

To cite this article: VINZON JAY L. GIMAGAN and MILAGROS V. GUTIERREZ (2025). INFLUENCE OF EXTRINSIC AND INTRINSIC REWARDS TO EMPLOYEES' MOTIVATION, International Journal of Education and Social Science Research (IJESSR) 8 (4): 74-88 Article No. 1106, Sub Id 1711

INFLUENCE OF EXTRINSIC AND INTRINSIC REWARDS TO EMPLOYEES' MOTIVATION

VINZON JAY L. GIMAGAN and MILAGROS V. GUTIERREZ

UM Tagum College
Mabini St. Tagum City, Davao del Norte

DOI : <https://doi.org/10.37500/IJESSR.2025.8406>

ABSTRACT

This study examined the influence of extrinsic and intrinsic rewards on employee motivation in the first-class Local Government Units (LGUs) of the 2nd Congressional District of Davao del Norte, anchored on Vroom's Expectancy Theory and McGregor's Theory X and Y. Using a quantitative, non-experimental design, data were collected from 279 regular LGU employees through structured questionnaires assessing extrinsic rewards (pay, bonuses, benefits, promotions), intrinsic rewards (recognition, career development, responsibility, learning opportunities), and employee motivation (work performance, attitude, goal setting, feedback, empowerment, and job satisfaction). Findings showed high ratings for both reward types, with promotion and responsibility scoring the highest results. Regression analysis revealed that pay and promotion significantly predicted motivation among extrinsic rewards, while benefits negatively influenced it and bonuses had no significant effect. For intrinsic rewards, responsibility, recognition, and learning opportunities were significant predictors, though career development showed a negative relationship. The study concludes that intrinsic rewards have a stronger influence on motivation and recommends that LGUs strengthen intrinsic motivators while reassessing benefits and career development programs to sustain a motivated workforce.

KEYWORDS: Employee Motivation, Extrinsic Rewards, Intrinsic Rewards, SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities)

1. INTRODUCTION

The motivation to lead refers to determining the problem and reasons that direct human behavior. With motivation, employees' behavior is seeking to be influenced; they are encouraged to make the best efforts in performing their work tasks (Shaheen & Farooqi, 2018). Motivation responds to the question of why someone behaves in a certain way and why some employees are more committed, making more effort, and achieving greater performance than others. Understanding the motivation and behavior of employees enables managers to adequately plan actions for guiding employee behavior toward achieving the desired organizational objectives (Rizwan & Mukhtar, 2019).

In addition, work has the importance of motivation to lead processes the leadership, in general, has

paid limited attention to the underlying psychological processes and mechanisms through which leaders motivate followers (Mafini & Dlodlo, 2021). Developments in motivation theory stress the importance of people's self-regulatory focus as a central component shaping their motivations and behavior. This development may be helpful in attempting to understand the ability of leaders to influence and motivate followers by arousing different self-regulatory foci of followers (Yukl, 2021).

Moreover, employee motivation is a very complex concept. Not only does it have extrinsic and intrinsic characteristics, but it is also influenced by the motivation and expectations of each individual. Though extrinsic and intrinsic motivations may seem diametrically opposed, the two motivation categories can be used together to create an efficient workplace (London, 2019). Understanding what motivators work best in each situation is key to motivating information professionals at individual, team, and organizational levels. Information organizations can devise a strategy to tap into what motivators work best for information professionals in their unique situations. In order to develop an understanding of the concept of motivation theories and conceptualizations, this section briefly reviews and unfolds some of the relevant management literature that employees were exposed to before engaging in discussions on the topic of extrinsic versus intrinsic motivators and motivation (Vilnai-Yavetz & Levina, 2018).

Extrinsic motivation is defined by London (2019) as “doing something because it leads to a separable outcome that outside encouragement or rewards are earned from performing a task rather than the actual enjoyment of the task” (p. 5). Extrinsic rewards—usually financial—are the tangible rewards that managers provide employees, such as salary, bonuses, promotions, and benefits. They are called “extrinsic” because they are external to the work itself, and other people control their size and whether or not they are granted (Evangeline & Ragavan, 2022). Money, however, is not the only motivator that is considered extrinsic. Factors such as organization characteristics, type of work, job security, and advancement opportunities are also considered extrinsic motivators. Extrinsic motivators take the focus off doing the task itself well and on to doing what is necessary to earn a prize. Some of these, such as promotions and other accolades, can lead to an increase in intrinsic motivation, but the initial motivators themselves are extrinsic (Porter, 2022).

Since the 1950s, there have been several significant developments in the field of motivation and many theories, including, but not limited to, Vroom's Expectancy Theory in 1964 (Van Eerde & Thierry, 1996; Zajda, 2023), that attempted to unfold the mysteries behind motivation and its impact on human behavior in the workplace. The expectancy theory of motivation explains why people choose to act out a specific behavior as opposed to another and what they expect the result of that selected behavior will be. In brief, the expectancy theory explains the mental or cognitive processes that an individual undergoes to make choices. Theory X and Theory Y, postulated by McGregor in 1960, assumed that average workers dislike work and that the only way to maintain productivity was to simplify the production process, supervise the employees closely, and motivate them in the short term. Theory X assumes that workers are lazy, avoid accountability, and dislike their work, while Theory Y assumes

that average workers desire self-control and responsibility (Lu & Wu, 2013). Different researchers have agreed with or refuted either Theory X or Theory Y, but the dichotomy is important to remember. There is a heavy connection between the two theories and extrinsic and intrinsic motivation in the workplace.

An extrinsic reward fulfills the employee's extrinsic factors or hygiene factors and thus does not let him start thinking about leaving the company, including pay, bonus, benefits, and promotion. Ahmed (2019) confirms that there is a statistically significant relationship between reward and recognition, respectively, also motivation and satisfaction. Hence, advocate that there should be an effective extrinsic reward system to retain the high performers in the organization, and reward should be related to their productivity. Furthermore, intrinsic reward fulfills employee's intrinsic factors or motivators and thus motivates him to include recognition, career development, responsibility, and learning opportunity as the employee may be working at a higher management rank without an increase in the salary and still more motivated (Nelson, 2019).

In addition, employee motivation at work is measured by work performance, attitude, goal setting, performance feedback, and empowerment/power and job satisfaction. To be successful at work, individuals need to be productive. To be productive, environmental factors such as proper equipment and abilities must be present, but employees must also possess some level of motivation to perform tasks correctly. Nonetheless, the research also revealed the factors that motivate employees were not the same as the factors that retain employees at work (Nguyen, 2018).

The researchers have not found any study on the extrinsic and intrinsic rewards to employees' motivation in 1st class LGUs of Davao del Norte. This suggests that the present study will make a specific contribution and knowledge on extrinsic and intrinsic rewards and employees' motivation in the 1st class LGUs. This study would also assist prospective researchers who are also searching for similar studies in the future. The researchers are intrigued and determined to explore the variables affecting extrinsic and intrinsic rewards and employees' motivation among the 1st class LGUs of 2nd Congressional District of Davao del Norte and how employees deal with stress arising from personal financial difficulties.

2. METHODS

2.1 Research Respondents

The respondents of this study were identified based on the following requisites. First, work for 1st class LGUs of 2nd Congressional District of Davao del Norte and second, a resident in Davao del Norte under regular employees who worked for greater than or equally three (3) years of service in the local government unit. To gather the data, the researchers used the convenience sampling, which means the researchers selected respondents who are conveniently available. Random sampling technique was also used to determine the total number of respondents. It was a stratified sampling technique where a group of subjects were selected from a larger group or population in which it relies on the random

selection within each group. Each subject was given an equal chance to be chosen as part of the stratify sample (Easton & McColl, 2016).

The researchers selected Davao del Norte as place to conduct the study because there is a need to see and evaluate the impact of extrinsic and intrinsic rewards to employees' motivation in 1st class LGUs of 2nd Congressional District of Davao del Norte. Most respondents (55.56%) are from LGU Panabo (A), reflecting its larger workforce as a first-class LGU. Santo Tomas (B) follows with 32.62%, while LGU Carmen (C) accounts for 11.82% of the total respondents. This distribution ensures a comprehensive representation of the LGUs within the study area, enabling the researchers to derive meaningful insights into the motivational dynamics within these government units.

2.3 Materials and Instrument

The researchers utilized a modified questionnaire in determining the extrinsic and intrinsic rewards related to employees' motivation in selected local government units of Davao del Norte. The researchers personally visited the first-class LGUs of the 2nd Congressional District of Davao del Norte to seek permission to conduct the study. To support the validity of the data, the researchers followed these steps: first, the gathering of respondents' profiles such as name, age, gender, and number of years they had worked in the identified LGUs; second, the questionnaires for the indicators of the independent and dependent variables of the study were then distributed.

Five orderable gradations with corresponding ranges of means and descriptions were used in assessing the degree of extrinsic and intrinsic rewards in the first-class Local Government Units (LGUs) of the 2nd Congressional District of Davao del Norte. The descriptive equivalents, interpretations, and range of means are as follows: a mean range of 4.20 to 5.00 is interpreted as Very High, which means that the level of extrinsic and intrinsic rewards is very much observed; 3.40 to 4.19 is High, indicating that the level is much observed; 2.60 to 3.39 is Moderate, meaning the level is moderately observed; 1.80 to 2.59 is Low, showing the level is less observed; and 1.00 to 1.79 is Very Low, indicating that the level is not observed.

On the other hand, five orderable gradations with corresponding ranges of means and descriptions were also considered when assessing the level of employees' motivation in the identified Local Government Units. The range of means, descriptive equivalents, and interpretations are as follows: a mean range of 4.20 to 5.00 is interpreted as Very High, which means that the level of employees' motivation is very much felt; 3.40 to 4.19 is High, indicating that the level is much felt; 2.60 to 3.39 is Moderate, meaning the level is moderately felt; 1.80 to 2.59 is Low, showing the level is less felt; and 1.00 to 1.79 is Very Low, indicating that the level is not felt. (0.14").

2.4 Design and Procedure

This study used a quantitative, non-experimental research design particularly a correlation method. This approach was selected to describe the current situation and explore the possible reasons behind a specific phenomenon. It also involved collecting data to determine whether a relationship exists between the variables for this study (Lau, 2017). Similarly, other studies have also used this to establish relationship of variables (Pimentel & Bercilla,2023; Muico et al., 2022; Espiritu et al., 2023)

Moreover, a descriptive method was used for conducting this study. The survey method, commonly used in sociological research, involves the use of structured questionnaires to gather quantitative data on individuals' attitudes, perceptions, and behaviors. This method describes the extrinsic and intrinsic rewards that significantly influence employees' motivation in the identified LGUs. This paper utilized the descriptive method to acquire first the data and information from the respondents of this study and create some conclusions and recommendations for the study.

The researchers followed these steps: First, permission was sought from the local government unit of Davao del Norte to conduct the research. Second, a letter was secured to obtain the respondents' cooperation in carrying out the study in the area. Third, primary data were collected using a structured questionnaire, which was prepared and distributed to the employees of LGUs in Davao del Norte by the researchers. Respondents were given the option to write or withhold their names in the questionnaire to ensure confidentiality and were allotted a week to complete it. Finally, respondents were assured that their data and participation were handled with strict confidentiality.

The statistical tools used in analyzing the gathered data were as follows: (1) Mean. This was used to determine the levels of extrinsic and intrinsic rewards that contributed to employee motivation within the identified LGUs. (2) Pearson r. This was used to determine the significant relationship between extrinsic and intrinsic rewards and their influence on employee motivation. (3) Linear Regression Analysis. This was used to identify which specific domains of extrinsic and intrinsic rewards had a significant effect on motivating employees within the selected LGUs. These tools provided a comprehensive understanding of the factors influencing employee motivation in public service.

3. RESULTS

The present study employed a quantitative non-experimental research design, utilizing correlation and regression techniques to examine relationships among variables. Descriptive statistics, including means and standard deviations, assessed levels of extrinsic and intrinsic rewards as well as employee motivation. Pearson's correlation coefficient evaluated the significance of these relationships, while regression analysis identified factors influencing employee motivation. The null hypothesis was tested at a 0.05 significance level, asserting no significant relationship between rewards and motivation.

Chronologically, tables and their interpretation were arranged under the following subheadings: Employee's Level of Extrinsic Rewards, Employee's Level of Intrinsic Rewards, Level of Employees' Motivation, Pearson's Correlation between Extrinsic Rewards and Motivation, Pearson's Correlation

between Intrinsic Rewards and Motivation, Regression Analysis on Extrinsic Rewards to Employees' Motivation, and Regression Analysis on Intrinsic Rewards to Employees' Motivation. Data is presented in both tabular and textual formats for clarity.

The results presented in Table 1 indicate that the overall level of extrinsic rewards offered to employees in the 1st class Local Government Units (LGUs) of the 2nd Congressional District of Davao del Norte was described as "high", with a mean score of 3.72 and a standard deviation of 0.739. This suggests that extrinsic rewards, such as pay, bonuses, benefits, and promotions, are much observed by the employees within the LGUs.

Table 1. Employee's Level of Extrinsic Rewards

Indicators	Mean	SD	Descriptive Equivalent
Pay	3.73	0.841	High
Bonus	3.83	0.843	High
Benefits	3.44	0.845	High
Promotion	3.89	0.813	High
Overall	3.72	0.739	High

Among the specific indicators, Promotion received the highest mean score of 3.89, indicating it as a significant motivator for employees. This supports Ahmed (2019), who noted that upward mobility benefits job satisfaction and retention. Bonuses followed closely with a mean score of 3.83, emphasizing the role of performance-based incentives (Evangeline & Ragavan, 2022). Subsequently, Pay was rated high at 3.73, suggesting that competitive salaries enhance employees' sense of value (Cooper & Jayatilaka, 2021). Benefits received a mean score of 3.44, reflecting the importance of healthcare and retirement plans, though this was the lowest score among extrinsic rewards.

The data indicates that LGU employees in the 2nd Congressional District of Davao del Norte highly value promotion and career advancement opportunities. While benefits are essential for well-being, they may be seen as standard rather than strong motivators compared to promotions and financial incentives. These findings align with McGregor's Theory Y (Lu & Wu, 2013), highlighting employees' desire for growth. Overall, structured extrinsic reward systems enhance job satisfaction, but a balance with intrinsic motivators is vital for sustainable engagement (Porter, 2022).

As presented in Table 2, which illustrates the Employee's Level of Intrinsic Rewards, the study found that the overall level of intrinsic rewards among identified LGUs was described as "high", with a mean score of 3.82 and a standard deviation of 0.622. This suggests that intrinsic rewards—including recognition, career development, responsibility, and learning opportunities—are much observed

within these local government units.

Table 2. Employee's Level of Intrinsic Rewards

Indicators	Mean	SD	Descriptive Equivalent
Recognition	3.72	0.824	High
Career Development	3.61	0.796	High
Responsibility	4.03	0.775	High
Learning Opportunity	3.91	0.768	High
Overall	3.82	0.622	High

Among the various indicators, Responsibility received the highest mean score of 4.03 and a standard deviation of 0.775, reflecting a "high" level of employee perception regarding their trust in being assigned meaningful tasks and held accountable for their roles. This finding aligns with Nelson's (2019) assertion that responsibility functions as an intrinsic motivator, enhancing engagement and satisfaction by empowering employees to take ownership of their work. Following closely, Learning Opportunity achieved a score of 3.91 and a standard deviation of 0.768, which underscores employees' recognition of the opportunities available for professional growth and skill development—an aspect that Nelson (2019) identifies as vital for enhancing employee performance and motivation.

The areas of Recognition and Career Development also demonstrated "high" levels, with mean scores of 3.72 and 3.61, and a standard deviation of 0.824 and 0.796, respectively. Recognition signifies employees' appreciation for the acknowledgment of their contributions, which in turn could enhance their intrinsic motivation (Nguyen, 2018). Likewise, opportunities for career development, such as training and advancement within the organization, establish pathways for long-term growth and commitment. Moreover, when workers stay in the organization where they feel committed and secured with their jobs, they feel valued and know their worth as an employee (Tacadena & Muico, 2022). This was even emphasized by Nelson (2019).

The data indicate that Responsibility emerged as the most significant intrinsic motivator for LGU employees in the 2nd Congressional District of Davao del Norte. High scores reflect that employees are driven to excel, proactively seek learning beyond assigned tasks, and have a clear understanding of their roles—emphasizing the importance of autonomy, ownership, and role clarity. In contrast, Career Development, while still rated as "high," received the lowest mean score among intrinsic motivators. Although employees acknowledge its value—evident in efforts such as mock interviews

and career exploration—their engagement appears limited. This points to a possible disconnect between available resources and actual participation, highlighting the need for more structured and accessible career development initiatives.

According to the study’s descriptive equivalence ranges, scores between 3.40–4.19 are classified as “high,” indicating that intrinsic rewards are notably prevalent among LGU employees. This supports the findings of Ryan and Deci (as cited by Singh, 2016), who emphasized that intrinsic motivators—such as autonomy, competence, and purpose—serve as key psychological drivers of employee satisfaction and organizational commitment. These results suggest that LGUs in the 2nd Congressional District have successfully integrated intrinsic rewards into their practices, promoting a work environment that values personal growth and meaningful contributions.

The results presented in Table 3 demonstrate that the overall level of employee motivation in the 1st class Local Government Units (LGUs) of the 2nd Congressional District of Davao del Norte is deemed “high,” with an overall mean score of 4.02 and a standard deviation of 0.642. This suggests that employees’ motivation within the LGUs is significantly pronounced, reflecting strong perceptions across various indicators such as work performance, attitude, goal setting, performance feedback, and empowerment/job satisfaction.

Table 3. Level of Employees’ Motivation

Indicators	Mean	SD	Descriptive Equivalent
Work Performance	4.08	0.738	High
Attitude	4.02	0.746	High
Goal Setting	4.00	0.745	High
Performance Feedback	3.97	0.875	High
Empowerment, Power, Job Satisfaction	4.04	0.841	High
Overall	4.02	0.642	High

Among these factors, Work Performance achieved the highest mean score of 4.08 and a standard deviation of 0.738, classified as "high." This indicates that employees are efficient and productive in executing their responsibilities. This finding is consistent with Nguyen (2018), who emphasized that work performance is closely tied to motivation, especially when nurtured by a supportive work

environment. Similarly, Empowerment, Power, and Job Satisfaction, with a mean score of 4.04 and a standard deviation of 0.841, are much felt by the employees. This aligns with Nelson (2019), who argued that empowering employees to take ownership of their roles enhances confidence and fosters job satisfaction, thereby boosting motivation.

Furthermore, results indicate that Attitude, with a mean score of 4.02 and a standard deviation of 0.746, demonstrates a positive and committed outlook among employees, much felt in the LGUs. Nguyen (2018) observed that motivated employees often exhibit enthusiasm and dedication, which are crucial for achieving organizational objectives. Meanwhile, Goal Setting, with a mean score of 4.00 and a standard deviation of 0.745, underscores the significance of having clear objectives, a sentiment much felt by employees. This can be supported when Porter (2022) highlighted that establishing specific and measurable goals provides direction and focus, serving as key drivers of motivation.

Lastly, Performance Feedback, with a mean score of 3.97 and a standard deviation of 0.875, indicates that regular feedback is much felt by employees. Evangeline and Ragavan (2022) highlight that constructive feedback not only validates employees' efforts but also strengthens work relationships and fosters a sense of accomplishment. This aligns with the principles of McGregor's Theory Y, which states that employees perform better when they feel supported and acknowledged—an essential aspect of sustaining motivation.

Moreover, the data presented in Table 4 indicate significant positive correlations between the independent variables of extrinsic rewards—namely pay, bonuses, benefits, and promotions—and the dependent variable of employee motivation, with all p-values <.001. Among these variables, pay exhibits the strongest correlation with an r-value of 0.681, highlighting the substantial impact of financial compensation on employee motivation. This finding aligns with Vroom's Expectancy Theory, which asserts that rewards linked to effort and performance are key drivers of motivation. Research, such as that conducted by Nguyen (2018), underscores that competitive pay fosters a sense of financial security, thereby enhancing motivation.

Table 4. Pearson's Correlation between Extrinsic Rewards and Motivation

Independent Variables	Dependent Variable	r-value	p-value	Decision
Pay	Employee's Motivation	0.681	<.001	H ₀ is rejected
Bonus		0.616	<.001	H ₀ is rejected
Benefits		0.569	<.001	H ₀ is rejected
Promotion		0.572	<.001	H ₀ is rejected

*Significant at 0.05 level of significance

Results emphasize the positive impacts of bonuses ($r = 0.616$), benefits ($r = 0.569$), and promotions ($r = 0.572$) on employee motivation. Bonuses are particularly effective for achieving short-term goals, while benefits contribute to stability, thereby enhancing employee engagement. Additionally, opportunities for promotion foster career advancement, aligning with McGregor's Theory Y.

Overall, the findings of this study reveal substantial positive correlations, highlighting the crucial role that extrinsic rewards play in promoting employee motivation. This reinforces the notion that organizations must prioritize the provision of competitive financial incentives and career advancement opportunities to develop and sustain a motivated workforce.

Table 5 highlights significant positive correlations between intrinsic rewards and the dependent variable employee motivation, with p -values < 0.001 . Among these, responsibility exhibits the strongest correlation having an r -value of 0.722, highlighting its critical role in motivating employees. This supports McGregor's Theory Y, which highlights that employees are motivated by opportunities to assume responsibility and make meaningful contributions.

Table 5. Pearson's Correlation between Intrinsic Rewards and Motivation

Independent Variables	Dependent Variable	r-value	p-value	Decision
Recognition	Employee's Motivation	0.615	$<.001$	H_0 is rejected
Career Development		0.599	$<.001$	H_0 is rejected
Responsibility		0.722	$<.001$	H_0 is rejected
Learning Opportunity		0.717	$<.001$	H_0 is rejected

*Significant at 0.05 level of significance

Also, learning opportunity ($r = 0.717$) shows a strong correlation, reflecting the value that employees place on continuous skill development. Porter (2022) emphasizes that access to training programs boosts confidence and motivation, enabling employees to adapt to evolving organizational demands. Whereas recognition ($r = 0.615$) and career development ($r = 0.599$) also indicate as significant intrinsic factors. Recognizing achievements fosters a sense of appreciation, while opportunities for growth and improvement inspire long-term commitment and motivation, consistent with Vroom's Expectancy Theory.

The significant correlations across all intrinsic rewards confirm that fostering a workplace culture that values growth, acknowledgment, and responsibility can significantly enhance employee motivation. Organizations are encouraged to balance intrinsic and extrinsic rewards for sustainable motivation and

productivity.

Further, the regression analysis presented in Table 6 indicates that among the extrinsic rewards, both Pay ($\beta = 0.382, p < 0.001$) and Promotion ($\beta = 0.457, p < 0.001$) have a significant positive impact on employees' motivation. Conversely, Benefits show a significant negative relationship ($\beta = -0.171, p = 0.006$), suggesting that the way benefits are provided may be perceived as inadequate or misaligned with employee expectations, ultimately diminishing motivation. In contrast, Bonus ($\beta = 0.052, p = 0.460$) does not demonstrate a statistically significant effect on motivation.

The overall model accounts for 46.4% of the variance in employee motivation ($R^2 = 0.464$), and the regression equation is statistically significant ($F = 59.218, p = 0.001$). These findings indicate that extrinsic rewards, particularly pay and promotions, serve as strong motivators, supporting previous literature that highlights financial and hierarchical advancements as vital drivers of employee performance. However, it is imperative to reassess the benefits to ensure they align more closely with employee expectations.

Table 6. Regression Analysis on Extrinsic Rewards to Employees' Motivation

	Unstandardized Coefficients (Beta)	Standard Error	Standardized Coefficients (Beta)	t	p	Decision
(constant)	1.702	0.163	-	-	-	
Pay	0.308	0.052	0.382	5.915	< .001	Ho is rejected
Bonus	0.042	0.057	0.052	0.740	0.460	Ho is not rejected
Benefits	-0.138	0.050	-0.171	-2.772	0.006	Ho is rejected
Promotion	0.382	0.051	0.457	7.461	< .001	Ho is rejected
Dependent Variable:		Employee's Motivation				

R-value = 0.681

F-value = 59.218

$R^2 = 0.464$

p-value = 0.001

On the other hand, as indicated in Table 7, all intrinsic rewards domains significantly impact employee motivation, with Responsibility emerging as the strongest predictor ($\beta=0.460, p<0.001$), followed by Recognition ($\beta=0.297, p<0.001$) and Learning Opportunity ($\beta=0.277, p<0.001$). Notably, Career

Development presents a negative significant relationship ($\beta=-0.091$, $p=0.024$), suggesting potential gaps in the perception or execution of career growth initiatives.

Table 7. Regression Analysis on Intrinsic Rewards to Employees' Motivation

	Unstandardized Coefficients (Beta)	Standard Error	Standardized Coefficients (Beta)	t	p	Decision
(constant)	0.804	0.118				
Recognition	0.245	0.037	0.297	6.530	<.001	Ho is rejected
Career Development	-0.077	0.091	-0.091	-2.271	0.024	Ho is rejected
Responsibility	0.403	0.041	0.460	9.760	<.001	Ho is rejected
Learning Opportunity	0.245	0.049	0.277	5.000	<.001	Ho is rejected
Dependent Variable:		Employee's Motivation				
R-value = 0.870			F-value = 212.932			
R ² = 0.757			p-value = 0.001			

The intrinsic rewards model accounts for 75.7% of the variance in employee motivation ($R^2=0.757$), supported by a highly significant regression equation ($F=212.932$, $p=0.001$). These findings are consistent with self-determination theory (Deci & Ryan 2008), which emphasizes intrinsic factors such as responsibility and personal growth as crucial for sustained motivation. Nevertheless, there is a need to reassess career development strategies to ensure they positively influence employees' motivational levels.

Overall, between extrinsic and intrinsic rewards, intrinsic factors exhibit a significantly stronger influence for employee motivation ($R^2 = 0.757$ compared to $R^2 = 0.464$). This underscores the critical role of intrinsic motivators—such as responsibility, recognition, and opportunities for learning—in fostering sustainable employee engagement. According to Ryan and Deci (as cited by Singh, 2016), intrinsic motivators are closely linked to employees' inherent psychological satisfaction and are less reliant on external influences.

The findings reject the null hypothesis, confirming that specific aspects of both extrinsic and intrinsic rewards have a significant impact on employee motivation within the 1st class LGUs of the 2nd Congressional District of Davao del Norte. It is recommended to adopt a balanced approach that

integrates well-structured intrinsic motivators while also enhancing extrinsic rewards, particularly benefits and bonuses, to align with employees' expectations and needs.

4. CONCLUSION

This study examined the effects of extrinsic and intrinsic rewards on employee motivation within the first-class Local Government Units (LGUs) of Davao del Norte's 2nd Congressional District. The findings revealed high levels of both extrinsic rewards—such as pay, bonuses, benefits, and promotions—and intrinsic rewards, including recognition, career development, responsibility, and learning opportunities, among LGU employees. Importantly, employee motivation was also found to be significantly high, characterized by positive work performance, proactive attitudes, effective goal setting, constructive performance feedback, empowerment, and job satisfaction.

Correlation analysis demonstrated significant positive relationships between both extrinsic and intrinsic rewards and employee motivation. Additionally, regression analysis indicated that pay and promotions had a significant positive influence on motivation among extrinsic rewards, while benefits negatively impacted it. In contrast, all intrinsic rewards—responsibility, recognition, and learning opportunities—showed a substantial positive effect on motivation, whereas career development was associated with a negative significant relationship, highlighting potential issues in its implementation.

Consequently, the study's findings are consistent with insights from existing literature, providing a comprehensive understanding of the relationship between rewards and employee motivation in the first-class LGUs of Davao del Norte's 2nd Congressional District. The findings regarding intrinsic rewards, such as responsibility, recognition, and learning opportunities, implies that intrinsic motivation arises from inherent satisfaction and promotes long-term commitment and job satisfaction. Additionally, the observation that career development negatively affected motivation may reflect gaps in effective professional growth strategies.

Extrinsic rewards, such as salary and promotions, were shown to have a significant positive effect on motivation. However, benefits unexpectedly had a negative impact. These findings highlight the complex dynamics among various types of rewards, indicating that intrinsic and extrinsic motivators are not mutually exclusive and should be strategically balanced to foster an efficient workplace.

In conclusion, this study established that intrinsic rewards, particularly responsibility, recognition, and learning opportunities, influence employee motivation more than extrinsic rewards. These findings support self-determination theory, which stresses the critical role of intrinsic motivators in fostering employee satisfaction and sustainable engagement. The results also highlight areas for improvement, such as reevaluating the implementation of benefits and career development programs to better align with employee expectations and organizational goals.

5. RECOMMENDATIONS

Based on the findings, LGUs are encouraged to sustain high-performing motivation indicators such as responsibility and recognition by continuing employee recognition initiatives and offering leadership opportunities. Areas with potential for growth, like learning and development, can be strengthened

through targeted interventions such as skills training, mentorship programs, and subsidized professional development. Enhancing career development through job rotations and mobility opportunities can also align employee growth with organizational goals, fostering greater engagement and commitment.

At the same time, LGUs should revisit their benefit structures by conducting employee surveys and benchmarking with similar institutions to ensure competitiveness, equity, and transparency. While intrinsic motivators remain vital, maintaining a balanced reward system that includes fair extrinsic incentives—such as salary adjustments, performance-based bonuses, and clear promotion paths—is equally important. Addressing low-rated aspects like performance feedback and goal setting through collaborative, measurable objectives and increased autonomy can further strengthen employee motivation. Finally, further research into specific contextual factors, such as benefits and career progression, is recommended to guide continuous improvement in HR practices.

REFERENCES

- [1] Ahmed, A. (2019). Affective commitment to the organization: The contribution of perceived organizational support. *Journal of Applied Psychology*, 82–83. <http://dx.doi.org/10.1037/0021-9010.86.5.825>
- [2] Cooper, A., & Jayatilaka, H. (2021). Alternative reward strategies and employee reactions. *Compensation & Benefits Review*, 36, 41–51. <http://dx.doi.org/10.1177/0886368703261273>
- [3] Deci, E., & Ryan, R. (2008). Self-determination theory: A macrotheory of human motivation, development, and health. *Canadian Psychology/Psychologie Canadienne*, 49(3), 182–185. <https://doi.org/10.1037/a0012801>
- [4] Espiritu, E. J., Feguracion, R. A., Mapuro, J., & Bautista, M. G. (2023). The Influence of the Aspects of the Personality to the Academic Procrastination of the Selected Colleges of Tagum. *Psychology and Education: A Multidisciplinary Journal*, 9(2), 1-1.
- [5] Evangeline, L., & Ragavan, H. (2022). The link between trust and motivation. *The Trust Ambassador*, 45–49. <https://thetrustambassador.com/2022/03/19/the-link-between-trust-and-motivation/>
- [6] Lau, F. (2017). Methods for correlational studies. In *Handbook of ehealth evaluation: An evidence-based approach* [internet]. University of Victoria.
- [7] London, U. (2019). The impact of employee motivation on work performance. *International Journal of Scientific and Research Publications*, 8(3), 29–30. <http://dx.doi.org/10.1037/h0029692>
- [8] Lu, M., & Wu, H. (2013). Maslow's hierarchy of needs. *Simply Psychology*, 12–15. <https://www.simplypsychology.org/maslow.html>
- [9] Mafini, A., & Dlodlo, T. (2021). *Management fundamentals: Concepts, applications, & skill development* (7th ed., pp. 50–54). SAGE. <http://dx.doi.org/10.1037/0021-9010.71.3.500>
- [10] Muico, E. J. G., Simene, M., Tagalog, D. M., & Jaban, J. J. (2022). The relationship of online resource use and academic writing of students. *Journal of Learning and Educational Policy*, 22.

- [11] Nelson, R. (2019). Effect perceived organizational support on employees' attitudes toward work. *Science Series Data Report*, 28–34. <http://dx.doi.org/10.1037/h0076355>
- [12] Nguyen, U. (2018). *Work motivation in organizational behavior* (2nd ed., pp. 500–507). Psychology Press. <http://dx.doi.org/10.1037/0021-9010.71.3.500>
- [13] Pimentel, N. R., & Bercilla, L. C. (2023). Work Environment as A Predictor of Job Satisfaction Among DOH Deployed Human Resources for Health. *International Journal of Research and Innovation in Social Science*, 7(4), 1135-1141.
- [14] Porter, A. (2022). The influence of work environmental and motivation factors on seniors' attitudes to an extended working life or to retire: A cross sectional study with employees 55–74 years of age. *Open Journal of Social Sciences*, 5(07), 30. <http://dx.doi.org/10.1006/jvbe.2022.0043>
- [15] Rizwan, N., & Mukhtar, H. (2019). *Organizational behavior* (3rd ed., pp. 40–43). McGraw-Hill Education. <http://dx.doi.org/10.1086/296345>
- [16] Shaheen, U., & Farooqi, H. (2018). *Organizational behavior: Essential theories of motivation and leadership* (pp. 114–115). Routledge. <http://dx.doi.org/10.2307/256650>
- [17] Singh, R. (2016). The impact of intrinsic and extrinsic motivators on employee engagement in information organizations. *Journal of Education for Library and Information Science Online*, 57(2), 197–206. <https://doi.org/10.12783/issn.2328-2967/57/2/11>
- [18] Tacadena, J., & Muico, E. (2022). A teacher's work ethic: Exploring organizational behaviour, quality work life and commitment. *Journal of Women Empowerment and Studies*, 2(05), 36-41.
- [19] Van Eerde, W., & Thierry, H. (1996). Vroom's expectancy models and work-related criteria: A meta-analysis. *Journal of Applied Psychology*, 81(5), 575–586
- [20] Vilnai-Yavetz, I., & Levina, O. (2018). Motivating social sharing of e-business content: Intrinsic motivation, extrinsic motivation, or crowding-out effect? *Computers in Human Behavior*, 79, 181–191. <https://doi.org/10.1016/j.chb.2017.10.034>
- [21] Yukl, D. (2021). Stop trying to motivate your employees [Video]. 12–17. <https://doi.org/10.1080/08824096.2021.1016150>
- [22] Zajda, J. (2023). *Globalisation and dominant models of motivation theories in education*. Springer.