

## Impact of Intrinsic and Extrinsic Factors on Organizational Performance with Special Reference to Operational Level Managers in Sri Lanka Telecom

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**Abstract:** An organization cannot function without the commitment and co-operation of its employees to perform the tasks and objectives towards achieving organizational goals. The term organizing is used to denote one aspect of the managerial activities when he or she is preparing and scheduling the different tasks. The organization performance is mainly determined by managerial performance. Accordingly human behavior is primarily affected the organizational performance, especially in service organizations. Employees are usually paid for their service by means of salary or wage. However, in many organizations, employees will be rewarded by some kind of reward scheme to stimulate employees for achieving set goals. Further rewarding employees is aimed at play a key role in motivating employees within the workplace. Motivation is an extremely remarkable area of study and that is complex and intriguing topic. The motivated behavior of employees is positively influenced by intrinsic and extrinsic factors in an organization. Purpose of the study was to analyze the impact of intrinsic and extrinsic motivational factors on the organizational performance of Sri Lanka Telecom in order to make recommendations for the policy makers to enhance the organizational performance in SLT. The study was limited to employee motivation which is a human related factor that mainly influence on organizational performance accordingly. The research model was developed by concerning the Organizational Behavior (OB) theories related to employee motivation and organizational performance. The organizational performance and employee motivation were designated as dependent variable and the independent variable respectively. 18 indicators were recognized by the researcher belong to intrinsic motivational factors and extrinsic motivational factors designated as co-variables. While carrying out the study, the quantitative data collected by providing well-structured questioner to the sample, which selected with the help of cluster sampling technique for the population of operational level managers of Sri Lanka Telecom in island wide. The empirical data were manipulated using the Likert scale for gaining numerical representation quantitatively. The Qualitative data collected too from top and middle level managers those were selected by purposive sampling. The statistical analysis was done for quantitative data using of 'Statistical Package for the Social Sciences'. Before the data analyzing, consistency and validity of the variables were tested by means of the statistical analyzing tool. Research findings revealed that the intrinsic factors largely caused motivated behavior of operational managers in Sri Lanka telecom and extrinsic factors caused moderately. It recommends a policy framework to develop to increase intrinsic motivation than extrinsic rewarding through MBO approach.

**Keywords:** Organizational performance, Employee motivation, Intrinsic factors, Extrinsic factors

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Date of Submission: 03-10-2017

Date of acceptance: 14-10-2017

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### I. Introduction

This research was designed to study the factors influencing employee motivation, and` assess the impact of intrinsic and extrinsic factors on organizational performance, with special reference to operational level managers of Sri Lanka Telecom.

Organizational performance represents how far an organization achieves its goals; by managerial performance through the performance of non-managers. Organizational performance mainly depends on managerial performance. Managerial performance denotes how far a manager achieves his goals through effective planning, organizing and controlling of works of non-managers. Therefore, organizational performance could be seen through managerial performance. It is obvious that, the employee motivation caused on employee performance and similarly managerial performance may be depended on their motivational level.

Motivation is defined, as 'the processes that account for an individual's intensity, direction and persistence of efforts towards attaining a goal'. While general motivation is concerned with efforts toward any

goal, it could be narrowed the focus to organizational goals in order to reflect the interest in work-related behavior. (Robbins et al, 2015)

The three key elements in the above definition are intensity, direction, and persistence. Intensity describes how hard a person tries. This is the element most of us focus on when we talk about motivation. However, high intensity is unlikely to lead to favorable job-performance outcomes, unless the effort is channeled in a direction that benefits the organization. Therefore, it is considered the quality of effort as well as its intensity. Effort directed towards, and consistent with, the organization's goals is the form of effort it should be looking for. Finally, motivation has a persistence dimension. What measures, how long a person can maintain effort? Motivated individual stay with a task long enough to achieve their goals. (Robbins et al, 2015)

The recognition, responsibility, career advancement opportunity, career development opportunity, supervisory relationship, compensation package, and relationship with co-workers are general conditions as indicators for measuring the motivation. Yet measuring motivation is still complex because it is an attitude and person's feeling towards job characteristic. According to Frederick Herzberg's theory, especially the factors causing motivation such as management recognition of employee, responsibility of his/her job; career advancement opportunities, career development opportunities, and self-worthiness are found (Ruthankoon, 2003) proper indicators for measuring the intrinsic motivation. Though it was found the indicators for measuring motivation, the measuring seems a complicated task. Because the employee's feelings and attitudes are differ from person to person. There is a close relationship between employee motivation and the organization performance (Robbins et al, 2015).

## II. Research Problem

It is observed that there are unending criticisms, over the organizational performances of utility service organizations, which overflows from time to time through public media, about lapses of service quality and reliability. As a major organization which offers communication services, Sri Lanka Telecom has directly involved in the country's development. Sri Lanka Telecom has been strongly criticized not only by the media but also by the government. As major stakeholder the state discontents with the inability of fulfilling their expectations due to the lack of organizational performance in SLT. Further, parting of the customer base of fixed line communication service providers is highlighted in the records of concerned parties like Central Bank. It indicates the inability to accomplish the customer needs in order to realize their expectations. As sole fixed line communication service provider, the SLT has encountered this situation due to deficiency of performance. The internal records of SLT too reveals the uncertainty of the growth of customer base due to failure of service fulfillment punctually, and reducing the existing customer base rapidly due to lack of service quality and reliability. It has been caused to reduction of customer retention in the long term, consequently unable to compensate the investment and it effect returns of the SLT.

It is observed the ineffective management of functional areas affected for maintaining quality, and reliability of service. These facts indicate lack of motivation prevails with operational level managers such as assistant engineers and technical officers are managing the internal service support teams. According to the news article discussed earlier, the political authority discloses that 48% of SLT's operational expenses constitute employees' salaries and other extrinsic factors. Hence, the SLT management has concerned and allocated huge funds to improve the extrinsic factors caused job satisfaction such as compensation/pay, financial and non-financial benefits, variety of work, co-worker relationship etc. Those employees do not have disagreement largely with these measures and no consequences of Job satisfaction largely such as absenteeism and turnover. It could be predicted that there are deficiencies with intrinsic motivation of operational level managers managed the floor level employees in customer interface and internal service support teams.

Further, annual reports of the SLT for the years 2013, 2014, clearly indicated that gross profit is kept back declining heavily, and operational cost is blooming up while the total revenue is going up. This is shown in the table 1.

**Table 1** Revenue, Profit and Operational Cost of SLT

Year	2013	2014	2015
Revenue (millions of rupees)	36,781	38,950	40,565
Profit for the year (millions of rupees)	3,635	3,324	1,728
Operational cost (millions of rupees)	26,821	29,559	30,421

Generally increasing the market share caused increases the revenue, and that means, the 'marketing' may perform fruitfully. Increase of operational cost could be recognized as there is an issue in efficiency and effectiveness of operational level management. It could be believed the managers at operational levels are not performing effectively. This situation may be caused also due to lack of creativity of operational managers. Further this situation may be caused the consequences of demotivated behavior such as frustrated behavior, sluggishness, work negligence, reduced effort, and increased error rate. Employees who are not motivated do not tend to undertake responsibilities beyond their job limits and do not appear proactive works.

The Organization Behavior (OB) researchers such as Stephen Robbins, 2015 and Fred Luthans, 2012 have concluded that motivated workers are more likely to perform in the organization and how far they are beneficial to the organizations. Researchers reveal that there is a positive relationship between employee motivation and organization performance. Some researches revealed that there is a positive relationship between employee motivation and productivity. Job productivity evidence proves that motivated employee tend to be more effective than others.

At the beginning, SLT was established as a public sector organization. With the colonial administration setup caused bureaucratic culture. The nature of bureaucratic culture could be seen even at present in the SLT. Accordingly operational level managers may have disappointed about their recognition and responsibility from the upper level of organization hierarchy. And may also most of them do not have confident about their career advancement opportunities and career development opportunities within the organization. It is obvious there is no reconciliation between those employees and top management. Accordingly these people are tending to unionize. Deficiency of self-worthiness, job autonomy, job authority; psychological empowerment and work environment may also be largely influenced demotivated behaviors in this organization. The researcher suspects extrinsic motivational factors also affect significantly.

It could be believed, delivering the organizational promises to the customer through the operational level employees as well as outsource companies, do not functioning at satisfactory levels, due to lapses of managerial performance of operational level in this organization.

*It is observed that the delivering the organizational promises to the consumers is not accomplished effectively in SLT. That could be caused mainly the deficiency of managerial performance of the functional areas related with internal service supporting. Hence this phenomena could be mainly affected organizational performance consequently caused parting its customers and discontent of stake holders too. Policy makers face the problems in enhancing the organization performance due to lack of awareness to boost the non-financial factors based on human capital. Accordingly the research problems in this study include “how intrinsic factors and extrinsic factors provided by the organization affect for the motivation of operational level managers and how those factors affect for the organizational performance of SLT”?*

### **Research Questions**

To what extent intrinsic motivational factors offered by this organization has been affected for organizational performance of SLT.

To what extent extrinsic motivational factors offered by this organization has been affected for organizational performance of SLT.

What dimensions of SLT have to be developed to increase employee motivation level towards organizational performance?

### **Research Objectives**

To study the factors causing organizational performance in Sri Lanka Telecom.

To assess the impact of intrinsic factors for the organizational performance in SLT.

To analyze influence of extrinsic factors on organizational performance of SLT.

To give recommendations for the policy makers to increase level of employee motivation in order to enhance the organizational performance of Sri Lanka Telecom.

## **III. Significance of the Study**

The new knowledge in-searched through the present research was mainly focused the corporate managers because they would be able to develop perfect policy frame work. Accordingly certain number of policy lapses has to be resolved in order to strengthen and make stability of Sri Lanka telecom in the highly competitive market environment. The findings of the study would be provided vital information to policy makers and human resource managers of SLT to either consolidate or reconsideration ways of motivating staff of SLT. Same way these findings will be useful for middle level managers to build-up a strong platform of HR practices to ensure the operational managers are actively engaged in pursuance of corporate objectives. And also findings are supportive to business level managers for crafting the functional strategies, for operational level effectively. Further, this research is important for low level managers because attempt is made to sustain healthy mental environment and make self-confidence of personal growth for them. In addition it is very important to stake holders because findings are help to keep a well-motivated and satisfied workforce with the organization and help to develop reconciliation among the employees, in order to realize their expectations. Further this result will also add to the existing body of knowledge on the impact of employee motivation towards service performance in the telecommunication industry. It will also reveal interesting insight into the importance of employee motivation and impact on organizational performance for the other service organization and they may use this as a guide.

#### **IV. Literature Survey**

The core content of this part is the motivation concept, shaped up by literature review, related to the identification the research problem. "Motivation is a dynamic concept yet it is defined as the process that accounts for an individual intensity, direction and persistence of effort towards achieving organizational goals" (Robbins et al, 2015).

A basic explanation of motivation is the proficiency to change behavior. Motivation is an initiative that holds one to act because human behavior is directed toward some goals (Demirci, 2007). Employees' motivations are highly involved in their work and they are trying to advance their obligations (Kuvaas et al, 2009). Reward management system influences on motivation of employees and also Recognition, responsibility, advancement, achievement, growth and job satisfaction would cause motivated behavior (Robbins et al, 2015).

Extrinsic motivational factors are tangible and visible to others, and they are being distributed by an external party, such as pay, benefits, promotions, action taken to save the culprit from punishment (such as transferring) etc. Such factors are useful to draw people in, for recruitment, and to keep them within, the organization. Extrinsic factors are contingent, and may change with the level performance. They are used often to inspire employees to achieve higher levels of goals.

Intrinsic motives are generated internally, as brain directed or cognitive factors. Therefore, they are not tangible, yet have an effective impact on motivation. They include feelings of responsibility, achievement, accomplishment etc. Intrinsic motivations lead to performing meaningful work. (Luthans, 2013)

Extrinsic rewards are a sort of compensation, while intrinsic rewards, directly deal with the recognition. Certain research suggests that financial rewards (extrinsic) stimulate short term motivations; while in the long run non-financial (intrinsic) rewards are more effective. Intrinsic are not only long term effective, but also beneficial to the organization in other ways as well, because they are not as costly as extrinsic rewards.

Creativity is again an important factor, related with better carrier performance. Creativity is enhanced or stimulated when the task is interesting. This is again an intrinsic factor, known as intrinsic task motivation (Robbins et al, 2015).

In this research motivation is assessed using indicators, which are directly inspired from intrinsic and extrinsic factors, in order to express them in empirical manner. As per views on theories of many authors, intrinsic and extrinsic factors, most relevant to job satisfaction and motivation, in different intensities, impacts as described.

Employees desire stimulation and meaningful jobs, to feel that they are part of a successful organization and for their work to contribute to their heartfelt happiness. This is the way the organizations benefit by its employees being committed, motivated and "going the extra mile" (Robertson et al, 2009). Accordingly if an employee motivated very often feel it is the great place to work and willing to put in a more effort towards organizational goals (Jayatilake 2017).

With respect to the current research and as discussed by many authors above, recognition by the management towards the employees, is one of the most important factors, and in case of abuse of the system of recognition, would undermine the same causing demoralization, (Robbins et al, 2015). The recognition is an essential factor in enhancing employee job satisfaction and work motivation which is directly associated to organizational achievement (Jun et al, 2006). A study was conducted and it examined the relationship between rewards and employee motivation in commercial banks of Pakistan. The study focused on four types of rewards of which one was recognition, and tested through Pearson correlation. The results showed that recognition correlates significantly (0.65) with employee work motivation (Khan et al, 2010). "There is a considerable research evidences that recognition can serve as a powerful reinforce, and thus those exhibiting cultural values that, are given either formal recognition or even one-on - one social attention/recognition from relevant others can build and sustain the organizational culture", (Luthans, 2013). Assigning responsibility is more important during the process of inducing motivation. Responsibility is the state that the employee, feel a sense of being personally responsible or accountable for the work done, (Luthans, 2013). Employees should have opportunities for advancement and development in their carrier, and if not, they tend to get frustrated, getting demoralized and negative. Generally employees inspire to achieve higher levels or to reach higher goals. Organization should make such opportunities available for them and should set such non-financial rewards for them to keep the levels of motivation at desired levels.

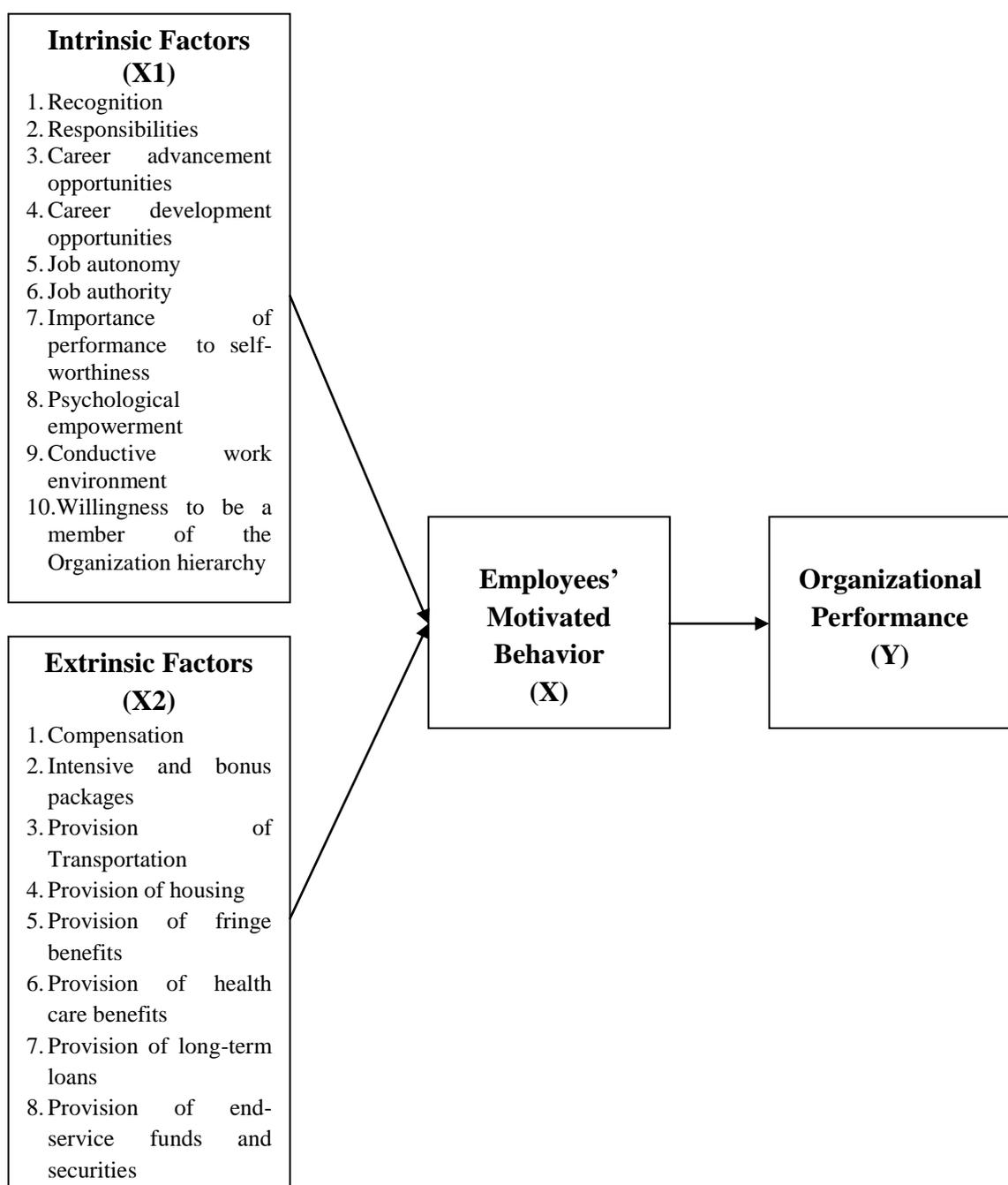
As insisted by Herzberg, factors associated with work or outcomes of the same, such as promotional opportunities and growth opportunities are intrinsically rewarded employees, (Robbins et al, 2015). "Autonomy refers to job independence. How much freedom and control do employees have, for example, to schedule their own work, make decisions, or determine the means to accomplish objectives", (Luthans, 2013). As described by Luthans autonomy leads to the feeling of responsibility. Authority is also as similarly important as the autonomy, to make one self-motivated, which deals with decision making. When an employee is in a state with the power of decision making, as he naturally gets the feelings of responsibility of the made decisions, the individual sets free his commitment to achievement. Delegation is the process of giving decision making

authority to the low level employees. In order to achieve the goals of the process successfully, the key decision maker should be able to coordinate resources and get the cooperation of relevant subscribers. Finally, the research evaluates employee's willingness to be with the organization, in order to measure the motivated behavior. Further in this research, it is measured how far organization provide Extrinsic factors such as compensation, incentives and bonus packages, transportation, housing, fringe benefits, health care benefits, loan facilities and service funds and securities, so as to increase employ motivation.

The attempt is made to evaluate the factors causing the employee motivation intrinsically and extrinsically distinguish and up to the point.

Motivational factors play an important role in increasing employee job satisfaction. This will result in improving organizational performance. High productivity is a long term benefit of employee motivation. Motivated employee is a valuable asset who creates value for an organization in strengthening the business and revenue growth. Motivation is going to work if the right person with suitable skills is made responsible for the job or else it will be wastage of resources and time, and will lead to job dissatisfaction (Kaur, 2013).

## V. Research Framework



## VI. Research Hypothesis

- H<sub>1</sub>. Organizational performance is significantly correlated with intrinsic motivational factors.
- H<sub>1.1</sub> The employee recognition given by management is significantly impact on organizational performance.
- H<sub>1.2</sub> The given responsibilities to employees for accomplishing the task is significantly impact on organizational performance.
- H<sub>1.3</sub> The career advancement opportunities provisioned by the organization to its employees are significantly effect on organizational performance.
- H<sub>1.4</sub> The career development opportunities provisioned by the organization to its employees are significantly effect on organizational performance.
- H<sub>1.5</sub> The employee perception about the importance of employee performance level for their self-worthiness is significantly impact on organizational performance.
- H<sub>2</sub> - Organizational performance is significantly correlated with extrinsic motivational factors.
- H<sub>2.1</sub> The compensation is significantly impact on organizational performance.
- H<sub>2.2</sub> The transport facilities provided by the organization are significantly impact on organizational performance.
- H<sub>2.3</sub> The fringe benefits provided by the organization are significantly effect on organizational performance.
- H<sub>2.4</sub> The healthcare benefits provided by the organization are significantly impact on organizational performance.

## VII. Methodology Overview

The target population for the study consists of operational level managers including Assistant engineers in Sri Lanka telecom staff working in the Colombo headquarters and other six regional branches of Island wide. The total number of people forming the population is about five hundred and eleven. The sample size was hundred that is nearly 20% of the population. Thus, all the 100 employees were given questionnaires and all were responded. Ten people were selected (nealy10% of the 98 population) from the top level and middle level managers for collecting qualitative data by direct interview method.

Both probability and non-probability sampling method were used in this study. For the direct primary data, by way of a probability sampling method, 'cluster sampling' was used for selecting participants from all geographical regions as each region representing a sample cluster in the study. Since the operational level managers were subjected in the study, and the sample was selected randomly with considering distribution of those employees by demographical characteristics in each cluster. The statistical analysis of quantitative primary data was done using of 'Statistical Package for the Social Sciences' (IBM SPSS 20).

## VIII. Limitations and Delimitations

### Limitations

This research was confined to organizational behavior theories in connection with employee satisfaction and motivation, and it is encompassing with large number of motivational theories. Though organization performance is affected by various factors in many ways only the human contribution considered in this research. Accordingly research was limited to motivational theories. However inter related theories were studied by the researcher in order to cope-up with research scope.

### Delimitations

Delimitation needs to be practical those were focused by the researcher during entire research process. Accordingly sample was confined to hundred and twenty respondents at random basis, and it is the delimitation of the present research. Because better result could be obtain through large sample of which point in time did not allow researcher to interview more than hundred and twenty respondents in this regard. Direct interview method was used to obtain views from respondents and was extremely time consuming.

## IX. Data Analysis

### Regression Analysis

**Table 2** Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.966 <sup>a</sup>	.934	.933	.111

Source: Primary survey data, 2016

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As per the table (Table 2) it indicates that the organization performance is, only 96.6%, influenced by intrinsic and extrinsic motivational factors. The rest 3.4 % is influenced by some other factors that were not considered in this study.

**ANOVA Test**

The F value of the test for the data is 685.691. The p-value associated with this F value is lower than the alpha value 0.05 (Table 2).

**Table 3 ANOVA Table**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	17.035	2	8.518	685.691	.000 <sup>b</sup>
Residual	1.205	97	.012		
Total	18.240	99			

a. Dependent Variable: Motivated/Not motivated

b. Predictors: (Constant), Extrinsic Motivational Factors, Intrinsic Motivational Factors

Source: Primary survey data, 2016

The study shows that there is significant impact of these independent variables on the dependent variable and the model applied is significantly good enough in predicting the dependent variable.

**Correlation Analysis**

**Table 4 Correlation Analysis**

Correlations				
		Motivated/ Not motivated	Intrinsic Motivational Factors	Extrinsic Motivational Factors
Motivated/Not motivated	Pearson Correlation	1	.966**	.646*
	Sig. (2-tailed)		.000	.000
	N	100	100	100
Intrinsic Motivational Factors	Pearson Correlation	.966**	1	.681**
	Sig. (2-tailed)	.000		.000
	N	100	100	100
Extrinsic Motivational Factors	Pearson Correlation	.646**	.681**	1
	Sig. (2-tailed)	.000	.000	
	N	100	100	100

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

Source: Primary survey data, 2016

**Table 5 Correlation of each indicator with dependent variable**

Indicator	Correlation with Motivated/Not motivated		Significance at the 0.05 level (2-tailed).	Rank
Recognition	Pearson Correlation	.880	Significant	2
	Sig. (2-tailed)	.000		
	N	100		
Responsibility	Pearson Correlation	.856	Significant	3
	Sig. (2-tailed)	.000		
	N	100		
Career Advancement opportunities	Pearson Correlation	.847	Significant	4
	Sig. (2-tailed)	.000		
	N	100		
Career Development opportunities	Pearson Correlation	.810	Significant	6
	Sig. (2-tailed)	.000		
	N	100		
Self-Worthiness	Pearson Correlation	.918	Significant	1
	Sig. (2-tailed)	.000		
	N	100		
Psychological Empowerment	Pearson Correlation	.779	Significant	8
	Sig. (2-tailed)	.000		
	N	100		
Conducive Work Environment	Pearson Correlation	.671	Significant	10
	Sig. (2-tailed)	.000		
	N	100		
Job Autonomy	Pearson Correlation	.807	Significant	7
	Sig. (2-tailed)	.000		
	N	100		
Job Authority	Pearson Correlation	.757	Significant	9

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	Sig. (2-tailed) N	.000 100		
Willingness to be a member of the organization	Pearson Correlation Sig. (2-tailed) N	.846 .000 100	Significant	5
Compensation	Pearson Correlation Sig. (2-tailed) N	.474 .000 100	Significant	14
Bonus package	Pearson Correlation Sig. (2-tailed) N	.385 .001 100	Significant	17
Transport facilities	Pearson Correlation Sig. (2-tailed) N	.578 .000 100	Significant	11
Housing facilities	Pearson Correlation Sig. (2-tailed) N	.438 .000 100	Significant	15
Fringe Benefit	Pearson Correlation Sig. (2-tailed) N	.477 .000 100	Significant	13
Health Care Benefit	Pearson Correlation Sig. (2-tailed) N	.166 .098 100	Insignificant	18
Long Term Loan facilities	Pearson Correlation Sig. (2-tailed) N	.403 .000 100	Significant	16
End-Service funds & securities	Pearson Correlation Sig. (2-tailed) N	.573 .000 100	Significant	12

It could be found the Pearson’s r statistic in the top of each box in table 5. Accordingly in this study The Pearson’s ‘r’ for the correlation of the employee’s motivated behavior with intrinsic factor is 0.966 and employee’s motivated behavior with extrinsic factor is 0.646. In this test, Pearson’s ‘r’ is 0.945.

The correlations of every indicator relevant to each factor (Table 5) with motivation were significant at the 0.05 level (2-tailed) except the indicator named “Health Care Benefit” ( $e < 0.05$ ). Further it was obvious there is a positive relationship between employee motivation and organizational performance (the hypothesis H<sub>1</sub> was proved). Accordingly the correlations of every indicator relevant to each factor (Table 5) with organizational performance were significant except the indicator named “Health Care Benefit”. Hence it is exposed the impact of each in indicators in each level and ranked considering that level of significant. The Self-Worthiness influenced on organizational performance in the organization with highest level.

**Analysis of the impact of Intrinsic Factors on the Organizational Performance**

**Table 6** The level of impact of intrinsic factors provided by this organization on employee motivation

Indicator	Mean	standard deviation	Correlation with dependent variable	Significance at the 0.05 level (2-tailed)	Level of Influence on dependent variable	Rank
Recognition	2.35	0.925	0.88	Significant	highly influenced	2
Responsibility	2.35	0.869	0.856	Significant	highly influenced	3
Career Advancement opportunities	2.23	0.93	0.847	Significant	highly influenced	4
Career Development opportunities	2.51	1.068	0.81	Significant	highly influenced	6
Self-Worthiness	2.48	1.243	0.918	Significant	highly influenced	1
Psychological Empowerment	2.67	0.965	0.779	Significant	highly influenced	8
Conducive Work Environment	2.8	0.974	0.671	Significant	highly influenced	10
Job Autonomy	2.33	0.877	0.807	Significant	highly influenced	7
Job Authority	2.58	0.997	0.757	Significant	highly influenced	9
Willingness to be a member of the organization	2.62	1.033	0.846	Significant	highly influenced	5

Source: Primary survey data, 2016

As indicated in the above (table 6), by observing the views of operational level managers it is revealed that management recognition of employee in the organization (Mean and SD are 2.35 and 0.925 respectively)

remains in high degree of impact. Therefore the influence of this indicator in the organization prevails in high level in order to decrease the organizational performance. And also the factor became significant and it was ranked 2<sup>nd</sup> as importance to increase the organizational performance.

As per next indicator in the table, by viewing it is revealed, that the way of assigning responsibility of employee in the organization (Mean and SD are 2.35 and 0.869 respectively) is denote high impact of responsibility. Therefore the impact of this indicator in the organization prevails in high level to decrease the organizational performance. And also the factor became significant according to the table and it was ranked 3<sup>rd</sup> as importance to increase the organizational performance. As per next indicator in the table, by seeing, it is exposed clearly that the provision of career advancement opportunity in the organization (Mean and SD are 2.23 and 0.93 respectively) is signify high impact to the employee motivation. Therefore the impact of this measure in the organization exists in high degree of effect to decrease the organizational performance. And this feature too significant and it was ranked 4<sup>th</sup> as importance to increase the organizational performance.

Further the next indicator in the table, by noting the views of respondents it is discovered that the provision of career development opportunity in the organization (Mean and SD are 2.51 and 1.068 respectively) remains in high degree of impact. Therefore the effect of this measure in the organization remains in high degree of impact for decreasing the organizational performance. Furthermore the feature is significant and it was ranked 6<sup>th</sup> as importance to increase the organizational performance.

As indicated in the table, by viewing the responses of the operational level managers it is revealed that the Importance of performance level to self-worthiness in the organization (Mean and SD are 2.48 and 1.243 respectively) remains in high level of impact. Therefore the influence of this indicator in the organization prevails in high degree of decreasing the organizational performance. Furthermore the feature is significant it was the highest ranked and most important factor to increase the organizational performance in this organization. When analyzing the indicator: Psychological empowerment, by means of viewing the answers of the operational level managers, it is disclosed that the Level of Psychological empowerment in the organization (Mean and SD are 2.67 and 0.9695 respectively) remains in high impact. Therefore the influence of this indicator in the organization prevails in high degree of decreasing the organizational performance. Further the feature is significant and it was ranked 8<sup>th</sup> as importance to increase the organizational performance.

Analyzing the indicator: conducive work environment, by means of viewing the responses, it is disclosed that the Level of conducive work environment in the organization (Mean and SD are 2.8 and 0.974 respectively) remains in considerable level of impact for motivation. Therefore the influence of this indicator in the organization prevails in low degree of decreasing the organizational performance. Furthermore the impact of this feature is significant and it was ranked 10<sup>th</sup> as importance to increase the organizational performance.

Viewing of the responses for indicator that perceived job autonomy shows that the level of this indicator in the organization (Mean and SD are 2.33 and 0.877 respectively) remains as in high volume. Therefore the influence of this indicator in the organization prevails as in high degree of decreasing the organizational performance and also the impact of this feature is significant and it was ranked 7<sup>th</sup> as importance to increase the organizational performance. As well as the level of job authority in the organization (Mean and SD are 2.58 and 0.997 respectively) also remains in high level according to the responses. Therefore the influence of this indicator in the organization remains as in high degree of decreasing the organizational performance. Further the impact of this feature was significant and it was ranked 9<sup>th</sup> as importance to increase the organizational performance. According to the responses, the level of willingness to be a member of the organization hierarchy of those employees (Mean and SD are 2.62 and 1.033 respectively) remains as in high volume. Therefore the influence of this indicator in the organization prevails as in high degree of decreasing the organizational performance and also the impact of this feature is significant and it was ranked 5<sup>th</sup> as importance to increase the organizational performance.

Generally considering intrinsic factors denoted by ten indicators in this research, it exhibits the contribution of those factors for employee motivation endures in high level. Hypothetically intrinsic factors caused mostly impact of employee motivation on organizational performance. The organizational performance is largely encountered by the way of applying intrinsic rewards in the organization.

### **Analysis of the impact of Extrinsic Factors on the Organizational Performance**

**Table 7** The level of impact of extrinsic factors provided by this organization on employee motivation

Indicator	Mean	standard deviation	Correlation with dependent variable	Significance at the 0.05 level (2-tailed)	Level of Influence on dependent variable	Rank
Compensation	3.74	0.906	0.474	Significant	Influenced moderately	14
Bonus package	4.10	0.893	0.385	Significant	Influenced moderately	17
Transport facilities	3.08	1.143	0.578	Significant	Influenced moderately	11
Housing facilities	3.76	0.9	0.438	Significant	Influenced moderately	15
Fringe Benefit	3.29	0.998	0.477	Significant	Influenced moderately	13
Health Care Benefit	2.99	1.307	0.166	Insignificant	No influence	18

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Long Term Loan facilities	3.69	0.961	0.403	Significant	Influenced moderately	16
End-Service funds & securities	3.79	1.192	0.573	Significant	Influenced moderately	12

Source: Primary survey data, 2016

As indicated in the above table 7, by observing the views of selected sample it is revealed that the level of compensation provided by the organization (Mean and SD are 3.74 and 0.906 respectively) remains in moderate level. The impact of this feature was significant and it was ranked 14<sup>th</sup> as importance to increase the organizational performance.

As per next indicator in the table, by viewing it is revealed, that the Level of bonus packages provided in the organization (Mean and SD are 4.1 and 0.893 respectively) indicate high impact. Therefore the influence of this indicator in the organization prevails in high level to increase the organizational performance. And also the factor became significant and it was ranked 17<sup>th</sup> as importance to increase the organizational performance.

Further the next indicator in the table, by noting the views of those professionals, it was discovered that the Level of provision of transportation in the organization (Mean and SD are 3.08 and 1.143 respectively) remains in low degree of impact. Therefore the effect of this indicator in the organization remains in low degree towards increasing the organizational performance. And also the factor became significant and it was ranked 11<sup>th</sup> as important to increase the organizational performance.

As per next indicator in the table, by seeing, it was exposed clearly that the Level of provision of housing in the organization (Mean and SD are 3.76 and 0.9 respectively) was signify moderate impact. Therefore the impact of this measure in the organization exists in moderate level to increase the organizational performance. And this feature was significant and it was ranked 15<sup>th</sup> as important to increase the organizational performance.

As indicated in the table, by viewing the responses of the operational level managers, it is revealed that the Level of provision of fringe benefit in the organization (Mean and SD are 3.29 and 0.998 respectively) remains in moderate level of impact. While influence of this indicator in the organization prevails in low degree on increasing the organizational performance, this feature was significant and it was ranked 13<sup>th</sup> as important to increase the organizational performance.

Viewing the responses of operational level managers for the indicator that the Level of provision of health care benefit in the organization (Mean and SD are 2.99 and 1.307 respectively) remains as in moderate level. Therefore the influence of this indicator in the organization prevails as in moderate level for increasing the organizational performance and the impact of this feature was insignificant and it was ranked 18<sup>th</sup> as lowest important to increase the organizational performance.

As well as the level of provision of long term loan in the organization (Mean and SD are 3.69 and 0.961 respectively) also remains in moderate level according to the answers. Therefore the influence of this indicator in the organization remains as in moderate level of increasing the organizational performance. Furthermore the impact of this feature was significant and it was ranked 16<sup>th</sup> as important to increase the organizational performance.

As per the last indicator in the table, by noting the views of respondents it is discovered that the Level of provision of end service funds (EPF, ETF) and securities offered in the organization (Mean and SD are 3.79 and 1.192 respectively) are in moderate level. Therefore the effect of this measure in the organization remains in moderate for increasing the organizational performance. And the feature was significant and it was ranked 12<sup>th</sup> as important to increase the organizational performance.

Considering the overall extrinsic factors represented by eight indicators in this research, it is revealed the involvement of those factors for employee motivation prevails in a moderate level. Though, majority of factors affected moderately and the two factors such as the level of provision of transportation and level of provision of fringe benefits which are denote low level of impact in this organization significantly. Therefore organization performance moderately applying extrinsic rewards in the organization accordingly it is tested empirically. Hypothetically extrinsic factors in least level caused impact of employee motivation on organizational performance. Therefore the organizational performance is moderately encountered by the way of applying extrinsic rewards in the organization.

In this study it is confirmed the reliability and consistency of co-variables such as intrinsic and extrinsic factors by statistical analysis of primary survey data. These quantitative data were normally distributed and linear relationship with dependent variable. According to the correlation analysis the extrinsic factors largely affected to the organizational performance and extrinsic factors affected moderately. Thus qualitative data analysis the operational level manager shows unmotivated behavior, it could be concluded the way of providing intrinsic factors by SLT is largely affected to the not motivated behavior of those employees. Nevertheless the extrinsic factors provided by the organization are made significantly less influence to this not motivated behavior. According to the factors ranked as per the influence on level of employee motivation, it explored generally the intrinsic factors acquired higher rank and the extrinsic factors became lower rank. Highest ranked factor is “importance of performance level for career growth (for self-worthiness)” and the least

important factor was “health care benefit”. But few extrinsic factors showed somewhat high correlation with motivation because those factors could be generating intrinsic interest too.

## **X. Conclusion**

This research study has investigated the implications of intrinsic and extrinsic motivational factors on organizational performance of Sri Lanka telecom. The employees who are working as operational level managers were surveyed by means of structured questionnaire in order to perceive their responses to each indicator provided by the organization. The collections of data reveal that, up to what extent, the factors has been provided by the organization could be able to increase the level of motivation. That means what extent the organization has been provided these motivational factors to influence organizational performance.

According to the unending criticisms by public media, regarding the service of Sri Lanka Telecom and its stake holder’s statements of discontents with the inability of fulfilling their expectations, it is clear that there is a deficiency of organizational performance of SLT. Further it was demonstrated concerning the decline of its customer base by the archives. The researcher confident that the factors affected to the organizational performance are remained adequately with Sri Lanka Telecom except the employee related factor that is employee motivation.

The theoretical literature on organizational theories and motivational theories has assisted to emphasis on the significance of employee motivation towards organizational performance. In this phenomenon, it is well understood from research literature that the employee motivation has a relationship with Customer satisfaction, Job commitment, Job Performance, Organizational Citizenship Behavior, Work place deviance and Job engagement. Those factors are being used as the measures of human related factors of organizational performance.

All organizations use their maximum efforts to be successful with current environment which is highly competitive. Therefore, business organizations concern, regardless of size and market strive, to retain the best employees, acknowledging their important role and influence on organizational effectiveness. In order to overcome these major challenges to an organization, it should be created a strong and positive relationship with its employees and direct them towards task fulfillment.

In order to achieve their goals and objectives, organizations should develop strategies to compete in highly competitive markets and to increase their performance. Accordingly as a service organization, Sri Lanka telecom has to consider the human capital as being their main asset and it should capable of leading them for success. If the employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success.

Motivating the employees to complete their works or duties at a satisfactory or better level is a challenge. The unmotivated behavior of employees is impact harmfully customer satisfaction, job commitment, job performance, organizational citizenship behavior, work place deviance and job engagement. Members who do not have the drive to succeed in an organization adversely impact others also in the workplace. Generally it can be concluded the unmotivated behavior of employees is influenced organizational performance negatively.

The unmotivated behavior is exposed among the operational level managers who are managing the internal service supporting teams in SLT because it is failed to provide intrinsic factors for those employees effectively in this organization. Therefore it was emphasized the organization unable to motivate those employees intrinsically and affected organizational performance of SLT harmfully.

Employees, who are not motivated, perform at a lower level than co-workers and those employees are working with negligence for the mission of the organization and it will be difficult to maintain the energy needed to complete a task. Low productivity is a consequence of not motivated behavior, and other employees may feel that they must work harder to compensate for unfinished tasks. Consequently an employee is lacked motivation; it can bring down the morale of the entire workplace. Gossip and complaining among the ranks can turn content employees against management of the organization. It may cause workplace deviance. Unmotivated employees may not have the energy or patience to deal with customers. If employees are responsible for functional areas related to customer service such as service fulfillment, returns or handling complaints, they may not adequately represent the organization to the public. Consequences of not motivation can include a lack of follow-through, not offering suitable explanations, no interest in satisfying requests or being rude when customers complain. Once the organization develops a bad reputation in customer service, the negative impression will be affected customer retention. Employees should add value to the organization, whether through increasing revenues or supporting the service indirectly. If employees do not produce enough work products to pay for their positions, they become an expense instead of an asset. When an operational level manager is not motivated to do his job properly, it can impact the bottom line also. The unmotivated behavior of those managers causes increasing the operational cost by means of work negligence, wastage, frauds, unnecessary expenses etc. Those employees do not complete assignments perfectly, may not help the organization keep pace with the projected earnings.

The extrinsic factors and intrinsic factors have a significant involvement on employee motivation, and this is important because there is a close relationship has been identified between job satisfaction and motivation. Even though there is a close relationship between the above parameters, there is a clear distinction between job satisfaction and the motivation, because the former one is an attitude while the latter is a sensory interpretation about the job environment. Degree of motivation is influenced by, recognition, responsibility, advancement, achievement, personal growth and the job itself. Motivation is defined as a process that account for individual intensity, direction, and persistence effort, towards attaining a goal or several goals.

Irrespective to the hierarchical status of the employees, early theories, such as Need Hierarchy Theory, Two Factor Theory, XY Theory, and McClelland's Theory are help in understanding their motivational behavior. When concentrate on contemporary theories, they are closely related to the job environment. Out of them, Self-determination theory explains the extent of reduction of intrinsic task, by extrinsic rewards. Paying people is like indirectly forcing them on something they have to do than something they prefer to do. The researcher wish to express the final view, as per the theory based, that the extrinsic and intrinsic rewards would not be balanced, caused to make unmotivated behavior. As per the findings some extrinsic factors such as housing facilities, transport facilities and fringe benefits influenced to the employee motivation than some intrinsic factors. Because of, the organization has not considered the recognition of such hierarchical level of those employees, when providing such benefits. So it is concluded that even extrinsic factors, could be caused to increase intrinsic interest.

Increasing the employee motivation towards organization performance should make concern employee's feeling about their job as they believe it is meaningful to engage in work. Therefore job characteristic and access to sufficient resources to work effectively, the values of both individual and organizational goals should be coincide, there should be a greater sense of operational level managers towards mission and they should understand clearly by themselves, their tasks directed to organizational goals. Consequently those employees invest physical, cognitive, and emotional energies into their job performance. In order to increase work motivation further, specific and difficult goals have to be set and also it should be provided feedback on performance. "Goal setting theory" reveals that the specific and difficult goals produce higher level of output than the generalized goals because, "specificity itself seems to act as an internal stimulus", and that feedback leads to higher performance than non-feedback.

As intrinsic motivational factors the management recognition of employees and responsibilities assumed with assigned task in SLT are not adapted effectively as increase the employee motivation due to the issues in standards of this organization. According to the procedural limitations, the career advancement opportunities and career development opportunities in SLT are not benefited to increase employee motivation. Due to the inadequate programs of SLT, the self-worthiness of employees is unsuccessful to increase employee motivation. It could not be managed the extrinsic factors in a highest level to raise the organizational performance due to incompetence policies of SLT. Finally the researcher concluded subjective nature of managing human resources extremely caused the organizational performance of Sri Lanka Telecom.

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Y.L.K Senanayake. "Impact of Intrinsic and Extrinsic Factors on Organizational Performance with Special Reference to Operational Level Managers in Sri Lanka Telecom." *IOSR Journal of Business and Management (IOSR-JBM)*, vol. 19, no. 10, 2017, pp. 08–19.