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# The Impact of Intrinsic Motivation and Extrinsic Motivation on The Performance Employees of ABC Hospital Surabaya

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## ABSTRACT

**Purpose:** This study aims to find and analyze the influence of intrinsic motivation variables on employee performance, extrinsic motivation variables on employee performance, and dominant influences.

**Design/methodology/approach:** Explain the research design, research methodology

**Findings:** The results of data processing show that there are six indicators of intrinsic motivation variables that are valid and reliable, namely activity, challenges at work, responsibility, self-potential ability, ability to learn new things, and achievement. For extrinsic motivation, there are four valid and reliable indicators, namely recognition, work facilities, relationships.

**Practical implications:** The result is that both intrinsic and extrinsic motivation have a significant effect on employee performance, with a positive relationship. The more intrinsic motivation employees have, the better they perform. Management can pay attention to factors such as activities, challenges in work, responsibilities, self-ability, ability to learn, and achievements.

**Paper type:** Research paper

**Keywords:** *Intrinsic motivation, extrinsic motivation and employee performance.*

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## I. INTRODUCTION

Companies must use strategies to adapt to changes and win competition in an increasingly tight business world. Due to globalization, growing businesses are very competitive. (Istanti et al., 2020) In this case, human resources (HR) are a very important component for the success of businesses and their ability to survive in the current era of globalization. So, to achieve the company's vision and mission, human resource management (HRM) must be good and optimal. As stated by Mangkunegara, (2017) "HRM is planning, organizing, directing, coordinating, implementing and supervising the procurement, development, provision of services, integration, maintenance and management of human resources."

"HRM aims to support organizations by developing and implementing Human Resources (HR) strategies that are integrated with business strategies, contributing to developing a high-performance culture, which ensures that the organization has the talented and skilled resources it needs, creates positive working relationships between management and employees, and encourages the adoption of an ethical approach to people management (Hakim, 2021).

In the midst of limited employment opportunities, Indonesia's human resources will certainly face an increasing burden. This makes it difficult for companies in Indonesia to prepare their human resources who have sufficient abilities and achievements to compete with human workers from other countries. The current condition of Indonesia's human resources can be described as follows: "Work performance is the work results achieved by a person in carrying out the tasks assigned to him which are based on skill, experience and sincerity and time." (M. Hasibuan, 2017). The human resource development index shows that the condition of Indonesia's human resources is currently ranked below other ASEAN countries. The ranking is even lower than Vietnam, which has just

emerged from its downturn. However, along with the lagging behind in the quality of human resources, Indonesia is also faced with increasingly strong global competition. Therefore, the quality of human resources produced must be able to answer the challenges in the era of globalization.

Thus, companies in Indonesia must also have quality human resources. The need for human resources cannot be considered as a single component, it is a combination that produces synergy. This is due to the fact that a company is an interrelated system that functions to achieve its goals. Human resources (HR) are the part that is considered the most strategic of an organization. High-quality human resources have the ability to utilize other components to achieve system efficiency and effectiveness.

Currently, employees are considered assets or company capital rather than just resources. Employees can be defined as human resources (HR) who are ready and have the ability to produce unique, creative and innovative values using their powers of logic and intuition. Even though organizations use sophisticated technology and information, as well as adequate capital and materials, low-quality workers will find it difficult to achieve their goals.

Regional General Hospital RSUD ABC is in Simokerto, East Java City. The government hospital of choice for the people of East Java City, RSUD ABC continues to improve its facilities to realize its vision and mission as a hospital that excels in service and education in the city of East Java. Dr. Hospital ABC is also a Teaching Hospital, which is closely related to medical education.

Strong infrastructure and human resources (HR) for employees who deal directly and indirectly are needed to support the use of this technology with customers. For example, the ABC Oncology Center will be opened at ABC Hospital, Surabaya. The city hospital treated many cancer patients, which resulted in this new facility. At ABC, there has been an increase in cancer cases in the last two years. There were 492 cancer patients treated in 2021. The number of patients increased 30% every year to 642 people. This month there are also many cancer patients.

One important part of ABC Hospital Surabaya is human resources with high performance, which means employees can work better and more quickly to produce the best results. This means that employee performance must be managed well to increase company productivity so that the company can excel in business competition. To manage employee performance, ABC Hospital Surabaya can consider factors that can influence employee performance. Motivation is defined as "a psychological state" Swasto, (2017), but Mangkunegara, (2017) said that "Motivation is one of the factors that can influence performance". A certain motivation within a person that arises because of the drive to fulfill needs". This motivation can influence how well an employee performs their duties and has an impact on the company.

Motivation is a complex issue. This is because the needs and desires of each individual (in this case employees in the company), are very different from each other which can give rise to different behavior in each individual. So, in order to align the diverse interests and needs of each employee, companies must understand these things in order to improve employee work performance. Furthermore, the results are expected to be an effective driving force for employees in achieving the company goals that have been set.

Thus, it can be said that employee motivation greatly influences the success of the company, especially in terms of improving employee performance. In other words, if given the right work motivation, employees will feel very motivated to complete the tasks given to them as well as possible. This shows that it is necessary to evaluate employee performance in each work unit. In this research, it is suspected that motivation is a factor that influences the performance of employees at ABC Hospital Surabaya. According to Mangkunegara (2014), motivation is one of the factors that influences performance achievement. In this research, the motivation variable consists of two parts: intrinsic motivation and extrinsic motivation. These three variables: performance, intrinsic motivation, and extrinsic motivation: are latent variables that cannot be measured directly, so PLS is used to determine the relationship between them.

The aim of this research is to determine and analyze the partial and dominant influence of intrinsic motivation variables and variables on employee performance at ABC Hospital Surabaya. Based on the background described above, the researcher was interested in studying it in more depth so decided the title of this research was "The Influence of Intrinsic Motivation and Extrinsic Motivation on The Performance of Employees at ABC Hospital Surabaya"

## **A. Literature Review**

### **1. Human Resource Management**

AAAP Mangkunegara, (2017) states that "Human Resource Management (HRM) is a process of planning, organizing, directing, coordinating, implementing and supervising procurement. According to Dessler, (2015)"HRM is the process of acquiring, training, assessing and compensating employees and managing their work relationships, their health and safety and matters related to justice." HRM is an organization that must carry out human resource management to ensure that their knowledge, abilities and skills match the demands of their work.

## 2. Motivation

According to Hasibuan (2019), motivation comes from the employee's attitude towards the work situation in the company. According to AP Mangkunegara (2017), motivation is a condition or energy that moves employees who are directed towards achieving company goals. In addition, motivation is often interpreted as a driving factor in someone's behavior.

## 3. Intrinsic Motivation

Motivation that encourages someone to achieve that comes from within themselves is called intrinsic motivation.(Suhardi, 2018). Factors-factors that influence intrinsic factors, namely everything within an individual such as personality, attitudes, experiences, education, ideals, needs, hopes and interests.(Sutrisno, 2020). Indicators of intrinsic motivation are Activity, Interest in work, Challenge in work, Responsibility, Self-potential ability, Authority, Independence, Learning new things, Creativity, Achievement(Nawawi., 2014)Intrinsic motivation comes from the work done, either because it is enjoyable, fulfills a need, or allows achieving goals and because it provides good hope for the future.

## 4. Extrinsic Motivation

Extrinsic motivation is motivation that comes from outside oneself and influences a person's behavior in their life, which is known as the hygiene factor theory.(MSP Hasibuan, 2017) According to(Kaswan, 2019)"Extrinsic motivation is behavior that is formed for needs related to material things and social rewards that involve lower level needs." Indicator Extrinsic motivation includes:Awards, work facilities, company policies, co-worker relations, promotions, assessment processes, supervision, overall reform, salaries and bonuses.Extrinsic motivation is a source of work motivation from outside the worker as an individual, in the form of a condition that requires him to carry out work optimally. For example, being highly dedicated to work because of high wages/salaries, honorable positions/positions or having great power, praise, punishment and so on.

## 5. Performance

Performance is an abbreviation of "work energy kinetics", and "performance" is an abbreviation of the word "performance" in English.(Dessler, 2015)Performance can be defined as "Work performance, namely the comparison between work results and established standards"(Sutrisno, 2020)Performance can also be defined as the real behavior shown by each employee, such as work performance produced by employees in accordance with their role in the company. Performance Indicators(Robbins, Stephen, 2016), namely: Quantity of work, Quality of work and Timeliness.

## 6. The Relationship between Intrinsic Motivation and Employee Performance

According to Nawawi., (2014)"The more intrinsic motivation, the better employee performance. This means that companies really need employees who have high intrinsic motivation because it will have an impact on increasing employee performance, which will ultimately allow companies to achieve their goals.

## 7. The Relationship between Extrinsic Motivation and Employee Performance

"Extrinsic motivation is a work driver that comes from outside the worker as an individual in the form of a condition that requires him to carry out work optimally."(Nawawi., 2014)

## B. Conceptual Framework

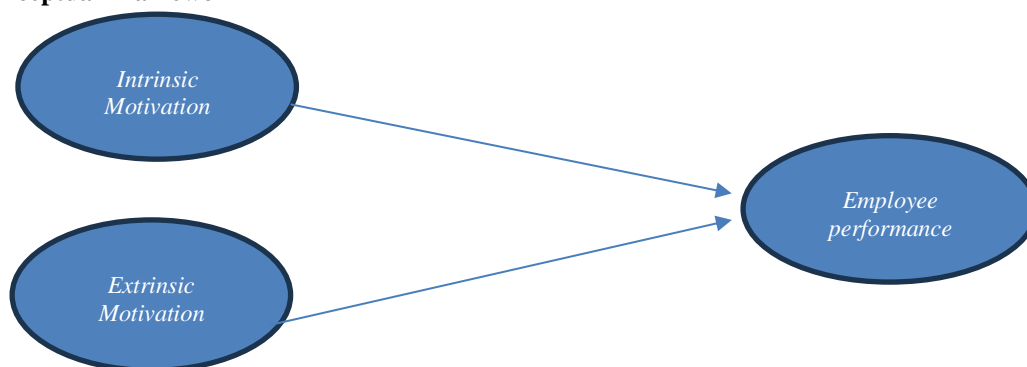


Figure 1 Research Model Design

Source: Researcher (2024)

Figure 1 explains that intrinsic motivation variables (X1) and extrinsic motivation variables (X2) have an influence on employee performance (Y). This means that if the employee's intrinsic motivation and extrinsic motivation are good, then the employee's performance will be good too. Likewise, if the employee's intrinsic and extrinsic motivation is not good, it will make the employee's performance less good.

## II. METHODS

### A. Types of research

The philosophy of positivism encourages quantitative methods, which are used to research certain populations or samples. Sampling was carried out randomly, and research instruments were used to collect data. Next, this method is used to test the established hypotheses. (Sugiyono, 2019b)

### B. Data Type

The purpose of collecting data in research is to obtain information that can explain the research problem as a whole. Primary data and secondary data are the most common types of data used in research. (Sugiyono, 2017)

### C. Data collection technique

This research collects data through filling out questionnaires. Questionnaires were distributed to respondents and researchers visited respondents directly. To compile this questionnaire, an evaluation measurement scale was used, which measures assessments based on the respondent's attitude towards one condition. Answer choices are described on a Likert scale. The number of points used is five points (Sugiyono., 2019).

### D. Data analysis technique

This research uses PLS as data analysis to identify the relationship between motivation and HR performance. PLS works with the assumption of zero intercorrelation between residuals and variables, and "Partial Least Square (PLS) was developed by Wold as a general method for estimating model paths that use latent variables with many indicators" (Ghozali, 2016).

### E. Population Determination Techniques, Sample Size, and Sampling Techniques

Population is a general area consisting of a group of people, events, or everything that has certain characteristics identified by researchers to study and then draw conclusions (Sugiyono., 2019). Population is the total number of analysis units whose characteristics will be predicted. This research involved all employees of ABC Hospital Surabaya, totaling 417 people. A small portion of the overall population carefully selected to become the population is called a sample (Sugiyono, 2019a)

The Slovin formula is a method used to determine the number of samples in a population. The formula is:

$$n = \frac{N}{1+Ne^2}$$

$$n = \frac{417}{1 + 417(0,05)^2} = 204.05 \approx 205$$

## III. RESULTS AND DISCUSSION

### A. Results

#### 1. Evaluation of the Measurement Model (Outer Model)

In this research, the conceptual framework was built by a reflective indicator model in the three measurement models. So in evaluating the model, the criteria used are convergent validity (loading, average variance extracted, and communalities), discriminant validity (cross loading), and reliability (composite reliability).

##### a. Early Models

The first step in evaluating PLS modeling is to verify that the indicators used are suitable for application. The initial PLS modeling results can be seen in Figure 2

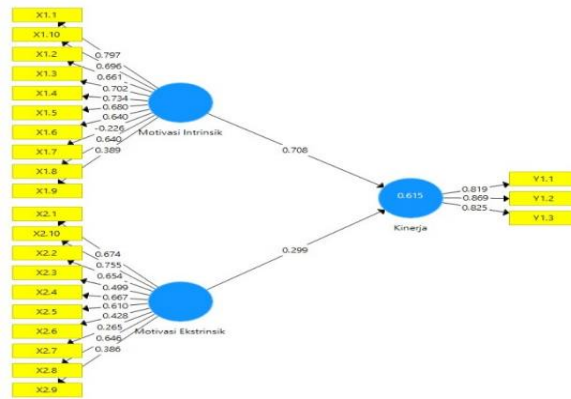


Figure 2 Initial PLS Modeling

Source: researcher (2024)

In evaluating measurement models, there is validity and reliability testing. In PLS modeling, the AVE value shows the convergent validity value. The minimum AVE value that must be met in the model is 0.5, which means that the latent variable can explain more than 50 percent of the variance of the indicators. The AVE values produced in this initial modeling are shown in the following table.

Table 1 AVE Initial Modeling

Variable	Average Variance Extracted(AVE)
Kiperformance	0.703
Extrinsic motivation_	0.334
Intrinsic motivation	0.407

Source: researcher (2024)

Table 1 shows that there are latent variables that have an AVE value of less than 0.5, namely the variables intrinsic motivation (0.407) and extrinsic motivation (0.334). This means that these two variables cannot explain more than 50 percent of the indicators. In this initial modeling, only the performance latent variable can meet discriminant validity with an AVE value of 0.703.

Table 2 Composite Reliability Initial Modeling

Variable	Composite Reliability
Kiperformance	0.876
Extrinsic Motivation_	0.824
Intrinsic Motivation	0.846

Source: researcher (2024)

Composite reliability shows reliability based on the correlation between indicators. Composite reliability has the same meaning as AVE, namely if the value is more than 0.7 then the latent variable can explain more than 50 percent of the variance of the indicators. Based on the composite reliability value of the initial modeling which can be seen in Table 2, exogenous variables (intrinsic motivation and extrinsic motivation) and endogenous

variables (performance) have values greater than 0.7. This shows that the three latent variables have good reliability.

**b. Final Model**

PaIn the initial modeling, convergent validity was not met when looking at the outer loading and AVE values, so re-modeling was needed by eliminating indicators one by one starting from the indicator with the smallest outer loading value until the minimum AVE and outer loading values were met. The final modeling results with the best AVE and outer loading values are shown in the following image.

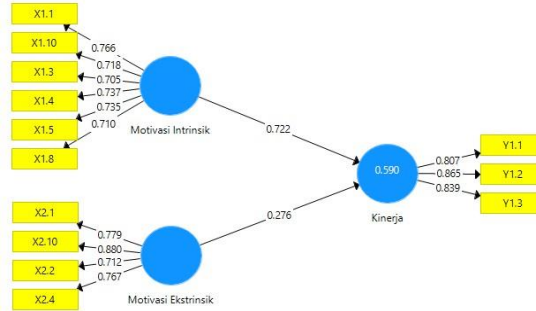


Figure 3 PemFinal PLS model

Source: researcher (2024)

In the remodelling of indicators that were removed, they included indicators X1.2 (Interest in work), X1.6 (Authority), X1.7 (Independence) and X1.9 (Creativity) for the intrinsic motivation variable, and indicator (Company policy), X2.5 (Promotion), X2.6 (Appraisal process), X2.7 (Supervision), X2.8 (Overall reform), The validity and reliability values after these indicators are removed are as follows.

Table 3 Ave Final Modeling Value

Variable	Average Variance Extracted(AVE)
Kiperformance	0.701
Extrinsic motivation_	0.619
Intrinsic motivation	0.531

Source: researcher (2024)

Table 3 shows that all latent variables of intrinsic motivation, extrinsic motivation and performance have an AVE value of more than 0.5, so it can be said that in this final modeling all the indicators used have met convergent validity. This means that the latent variable can explain 50 percent of the variance of the indicators used.

**2. Structural Model Evaluation (Inner Model)**

The next step in PLS modeling is evaluating the structural model (inner model), namely evaluating the relationship between latent variables. The stages carried out in evaluating the inner model include evaluating the R-square value, evaluating the F-square value, evaluating the Q2 value, and checking the significance of the relationship between variables.

**a. R-Square**

R-square shows how much of the variability of the endogenous variable is explained by the variability of the exogenous variable. R2 values of 0.75, 0.5 or 0.25 respectively indicate the goodness of the structural model is strong, medium or weak.

*Table 4 R-Square PLS Modeling*

	<i>R-Square</i>
<i>Kiperformance</i>	<i>0.590</i>

Source: researcher (2024)

The R-square produced in this modeling is 0.590 which can be seen in Table 4. This figure shows that the resulting structural model is quite feasible. This figure also means that 59 percent of the variability in performance variables can be explained by the variability in intrinsic motivation and extrinsic motivation variables, while the other 41 percent is explained by other variables not included in this research model.

## **B. Discussion**

### **1. Intrinsic Motivation**

#### **a. Activity**

Intrinsic Motivation is the motivation to enjoy an activity purely for the reason of the activity itself. When employees are intrinsically motivated, they will perform activities regularly (Sleimi & Davut, 2015) with a relatively high level of interest and enjoyment that the activity provides. Employees will voluntarily keep themselves busy completing these tasks every day. As an example At ABC Hospital, Surabaya, an admission is used to arranging consultation schedules and communicating with patients every day. They enjoy the work and make it an activity they do every day.

#### **b. Challenges to work**

Challenges at work can also create encouragement or motivation to do the job well (Anwar, 2019). Challenges can arise when employees feel that they are not burdened to complete the work but instead have a desire to overcome any difficulties in the work and complete the work according to the target. This creates a sense of challenge to complete work perfectly and can motivate someone to work. Rs ABC Surabaya, the marketing team, for example, will feel challenged to be able to introduce services to some people, including things that are commonplace. In achieving this target, the marketing team innovates every activity carried out so that the public becomes more familiar with and knows about ABC Hospital Surabaya.

#### **c. Responsibility**

Responsibility is an employee's obligation to carry out their work as best as possible (Anwar, 2019). A sense of responsibility motivates employees so that they feel obliged to do their own work until the work is completed (Sleimi & Davut, 2015). Nurses have a responsibility to serve patients who undertake the program. In implementing this program, 1 PIC nurse is responsible for 1 program patient. So that in carrying out their duties responsibly, PIC nurses will feel happy to serve their own patients until the patient has completed the program, without passing on their duties to other PIC nurses.

#### **d. Self Potential Ability**

An employee also wants in his job to be able to always learn or do new things (Anwar, 2019). In this case, employees will feel happy that their abilities and skills can be of benefit to others. Admissions officers, cashiers and nurses are the types of employees who have good presentation or communication skills with other people (patients). Their ability to speak fluently and clearly to patients can create motivation for them in carrying out their work, especially if the patient feels satisfied and happy with every explanation they give.

#### **e. Learn New Things**

An employee also wants in his job to be able to always learn or do new things (Sleimi & Davut, 2015). In between routine work, doing new things can make employees more enthusiastic about completing their tasks. In the world of health, over a certain period of time there will always be new technologies that can be applied to do work better, more effectively and efficiently. At ABC Hospital Surabaya new technologies are also used in providing services to patients. This new technology is directly applicable to officers laboratory. Learning and applying this new technology makes laboratory staff feel that the work they do is more enjoyable and less monotonous. Apart from laboratory staff, employees in other departments such as admission, nurses and marketing are also obliged to learn the new technologies used so that they can explain them to patients. So it can be said that the presence of new things at work can motivate employees from within to do their work better.

## **f. Performance**

Employees have a desire to be able to make important contributions to the work team and the company. Good work achievement in this case called achievement is one of the things that motivates employees in their work. Employees will be satisfied when they get rewards when doing work according to their targets (Sleimi & Davut, 2015). For example, the marketing team will feel satisfied if people who take part in the event being held want to come to ABC Hospital Surabaya to get services. The laboratory team, nurses and clinicians will feel satisfied when patients are successful in carrying out the program. These things are achievements which, if appreciated, will motivate employees to always try their best in doing their work.

## **2. Extrinsic Motivation**

### **a. Confession**

For employees, praise received from superiors for doing a good job is something that can motivate (Sleimi & Davut, 2015). In other words, employees receive recognition from superiors for the work they do. This can be done by superiors, for example by giving praise or appreciation for the performance of outstanding employees in front of other employees. At ABC Hospital Surabaya, recognition of good employee performance is manifested in the announcement of the "Best Employee" of the year at an internal event held every year, where there are special rewards for these employees. This can motivate the employee, as well as other employees, to do their work well.

### **b. Work Facilities**

Facilities Workplaces are facilities and infrastructure that support employees in carrying out their work activities. Companies should provide complete work facilities and support operational activities that motivate employees to work better. These work facilities can include adequate building conditions, comfort and cleanliness in the workplace, and other work support facilities that are sufficient to support work (Anwar, 2019). Management always pays attention to these things, so that employees feel comfortable doing their work. A clean and tidy workplace and supporting facilities such as uniforms, computers, internet network, electricity, and air conditioning are always strived for as well as the best for employee comfort. In addition, routine maintenance and calibration are carried out for clinical and laboratory equipment so that operational activities can run well and smoothly.

### **c. Coworker Relations**

Dalam carrying out operational activities cannot be separated from interaction between employees which requires good teamwork. Good relationships with co-workers, such as respecting co-workers' opinions, always fostering harmonious relationships with co-workers, and minimal conflict between co-workers can be a motivation for employees to do their work well (Anwar, 2019). In order to maintain good relations between employees, ABC Hospital Surabaya provides a place to coordinate via the WhatsApp group. Apart from that, the management also provides consultation sessions for employees to convey aspirations, thoughts, expressions and freedom to create openness and good relations between employees.

### **d. Wages**

Salary is an important element that has a big influence on employee motivation. Salary is wages paid over a fixed period of time in the form of money based on a certain time as a reward for carrying out work. Employees will be motivated to do a good job when they feel that the salary they receive is commensurate with the work they do (Sleimi & Davut, 2015). So management must be careful in determining the amount of salary that each employee can receive. In determining the amount of salary for each employee, ABC Hospital Surabaya has many considerations ranging from position, job responsibilities, education, and work loyalty.

## **3. Performance Employees**

### **a. Quantity**

Work quantity is defined as the amount that must be completed and achieved in a certain period. This can be seen from the results of employee work in using a certain time and the speed in completing their tasks and responsibilities. For example, the quantity of work for PIC nurses is the number of program patients served in one month. Another example is the number of marketing activities carried out in 1 month.

### **b. Quality**

Work quality is the quality that must be produced in work. Work quality is also defined as a result that can be measured by the effectiveness and efficiency of work carried out by employees. One example of the quality of work ABC Hospital Surabaya is the work. The cashier's work is considered quality if the cashier can calculate the amount to be paid by each patient correctly and receive the payment in the correct amount.



**c. Timeliness**

Timeliness is the accuracy of work within a predetermined time, namely the completion of a task in accordance with a predetermined or previously agreed time. Punctuality in doing work. for example, the timeliness of program patient reports, from nurses to doctors, or monthly reports from the data and finance department to management.

**4. The effect of Intrinsic Motivation and Extrinsic Motivation on Performance employee****a. Intrinsic Motivation**

Intrinsic motivation is a driving force that arises from within an employee which makes employees work well in order to achieve maximum work results. Based on the results of data processing, it shows that intrinsic motivation influences the performance produced by these employees. These results show a figure of 0.722 which is positive, so it can be interpreted that the higher the intrinsic motivation that an employee has, the higher the employee's performance will be. This means that employees with high intrinsic motivation are really needed by the company to be able to achieve the company's goals. Therefore, based on these results, management needs to pay attention to the intrinsic motivation of its employees, especially the 6 indicators previously explained. Management can review the policies that have been implemented in the company, or carry out other activities so that employees' intrinsic motivation always increases.

**b. Extrinsic Motivation**

Extrinsic motivation is a work driver that comes from outside the worker who can encourage employees to carry out work optimally. Extrinsic motivation also has a significant effect on employee performance with a value of 0.276. This value also shows a positive relationship between extrinsic motivation and employee performance, which means that the higher the extrinsic motivation an employee has, the better the employee's performance will be. BeBased on these results, it can be said that if the company pays adequate attention to working conditions including recognition, work facilities, co-worker relations and employee salaries, it will have an impact on maximum employee performance results. This will help the company to make its employees good employees and work optimally, as well as making employees have high loyalty, thereby reducing turnover and absenteeism in the company.

In the final modeling, the composite reliability value for the three constructs (intrinsic motivation, extrinsic motivation, and performance) is greater than 0.7 as shown in Table 5. This value can be interpreted as meaning that the three construct variables are reliable, that is, the indicators can be used to measure latent variables consistently.

*Table 5 Outer Loading*

	<i>T Statistics</i>	<i>P Values</i>
<i>X1.1 &lt;- Intrinsic Motivation</i>	<i>11,622</i>	<i>0,000</i>
<i>X1.3 &lt;- Intrinsic Motivation</i>	<i>8,265</i>	<i>0,000</i>
<i>X1.4 &lt;- Intrinsic Motivation</i>	<i>8,990</i>	<i>0,000</i>
<i>X1.5 &lt;- Intrinsic Motivation</i>	<i>8,269</i>	<i>0,000</i>
<i>X1.8 &lt;- Intrinsic Motivation</i>	<i>6,232</i>	<i>0,000</i>
<i>X1.10 &lt;- Intrinsic Motivation</i>	<i>9,160</i>	<i>0,000</i>
<i>X2.1 &lt;- Extrinsic Motivation_</i>	<i>3,033</i>	<i>0.003</i>
<i>X2.2 &lt;- Extrinsic Motivation_</i>	<i>2,659</i>	<i>0.008</i>
<i>X2.4 &lt;- Extrinsic Motivation_</i>	<i>2,901</i>	<i>0.004</i>

<i>X2.10 &lt;- Extrinsic Motivation_</i>	<i>4,151</i>	<i>0,000</i>
<i>Y1.1 &lt;- Performance</i>	<i>10,771</i>	<i>0,000</i>
<i>Y1.2 &lt;- Performance</i>	<i>21,095</i>	<i>0,000</i>
<i>Y1.3 &lt;- Performance</i>	<i>16,569</i>	<i>0,000</i>

Source: researcher (2024)

After evaluating validity and reliability, then testing the significance of the measurement model as seen from the t-statistic value of the loading results from the measurement model. The condition for an indicator to be said to be significant in measuring the latent variable is to have a t-statistic value greater than 1.96 (2-tailed) or a p-value less than 0.05 at a significance level of 5 percent. The t-statistic value and p-value are obtained from the bootstrapping process. All indicators for the three variables have a t-statistic value greater than 1.96 or it can also be seen from the p-value which is less than 0.05. This means that six indicators of intrinsic motivation, three indicators of extrinsic motivation and three indicators of performance are statistically significant in measuring each latent variable.

#### IV. CONCLUSION

Based on the results of research that has been carried out by collecting and analyzing data, the following conclusions can be drawn:

1. Intrinsic motivation and extrinsic motivation have a significant effect on employee performance with a positive relationship. The higher the intrinsic and extrinsic motivation that employees have, the higher the resulting employee performance will be.
2. increasing employee intrinsic motivation, management can pay attention to activity factors, challenges in work, responsibility, personal potential abilities, learning new things, and achievement. Meanwhile, in increasing employee extrinsic motivation, management can pay attention to recognition factors, work facilities, co-worker relationships and employee salaries.

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