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The Effect of Employee Motivation on Job Satisfaction and Job Performance: A Case Study of Travel Agents Guangxi, The People's Republic of China

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Abstract

Tourism industry in Guangxi, the People's Republic of China has drastically expanded. Hence, the competition of travel agents is intense. Employees are the core of the company such as travel agents to gain advantages over competitors. As employee performance would enhance company performance, prior research suggested that employee motivation and job satisfaction would lead to advance employee performance. The objective of this study is to explore the role of intrinsic motivation and extrinsic motivation on job satisfaction and employee performance. This study employs quantitative method to collect the data from 256 employees of three leading travel agents in Guangxi, China. The result of this study suggested that intrinsic motivation has stronger effect on job satisfaction and employee performance than extrinsic motivation. The effect of intrinsic motivation on contextual performance is stronger than on task performance.

Keywords: Intrinsic motivation, Extrinsic motivation, Job Satisfaction



Introduction

Guilin is the scenic town of Guangxi province in China while it has opened a new high-speed train station in 2018. In 2017, Guilin received more than 82 million tourists (Xinhua, 2018^a). It recorded tourism consumption of 570 billion yuan in the first three quarters of 2018 (Xinhua, 2018^b). In 2016, 79.62 million people were directly or indirectly employed in the tourism sector which is accounted for 10.26% of the total employed population in China (China travel news, 2017) and it is expected to continually increase. Hence, this suggested that human resources are a potential source of sustainable competitive advantage, and one over which managers have influence (McWilliams, 2001). Company can improve employee performance through boosting employee motivation and job satisfaction. Job satisfaction is an important factor of an organization's success (Tan, 2011). According to DeShields (2005), employee motivation can significantly enhance job satisfaction. Extending from previous research, this study emphasizes the role of intrinsic motivation and extrinsic motivation on employee task performance and contextual performance. This would contribute to understand the impact of types of motivation on individual level (i.e. task performance) and department level (i.e. contextual performance). The objectives of current research are: 1.) To gain insight on the level of employee motivation; 2.) To understand the impact of employee motivation on job satisfaction and employee performance; 3.) To understand the impact factors of job satisfaction on employee performance.

Related Literatures

Herzberg et al. (1959) developed two distinct lists of factors. One set of factors caused happy feelings or a good attitude within the worker, and these factors, on the whole, were task-related. The other grouping was primarily present when feelings of unhappiness or bad attitude were evident, and these factors. Hence, the first dimension was related to job satisfaction called motivation factors (i.e. Intrinsic Motivator), and the second dimension to job dissatisfaction called hygiene factors (i.e. Extrinsic Motivators). Motivation factors are the six "job content" factors that include achievement, recognition, work itself, responsibility, advancement, and possibility of growth. Hygiene factors are "job context" factors, which include company



policy, supervision, relationship with supervisors, work conditions, relationship with peers, salary, personal life, relationship with subordinates, status, and job security.

Mahmood (2016) asserted that employee motivation is significantly contribute towards job satisfaction of employee. Thus, job satisfaction would be attained when an employee is motivated to do work by his or her own will. Consistently, Hussain et al. (2012) suggested that motivation is driving force that put the willingness in a person to perform the task. Hence, an increase in the level of motivation of employees would result in an increase in the level of job satisfaction.

Therefore, this study proposed:

Hypothesis 1: Employee motivation has positive impact on job satisfaction.

Aftab (2012) examine the relationship between job satisfaction and employee performance and results showed that the relationship between job satisfaction and employee performance relationship was positive. Consistently, Balouch (2014) found that job satisfaction has the impact on job performance. Similarly, Bin (2015) confirms that satisfied employees do perform better and contribute to the overall success of an organizations. Employees who are not satisfied do not perform well and become a barrier to success. Therefore, this study proposed:

Hypothesis 2: Job satisfaction has positive impact on employee performance.

According to Ali (2016), the research indicates that there is positive effect of motivation on employee performance. Motivation is the key tools for improved employee performance and it can also increase the level of individual and organizational capability. In addition, when employees perceived higher core self-evaluations and intrinsic motivation, employees would perceive that their job performance is increased (Joo, 2010). Therefore, this study proposed:

Hypothesis 3: Employee motivation has positive impact on employee performance

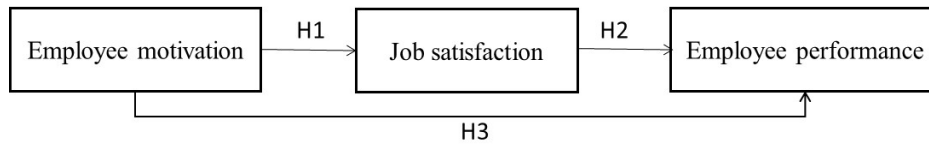


Figure 1: Conceptual Framework

Methodology

Research Design and sample

The current study explores the impact of employee motivation on job satisfaction and employee performance. The questionnaire was distributed online to employees of three leading travel agents, in Guangxi province. The study collected data from total of 256 respondents. Of those, 41% are male and 59% are female. Most of the participants (82%) are between the age of 20-30 years. For education qualification, most respondents are bachelor degree holders (54%). Meanwhile, most of the participants (51%) have work experience between 1 to 5 years. Most of the participants (34%) work in marketing department followed by customer service department (21%).

Measurement Items

All variables in this study used 5-point Likert scale (1 for strongly Disagree and 5 for strongly Agree). For employee motivation, the nine measurement items were developed from Zhang & Bartol (2010) and Kuvaas et al. (2017). For intrinsic motivation, examples of items are “I enjoy finding solutions to complex problems” and “I enjoy creating new procedures for work tasks.” For extrinsic motivation, examples of items are “It is important for me to have an external incentive to strive for in order to do a good job” and “External incentives such as bonuses and provisions are essential for how well I perform my job.”

For job satisfaction, the three measurement items were developed from Brayfield and Rothe (1951) and McKay et al. (2007). The items are: “At this very moment, I am enthusiastic about my work.”, “Right now, I feel fairly satisfied with my present job.”, “At this moment, I am finding real enjoyment in my work.” For employee performance, the six measurement



items were developed from Goodman and Svyantek (1999) and Yusoff et al. 2014). For Contextual performance, examples of items are “I help other employees with their work when they have been absent” and “I volunteer to do things not formally required by the job. For Task performance, examples of items are “I fulfilling specific job responsibilities” and “I meet performance standards and expectations.”

Confirmatory factor analysis (CFA) suggested that intrinsic motivation and extrinsic motivation should be considered as different variables, not as overall job motivation. Similar findings are applied to contextual performance and task performance that should be considered as different variable. Measurement items with loading under 0.5 are removed from the model to ensure validity. Therefore, following measurement items are removed from the model: Intrinsic motivation 1, Intrinsic motivation 2, Extrinsic motivation 1, Task performance 1, and Contextual performance 5. Composite Reliability and Cronbach’s Alpha of all domain constructs are exceeded 0.6 reflecting internal consistency for reliability (Fornell & Larcker, 1981). as shown in table 1.

Table 1: Validity and reliability test

	Loadings	Cronbach’s Alpha	Composite Reliability	Number of Items
Intrinsic Motivation	>0.5	0.899	0.903	7
Extrinsic Motivation	>0.571	0.647	0.654	3
Job satisfaction	>0.829	0.91	0.913	3
Contextual Performance	>0.5	0.765	0.814	5
Task Performance	>0.721	0.903	0.905	5

Result

All focused variables are rated above 3.6 out of 5-point Likert scale. The mean of intrinsic motivation is 4.13 is higher than the mean of extrinsic motivation is 3.83. The mean of job satisfaction is 3.64. The mean of contextual performance is 3.98 is at the same level as the mean of task performance is 3.93. All three hypotheses are supported. Hypothesis 1 states



that Employee motivation (intrinsic motivation and extrinsic motivation) has positive impact on job satisfaction. The research found that there is significant positive relationship between intrinsic motivation, extrinsic motivation, and job satisfaction at 95% confidence level ($p < 0.05$). $F(2,253) = 226.146$, $p = 0.000$, $\beta_{\text{Intrinsic}} = 0.885$, $\beta_{\text{Extrinsic}} = 0.206$. Adjusted R-Square of the model is 0.638. Hence, intrinsic motivation and extrinsic motivation accounted for 63.8% of the explained variability in job satisfaction. The effect size is medium level. Hence, hypothesis 1 is supported.

Table 2: ANOVA and Coefficient table H₁

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	172.517	2	86.258	226.146	.000 ^b
	Residual	96.501	253	.381		
	Total	269.018	255			

a. Dependent Variable: Job Satisfaction Mean

b. Predictors: (Constant), Extrinsic Motivation, Intrinsic motivation

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-.566	.284		-1.991	.048
	Intrinsic motivation	.885	.045	.762	19.825	.000
	Extrinsic Motivation,	.206	.058	.136	3.550	.000

a. Dependent Variable: Job Satisfaction Mean

Hypothesis 2a states that job satisfaction has positive impact on task performance. The research found that there is significant relationship between job satisfaction and task performance at 95% confidence level ($p < 0.05$). $F(1,254) = 129.807$, $p = 0.000$, $\beta = 0.474$. Adjusted R-Square of the model is 0.336. Hence, job satisfaction accounted for 33.6% of the explained variability in employee task Performance. Hypothesis 2b states that Job satisfaction has positive impact on contextual performance. The research found that there is significant



relationship between Job satisfaction and contextual performance at 95% confidence level ($p < 0.05$). $F(1, 254) = 149.696$, $p = 0.000$, $\beta = 0.499$. Adjusted R-Square of the model is 0.368. Hence, independent variable Job Satisfaction accounted for 36.8% of the explained variability in Employee Performance. Hence, hypothesis 2b is supported.

Table 3: ANOVA and Coefficient table H_{2a}

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	60.473	1	60.473	129.807	.000 ^b
Residual	118.331	254	.466		
Total	178.804	255			

a. Dependent Variable: Task performance

b. Predictors: (Constant), Job Satisfaction Mean

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	2.119	.163		12.967	.000
	Job Satisfaction Mean	.474	.042	.582	11.393	.000



Table 4: ANOVA and Coefficient table H_{2b}

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	67.073	1	67.073	149.696	.000 ^b
Residual	113.807	254	.448		
Total	180.880	255			

a. Dependent Variable: Contextual Performance

b. Predictors: (Constant), Job Satisfaction Mean

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1 (Constant)	1.932	.160		12.051	.000
Job Satisfaction Mean	.499	.041	.609	12.235	.000

a. Dependent Variable: Contextual Performance

Hypothesis 3a states that employee motivation has positive impact on contextual performance. The research found that there is significant relationship between employee motivation and contextual performance at 95% confidence level ($p < 0.05$), $\beta_{\text{Intrinsic}} = 0.605$, $\beta_{\text{Extrinsic}} = 0.211$. Hence, hypothesis 3a is supported. Hypothesis 3b states that employee motivation has positive impact on task performance. The research found that there is significant relationship between employee motivation and task performance at 95% confidence level ($p < 0.05$) $F(1, 254) = 73.067$, $p = 0.000$, $\beta_{\text{Intrinsic}} = .501$, $\beta_{\text{Extrinsic}} = 0.254$. Adjusted R-Square of the model is 0.361. Hence, extrinsic motivation accounted for 36.1% of the explained variability in task performance.



Table 5: ANOVA and Coefficient table H₃

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73.038	1	73.038	172.024	.000 ^b
	Residual	107.842	254	.425		
	Total	180.880	255			

a. Dependent Variable: contextual performance

b. Predictors: (Constant), Intrinsic motivation

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.475	.184		8.031	.000
	Intrinsic motivation	.605	.046	.635	13.116	.000

a. Dependent Variable: Intrinsic motivation

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	65.465	2	32.733	73.067	.000 ^b
	Residual	113.339	253	.448		
	Total	178.804	255			

a. Dependent Variable: task performance

b. Predictors: (Constant), Intrinsic motivation Extrinsic Motivation,

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.840	.308		2.727	.007
	Extrinsic Motivation	.254	.063	.206	4.030	.000
	Intrinsic motivation	.501	.048	.529	10.352	.000

a. Dependent Variable: task performance



Discussions and Recommendations

The current study found that employee motivation has positive impact on job satisfaction. The results were congruent with findings in prior studies that confirmed significant relationship between employee motivation and job satisfaction. (i.e. Roos & Van Eeden, 2008; Singh & Tiwari, 2011). In addition, the findings are consistent with the research results of Chen (2010) studied employee of marine tourism industry and asserted that company should provide personnel with appropriate intrinsic work motivation according to their personal traits because it will make employee perceive high job satisfaction. Thus, align with current study that intrinsic motivation has stronger impact on job satisfaction than extrinsic motivation.

This study suggested that the company should explore its current policy in leveraging intrinsic motivation. The policy on promoting job enjoyment, career growth, passionate, and self-expression should be revised. This study also found that job satisfaction has significant impact on employee performance. The results were congruent with previous studies. Bin (2015) shows that satisfied employees do perform better and contribute to the overall success of an organizations. However, this study found that an increase in job satisfaction would lead to similar result on both task performance and contextual performance while impact on contextual performance is a bit stronger that contextual performance.

Thus, this study suggested that an increase in level of job satisfaction would enhance individual employee performance as well as the team and department performance which together should extend overall corporate performance. The company should ensure that they constantly check the level of job satisfaction while improve and seek for solution to maximize job satisfaction.

Furthermore, this study confirmed the impact of employee motivation on employee performance. The findings are consistent with Joo (2010) which concluded that employee motivation is the key to employees' success in the workplace. The more motivation employees have, the more committed they become to the organization. However, this study found that intrinsic motivation has stronger impact on task performance and on contextual performance than extrinsic motivation. This finding is consistent with Bhattarai et al. (2019) that found intrinsic motivator to be a stronger predictor of employee performance than an



extrinsic motivator. Therefore, the company should ensure and develop programs to enhance employee perception on achievement, recognition, responsibility, challenge, promotion, and growth so that the overall company performance would be leveraged.

The current research focuses on the impact of employee motivation on job satisfaction and employee performance in China's travel agent industry. However, this research focus on only three travel agent company in Guangxi, China, thereby, the scope of the survey is small. Due to the large differences in the economic level and population income of each region, the per capita consumption level is also different. Thus, this research model should be explored on travel agents in other provinces. Further research should investigate the moderating role of working experience and employee personality traits.

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