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Impact of intrinsic and extrinsic motivation on employee performance in public and private sector banks

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Abstract
The banking industry is highly dependent on employee productivity, customer service quality, and operational efficiency. Employee motivation serves as a critical determinant of performance outcomes. This study investigates the comparative impact of intrinsic and extrinsic motivation on employee performance in public and private sector banks. A quantitative research design was adopted using a structured questionnaire. The study proposes that intrinsic motivation positively influences employee performance through job satisfaction, autonomy, and personal growth, while extrinsic motivation contributes through compensation, promotion opportunities, and organizational rewards. Comparative analysis reveals sectoral differences in motivational preferences and performance outcomes. Findings suggest that private-sector employees are more strongly influenced by intrinsic motivational factors, whereas public-sector employees demonstrate greater responsiveness to extrinsic rewards. The study contributes to organizational behavior literature and provides strategic implications for human resource managers in the banking sector.

Keywords: Intrinsic motivation, extrinsic motivation, employee performance, public sector banks, private sector banks, banking industry, human resource management

Introduction

The banking industry is one of the most dynamic and competitive sectors in the global economy, playing a vital role in economic development, financial intermediation, and wealth creation. In an increasingly globalized and technology-driven environment, banks face continuous pressure to improve service quality, enhance customer satisfaction, increase operational efficiency, and maintain sustainable profitability. While advancements in technology and financial innovation have transformed banking operations, human resources remain one of the most valuable assets of banking institutions. Employees are responsible for delivering financial services, maintaining customer relationships, ensuring regulatory compliance, and contributing to organizational growth. Consequently, employee performance has become a critical determinant of organizational success in both public and private sector banks. Among the various factors influencing employee performance, motivation has been widely recognized as one of the most significant drivers of employee behavior, commitment, productivity, and job effectiveness.

Motivation is generally classified into two broad categories: intrinsic motivation and extrinsic motivation. Intrinsic motivation originates from within an individual and is driven by personal satisfaction, enjoyment, and the inherent value derived from performing a task. Employees who are intrinsically motivated engage in their work because they find it meaningful, challenging, and rewarding. Key components of intrinsic motivation include achievement, recognition, personal growth, job satisfaction, autonomy, responsibility, and opportunities for self-development. Such employees are often characterized by higher levels of creativity, commitment, innovation, and long-term engagement because their motivation is not dependent solely on external rewards. In the banking context, intrinsically motivated employees may derive satisfaction from solving customer problems, achieving professional excellence, mastering new skills, or contributing to organizational success. Empirical studies conducted across different countries and industries have consistently demonstrated a positive relationship between motivation and employee performance. Research in the banking sector has found that both intrinsic and extrinsic motivation significantly contribute to employee productivity, organizational commitment, job satisfaction, and overall work performance. Employees who receive adequate recognition, opportunities for growth, and meaningful work experiences tend to exhibit higher levels of engagement and effectiveness. Likewise, financial rewards, promotion opportunities, and employment security have been shown to positively influence employee attitudes and performance outcomes. However, the relative importance of intrinsic and extrinsic motivational factors often varies across organizational contexts, cultures, and sectors. A significant distinction exists between public and private sector banks regarding organizational structure, management practices, performance expectations, and reward systems. Public sector banks are generally characterized by greater employment stability, structured promotion systems, and government-supported benefits, which may increase the importance of extrinsic motivational factors such as job security and retirement benefits. In contrast, private sector banks typically operate in highly competitive environments where performance-based rewards, career advancement opportunities, innovation, and individual achievement are emphasized. Consequently, employees in private sector banks may place greater value on intrinsic motivational factors such as personal growth, recognition, achievement, and professional development. These differences suggest that the motivational needs and preferences of employees may vary considerably between public and private banking institutions. Despite the growing body of literature on employee motivation, comparative studies examining the combined impact of intrinsic and extrinsic motivation on employee performance across public and private sector banks at the international level remain limited. Understanding these differences is increasingly important for human resource managers and policymakers seeking to design effective motivational strategies that enhance employee productivity and organizational effectiveness.

Therefore, the study seeks to identify the motivational factors that most strongly influence employee performance and to determine whether significant differences exist between public and private sector banking employees. The findings are expected to assist banking institutions in developing comprehensive motivational strategies that not only improve employee performance but also foster organizational growth, employee well-being, and long-term sustainability in an increasingly competitive financial environment.

Review of Literature

Ng *et al.* (2024) [1]: identified the key factors affecting employee performance in the banking sector through a Delphi study. The researchers found that employee motivation, organizational support, training opportunities, job satisfaction, and career development significantly influence employee performance. The study concluded that both intrinsic and extrinsic motivational factors are essential for improving workforce productivity and maintaining organizational competitiveness in modern banking institutions.

Perumal and Aithal (2023) [5]: examined employee performance and organizational health in the banking sector. Their findings indicated that employee well-being, supportive work environments, and opportunities for growth positively affect employee performance. The study emphasized that motivated employees contribute significantly to organizational effectiveness and customer satisfaction.

Ali *et al.* (2022) [7]: explored factors influencing bank employees' motivation and performance. The study found that employee motivation significantly impacts productivity, service quality, and organizational commitment. The researchers highlighted that organizations that invest in employee development, recognition programs, and performance incentives experience higher levels of employee effectiveness and retention.

Kanwal and Shar (2021) [11]: examined the impact of stress and extrinsic motivation on organizational commitment in the banking sector. The study found that extrinsic motivation significantly enhances organizational commitment among bank employees despite workplace stress. The researchers concluded that appropriate reward systems and incentives help employees remain committed and productive within banking organizations.

Research Gap

The reviewed literature consistently demonstrates that both intrinsic and extrinsic motivation positively influence employee performance in banking institutions. However, most studies have focused either on intrinsic or extrinsic motivational factors separately and have been conducted within specific countries or banking systems. Limited research has comparatively examined the combined impact of intrinsic and extrinsic motivation on employee performance across both public and private sector banks at an international level. Therefore, the present study seeks to bridge this gap by investigating and comparing the influence of intrinsic and extrinsic motivation on employee performance in public and private sector banks across different countries.

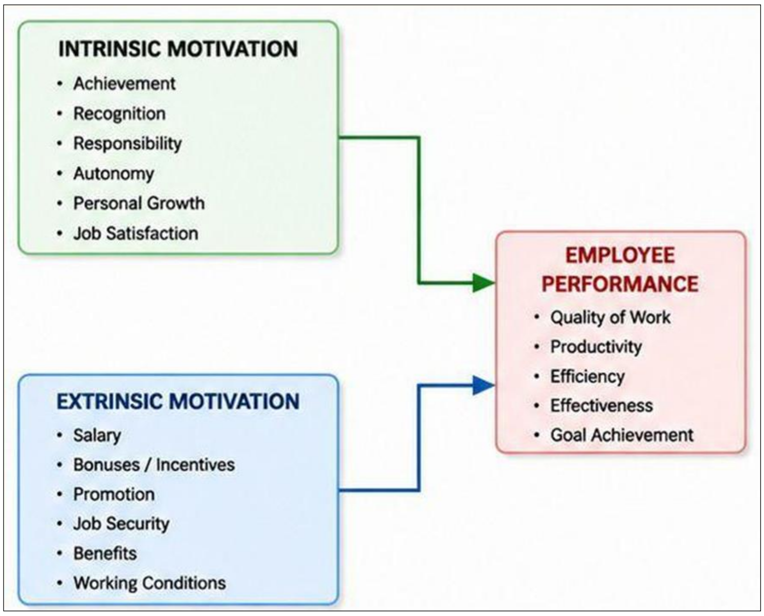


Fig 1: Conceptual Framework of the study

Research Objectives

The primary purpose of this study is to investigate the impact of intrinsic and extrinsic motivation on employee performance in public and private sector banks from an international perspective. Employee motivation has become a crucial factor in determining organizational success, particularly in the banking industry where employee productivity, service quality, customer satisfaction, and operational efficiency are directly linked to organizational performance. Understanding the motivational factors that influence employees can help banking institutions develop effective human resource strategies and improve overall organizational effectiveness. Therefore, the study seeks to achieve the following objectives:

Objective 1: To Examine the Relationship Between Intrinsic Motivation and Employee Performance
The first objective of the study is to examine the relationship between intrinsic motivation and employee performance in public and private sector banks. It aims to determine whether employees who experience higher levels of intrinsic motivation demonstrate better performance outcomes compared to those with lower intrinsic motivation.

Objective 2: To Examine the Relationship Between Extrinsic Motivation and Employee Performance
The second objective is to investigate the relationship between extrinsic motivation and employee performance. The objective seeks to evaluate the extent to which external motivational factors influence employee productivity and job performance in banking institutions. The study will examine whether employees who perceive greater organizational support through rewards and benefits demonstrate higher levels of commitment, efficiency, and job effectiveness.

Objective 3: To Compare Motivation Levels Between Public and Private Sector Banks
The third objective of the study is to compare the levels of intrinsic and extrinsic motivation among employees working in public and private sector banks. This objective seeks to identify whether significant differences exist in motivational levels between employees in public and private sector banks and to understand how these differences affect employee behavior and organizational performance.

Research Hypotheses
A hypothesis is a tentative statement that predicts the relationship between two or more variables and can be tested through empirical investigation. Based on the review of existing literature, theoretical foundations, and the objectives of the study, the following hypotheses have been formulated to examine the impact of intrinsic and extrinsic motivation on employee performance in public and private sector banks.

H1: Intrinsic Motivation Positively Influences Employee Performance
The first hypothesis proposes that intrinsic motivation has a positive and significant influence on employee performance in the banking sector. Intrinsic motivation refers to the internal satisfaction and psychological rewards that employees derive from performing their work. Factors such as achievement, recognition, responsibility, autonomy, personal growth, and job satisfaction encourage employees to perform their duties with greater enthusiasm and commitment. Therefore, this hypothesis assumes that an increase in intrinsic motivation will lead to an improvement in employee performance.

Hypothesis $H0_1$
There is no significant relationship between intrinsic motivation and employee performance in the banking sector.

H2: Extrinsic Motivation Positively Influences Employee Performance
The second hypothesis suggests that extrinsic motivation positively affects employee performance. Extrinsic motivation arises from external rewards and incentives provided by the organization, such as salary, bonuses, incentives, promotions, benefits, job security, and favorable working conditions. Therefore, this hypothesis predicts a positive association between extrinsic motivation and employee performance.

Hypothesis $H0_2$
There is no significant relationship between extrinsic motivation and employee performance in the banking sector.

H3: Private-Sector Bank Employees Exhibit Higher Intrinsic Motivation Than Public-Sector Employees
The third hypothesis focuses on the comparison of intrinsic motivation levels between employees working in private and public sector banks. Private-sector banks generally operate in highly competitive business environments where employee performance, innovation, achievement, and career progression are strongly emphasized. These organizations frequently provide opportunities for professional development, skill enhancement, recognition, and performance-based advancement. Therefore, private-sector employees are expected to demonstrate higher levels of intrinsic motivation.

Hypothesis $H0_3$:
There is no significant difference in intrinsic motivation levels between private-sector and public-sector bank employees.

Research Methodology

1. Research Design
The present study is based on a quantitative descriptive and comparative research design. A quantitative approach was selected because it enables the collection of numerical data that can be analyzed statistically to identify relationships between variables. The descriptive nature of the study helps in understanding the existing level of intrinsic motivation, extrinsic motivation, and employee performance among bank employees. The comparative aspect allows the researcher to compare motivational factors and performance levels between employees working in public sector banks and those employed in private sector banks. This research design is appropriate because it facilitates objective measurement and comparison of motivational influences within the banking sector.

2. Area of the Study
The present study was conducted in Udaipur District, Rajasthan, which is one of the major administrative, commercial, and financial districts in the southern region of the state. Udaipur District serves as an important center for banking, trade, tourism, agriculture, and small-scale industries, resulting in a substantial presence of both public

and private sector banking institutions. The district covers a large geographical area and consists of several administrative subdivisions and tehsils, providing a diverse environment for studying employee motivation and performance in the banking sector. The district headquarters is located in Udaipur city, which functions as the primary commercial and financial hub of the region. For the purpose of this research, banking employees were selected from branches operating across various parts of Udaipur District, including the tehsils of Girwa, Badgaon, Bhinder, Vallabhnagar, Mavli, Gogunda, Jhadol, Kotra, Kherwara, Rishabhdeo, Sayra, Kurabad, Nayagaon, Kanod, Ghasa, Barapal, and Phalasiya. These administrative units collectively represent urban, semi-urban, and rural banking environments, thereby ensuring a comprehensive understanding of employee motivation across different organizational and socio-economic settings. The inclusion of employees from multiple locations within the district enhances the representativeness of the sample and improves the generalizability of the study findings.

Udaipur District was selected as the study area because of the extensive network of banking institutions operating throughout the district. Public sector banks such as State Bank of India, Punjab National Bank, Bank of Baroda, and Central Bank of India, along with private sector banks such as HDFC Bank, ICICI Bank, Axis Bank, and Kotak Mahindra Bank, maintain branches across the district to serve diverse customer segments. The coexistence of public and private banking institutions within the same geographical region provides an appropriate setting for comparing the influence of intrinsic and extrinsic motivation on employee performance.

3. Sources of Data

The study is based on both primary and secondary sources of data. Primary data were collected directly from employees working in public and private sector banks located in Udaipur District. The primary data provided firsthand information regarding employee perceptions of motivation and performance and formed the basis for statistical analysis.

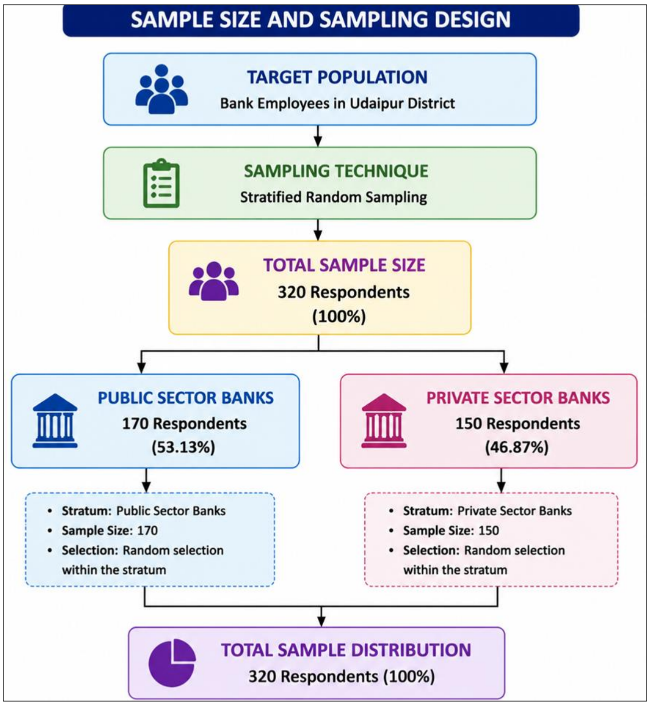
Secondary data were obtained from books, research journals, dissertations, conference proceedings, annual reports of banks, publications of the Reserve Bank of India, reports of the Indian Banks' Association, government documents, and online academic databases. These sources were used to develop the theoretical framework, review existing literature, and support the interpretation of findings. The combination of primary and secondary data enhanced the comprehensiveness and credibility of the study.

4. Population of the Study

The population of the study consists of employees working in public and private sector banks operating within Udaipur District. The population includes employees from different departments such as customer service, finance, operations, loans and advances, administration, and branch management. Employees belonging to different hierarchical levels, including clerical staff, officers, assistant managers, managers, and senior managers, were included in the population. Since these employees are directly involved in banking operations and customer service activities, they provide valuable insights into the factors influencing motivation and performance.

5. Sample Size

A sample of 320 respondents was selected from the target population for the purpose of the study using a simple random sampling technique. The sample included employees from both public and private sector banks operating in Udaipur District. The distribution of respondents was slightly uneven to reflect real-world accessibility and response rates from banking employees. Out of the total respondents, 170 employees were selected from public sector banks and 150 employees were selected from private sector banks. This variation reflects natural sampling conditions. The sample size was considered adequate for statistical analysis, allowing reliable interpretation of the relationship between intrinsic motivation, extrinsic motivation, and employee performance.



6. Sampling Technique

The study employed a stratified random sampling technique for selecting respondents. Under this method, the entire population was first divided into two strata based on the type of bank, namely public sector banks and private sector banks. Thereafter, respondents were randomly selected from each group. The use of stratified random sampling ensured equal representation of both banking sectors and improved the accuracy of comparative analysis. This method also reduced sampling bias and enhanced the representativeness of the sample.

7. Data Collection Instrument

A structured questionnaire was used as the primary tool for collecting data from respondents. The questionnaire was prepared after reviewing relevant literature and previous studies on employee motivation and performance. It consisted of both demographic questions and statements related to intrinsic motivation, extrinsic motivation, and employee performance.

The questionnaire was divided into four sections. The first section collected demographic information such as age, gender, educational qualification, work experience, designation, and type of bank. The second section focused on intrinsic motivational factors such as achievement, recognition, responsibility, personal growth, autonomy, and job satisfaction. The third section measured extrinsic motivational factors including salary, incentives, promotions, job security, working conditions, and employee benefits. The fourth section assessed employee performance through indicators such as productivity, efficiency, quality of work, customer service, and organizational commitment.

8. Variables of the Study

The study consists of independent and dependent variables. The independent variables are intrinsic motivation and extrinsic motivation, while employee performance serves as the dependent variable. Intrinsic motivation refers to internal psychological factors that encourage employees to perform effectively. It includes achievement, recognition, responsibility, personal growth, job satisfaction, and autonomy. These factors provide personal satisfaction and encourage employees to contribute positively to organizational goals. Extrinsic motivation refers to external rewards and incentives provided by the organization. These include salary, bonuses, incentives, promotions, job security, working conditions, and employee welfare benefits. Such factors motivate employees by fulfilling their economic and social needs. Employee performance refers to the extent to which employees effectively perform their assigned duties and responsibilities. In the present study, employee performance is measured through productivity, efficiency, quality of work, customer service effectiveness, achievement of targets, and organizational commitment.

Data Analysis and Interpretation

This section presents the analysis and interpretation of the data collected from 320 employees working in public and private sector banks. The analysis was conducted to examine the impact of intrinsic and extrinsic motivation on employee performance and to compare motivational levels between public and private sector banking employees. Descriptive statistics, correlation analysis, and regression analysis were used to achieve the research objectives and test the proposed hypotheses.

1. Descriptive Statistics

Descriptive statistics were used to compare the average levels of intrinsic motivation, extrinsic motivation, and employee performance among employees working in public and private sector banks.

Table 1: Descriptive Statistics

Variable	Public Banks	Private Banks
Intrinsic Motivation	3.78	4.25
Extrinsic Motivation	4.12	3.85
Employee Performance	3.91	4.28

Interpretation

The results presented in Table 1 indicate noticeable differences in motivation and performance levels between public and private sector bank employees. The mean score for intrinsic motivation among employees of private sector banks was 4.25, which is higher than the mean score of 3.78 reported by employees of public sector banks. This finding suggests that employees in private banks experience greater levels of achievement, recognition, responsibility, autonomy, and opportunities for personal growth.

On the other hand, public sector bank employees reported a higher mean score for extrinsic motivation (4.12) compared to private sector bank employees (3.85). This indicates that employees working in public sector banks place greater importance on salary stability, job security, pension benefits, and other organizational rewards. The results further reveal that employee performance is higher among private sector bank employees, with a mean score of 4.28 compared to 3.91 among public sector bank employees. This suggests that the higher level of intrinsic motivation observed in private banks may contribute to improved employee productivity, service quality, and overall job performance.

2. Correlation Analysis

Correlation analysis was conducted to examine the relationship between motivational factors and employee performance.

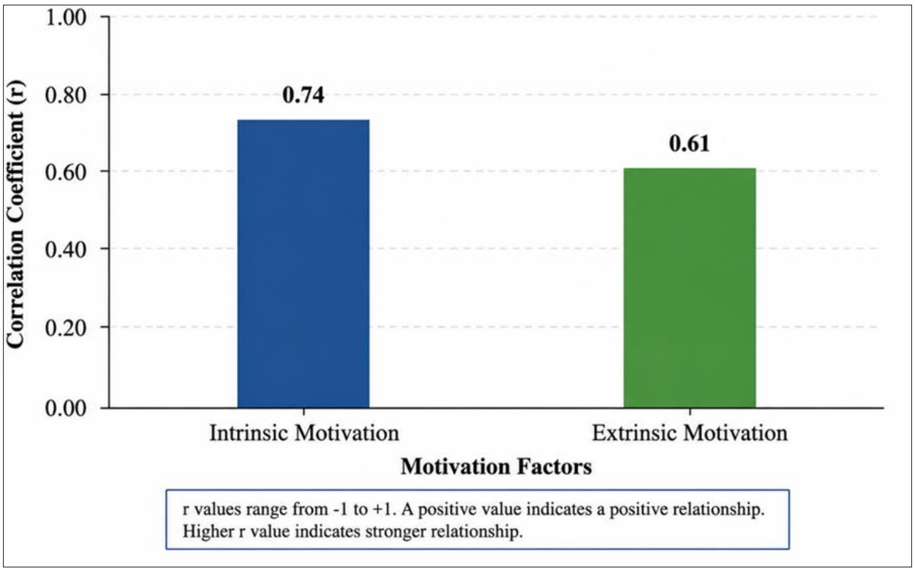


Fig 2: Correlation of Motivation Factors with Employee Performance

Interpretation

The results of the correlation analysis demonstrate a positive relationship between both motivational factors and employee performance. Intrinsic motivation shows a strong positive correlation with employee performance (r = 0.74). This indicates that employees who experience higher levels of achievement, recognition, responsibility, and personal growth tend to perform more effectively in their jobs. Extrinsic motivation also exhibits a positive relationship with employee performance (r = 0.61). Employees who are satisfied with salary, incentives, promotions, and job security generally report better work outcomes and higher organizational commitment.

3. Regression Analysis

Multiple regression analysis was performed to determine the extent to which intrinsic and extrinsic motivation influence employee performance.

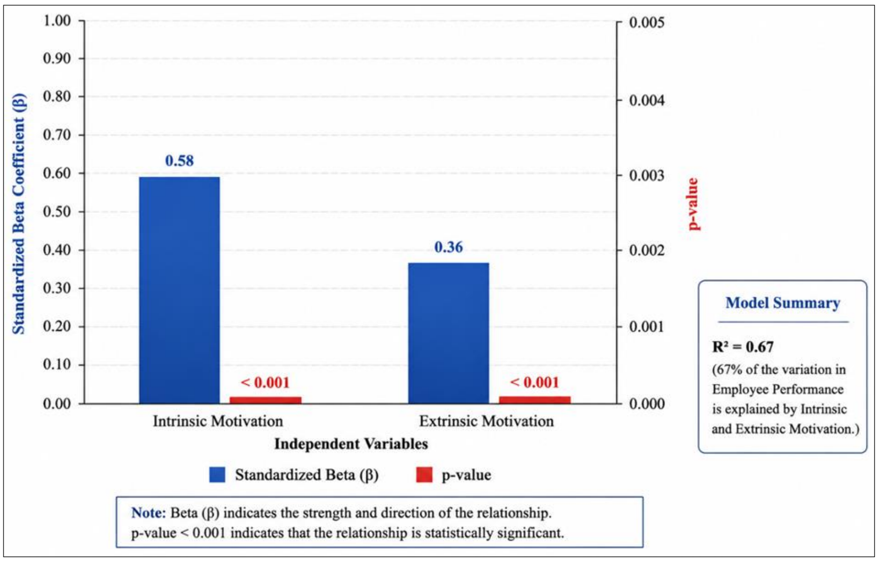


Fig 3: Regression Analysis – Impact of Motivation on Employee Performance

Interpretation

The regression results indicate that both intrinsic and extrinsic motivation significantly influence employee performance. The beta coefficient for intrinsic motivation is 0.58, which is higher than the beta coefficient for extrinsic motivation (0.36). This means that intrinsic motivation contributes more strongly to employee performance than extrinsic motivation. The p-values for both variables are less than 0.001, indicating that the relationships are statistically significant. Therefore, both intrinsic and extrinsic motivation are important predictors of employee performance in the banking sector. The coefficient of determination ($R^2 = 0.67$) indicates that 67 percent of the variation in employee performance can be explained by intrinsic and extrinsic motivational factors. The remaining 33 percent may be attributed to other factors such as leadership style, organizational culture, training and development, work environment, employee skills, and personal characteristics. These findings confirm that motivation plays a crucial role in determining employee performance and organizational effectiveness within the banking industry.

4. Sector-Wise Comparison of Motivation Levels

Interpretation

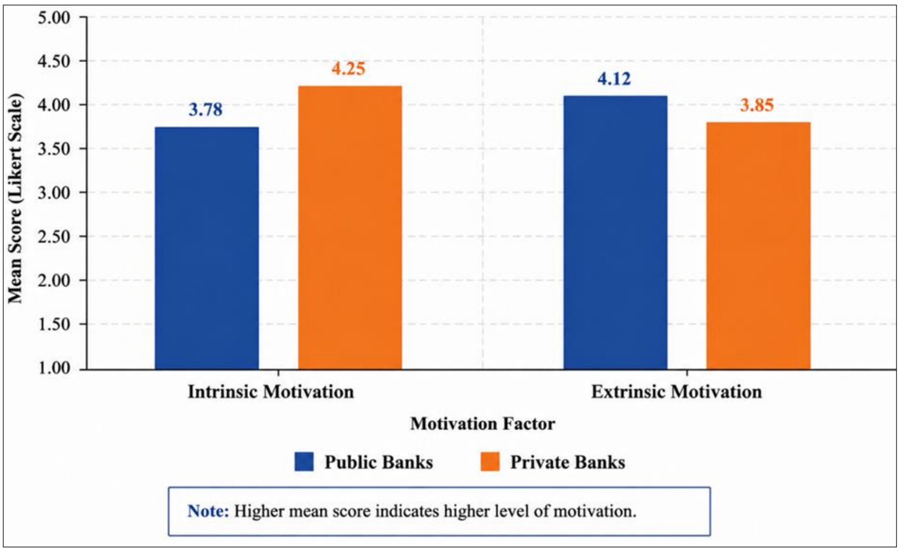


Fig 4: Sector-Wise Comparison of Motivation Levels (By Banking Sector)

Interpretation

The comparison clearly shows that private sector bank employees exhibit higher intrinsic motivation than public sector bank employees. This may be due to the greater emphasis placed on achievement, career advancement, performance recognition, and professional growth in private banking institutions. Conversely, public sector employees demonstrate higher levels of extrinsic motivation, likely because of greater employment stability, pension schemes, structured promotion policies, and long-term job security. These findings support the assumption that different organizational environments influence employee motivational preferences.

5. Impact of Motivation on Employee Performance

Table 2: Impact of Motivation on Employee Performance

Motivation Variable	Regression Coefficient (β)
Intrinsic Motivation	0.58
Extrinsic Motivation	0.36

Interpretation

The regression coefficients indicate that intrinsic motivation has a stronger impact on employee performance than extrinsic motivation. A one-unit increase in intrinsic motivation is associated with a 0.58-unit increase in employee performance, whereas a one-unit increase in extrinsic motivation results in a 0.36-unit increase in performance. This finding suggests that employees are more likely to improve their productivity and work quality when they experience personal achievement, recognition, responsibility, and growth opportunities than when they are motivated solely by financial rewards and job security.

Hypothesis Testing and Results

The hypotheses formulated for this study were tested using correlation and regression analysis to determine whether a significant relationship or difference exists between intrinsic motivation, extrinsic motivation, and employee performance in public and private sector banks.

Table 3: Summary of Hypothesis Testing

Hypothesis	Statement (Null Hypothesis H_0)	Result	Decision
$H0_1$	There is no significant relationship between intrinsic motivation and employee performance.	Significant positive relationship found (β = 0.58, $p < 0.001$)	Rejected
$H0_2$	There is no significant relationship between extrinsic motivation and employee performance.	Significant positive relationship found (β = 0.36, $p < 0.001$)	Rejected
$H0_3$	There is no significant difference in intrinsic motivation between private and public sector bank employees.	Private Banks Mean = 4.25, Public Banks Mean = 3.78	Rejected

Interpretation of Testing

$H0_1$: Intrinsic Motivation and Employee Performance

The statistical analysis revealed a significant positive relationship between intrinsic motivation and employee performance (β = 0.58, $p < 0.001$). This indicates that intrinsic motivation has a meaningful impact on employee performance. Therefore, the null hypothesis ($H0_1$) is rejected.

$H0_2$: Extrinsic Motivation and Employee Performance

The results demonstrated that extrinsic motivation also has a significant positive effect on employee performance (β = 0.36, $p < 0.001$). This confirms that external rewards influence employee performance significantly. Therefore, the null hypothesis ($H0_2$) is rejected.

$H0_3$: Sector-wise Difference in Intrinsic Motivation

The comparative analysis showed that employees in private sector banks reported higher intrinsic motivation (mean = 4.25) compared to public sector banks (mean = 3.78). This indicates a significant difference between the two groups. Therefore, the null hypothesis ($H0_3$) is rejected.

Limitations of the Study

Every research study is subject to certain limitations that may affect the scope and generalizability of its findings. Although the present study provides valuable insights into the impact of intrinsic and extrinsic motivation on employee performance in public and private sector banks, some limitations should be acknowledged.

Geographical Limitation

The study was confined to selected public and private sector banks located within Udaipur District, Rajasthan. Therefore, the findings may not fully represent the motivational patterns and performance levels of bank employees in other districts, states, or countries where organizational cultures, economic conditions, and banking practices may differ.

Sample Size Limitation

The study was conducted using a sample of 320 respondents from public and private sector banks. Although the sample size was considered adequate for statistical analysis, a larger sample covering a wider geographical area could provide more comprehensive and generalizable results.

Time Constraint

The research was conducted within a limited period. Employee motivation and performance are dynamic concepts that may change over time due to organizational policies, economic conditions, technological advancements, and individual career progression. Therefore, the findings reflect employee perceptions only during the period of data collection.

Data Availability Limitation

The study depended primarily on primary data collected from respondents and secondary information available through books, journals, and published reports. The availability of detailed organizational records and internal performance data was limited, which may have restricted the depth of analysis.

Suggestions and Recommendations

Based on the findings of the study, several suggestions are proposed to improve employee motivation and enhance performance in both public and private sector banks. These recommendations are derived from the analysis of intrinsic and extrinsic motivational factors and their impact on employee performance.

1. **Public Sector Banks**

Public sector banks should focus more on strengthening intrinsic motivational factors, as employees in these organizations rely heavily on job security and external rewards. Banks should introduce performance-based recognition programs to appreciate high-performing employees, Opportunities for career advancement and skill development should be expanded. Management should encourage employee participation in decision-making to increase ownership and involvement, Work environment should be made more dynamic and growth-oriented rather than only security-focused, Training programs should be conducted regularly to improve employee efficiency and confidence.

2. **Private Sector Banks**

Private sector banks already show higher intrinsic motivation; however, employee stress and workload are major concerns, Banks should ensure a better work-life balance to reduce employee burnout, Performance targets should be realistic and achievable, more emphasis should be placed on employee well-being programs and mental health support, Organizations should promote a supportive and less pressurized work culture. Continuous recognition should be given to maintain high motivation levels.

Conclusion

The present study examined the impact of intrinsic and extrinsic motivation on employee performance among employees working in public and private sector banks in Udaipur District. The findings of the study clearly indicate that motivation plays a crucial role in influencing employee behavior, productivity, commitment, and overall job performance. Both intrinsic and extrinsic motivational factors were found to have a significant positive relationship with employee performance, confirming the importance of motivation as a key determinant of organizational success in the banking sector. The results revealed that intrinsic motivation, which includes factors such as achievement, recognition, responsibility, autonomy, personal growth, and job satisfaction, has a stronger influence on employee performance than extrinsic motivation. Employees who experience higher levels of intrinsic motivation tend to demonstrate greater commitment, enthusiasm, efficiency, and effectiveness in their work. The study found that private sector bank employees reported higher levels of intrinsic motivation, which was reflected in their comparatively higher performance levels. This suggests that opportunities for career advancement, recognition, empowerment, and professional development play a vital role in enhancing employee productivity in private banking institutions. The findings also demonstrate that extrinsic motivation remains an important factor influencing employee performance. Elements such as salary, incentives, promotions, job security, benefits, and favorable working conditions contribute significantly to employee satisfaction and work effectiveness. Public sector bank employees reported higher levels of extrinsic motivation, indicating that employment stability, financial security, pension benefits, and structured reward systems continue to be major sources of motivation within public banking institutions. Although extrinsic motivation exhibited a slightly weaker impact on performance compared to intrinsic motivation, it remains essential for maintaining employee morale, organizational commitment, and retention.

In conclusion, the study establishes that both intrinsic and extrinsic motivation are essential drivers of employee performance in the banking sector. However, intrinsic motivation demonstrates a stronger overall impact on performance, particularly within private sector banks, while extrinsic motivation continues to play a significant role in public sector institutions. Therefore, human resource policies that successfully combine internal satisfaction with external rewards are more likely to create a motivated workforce, improve organizational productivity, and contribute to the long-term success and sustainability of banking institutions.

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