

Motivation... Intrinsic or Extrinsic?

REWARDING EMPLOYEES TODAY is no longer a matter of what should they be rewarded for but a matter of what really gets to the core of motivating them to do a good job. What motivates employees in a corporate environment is freedom to grow, contribute ideas, be heard, and to have a say in the accomplishment of goals and objectives for the most part set by them. Herein lies the challenge-- companies must learn to engage employees in the operation of a business in order to bring out the intrinsic motivation necessary to keep employees happy and productive.

The problem is even though a company may train its management to help bring out the intrinsic motivation in an employee there are always those employees who don't get it or who really only care about their paycheck. To try and motivate these folks many corporations rely on extrinsic motivation, that is the corporation thinks it knows what is the right way to motivate employees in their design of rewards and incentives and thus to a large extent the use of extrinsic reward systems. The subject here is that the corporation does not stimulate intrinsic values and therefore the use of self-determination on the part of the employee is negated and any reward system put in place will be short lived.

In his book, *Motivating and Rewarding Employees*, author Alexander Hiam, points out that because of preconceived notions (by corporations) employee motivation and rewards are based on the extrinsic motivation



model. Therefore corporations are accustomed to motivating employees with these external factors:

- Reward programs for good performance are extrinsic motivations because someone else determines when an employee deserves the reward
- Rewards given by managers are extrinsic
- Salary is an extrinsic motivator
- Threats of punishment are extrinsic
- Prizes for the best employee suggestions are often extrinsic motivations
- Much of the positive and negative feedback supervisors give is extrinsic

Many corporations today are using incentives to motivate employees through this tough economy, but they are doing it in a controlling fashion (as noted above) instead of utilizing informative feedback. (Which tells an employee how they are performing). In other words it is extrinsic vs. intrinsic motivation.

The issue with extrinsic motivation is that when given a stimulus such as a reward for a job well done the employee improves his or her engagement for a while until the reward or stimulus wears off. When this happens then the company tries or searches for a new stimulus that also eventually wears off and is also short lived and so the cycle continues. But if a company were to communicate to an employee how they are doing by discovering who they are at their core and awakening the employees will by letting them self-determine their own goals and

objectives then this is the beginning of intrinsic motivation. The need to come up with a new stimulus every time there is a dip in performance is eliminated because the employee is now self-motivated and focused on his or her performance.

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So the key to driving and bringing out intrinsic motivation in employees is engaging them by giving them control. When they feel that they have control they will be much more receptive to a reward program because an on going reward program with continuity will reinforce this behavior and make them feel like they are making a real contribution to the business.

To prove the above point, The Hay Group, a research organization specializing in human resources, recently completed a study where they collected data from 41 companies and over 1 million employees globally. These companies used employee engagement strategies including recognition and rewards. In comparing the results of surveys conducted in 2008/2009 with survey results from the same clients taken before the downturn, Hay Group found that more than 75% of these companies realized improvements in their scores regardless of the economic downturn. It is clear from this study alone that by recognizing employee engagement factors the companies noted in the study were able to improve performance in organizational commitment levels and employees satisfaction with their job roles. Also employees surveyed in these companies showed an increased willingness to contribute to the success of the businesses by discretionary effort—a true sign of intrinsic motivation.

Obviously the concern of whether to use intrinsic or extrinsic motivation depends on your company's goals and objectives. Are they long term or short term? Do you just want a quick improvement or some long-term benefits? Actually intrinsic and extrinsic motivation can and should both work together. For an immediate boost in performance an extrinsic motivation program will help all the while your company is planning on long-term motivation by being informative with your employees and by helping them self-determine the goals and objectives that will best make your company prosper in the future. ●

Have A Rewarding Day...