemming from personal interest or commitment, is more potent and persistent than extrinsic motivation. Research Wang et al. (2024) indicates that the work environment and structural support substantially affect intrinsic motivation. This structural support may be delivered via a high-performance work system or servant leadership. The results corroborate the self-determination hypothesis, which posits that a work environment promoting employee autonomy and competence augments their intrinsic drive. Simultaneously, the study by underscores that cultural and religious values enhance employee motivation and performance. Nonetheless, several facets of religion do not provide entirely beneficial outcomes Rizqulloh et al. (2024). This indicates that workplace rules must be suitable and pertinent to a particular cultural setting. These findings corroborate the notion that cultural context significantly influences the interplay between psychological characteristics such as motivation and performance.

Moreover, spirituality is seen as a personal element that fosters intrinsic drive and job creation, as noted by Engidaw (2021). Job crafting enables employees to modify their roles in accordance with their preferences and requirements, leading to enhanced performance. This indicates that interventions facilitating job customisation may improve employee engagement and performance. Nonetheless, certain limitations have been identified in this investigation. The research undertaken by in the Ethiopian public sector may yield results that are not entirely applicable to the private sector or other sectors (Segarwati et al., 2022). Likewise, the study may be unable of assessing the impact of religious principles on Islamic culture beyond Morocco. The chronologically distinct data collection procedures employed in the study Hartnell et al. (2023) mitigate common method bias; yet, they are inadequate for evidencing long-term changes.

5. Conclusion

This research offers profound insights into the significance of developing motivational strategies that correspond with the psychological, social, and cultural requirements of employees. Robust intrinsic motivation has demonstrated to be a pivotal catalyst for engagement, creativity, and productivity, all of which enhance long-term performance and innovation inside organizations (Quyen, 2020). The servant leadership style is significant as it addresses employees' emotional needs by prioritizing well-being, interpersonal relationships, and autonomy. Empowering and supportive leadership fosters a healthier and more harmonious workplace, wherein individuals feel esteemed and motivated to perform at their highest potential (Laeq, 2021).

Furthermore, the adoption of a High-Performance Work System (HPWS) enhances this strategy by establishing a work framework that fosters skill development, encourages active involvement in decision-making, and ensures job security (Shah, 2022). Employees who perceive a connection and alignment with the organization's objectives are more inclined to be naturally driven to innovate and demonstrate initiative in their tasks. Additionally, cultural and religious values, including Islamic work ethics, significantly influence employee motivation and performance in particular situations. By incorporating these spiritual and social values into work policies, organizations can create an environment that respects employees' beliefs and personal values, making work more meaningful for them. This cohesive strategy eventually fosters sustainable performance and improves the competitiveness of enterprises across diverse industrial sectors.

References

- Abror, G., & Muharam, H. (2024). Impact of Ultramicro Holding on Financial Performance and Business Sustainability. *Research Horizon*, 4(4), 47-54.
- Ali, A. A., Edwin, O., & Tirimba, O. I. (2015). Analysis of extrinsic rewards and employee satisfaction: Case of Somtel company in Somaliland. *International Journal of Business Management & Economic Research*, 6(6), 417-435.
- Canagarajah, S. (2020). Transnational work, translanguaging practices, and interactional sociolinguistics. *Journal of Sociolinguistics*, 24(5), 555-573.
- Engidaw, A. E. (2021). The effect of motivation on employee engagement in public sectors: in the case of North Wollo zone. *Journal of Innovation and Entrepreneurship*, 10(1), 1-15.
- Fadlillah, N., & Kusaeri, K. (2024). Optimizing Assessment for Learning in Islamic Education through Authentic and Diagnostic Assessment: A Systematic Literature Review. *Jurnal Kependidikan: Jurnal Hasil Penelitian dan Kajian Kepustakaan di Bidang Pendidikan, Pengajaran dan Pembelajaran*, 10(2).
- Hartnell, C. A., Christensen-Salem, A., Walumbwa, F. O., Stotler, D. J., Chiang, F. F. T., & Birtch, T. A. (2023). Manufacturing Motivation in the Mundane: Servant Leadership's Influence on Employees' Intrinsic Motivation and Performance. *Journal of Business Ethics*, 188(3), 533-552.
- Hassel, A., & Sieker, F. (2022). The platform effect: How Amazon changed work in logistics in Germany, the United States and the United Kingdom. *European Journal of Industrial Relations*, 28(3), 363-382.
- Hassi, A., Balambo, M. A., & Aboramadan, M. (2021). Impacts of spirituality, intrinsic religiosity and Islamic work ethics on employee performance in Morocco: the mediating role of intrinsic motivation. *Journal of Islamic Accounting and Business Research*, 12(3), 439-456.
- Laeq, H. (2021). Impact of green human resource management on promoting green employee behaviour in Russia: a moderating role of employee empowerment. *Arthatama*, 5(1), 1-12.

- Messersmith, J. G., Patel, P. C., Lepak, D. P., & Gould-Williams, J. S. (2011). Unlocking the black box: exploring the link between high-performance work systems and performance. *Journal of applied psychology, 96*(6), 1105.
- Moon, T. W., Youn, N., Hur, W. M., & Kim, K. M. (2020). Does employees' spirituality enhance job performance? The mediating roles of intrinsic motivation and job crafting. *Current Psychology, 39*(5), 1618–1634.
- Paais, M., & Pattiruhu, J. R. (2020). Effect of motivation, leadership, and organizational culture on satisfaction and employee performance. *The journal of asian finance, economics and business, 7*(8), 577-588.
- Pudjianto, S. Y., Rasidar, R., Chainar, C., Purnama, D., & Marini, M. (2023). The effectiveness of village financial management in the implementation of accounting systems and procedures in Paloh District, Sambas Regency. *Research Horizon, 3*(6), 611-627.
- Quyen, T. H. (2020). The relationship between green procurement practices and organizational performance in the manufacturing industry of Vietnam. *Arthatama, 4*(1), 1-16.
- Rizqulloh, A. D. B., Mutmainah, R. E., & Lataruva, E. (2024). Enhancing Corporate Environmental Performance Through Green Human Resource Management. *Research Horizon, 4*(4), 65-72.
- Sadikoglu, E., & Zehir, C. (2010). Investigating the effects of innovation and employee performance on the relationship between total quality management practices and firm performance: An empirical study of Turkish firms. *International journal of production economics, 127*(1), 13-26.
- Segarwati, Y., Nurhayati, N., Nurkania, T., Yuniarti, Y., & Jamaludin, M. (2022). Implementation of supply chain management using the ERP system at XYZ Company Indonesia. *Research Horizon, 2*(6), 561-567.
- Shah, M. H. (2022). Impact of green marketing strategy on business performance-mediating role of corporate image in construction industry of Kenya. *Arthatama, 6*(1), 1-11.
- Shifa, D., & Harto, P. (2024). The Impact of CSR Environmental Disclosure and Institutional Ownership on Company Value. *Research Horizon, 4*(4), 55-64.
- Shin, J., & Grant, A. M. (2019). Bored by interest: How intrinsic motivation in one task can reduce performance on other tasks. *Academy of Management Journal, 62*(2), 415-436.
- Tóth, Á., Suta, A., Pimentel, J., & Argoti, A. (2023). A comprehensive, semi-automated systematic literature review (SLR) design: Application to P-graph research with a focus on sustainability. *Journal of Cleaner Production, 415*, 137741.
- Wahid, R. M., & Sarfiah, S. N. (2021). Analysis of Factors Affecting the Poverty Gap Index in Aceh Province 2017-2019. *Research Horizon, 1*(6), 217-228.
- Wang, Y., Zhu, L., & Jin, X. (2024). The Effect of a High-Performance Work System on Organizational Innovation Performance: The Mediating Effect of Employees' Intrinsic Motivation and the Moderating Effect of Person–Organization Fit. *Systems, 12*(7).



Copyright: © 2024 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution-ShareAlike 4.0 International License (<https://creativecommons.org/licenses/by-sa/4.0/>).