

## 11.14: The Importance of Employee Motivation

### Learning Outcomes

- Explain the importance of employee motivation in an organization.
- Distinguish between internal and external motivation.



Employee motivation is of great concern to any organization. Gallup's 2017 survey on employee engagement shows that "the ratio of disengaged to actively engaged employees is 2-to-1, meaning that the vast majority of U.S. workers (67%) are not reaching their full potential."<sup>[1]</sup>

Research has shown that companies with higher ratios of engaged employees experience higher earnings per share (EPS) compared with their competition.<sup>[2]</sup>

Think about what motivates you to get your homework done. Maybe you want to get an A in the class so you can make the dean's list this term. Or maybe you want to learn all about management so you can start your own successful business one day. Because we are not all motivated by the same things, a manager's ability to motivate employees requires gaining an understanding of the different types of motivation. A better understanding will enable you to better identify the best ways to motivate others—and possibly even yourself.

### Practice Question

<https://assessments.lumenlearning.co...essments/12270>

## Types of Motivation

Motivation is the collection of factors that affect what people choose to do, and how much time and effort they put into doing it. There are two forms of motivation: **intrinsic** and **extrinsic**. These forms refer to the origin of the motivation. Intrinsic motivation exists within a person; extrinsic motivation comes from external or outside sources.

### Intrinsic Motivation

Intrinsic motivation includes many internal sources of motivation. These might include:

- interests
- beliefs
- personal enjoyment and pleasure
- sense of accomplishment
- personal pride
- skill development and competency
- social status
- power

You should notice that these intrinsic rewards are not tangible, meaning that they can't be easily measured or quantified. Over time, however, the outgrowth may be tangible via promotions, better projects to work on, and the power to influence decisions.

### Extrinsic Motivation

Extrinsic motivation includes motivational stimuli that come from outside the individual. These stimuli take the form of tangible rewards, such as commissions, bonuses, raises, promotions, and additional time off from work. For example, an employee who will take on extra work, provided there is a sufficient reward for this extra effort, is extrinsically motivated. Extrinsically motivated people may also value the intrinsic rewards, but only if the extrinsic reward is sufficient.

Seldom is anyone exclusively intrinsically or extrinsically motivated. Even though someone may have strong preferences, they can overlap depending on the circumstances.

#### ? Practice Question

<https://assessments.lumenlearning.co...essments/12271>

1. "State of the American Workplace: Employee Engagement Insights for U.S. Business Leaders," Gallup, 2017 ↩
2. Gallup, 2017 ↩

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