

## Employee's Motivation and Organizational Performance: Role of Employee's Novelty

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### Abstract

*The motive of this study is to check that how the personal attributes lead to enhance employee creativity indicating relationship of employee intrinsic motivation and organizational performance. Creativity has much importance to keep the situation of an organization competitive and in exploration of new & innovative ideas to solve the dynamic and uncertain problems in a better way. The managers in an organization also want to keep their employees active and exhibit creative activities. Data has been collected through random sampling from employees of banking sector working in different branches of 22 Pakistani banks operating in Pakistan. The results show that the intrinsic motivation has significant, positive relation with organizational performance. Moreover the employee's creativity mediates significantly between intrinsic motivation and organizational performance. The study exhibits that how employees creativity can influence to enhance the organizational performance and how the employees intrinsic motivation can lead to increase their creativity then to what extent both these are valued towards organizational performance and after implementing them in an organization the performance and productivity of an organization will escalate.*

**Keywords:** *Intrinsic Motivation, Employees Creativity, Organizational Performance, Commercial Banks*

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### 1. Introduction:

Creativity has much importance as working in an organization to keep it competitive and in exploration of new & innovative ideas to solve the problems in a better way. The managers in an organization also want to keep their employees active and exhibit creative activities. (Mumford et al 2002). Similarly, many commentators have stated that increasing the creative performance of employees an important thing if organizations want keep competitive (Shalley, 1995 et al). And

psychological empowerment contributes a large contribution to employee creativity through intrinsic motivation by affecting positively (Ambile, et al 1996). In Pakistan, there is no enough or efficient work on this topic that how banks can enhance their employee's intrinsic motivation and creativity. Although the work has been done, yet not on right direction that leads to banking sector creates a suitable atmosphere for its employee's. Previous study not focused on personal characteristics as influencing employee's creativity but this study is focused on personal characteristics and takes it as subjective measures, and briefs that how it leads to enhance employee's creativity and why it has much an importance in an organization.(Ghorbani, M et al 2011).The motive of this study is to check that how the personal attributes lead to enhance employee creativity indicating relationship of employee intrinsic motivation and organizational performance.

This study exhibits that how employees creativity can influence to enhance the organizational performance and how the employees intrinsic motivation can leads to increase their creativity, then to what extent both these are valued towards organizational performance and after implementing them in an organization, the performance and productivity of an organization will increase. Indirectly facilitate intrinsically to employees by enhancing his/her to produce new & creative ideas it directly influence creativity.

## **2. Literature Review:**

### **2.1.Intrinsic motivation impact on organization performance**

Hassan, Malik et al. (2013) Summed up that effects of this study show that employee creativeness depends upon contextual aspect i.e. job complexity and affiliation supervisor has exposed direct administrator and no part of employee intrinsic motivation as substantial relation with employee creativity. Facts of intervening variables occur. More ever the authors used an appropriate sampling method for data gathering due to which effects cannot be comprehensive to overall Population but we are increasing sample size and maximum covering the population. The author of the study focuses on single city because we cannot focus on single city we include the multiple cities in our study. More ever Muogbo (2014) Suggested that the consequence obtained from the study indicated that there was a relationship among extrinsic motivation and the enactment of employees although no relationship existed amid intrinsic incentive and employees' performance. (Muogbo 2014). With the restrictions identified above, the ability to generalize the result of this study is constrained. But we generalized the result and chose the entire factor that influences the employee's performance.

Furthermore, in the education segment intrinsic motivation shows the positive results between the organization performance and motivation increase an employee's performance, in our study we take the intrinsic motivation as independent variable and employee's creativity is a mediating variable in the previous that does not include the creativity (Masood asim2013).

**H1:** There is a positive significant relationship between intrinsic motivation and organizational performance.

### **2.2.Mediating role of employees creativity with intrinsic motivation and organization performance**

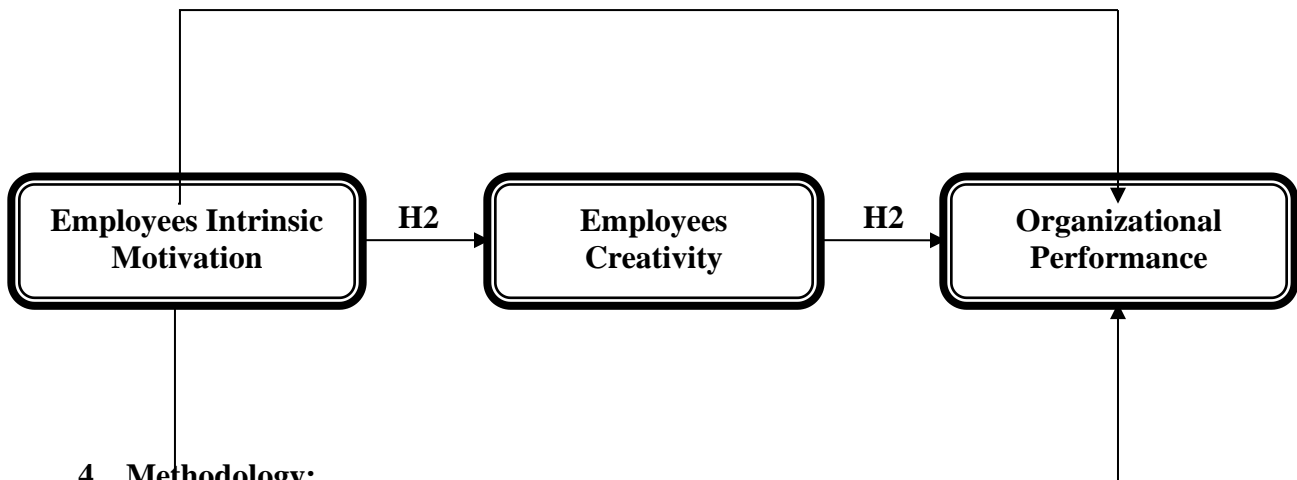
Employee creativity and enactment are worthy, when there are extraordinary quality relationships among the employee and his/her superintendent. Similarly, psychological empowerment donates significantly to employee creativity and psychological empowerment contributes significantly to employee creativity and enactment. in previous study the researcher take the psychological empowerment as mediating variable but in our study we choose the employees creativity as a mediating variable.(Lee and Tan 2012).According to the significant correlation between employee

creativity and organizational performance of commercial banks indicates that banks with exceptional operational creativity execute better than banks deprived of. Furthermore, results show a substantial positive relationship among work resources and employees creativity. In the above study the researcher targets the banking sector but we target the multiple sector means organization etc. and we also include the intrinsic motivation as an independent variable in our model (Mwesigwa and Namiyango). Firm creativity and innovativeness display that there exists positive plus significant relation with employee authorization and firm creativity and innovativeness. In which study the researcher targeted the organization but we chose other sector that give the appropriate results. (Celik, Cakici et al. 2014). In addition, employee creativity exposed a significant positive relation with firm innovation competency and firm enactment. in above study focuses single city but we target the multiple cities. (Hassan, Malik et al. 2013). Similarly Zhang, P., & Gheibi, S. (2015) suggests that employee intrinsic motivation moderates the relationship between knowledge integration and creativity. On the above study employee's creativity is dependent variable and intrinsic motivation is mediating variable but in our study intrinsic motivation is independent and employees creativity is a mediating variable.

**H2:** Employees creativity mediates the relationship between intrinsic motivation and organizational performance.

### 3. Conceptual Model:

**H1**



### 4. Methodology:

The focus of this study is to examine influence of personal characteristics to employee's creativity which plays mediating role between intrinsic motivation and organizational performance. The deductive approach is applied in this research and survey method is used. It is also descriptive study. The research design is based on primary data and collected by questionnaire that has two sections, first contains demographics of employee's & second demographic variables (includes 5 questions relating gender, education, nature of employment, experience in job) to check the magnitude of behavior of employees. The target population is employees of banking sector of Gujranwala. The data is collected by random sampling technique. The sample size of 250 people is used to collect the data. The unit of analysis is individual. We have got the data of employees from the official sites of banks and then applied simple random sampling technique. The demographic profile of employee's includes their gender, age, qualification, nature of employment experience in field, and length of service. A five-point Likert scale was adopted for all questions in the survey ranging from 1 "strongly disagreed" to 5 "strongly agreed". The scale of intrinsic

motivation has been adopted from (Christian Botcher et al 2013), scale of individual creativity has been adopted from (Jianping peng et al 2013) and scale of organizational performance has been adopted from Basil Tucker et al 2010).

## 5. Findings:

**Table 1**

The above-mentioned table is representing the descriptive statistics, reliability and Pearson correlation among all understudies variables. The highest correlation existed between employees creativity and employees intrinsic motivation which is valued at 0.682. It is reflecting that employees creativity and employees intrinsic motivation are positively related with each other with a moderate standard deviation. And other variable named as organizational performance is also correlated with employee's intrinsic motivation and employee's creativity. All the results are under the threshold level.

### 5.1.Psychometric Analysis (Reliability and Validity)

**Table2**

	<b>CR</b>	<b>AVE</b>	<b>IM</b>	<b>EC</b>	<b>OP</b>
<b>IM</b>	0.853	0.664	<b>0.440</b>		
<b>EC</b>	0.842	0.554	0.232	<b>0.306</b>	
<b>OP</b>	0.814	0.611	0.241	0.311	<b>0.373</b>

Table 2 shows the discriminate and convergent validity of model along with the values of AVE and composite reliability are greater than 0.5 and 0.8 respectively and this showed the model is valid for convergent and discriminate validity.

### 5.2.CFA & SEM

**Table 3**

Table 3									
		Fit Indices Items			CFA		SEM		
		CMIN/DF			2.02		2.09		
		GFI			0.96		0.95		
		AGFI			0.88		0.89		
Construct		CFI	Mean	SD	$\alpha$	0.96	2	3	0.95
1	Employees Intrinsic Motivation	RMSSEA 0.08	3.48	.734	.713	0.08	--		0.07
2	Employees Creativity		3.89	.695	.745	.332**	--	--	
3	Organizational Performance		3.73	.899	.844	.376**	471**		

Table 3 highlights the fitness of indices items through confirmatory factor analysis and structural equation model. All the values under the model are in acceptable range and it is fit for hypothesized relationships in the study. The values of CMIN/DF, GFI, CFI, AGFI and RMSEA are under the benchmark as shown in table 3.

### 5.3.Mediation Analysis:

Relations	Direct Effects	Indirect Effects	Total Effects
Employees Intrinsic Motivation	.391*	.438	.407*
* $p < 0.05$ , ** $p < 0.01$ , *** $p < 0.001$			

**Mediator:** Employees Creativity

The above-mentioned table is representing the path analysis of the given variables and their relationships. The values of direct and indirect effect have been given to elaborate the directions of the relationship. The value of indirect effect is greater for the relationship among employees intrinsic motivation, Employees creativity and organizational performance that is showing a strong mediation effect. The values of total effect are also greater for all the mediation relationships which is representing that employees creativity is a significant mediator between employees intrinsic motivation and organizational performance.

## 6. Discussion:

There is positive significant relationship between intrinsic motivation and organizational performance. The employee's creativity mediates between intrinsic motivation and organizational performance. The employee's intrinsic motivation and employees creativity is becoming an effective factor for organizations to keep themselves competitive. Organizations struggling to get edge that can be done conveniently by enhancing the creativity of employees and as well as motivate them intrinsically. The primary motive of this study is to check that how the personal attributes leads to enhance employee creativity indicating relationship of employee intrinsic motivation and organizational performance. Results showed that intrinsic motivation had a positive direct effect on an organizational performance. The picture of results showing that the employees in banking sector are very loyal and use & show their creativity while doing job. Employees intrinsically feel motivation under creativity. The previous studies has been concluded results of which related to us. They also has been summed up that employees creativity has positive significant relationship with organizational performance (Masood Ul Hassan, 2013 et al), The employees creativity can lead to enhance the performance of firm (Namiyingo, Sophia 2014). This study enables to managers that how they have to work to increase their commitment to employees in enhancing creativity and intrinsic motivation. Now a days the major issue for organizations is to maintain motivation of their employees so they have to improve their employees intrinsic motivation as well as their creativity that can boosted up organizational performance. Hypothesis of our study is showing that intrinsic motivation has significant positive relationship with organizational performance.

## 7. Conclusion:

In global scenario, the employee's intrinsic motivation and employee's creativity are deemed as important factors to boost up organizational performance. This study indicates that employee's intrinsic motivation has larger impact on organizational performance as the employees in banking sector are satisfied & intrinsically motivated with their managements and organization. The

manager of banking sector will have to struggle to keep intrinsically their employees motivated by taking keen interest in them. The results also indicated that the employee's intrinsic motivation & employee's creativity positively related with organizational performance. Moreover the notable point is that our study shows that the employee's creativity plays a mediating role in relationship between employees' intrinsic motivation and organizational performance. We found that there were positive correlation exists among employee's intrinsic motivation, employee's creativity and organizational performance.

### **8. Practical Implications:**

This study is applicable in managerial and business studies. Our study gives a great insight to organizations especially to banking sector which are struggling to get edge on their rivalries. As the banking sector is confronting scores of challenges the managers have to understand the importance of employees creativity and intrinsic motivation, so they should create suitable and learning environment. Today each and every organization is struggling towards to gain competitive edge. This study also shows tableau that the employees of an organization are the major asset of any organization as they have to interact with customer. Further the managers should also know that the organizational performance mainly depends upon their employee's role and performance. There must be collaboration, coordination and synergy between employees and management of an organization. Also there must be strong relationship between managers and employees as they will help each another to share organizational goals, vision and mission so that the strategies can be imposed on acting organizational plans. Moreover the managers should struggle to consider the importance of front force like employees of an organization and take keen interest in seeking the interest of employees.

The managers also have to motivate intrinsically to employees because the motivated employees try to get work on extra mile that can positively affect organizational performance. The intrinsic motivation, which includes the praise, etc. can lead to enhance the employees creativity that can be done by manager's interest in taking in employees, which indirectly boost up performance of an organization. For example if one manager praises any employee on his good job, by this way the employee can be self-motivated and keep struggling in achieving organizational goals. So in lieu of this fact we can say that the intrinsic motivation and employee's creativity have much importance and plays a vital role in boosting up the organizational performance. If the managers utilize various tactics & techniques to boost up their employees intrinsic motivation, employees will gain maximum work.

### **9. Limitations and future Directions:**

Finally there are some limitations in our study, the output can be more accurate and perfect if limitations addressed by future researcher. The future researcher can do more for putting an end to these limitations by adding other valuable dimensions. Owing to time constraints the research was unable to conduct in other areas, we conducted our study in particular region as in Gujranwala District, the future researchers can be stretched in other cities of Pakistan. The data can also be got via qualitative method. Moreover the future researcher can use different sectors other than banking sector and with a larger sample size to conduct the research. Further the researcher can also test the impact of other variables such as employee's satisfaction and employees' motivation on organizational performance.

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