Extrinsic and Intrinsic Job Factors: Motivation and Satisfaction in a Developing Arab Country – The Case of Lebanon

Hussein Ismail, Lebanese American University
Lama El Nakkache, Lebanese American University

Executive Summary

A number of studies have been done in North America and Europe which examined the role of intrinsic and extrinsic job factors in overall motivation and satisfaction. However, this field of research has received very small attention, if any, in the Arab region. This research explores the effects of extrinsic and intrinsic job factors on motivation and satisfaction in the country of Lebanon. A total of 100 subjects took part in the study. Results showed that while extrinsic factors have a stronger relationship with motivation and satisfaction than intrinsic factors, the latter showed a stronger effect on overall motivation when extrinsic job factors were met. Discussion and implications are presented.

Introduction

From a socio-economical perspective, Maslow’s needs gratification theory of well-being has put forward a universally applicable hierarchy of needs based on the idea that “man is a continually wanting animal.” That is, one will be continuously striving for more than what he/she already has (Maslow, 1943: 370). Motivation has always been an important element on managers’ agendas as well as the employees. In order for a company to be successful, it needs employees who are dedicated to the achievement of organizational goals and have a strong sense of loyalty to the organization (Molander, 1996). The pioneer work of Herzberg, Mausner, and Snyderman’s (1959) on the model of motivation and hygiene factors inspired and paved the way towards numerous research studies on intrinsic and extrinsic job characteristics and job satisfaction. Regardless of the nature of the work, an employee’s job satisfaction is influenced by the attitude he or she has towards the job (Herzberg, Mausner, & Snyderman, 1999). Rewards at work, whether financial (Vandenberghhe & Tremblay, 2008) or nonfinancial (Amabile, Hill, Hennessey, and Tighe, 1994) are considered as important predictors of attitudes and behavior at work.

Cross national studies have studied motivation in different parts of the world with some stressing the differential factors between poor and more developed countries (Huang & Van de Vliert, 2003). Studies show that in poorer countries (Adigun & Stephenson, 1992; Kanungo, 1990) intrinsic job characteristics such as recognition, autonomy, challenge, and the nature of work itself are less closely related to job satisfaction. On the other hand, extrinsic job characteristics like salary, job security, and working conditions, and environment are more closely related to job satisfaction.
Reflecting on such crucial studies done on the subject of motivation and in an attempt to understand the Lebanese work environment better, this study examines the issue of whether extrinsic job characteristics are more associated with job satisfaction and motivation than intrinsic job factors. The paper examines both extrinsic and intrinsic job characteristics from a socio-economic perspective to understand their underlying effects on employees. Academics have continuously called for greater research in the Middle East region given the lack of empirical studies in this field (Budhwar & Mellahi, 2006; Abdulla, Djebarni, and Mellahi, 2011). Moreover, this paper will also extend its scope to examine the possible conditions where intrinsic job factors can lead to motivation over and above extrinsic job factors. Although research shows that extrinsic job factors play a greater role on motivation in developing countries, Maslow’s theory argues that intrinsic factors will have a motivating impact if the extrinsic job factors are satisfied at work. Accordingly, we aim to explore this assumption in Lebanon, that is, whether intrinsic job factors have a stronger impact on motivation than extrinsic job factors when the latter factors are present.

In the following pages, the literature review and the hypothesis will be presented. Next, the methodology will be reviewed. Finally, the paper ends with the results, discussion, and management implications.

**Literature Review**

The word motivation originally comes from the Latin word movere, meaning to move (Kreitner, 2001). Human motivation is a critical aspect in the field of organizational behavior and psychology (Benabou and Tirole, 2003). The importance of motivation in organizations is explained by the equation put forward by Maier (1955): Job Performance = Ability x Motivation. Motivation represents “those psychological processes that cause arousal, direction, and persistence of voluntary actions that are goal oriented (Mitchell, 1982: 81). Another definition put forward for motivation is that it is a psychological development that causes the stimulation, direction and persistence of behavior (Luthans, 2010). Motivation “energizes” and directs certain behavior towards reaching a specific goal (Sansone & Harachiewicz, 2000). Motivation can be divided into two types: intrinsic and extrinsic motivation.

Intrinsic motivation has obtained the attention of many organizational research studies tracing back to the 1970s with the works of Lawler (1973) and Deci (1972). It has been viewed by some as the activation or energization of goal-oriented behavior stemming from an individual due to internal motivational factors rather than external ones acting on the individual (Herzberg, 1973; Deci & Ryan, 1985). Intrinsic motivation is simply enjoying the act itself (Hennessey & Amabile, 2005) in which an employee is motivated for reasons other than financial rewards. As such, one may experience increased feelings of self-esteem, personal growth, and accomplishment (Pritchard & Peter, 1974; Cherniss & Kane, 1987). It is the desire to work on something that is interesting, challenging, satisfying, exciting or involving (Robbins and Judge, 2013). From an organizational perspective, intrinsic motivation reflects an employee who is caring about his or her work, searching for better methods to get his or her work done, and
committed and excited to excel at his or her job (Thomas, 2000). Intrinsic job characteristics may include career opportunity, task identity, skill variety, task significance, job autonomy, and perceived power. These feelings of fulfilment represent Maslow’s higher order needs (Maslow, 1997) that we will be discussing in more detail later in this paper.

On the other hand, extrinsic motivation is the emotional state that an employee attains from the rewards that are controlled by the organization, colleagues, or supervisors (Bhucan & Islam, 1996; Pepe, 2010; Pritchard & Peters, 1974). Extrinsic motivation is to pay special attention to external rewards such as bonuses and promotions (Van Herpen, Van Praag, & Cools, 2005), or to wage cuts or dismissal (Frey, 1997). These factors, also known as hygiene factors according to Herzberg (1959), are external to the job itself and affect the employee’s level of dissatisfaction rather than determining his/her satisfaction (Lucas, 1985). Extrinsic characteristics may include job security, compensation and benefits, tenure, promotion opportunity, feedback, and quality of co-worker-relationship (Ryan & Deci, 2000). For example, the initial and most important goal of incentives aims at enhancing an employee’s extrinsic motivation by satisfying her needs indirectly through various methods such as salary and bonuses (Anthony & Govindarajan, 2007; Kunz & Pfaff, 2002). According to the expectancy theory, linking incentives to performance motivates employees to increase their performance (Jenkins, Mitra, Gupta, Shaw, 1998; Lawler, 1973; Vroom, 1994). Expectancy theory states that motivation is a combined function of an individual’s belief that the effort will lead to performance and of the perceived desirability of outcomes resulting from this performance (Steers, Porter, and Bigley, 2003).

In sum, intrinsic job satisfaction is how people feel about the nature of the job tasks themselves, whereas extrinsic job satisfaction is how people feel about aspects of the work situation that are external to the job task or the work itself (Hirschfeld, 2000).

**Intrinsic and Extrinsic Job Characteristics in Developing Countries**

In less developed countries, intrinsic job characteristics such as challenge, recognition, autonomy, and the work itself are less closely related to job satisfaction (Adigun & Stephenson, 1992; Kanungo, 1990). Extrinsic job characteristics, on the other hand, such as pay, job security, and working conditions are more closely linked to job satisfaction.

In the second half of the century many studies have shed light on the relationship between intrinsic job characteristics and extrinsic job characteristics. The results from many of these research studies conclude that both intrinsic job characteristics and extrinsic job characteristics are positively related to job satisfaction (cf. Dunnette, Campbell, & Haket, 1967). However, this relationship is also dependent on a third factor, namely the extent to which workers value intrinsic job characteristics and extrinsic job characteristics (Mottaz, 1985). Employees’ assessment of the importance of these two job characteristics differ on a cross-national level (Hofstede, 2010, 2001; Schwartz, 1992). Studies show that the weight employees attach to intrinsic job characteristics and extrinsic job characteristics differ drastically depending
on nationality (Clark, 1998). Previous research also shows that the link or relationship between job characteristics and job satisfaction varies across nations (Adigun & Stephenson, 1992; Earley & Stubblebine, 1989; Eylon & Au, 1999; Kanungo, 1990). Huang and Van de Vliert (2003) conducted a study on 107,292 employees across 49 different countries. Their aim was to determine the relationship between intrinsic and extrinsic job characteristics and job satisfaction. The results of their study showed that the association between job characteristics and job satisfaction differed from one country to another.

**Socio-Economic Theory**

Steers and Sanchez-Runde (2002) were among others who joined a different line of research that analyzed motivation from a cultural perspective. They suggested that an individual’s self efficacy is a function of socially instilled values and norms. They also added that characteristics of socio-economic environment which included education, degree of affluence and government regulation help to frame behavior and motivation (Steers & Sanchez-Runde, 2002). Peterson and Ruiz-Quintanilla (2003) argued that an individual’s intrinsic motivation is related to the nature of the government under which they function, whether being flexible or bureaucratic. Erez (2008) also mentions in his study the effect of culture on an individual’s values and character of work-related goals. Authors such as Kanfer, Chen, and Pritchard (2008: 9-11) studied non-work influences on work behavior. Three factors discussed by the author are:

“(1) [The] content of a person’s work, that is the biological, cognitive, personality and affective systems [that] shape relatively stable individual different in preferred actions, setting, and strategies.

(2) The context in which motivation is framed, that is the non-work factors that influence work motivation.

(3) The change associated with a person’s environment” (as cited in Klonoski & Baldwin, 2011: 92).

Kosset and Misra (2008) studied the effects of the role of new communication technology and that of the mobile nature of knowledge based economies and workforce and their repercussions on work-life balance and work-life integration. Inglehart (1997) on the other hand, distinguished between countries with scarce economic environments and others that are economically secure. His study indicated the important role the socio-economic theory plays in regards to motivation. He concluded that “economic factors tend to play a decisive role under conditions of economic scarcity, but as scarcity diminished, other factors shape society to an increasing degree” (Inglehart, 1997: 1289). The findings of Inglehart fall in line with Huang and Van de Vliert’s (2003) study who came to the conclusion that in countries with a “well developed social security system”, employees place more importance on higher needs and therefore are more motivated by intrinsic rewards.
National wealth is a major factor of the socio-economic perspective that has been studied vastly over the years. This major theoretical principle underlying the socio-economic theory is firmly tied to Maslow’s need-gratification theory of well-being (Maslow, 1997). The latter states that higher needs become more significant as lower needs are satisfied. Additional studies suggest that lower needs are less compelling in “rich countries” than in “poor countries” (Veenhoven, 1991; Veenhoven & Ehrhardt, 1995). Adigun and Stephenson’s (1992) investigation on this subject revealed that British workers were motivated more by intrinsic job factors such as achievement, recognition, and the work itself whereas Nigerian employees were more motivated by extrinsic job factors such as pay, working conditions, and fringe benefits. Kanungo (1990) suggested that Indian workers didn’t place much weight on challenging jobs. Some societies have had a gradual but phenomenal economic development. Thus, over time, values related to economic development become less salient than those related to enhancing self-expression. In other words, employees in richer and more developed countries tend to attach more weight to intrinsic characteristics of the work, and are more motivated by intrinsic factors because they have taken survival needs for granted. In contrast, workers in poorer and less developed countries may be motivated by extrinsic factors since the lower needs (such as food, money, safety) are still more important than higher ones (e.g. self-esteem, self-actualization).

The social security welfare programs are another factor that some researchers studied in terms of socio-economic theory. A fully developed social security system fulfils much of the basic human needs (Taylor-Gooby, 1992). In countries having such a developed social security system, people have more likely satisfied their lower basic needs such as good physical well-being in addition to economic autonomy. They have the luxury to focus on higher needs thus a shift in social value norms towards an emphasis on self expression may exist (Doyal & Gough, 1984; Plant, 1985; Weale, 1983).

**Maslow’s Hierarchy of Needs**

Maslow proposed his theory of motivation in 1943. He pointed out that within an individual there exists a “hierarchy of needs.” These needs, Maslow explains, are basic to one’s existence and therefore represent “goals” to be achieved. These goals are interrelated in the sense that the most preponderant goal should be satisfied in order for the individual to seek satisfaction of a further goal. Maslow characterized these needs in order of prepotency as physiological, safety, love, esteem, and self actualization.

Physiological needs refer to those basic needs of air, water, food, rest, warmth and shelter.

The safety needs include security, stability, law and order.

The need for love consists of affection, belonging, friends, and intimate relationships.

The esteem needs comprise prestige and feeling of accomplishment. They include the need of achievement and recognition.
The self-actualization needs include achieving one’s full potential.

Physiological and safety needs are also referred to as basic needs while love and self esteem are categorized as psychological and self actualization needs as self-fulfilment (Simons, Irwin, & Drinnien, 1987).

Maslow explains that when an individual falls short in satisfying any of these needs, such as food or sleep for example, he/she will feel an upsetting tension of hunger or fatigue. The lack of these needs stimulate an individual to seek the missing commodity and restore balance in the system. Therefore, as long as the body feels derived of those needs, it will employ all its energies to satisfy these needs. Once these needs are met, the body is freed from this tension and these satisfied needs are no longer motivating. The individual will start to seek higher needs (Griffin, 2001).

According to Champagne and McCafee (1989), examples of some potential ways to satisfy these needs in employees are to have cafeterias or vending machines in respect to physiological needs. Examples of security need included wages and salaries from an economical point of view and avoiding abrupt changes from a psychological perspective. When it comes to the affiliation need, they mention the example of encouraging social interaction among employees. Delegating responsibilities is one example Champagne and McCafee (1989) suggest in terms of esteem needs. And finally, for self-actualization need they give examples such as providing challenges and encouraging creativity. Maslow referred to the four lower needs as “deficiency needs” since their absenteeism creates a tension within the individual. He also explained that these needs are universal urges and not created by culture (Maslow, 1943).

Some considered Maslow’s theory as an alternative to what he saw as a pessimistic determinism of Sigmund Freud and B. F. Skinner. To differentiate his optimistic views from the latter, he labelled his theory the “Third Force”. Maslow (1943) pointed out that humans in general and employees in organizations in specific are motivated by their desires to acquire or maintain different conditions of these basic satisfactions. Maslow advises managers to find ways to motivate employees through designing programs aiming at satisfying those needs. According to Stephens (2000), Maslow believed that humans aspire to become self-actualizing and viewed the human potential as a vastly underestimated and unexplained territory.

Job Satisfaction

Job satisfaction is an emotional or affective reaction to various aspects of an individual’s work situation. It has been characterized as a positive sentimental reaction resulting from appraisal of an employee’s job (Kreitner & Kinicki, 2012). Job satisfaction bares several aspects of one’s job and is therefore a sum of different components (Robbins and Judge, 2013). Some authors mentioned that job satisfaction is a function of the degree to which an individual’s needs are being met within an organization (Sharma & Jyoti, 2006). There are five major models of job satisfaction that identify its causes (Brief, 1998). The first category is what is known as discrepancy models. The second is related to need fulfilment. The third are models situated in the
value attainment category. Next are models that fall under the heading of equity and finally the last category are the dispositional components.

Based on the review above, the following hypotheses were developed pertaining to the country of Lebanon:

Hypothesis I: Extrinsic job factors have a stronger relationship with overall job satisfaction than intrinsic job factors.

The second subject of interest in this research is the impact of extrinsic and intrinsic job factors on motivation.

Hypothesis II: Extrinsic job factors have a stronger association with overall motivation than intrinsic job factors.

Hypothesis III: Intrinsic job factors have a stronger relationship with motivation than extrinsic factors, when the latter are met.

Another objective of this research is to explore the extent to which intrinsic and extrinsic job factors are currently met in the country of Lebanon.

**Methods**

**Participants and Setting**

The sample for this study consisted of 100 MBA students based at a reputable university in Beirut. All of the participants are considered working professionals. The MBA students filled the questionnaires in their classes and returned them to the researcher. Although participation was voluntary, none of the students who were approached declined participating in the study. Over 90% of the respondents were between the age of 21 and 30 years old, and 58% of them were female. Furthermore, 90% of those surveyed were single, 7% were married, and 2% were divorced. Finally, there was some diversity regarding the size of the firms. It follows that 40% came from large firms employing more than 500 employees, followed by 24% whose organizations had between 101 to 500 employees. 19% came from small firms with 50 workers or less, while the rest of the respondents, or 17%, came from firms which had anywhere from 51 to 100 workers.

**Measures**

*Extrinsic and Intrinsic job factors.* In the literature, extrinsic job characteristics tend to meet employees’ lower-order needs, such as security and social needs, while intrinsic job characteristics are those job features which enhance self-esteem and self-actualization (Maslow, 1997). Extrinsic factors were measured using a series of five questions assessing the degree to which extrinsic job characteristics were met. Mainly, those questions were based on the extrinsic
job factors identified in Mottaz (1985). In particular, the questions included such factors as pay, job security, supervisory support, working conditions, and promotion. This construct was measured with five items using a seven-point Likert scale that assessed the extent to which extrinsic job factors were met (1 = strongly unmet to 7 = strongly met). Examples include “to what extent is job security met at work” and “to what extent are your salary expectations met.” The coefficient alpha for this scale was .734. On the other hand, the measure of intrinsic job characteristics consisted of a set of questions relating to the extent to which certain intrinsic factors were met at the workplace (Hackman & Oldham, 1980). In particular, a total of two items drawn from Huang and Van de Vliert (2003) made up the intrinsic measure, including challenging work and recognition. The items were measured with a seven-item Likert scale that ranged from 1 = strongly unmet to 7 = strongly met. The coefficient alpha for this scale was .602.

**Job Satisfaction and Motivation.** Overall job satisfaction was assessed with a single-item measure: “Overall, how satisfied are you in your job.” Single-item measures of job satisfaction have been used in many studies on job satisfaction, and have been shown to be valid and reliable (Wanous, Reichers, and Hudy, 1997). Respondents in this study were asked to rate their job satisfaction on a 7-point Likert scale ranging from 1 (highly unsatisfied) to 7 (highly satisfied).

Overall motivation was also measured with a single-item asking respondents to rate their motivation on a 7-point Likert scale from 1 (very low) to 7 (very high). Recent studies have employed single-item motivation measures successfully (Stamov-Roßnagel & Biemann, 2012).

**Results**

For our research question which is concerned with exploring the extent to which individual extrinsic and intrinsic factors are actually met at Lebanese organizations, table 1 presents the mean scores. On a 7-point Likert scale, basic salary had the lowest mean score ($M = 3.63, SD = 1.269$), followed by promotion ($M = 3.99, SD = 1.517$) showing that they are the least fulfilled. Both items are considered extrinsic job factors. Moreover, as far as intrinsic job factors are concerned, results show that employee recognition ($M = 4.53, SD = 1.469$) and challenging work ($M = 4.73, SD = 1.521$) were hardly present at the organizations in this study. Job security ($M = 4.98, SD = 1.636$) had the highest mean score when compared to the rest of the items, although it is still not considered high itself. Finally, our sample shows that both overall job satisfaction ($M = 4.27, SD = 1.30$) and motivation ($M = 4.47, SD = 1.394$) are generally weak in firms based in Lebanon.

For our first hypothesis, table 2 shows the results from the regression analysis. Demographic variables including age, gender, marital status, and company size are all non-significant ($p > 0.05$). However, extrinsic and intrinsic factors are both significant predictors of job satisfaction ($p < .001$). As hypothesized, the results show that extrinsic job factors have a stronger relationship with job satisfaction ($b = .499, p < 0.001$) than intrinsic job factors ($b =$
.359, \( p < 0.001 \), thus \( H1 \) is supported. Overall, the research model explained more than 61% of the variance in job satisfaction \( (R^2 = .613, F(6, 91) = 24.018, p < .001) \). This means that there is about 39% of the variation which remains unexplained by the model.

### Table 1 Means and Standard Deviations

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>3.63</td>
<td>1.269</td>
</tr>
<tr>
<td>Promotion Opportunities</td>
<td>3.99</td>
<td>1.517</td>
</tr>
<tr>
<td>Recognition of your efforts</td>
<td>4.53</td>
<td>1.469</td>
</tr>
<tr>
<td>Challenging work</td>
<td>4.73</td>
<td>1.521</td>
</tr>
<tr>
<td>Work environment</td>
<td>4.84</td>
<td>1.383</td>
</tr>
<tr>
<td>Supportive managers</td>
<td>4.94</td>
<td>1.67</td>
</tr>
<tr>
<td>Job Security</td>
<td>4.98</td>
<td>1.636</td>
</tr>
<tr>
<td>Overall job satisfaction</td>
<td>4.27</td>
<td>1.30</td>
</tr>
<tr>
<td>Overall motivation</td>
<td>4.47</td>
<td>1.39</td>
</tr>
</tbody>
</table>

### Table 2 - Coefficients\(^a\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-.322</td>
<td>.565</td>
<td>-.570</td>
<td>.570</td>
</tr>
<tr>
<td>Age</td>
<td>-.113</td>
<td>.294</td>
<td>-.027</td>
<td>-.384</td>
</tr>
<tr>
<td>Gender</td>
<td>.037</td>
<td>.180</td>
<td>.014</td>
<td>.207</td>
</tr>
<tr>
<td>Marital Status</td>
<td>.142</td>
<td>.259</td>
<td>.041</td>
<td>.547</td>
</tr>
<tr>
<td>Company Size</td>
<td>-.020</td>
<td>.077</td>
<td>-.018</td>
<td>-.258</td>
</tr>
<tr>
<td>Extrinsic</td>
<td>.626</td>
<td>.114</td>
<td>.499</td>
<td>5.504</td>
</tr>
<tr>
<td>Intrinsic</td>
<td>.378</td>
<td>.093</td>
<td>.359</td>
<td>4.080</td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: Overall job satisfaction

Concerning hypothesis 2, the coefficient results of the hierarchical regression are presented in table 3. None of the background variables had a statistically significant relationship with overall motivation. As with overall satisfaction, our findings showed that extrinsic job factors are more associated with overall motivation \( (b = .462, p < 0.001) \) than intrinsic job factors \( (b = 351, p < 0.001) \). Therefore, \( H2 \) was supported. Overall, the model explained around 56% of the variance in overall motivation \( (R^2 = .556, F(6, 91) = 18.989, p < .001) \).

### Table 3 - Coefficients\(^a\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.012</td>
<td>.649</td>
<td>.018</td>
<td>.986</td>
</tr>
<tr>
<td>Age</td>
<td>-.385</td>
<td>.338</td>
<td>-.086</td>
<td>-1.139</td>
</tr>
<tr>
<td>Gender</td>
<td>.048</td>
<td>.207</td>
<td>.017</td>
<td>.231</td>
</tr>
<tr>
<td>Marital Status</td>
<td>.123</td>
<td>.298</td>
<td>.033</td>
<td>.412</td>
</tr>
<tr>
<td>Company Size</td>
<td>.018</td>
<td>.088</td>
<td>.015</td>
<td>.210</td>
</tr>
<tr>
<td>Extrinsic</td>
<td>.621</td>
<td>.131</td>
<td>.462</td>
<td>4.756</td>
</tr>
<tr>
<td>Intrinsic</td>
<td>.396</td>
<td>.106</td>
<td>.351</td>
<td>3.718</td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: Overall motivation
To test hypothesis 3, we used hierarchical regression. Since none of the demographic variables showed any association with the dependent variable from our results above, they were not included in the analysis. In step 1, we entered the high extrinsic factors into our model, which represent the high presence of extrinsic factors, and in step 2, we entered the intrinsic factors. The high presence of extrinsic job factors, or block 1, explained 28% of the variance in motivation \( (R^2 = .28, F(1, 59) = 22.903, p < .001) \). However, after the inclusion of intrinsic job factors, the model as a whole significantly explained 46% of the variance. In particular, the intrinsic job factors explained an additional 18% of the variance in motivation \( (R = .68, \Delta R^2 = .183, p < .001) \). Examining the model further, when high extrinsic variables where entered into the equation, it showed a significant relationship with motivation \( (b = .529, p < .001) \). However, when intrinsic variables where entered next, extrinsic factors lost some of their predictive power \( (b = .268, p < .05) \) whereas intrinsic factors had a significantly more important relationship with overall motivation \( (b = .501, p < .001) \) compared to extrinsic factors. Table 4 shows the results from the hierarchical regression. This indicates that for the firms with a high presence of extrinsic factors in place, intrinsic job factors become more influential on overall motivation. In such firms, motivation became more dependent on intrinsic job factors than extrinsic job factors. Specifically, a one-unit increase in intrinsic job factors was associated with an increase of approximately .50 in overall motivation. Therefore, hypothesis 3 was supported.

**Table 4 - Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.226</td>
<td>1.032</td>
<td>.219</td>
</tr>
<tr>
<td></td>
<td>HighExtrinsic</td>
<td>.955</td>
<td>.200</td>
<td>.529</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>.057</td>
<td>.900</td>
<td>.064</td>
</tr>
<tr>
<td></td>
<td>HighExtrinsic</td>
<td>.485</td>
<td>.204</td>
<td>.268</td>
</tr>
<tr>
<td></td>
<td>Intrinsic</td>
<td>.504</td>
<td>.113</td>
<td>.501</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Overall motivation

**Discussion**

As the results show, employees identified that their expectations for the basic salary as well as promotion were not adequately met in Lebanese firms. These two extrinsic factors had the lowest means of 3.63 and 3.99, respectively. Although job security had the highest mean score \( (M = 4.98) \) in comparison with the rest of the job factors, it still cannot be considered high enough indicating the lack of security for employees in the Lebanese firms when it comes to their jobs and careers. Moreover, in terms of intrinsic job factors, the results also show that employee recognition and a challenging work environment were hardly present in the organizations. In fact, on a scale from 1 to 7, none of the job factors got a score of 5 or more. The fact that many of the job factors were below expectations might have translated to the low job satisfaction and motivation scores in this study.
Age, gender, marital status, and company size had no significant effect on our findings with regards to job satisfaction. In other words, an employee is satisfied or dissatisfied with his/her job regardless of his/her age or the size of the company he or she works at. Extrinsic and intrinsic job factors on the other hand are significantly related to job satisfaction in line with the results. These findings are somehow similar to the results of a recent research study in the region (Abdulla et al., 2011). Keeping all things constant, our initial regression analysis showed that extrinsic job factors had a stronger relationship with job satisfaction ($b = .499$) than intrinsic factors ($b = .359$).

The findings of the study are in harmony with the conclusions drawn from the socio-economic perspective. It explains the stronger link between extrinsic job factors and job satisfaction in poorer countries and in countries with weak social security systems where survival issues become more essential. Extrinsic aspects of jobs become more important for such workers (Inglehart, 1997). Individuals in such countries are more stimulated by extrinsic factors which tend to be unsatisfied needs at the bottom of the hierarchy (Maslow, 1943). In less developed countries, extrinsic job characteristics such as pay, job security, and working conditions are more closely linked to job satisfaction (Adigun & Stephenson, 1992; Kanungo, 1990).

However, this is not to say that intrinsic job factors are not vital. In fact, results from the hierarchical regression showed that for firms with a high presence of extrinsic factors in place, intrinsic job factors became more influential on motivation than extrinsic job factors. This falls in line with Maslow’s hierarchy of needs theory (1943) which states that the individual will start seeking higher needs once his/her lower needs are satisfied. In others words, in such firms, motivation becomes more dependent on intrinsic job factors than extrinsic job factors. Specifically, a one-unit increase in intrinsic job factors was associated with an increase of approximately .50 in overall motivation. In effect, our results suggest that in less developed countries extrinsic job factors are not always more powerful in motivating employees than intrinsic job factors as some studies suggest. This study shows that if employers provide enough extrinsic rewards to their workers, intrinsic rewards can actually have the leading role in enhancing motivation at the workplace. Although several decades have passed since Maslow’s hierarchy of needs theory, it still proves to be a powerful model for creating a motivating work environment.

Our study has several important implications. All else held constant, the results of the study showed that extrinsic job factors have a major role to play in motivation and satisfaction. This implies that managers need to ensure that extrinsic job factors such as promotion and pay need to be sufficiently present especially that those are typically weak in Lebanese organizations as was shown – an observation that may be common to other countries in the region. Managers can enhance motivation through various reward systems such as merit reward systems. Following a merit pay system, employees can receive an awarded pay based on their contribution to the organization. At the same time, organizations in those countries should not ignore intrinsic job factors. As a matter of fact, our findings suggest that implementing management intervention techniques that reinforce intrinsic rewards such as employee recognition and a challenging work environment, after which extrinsic factors have been adequately met, proves highly effective.
Managers can use empowerment and participation in motivating employees in Lebanese firms. Empowerment is the process of giving employees access to setting their own goals and making their own decisions. It also enables the employees to solve work-related problems that fall under their responsibility (Griffin, 2013). An employee participating in decision making will be more committed to the decision. Implementing such methods in organizations will ultimately help satisfy the employee’s need for achievement and recognize employees for their contributions to the firm.

In many cases successful motivation practices used in the home country may prove unsuccessful in other parts of the world (Hofstede, 1980; Mensik, Grainger, and Chatterjee, 1999; Modern, 1995). This may be the case with U.S. multinational companies operating in the Middle East and in Lebanon specifically. Such companies can benefit from the results of the study at hand. Managers of U.S. multinational companies operating in Lebanon can use the results of this study to develop a systematic approach to motivate their employees. The study shows that employees identified that their expectations of salary and promotion are not sufficiently met. Managers can develop a motivational work plan addressing these extrinsic job characteristics primarily, via reward plans, salary redesign, or more promotion opportunities. Managers can also elevate the employees’ feeling of recognition via employee empowerment and engagement in decision making (Cullen & Parboteeah, 2013). The motivational plan, however, should ensure that extrinsic job factors, such as promotion and rewards, are sufficient before managers can introduce empowerment systems. According to the results of this study, the latter can be highly effective in motivating employees, but only after ensuring that extrinsic job rewards have been sufficiently provided.

Finally, as this study was based on MBA students (who may either be current managers, or are likely to become managers in the next few years in their firms), professors may help their students to think about creative ways in motivating employees in Lebanon using extrinsic and intrinsic rewards. Given the low job satisfaction and motivation levels as was demonstrated in this study, it highlights a serious need on the part of educators to make such topics an important part of their class discussions.

Limitations

The study has three main limitations. The first limitation was the relatively small sample size (n =100). The study can be repeated with bigger samples in order for the findings to be generalized more confidently.

The sample was also limited by the larger number of participants between the age of 21 to 30 years old and those who were single in comparison to the other groups in the study. This calls for another study which ensures a more diversified sample which can further increase the reliability of the findings attained here. However, as far as this study is concerned, it might be worth mentioning again that none of demographic variables had a significant impact on the results when they were entered in the model.
Another issue lies in the fact that all respondents were pursuing an MBA degree. This may influence the results in that they may have different or ambitious expectations from respondents or employees who may not be pursuing an MBA degree. Therefore the study could be repeated with different groups.

Acknowledgements

This study was supported by a research grant from Lebanese American University.

References


**About the Authors**

Hussein Ismail currently teaches courses in HRM, strategy, and family business management at both undergraduate and graduate levels at the Lebanese American University in Beirut. He holds a Ph.D. in HRM from the University of Manchester in UK, and a Masters Degree in Strategic Management from Nottingham University in UK. Ismail has several years of industrial experience locally and internationally, and has also served as a business consultant/trainer to a number of companies. He has published in several journals in the area of management. His research interests include HRM, entrepreneurship strategy, & organizational psychology.

Lama Nakkache earned her bachelor’s degree in Business Administration with emphasis in both accounting and management from the American University of Beirut (AUB) in 2003. She also has an MBA degree from the Lebanese American University in Beirut. Lama has mainly worked in the area of HR at several multinational recruitment companies based in Dubai/UAE. She currently conducts research in the area of management.