

# The Impact of Organizational Culture on the Effectiveness of Intrinsic and Extrinsic Motivation in Enhancing Job Satisfaction

**Dr. Kavita Gupta**

Assistant Professor, Mahalakshmi College for Girls, Duhai, Ghaziabad

Email - [drkavitagupta.kg@gmail.com](mailto:drkavitagupta.kg@gmail.com)

**Abstract:** Motivation plays a crucial role in driving employee engagement and, consequently, organizational performance. This article explores the concepts of intrinsic and extrinsic motivation and their significant impact on an organization's productivity, innovation, and overall success. Intrinsic motivation is rooted in internal factors such as personal satisfaction and passion, whereas extrinsic motivation is fueled by external rewards like monetary incentives and recognition. The study delves into the dynamics of both forms of motivation and how they are interconnected in the workplace. Studies have shown that a well-balanced blend of intrinsic and extrinsic motivation tactics can result in increased job satisfaction, heightened productivity, and improved organizational performance. Organizations that effectively leverage intrinsic motivation enable employees to discover purpose and fulfillment in their roles, promoting dedication and creativity in the long run. Furthermore, strategic implementation of extrinsic motivators can offer immediate productivity boosts and propel employees towards achieving specific objectives. The article also addresses the risks associated with an excessive reliance on extrinsic motivation, which could inadvertently suppress intrinsic motivation, creativity, and job satisfaction. It underscores the significance of recognizing individual variations in motivational preferences and customizing approaches to align with employees' unique needs and ambitions. In conclusion, acknowledging the intricate relationship between intrinsic and extrinsic motivation and integrating both strategically can greatly enhance organizational performance. The article advocates for organizations to find a harmonious equilibrium between these motivational drivers, empowering employees to make valuable contributions towards organizational goals while deriving personal fulfillment from their work.

**Key Words:** Intrinsic motivation, extrinsic motivation, Employee engagement, Organizational Culture.

## 1. INTRODUCTION :

This study investigated the significance of intrinsic and extrinsic rewards in fostering employees' belief in the concept of perceived organizational support (POS). The aim is to enhance employee engagement and job satisfaction, build organizational commitment, and foster positive attitudes towards work through the mediation of perceived organizational support.

This study utilizes the concept of organizational support perception as a mediating factor. Employees' perception of the support provided by the organization for their well-being plays a mediating role in the connection between the employees' intrinsic and extrinsic rewards and their job satisfaction and commitment to the organization. Perception pertains to how employees view the value that the organization gives in exchange for their hard work and extra effort for the organization's benefit. Various motivational factors can enhance employees' perception of organizational support. The primary motivational factors are intrinsic and extrinsic rewards, which significantly influence employees' views and shape their perception of organizational support. The reciprocal exchange of support between employees and the organization serves as the fundamental basis of the organizational support theory in employees' minds, impacting their satisfaction levels and loyalty to the organization.

The competitive nature of educational institutions also plays a role in the overall development of society. Organizational behavior focuses on individuals' actions within an organization and how these actions impact its operations. It addresses areas such as jobs, work, absenteeism, employment turnover, and various management aspects. Additionally,

organizational behavior is closely linked to behavioral science, which is rooted in behavioral disciplines. The organizational environment significantly influences employees' behaviors in the workplace. The Reward Management system significantly shapes the human resources by offering well-established financial and non-financial rewards. Rewards are crucial for motivating employees and achieving desired outcomes within the organization, leading to increased creativity among employees. Job satisfaction is increasingly vital in today's world, primarily through intrinsic and extrinsic mechanisms. This factor influences the reward structures within organizations and can drive employee motivation, which is often a result of the rewards in place. These rewards can influence job performance by fostering positive or negative attitudes.

## **2. REVIEW OF RELATED LITERATURE :**

In a study by **Inayat.W and Khan.M. J (2021)**, the impact of job satisfaction on employee performance in private sector organizations in Peshawar, Pakistan was examined. They utilized the Minnesota Satisfaction Questionnaire (MSQ-short form) developed by Weiss et al. (1967) and a self-constructed Performance Evaluation Form (PRF) as research tools. The study revealed a significant correlation between job satisfaction and the type of occupation, as well as a positive relationship between job satisfaction and employee performance. The findings suggest that satisfied employees tend to perform better compared to dissatisfied ones, thus playing a crucial role in enhancing organizational outcomes.

In a separate study by **Inegbedion, Henry; Inegbedion, Emmanuel; Peter, Adeshola; et al; (2020)**, the focus was on the perception of workload balance and job satisfaction within work organizations. This research aimed to explore how employees' perceptions of workload balance impact their job satisfaction. The results indicated that comparing workload with that of colleagues, aligning employees' roles with their competencies, and the organization's staff strength significantly influence how workload balance is perceived and consequently affect job satisfaction.

**In 2016, Jin and team** stated that employees with strong social bonds experienced higher Job Satisfaction when they felt supported by their supervisors and when the workplace culture focused less on performance

**In 2014, Delic and colleagues** studied how monetary and nonmonetary rewards affect Job Satisfaction. Their findings showed that monetary rewards significantly influence employee Job Satisfaction in the Banking sector of Bosnia and Herzegovina.

## **3. MOTIVATION :**

It can be challenging as what drives one employee may not inspire another. Bagshawe (2011) conducted a study to explore why some employees are motivated to work harder while others are not. Motivation is the level of effort employees put into achieving workplace goals, distinct from a personality trait (Robbins, 2008). Motivated employees are willing to work harder towards shared objectives, which positively impacts performance outcomes. Robbins (2008) noted that motivated employees experience tension, which they seek to relieve by increasing effort. Greater tension leads to increased motivation and effort, ultimately resulting in satisfaction and reduced tension. Some employees may engage in non-work-related activities like social media or personal conversations to fulfill social needs, displaying high effort but not aligning with organizational goals.

Intrinsic and extrinsic motivation is distinct forms of drive. Intrinsic, also referred to as internal motivation, contrasts with extrinsic, labeled as external motivation. People's motivations are often deduced from their actions. Extrinsic and intrinsic motivations are commonly used to explain different forms of motivation. Extrinsic motivations come from external sources and usually involve incentives like awards, money, social recognition, or praise. Intrinsic motivations, on the other hand, come from within an individual, fueled by personal enjoyment or the satisfaction of overcoming challenges. Work motivation can have different meanings for individuals, especially in terms of its personal importance and the sense of belonging to a group. Motivation is a central concept in human relations and is relevant across various industrial psychology topics. Employers seek to hire individuals who are genuinely motivated to work and consistently strive during their employment. Work is seen as a socially approved activity that fulfills an individual's need for productivity and engagement. Different factors such as productivity, creativity, or financial gain can drive individuals' motivation. It is recognized that an employee's motivation can vary depending on the situation. Moreover, individuals can be driven by multiple needs simultaneously, and understanding each need's role is essential for grasping their behavior. Research by Gagné and Deci (2005) focused on fulfilling three basic psychological needs (autonomy,

competence, and relatedness) and its impact on employee motivation. The study showed that meeting these needs positively affects intrinsic motivation, leading to higher job satisfaction and better performance. A meta-analysis by Colquitt et al. (2013) explored various motivational theories and their practical applications in the workplace. The results highlighted that employee motivation is influenced by factors like goal setting, feedback, and recognition. Boswell and Boudreau (2000) studied the connection between employee motivation and job performance, finding a significant influence of motivation on employee outcomes. Another study by Oldham and Hackman (2010) examined the relationship between job characteristics, employee motivation, and job satisfaction, emphasizing the importance of factors such as skill variety, task identity, and autonomy.

#### **4. ORGANIZATIONAL CULTURE :**

Organizational culture is a key factor in an organization's overall operation. It significantly influences the organization's performance and efficiency. Organizational culture is instrumental in fostering a sense of identity among its members. Employees recognize themselves as part of a shared community with specific values, beliefs, and principles. This cultivates a dedication to a collective purpose beyond individual interests and highlights the uniqueness of their organization. Moreover, organizational culture establishes a clear distinction between one organization and others, as described by Robbins (2001) as a defining boundary role. Additionally, culture acts as a mechanism for interpretation and regulation, shaping employees' attitudes and actions. It provides guidelines on communication and behavior, contributing to the cohesion of the organization (Robbins, 2001). Furnham and Gunter (1993) define the functions of organizational culture as internal integration and coordination. Internal integration involves the assimilation of new members, fostering commitment and identity among staff, and defining the organization's boundaries. Coordination pertains to gaining a competitive advantage, interpreting acceptable behavior within the environment, and maintaining social system stability (E.C. Martins & F. Terblanche, 2003).

##### **4.1 INFLUENCE OF ORGANIZATIONAL CULTURE**

The influence of organizational culture on employee satisfaction is significant. A positive organizational culture, characterized by good working conditions, recognition for achievements, job security, and stability, directly impacts employee motivation. Organizations that embody these traits tend to cultivate a dedicated and motivated workforce, leading to enhanced organizational productivity and performance. Conversely, organizations lacking these features may experience decreased employee motivation and subpar work performance. In essence, a positive organizational culture fosters motivated, productive, and committed employees, resulting in reduced turnover, driven employees, enhanced company loyalty, and harmonious work environments.

Organizational culture, defined as the shared values, beliefs, and practices that shape the work environment, significantly impacts employee job satisfaction. This cultural framework dictates how employees perceive their roles, interact with colleagues, and align with the company's goals, directly influencing their overall job satisfaction.

##### **4.2 SENSE OF BELONGING AND ALIGNMENT**

A positive company culture helps create a feeling of belonging among employees. When employees believe that their personal values are in line with the organization's values, they tend to feel more connected and devoted to their job. This alignment boosts their satisfaction as they recognize their work as part of a greater, purposeful mission. Businesses such as Patagonia, which prioritize environmental sustainability, draw in employees who have comparable values, resulting in increased job satisfaction.

##### **4.3 WORK ENVIRONMENT AND RELATIONSHIPS**

The quality of the work environment, influenced by the organizational culture, plays a crucial role in determining job satisfaction. A culture that encourages open communication, teamwork, and mutual respect fosters a supportive work environment. Employees in these environments feel appreciated and valued, leading to increased job satisfaction. Positive relationships among colleagues, nurtured through a culture of collaboration and respect, enhance the overall workplace experience. Conversely, a toxic culture marked by distrust, ineffective communication, and internal competition can result in dissatisfaction. Employees in such environments may feel unappreciated, marginalized, and under pressure, significantly reducing their job satisfaction. High-stress cultures, often driven by unrealistic expectations and lack of support, contribute to employee burnout and dissatisfaction.

#### **4.4 RECOGNITION AND REWARD SYSTEM**

Recognition and Rewards in the Workplace Employee recognition and reward systems are essential for boosting job satisfaction. By regularly acknowledging employees' contributions through formal awards or informal praise, organizations can make employees feel valued and motivated to excel. Recognizing achievements and offering constructive feedback also helps cultivate a positive work environment, ultimately leading to higher levels of job satisfaction. Furthermore, a fair reward system that ensures employees feel adequately compensated for their efforts is crucial for job satisfaction. Companies that provide competitive salaries, benefits, and opportunities for career growth instill a sense of equity and drive motivation among employees, ultimately enhancing their overall satisfaction with their work.

#### **5. OPPORTUNITIES FOR GROWTH AND DEVELOPMENT:**

Prioritizing continuous learning and development in organizational cultures enhances job satisfaction. Employees who can access training programs, skill development workshops, and career advancement opportunities feel valued and engaged. This growth-oriented culture not only improves their skills but also boosts their job engagement and satisfaction. Companies such as Microsoft and IBM, renowned for their strong emphasis on employee development, often observe higher job satisfaction rates among their employees.

- **WORK-LIFE BALANCE**

A culture that supports work-life balance is crucial for job satisfaction. Organizations that promote flexible working hours, remote work options, and respect for personal time show that they care about their employees' well-being. This support helps employees manage their personal and professional lives more effectively, reducing stress and increasing job satisfaction. On the other hand, a culture that demands constant availability and long working hours can lead to burnout and dissatisfaction.

- **INCLUSION AND DIVERSITY**

Inclusive organizational cultures that value diversity and provide equal opportunities for all employees foster a sense of belonging and fairness. When employees feel respected and included, regardless of their background, they are more likely to be satisfied with their jobs. Inclusive cultures encourage diverse perspectives and innovation, making employees feel that their unique contributions are valued.

Organizational culture profoundly impacts job satisfaction by shaping the work environment, recognition systems, growth opportunities, work-life balance, and inclusivity. A positive, supportive culture that aligns with employees' values and needs leads to higher job satisfaction, better performance, and lower turnover rates. Conversely, a negative culture can result in dissatisfaction, disengagement, and higher attrition. Therefore, cultivating a strong, positive organizational culture is essential for enhancing employee job satisfaction and achieving organizational success.

#### **6. CHALLENGES IN ALIGNING CULTURE WITH MOTIVATION AND JOB SATISFACTION**

Culture with Motivation Aligning organizational culture with employee motivation is crucial for fostering a productive and satisfying work environment. However, achieving this alignment presents several challenges. Addressing these challenges effectively can lead to a more motivated workforce and overall organizational success. Here are some common challenges and corresponding solutions:

##### **CHALLENGES :**

- **CULTURAL MISMATCH**

Major challenge is the potential mismatch between organizational culture and employees' personal values and motivations. When employees' values are not aligned with the company culture, they may feel disconnected and demotivated. For instance, an organization that values strict hierarchy may demotivate employees who thrive in a more collaborative and egalitarian environment.

To address this, organizations should clearly communicate their cultural values during the hiring process. This helps attract individuals whose values align with the company's culture. Additionally, regular feedback sessions can identify misalignments early, allowing for adjustments to better match employee values with organizational culture.

- **RESISTANCE TO CHANGE**

Another significant challenge is resistance to cultural change. Long-standing employees may be accustomed to certain practices and may resist new initiatives aimed at shifting the culture. This resistance can hinder efforts to align culture with evolving motivational strategies.

To mitigate resistance, change should be implemented gradually and inclusively. Engaging employees in the change process, seeking their input, and clearly communicating the benefits of the new culture can foster acceptance. Training programs and workshops can also help employees adapt to new cultural norms and understand how these changes will enhance their motivation and job satisfaction.

- **INCONSISTENT LEADERSHIP PRACTICES**

Leadership plays a critical role in shaping and maintaining organizational culture. Inconsistent leadership practices can undermine efforts to align culture with motivation. When leaders do not embody the cultural values they promote, it creates a disconnect that can demotivate employees.

Leaders should lead by example and consistently demonstrate the cultural values they wish to instill in the organization. Leadership training and development programs can help ensure that leaders are equipped to foster a motivational culture. Regular evaluations and feedback can also help maintain leadership consistency.

- **LACK OF RESOURCES**

Aligning culture with motivation often requires investment in resources such as training, development programs, and recognition systems. Limited resources can hinder these efforts, making it challenging to sustain motivational initiatives.

Organizations should prioritize resource allocation for initiatives that directly impact employee motivation. Strategic planning and budgeting can help ensure that necessary resources are available. Additionally, seeking employee feedback on the most valuable motivational resources can help optimize investments.

## **7. FOSTERING A POSITIVE ORGANIZATIONAL CULTURE:**

Research highlights several actionable recommendations for organizations seeking to develop a positive culture:

- **PROMOTE OPEN COMMUNICATION**

Fostering a culture of open communication is essential for aligning culture with motivation. Encouraging employees to voice their opinions, concerns, and ideas can lead to a more engaged and motivated workforce. Regular town halls, surveys, and suggestion boxes can facilitate this communication.

- **RECOGNIZE AND REWARD ACHIEVEMENTS**

Implementing a robust recognition and reward system can significantly enhance motivation. Recognizing both individual and team achievements fosters a sense of accomplishment and encourages further efforts. Tailoring rewards to employees' preferences, such as public acknowledgment, bonuses, or development opportunities, can make recognition more impactful.

- **SUPPORT**

Professional Growth providing opportunities for professional development aligns with employees' intrinsic motivation for growth and achievement. Offering training programs, mentorship, and clear career advancement paths can motivate employees to excel and remain committed to the organization.

- **FOSTER A POSITIVE WORK ENVIRONMENT**

Creating a positive and inclusive work environment is crucial for motivation. Promoting work-life balance, diversity, and inclusion helps employees feel valued and respected. Flexible work arrangements, employee resource groups, and wellness programs contribute to a supportive culture that enhances motivation.

- **CLEARLY DEFINE VALUES AND MISSION**

Organizations should clearly express their core values and mission to foster a common sense of purpose. This enables employees to grasp the broader organizational context and align their efforts accordingly.

- **IMPROVE COMMUNICATION CHANNELS**

Create open and transparent communication pathways to encourage inclusivity and information sharing. Regular feedback sessions and town hall meetings can help establish a setting where employees feel acknowledged and valued.

- **INVEST IN LEADERSHIP DEVELOPMENT**

Offer leadership training programs to equip managers and leaders with the necessary skills to nurture a positive culture. Transformational leadership behaviors should be encouraged and rewarded.

- **PROVIDE OPPORTUNITIES FOR GROWTH**

Establish clear pathways for professional advancement to show a commitment to employee welfare. Supporting skill development and career advancement increases job satisfaction.

- **ENCOURAGE WORK-LIFE BALANCE**

Introduce policies that facilitate work-life balance, such as flexible work hours or remote work options. A harmonious work environment enhances overall employee satisfaction.

## **8. CONCLUSION:**

The results of this research highlight the significant impact of organizational culture on employee performance and job satisfaction. By recognizing how culture affects employee behavior and attitudes, organizations can actively cultivate their cultural settings to improve workforce outcomes. The practical recommendations presented offer concrete steps for organizations to nurture a positive culture that boosts employee performance, job satisfaction, and overall organizational achievement. Ongoing research in this field will further deepen our understanding of the complex relationship between organizational culture and employee well-being. This research paper highlights the crucial impact of organizational culture on employee performance and satisfaction. By grasping the nuanced relationship between cultural factors and their effects on individuals within the organization, businesses can devise and execute initiatives that enhance culture, leading to better performance, increased job satisfaction, and lasting organizational success. Recent research from the **Pew Research Center** reveals that more than half of employees are unhappy in their jobs, leading to a significant impact on both Employee Satisfaction and Retention. The study shows that only 45% of employees are content with their current job, with 54% expressing dissatisfaction. This marks a notable decrease from the 61% satisfaction rate reported five years ago.

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