

Employee Motivation and Its Mechanism in the Transformation of Organizational Performance: The Mediating Role of Organizational Citizenship Behavior

Ziyu Li

*School of Management, Shenzhen University, Shenzhen, China
2022040134@email.szu.edu.cn*

Abstract. Employee motivation is critical for organizational performance, particularly in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), where cross-border collaboration, cultural diversity, and institutional differences present unique challenges. Further research is needed to understand how corporate governance moderates the impact of employee motivation on organizational outcomes in this context. This study integrates core employee motivation theories (Self-Determination, Two-Factor, Equity, etc.) within the GBA context. Through case analyses of Huawei, Citigroup, and a Hong Kong social welfare initiative, it investigates how intrinsic, extrinsic, and public service motivation impact organizational performance. The research emphasizes OCB's mediating effect and corporate governance's moderating role. Findings suggest all three motivation types effectively stimulate OCB, boosting organizational performance, but potential downsides exist. Corporate governance significantly moderates this, providing adaptable institutional support, stabilizing motivation-performance transformation, and mitigating OCB's negative impacts. Future studies could quantify varying moderating effects of governance dimensions and broaden samples to explore limits.

Keywords: Employee Motivation, Organizational Performance, Organizational Citizenship Behavior (OCB), Corporate Governance, Greater Bay Area Organizations

1. Introduction

Organizational performance has long been a central goal in management research and practice. Employee motivation as a key antecedent variable linking individual behavior to organizational outcomes is widely recognized [1]. It was the Human Relations school that first emphasized the role of employee attitudes and feelings in shaping their work performance [2]. However, even today, especially within bureaucratic structures, workplace alienation remains prevalent, underscoring the need to re-examine motivational mechanisms.

As a vital platform for China's opening-up and international cooperation, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) hosts a large number of multinational enterprises. These enterprises face unique challenges, including cross-border collaboration, cultural diversity, and institutional differences, which make employee motivation management even more complex.

Concurrently, the level of corporate governance and its alignment with public policy in GBA multinational enterprises can influence the efficiency with which employee motivation translates into organizational performance. Building on prior research, this paper aims to integrate core theories of employee motivation. By introducing practical cases from GBA enterprises and incorporating the moderating role of corporate governance, as well as the context of public policy synergy, this study seeks to elucidate the mechanism through which employee motivation affects organisational performance, with a specific focus on the mediating role of OCB. This analysis provides practical suggestions for enhancing performance through motivation management.

2. Relationship elucidation

2.1. Employee motivation and organizational performance

Work motivation refers to the internal and external forces that drive job performance-related behaviors and determine their form, direction, intensity, and duration [3]. Organizational performance reflects the comprehensive outcomes achieved by an organization through the effective allocation of resources and the execution of strategic plans within a specified period, encompassing both economic and non-economic benefits [4]. Employee motivation can be broadly categorized into intrinsic and extrinsic motivation, which stem from different theoretical frameworks and exert differential effects on behavior.

Intrinsic motivation refers to behavior driven by internal rewards and incentives. The Self-Determination Theory (SDT) proposed by Deci and Ryan provides a foundational explanation for intrinsic motivation. This theory posits that humans have three innate psychological needs: autonomy (a sense of control over one's work), competence (a sense of mastery over tasks), and relatedness (a connection with colleagues) [5]. When these needs are met, intrinsic motivation—driven by the enjoyment and meaning inherent in the work itself—is significantly enhanced, leading to sustained work engagement and innovation. Empirical research indicates that intrinsic motivation has a significant positive predictive effect on work engagement and employee performance [6]. Corporate governance decisions can also influence the environment that fosters employees' needs for autonomy and competence, thereby moderating the strength of intrinsic motivation and its conversion efficiency.

In contrast, extrinsic motivation refers to behavior driven by external rewards or punishments. Herzberg's Two-Factor Theory can explain this concept. Herzberg categorized factors influencing employee attitudes into "Hygiene factors" (e.g., work environment) and "Motivators" (e.g., achievement, recognition) [7]. Adequate hygiene factors can prevent employee dissatisfaction, but only motivators closely related to intrinsic needs can foster long-term job satisfaction and performance. But if the rewards make them feel controlled, then a 'crowding-out effect' takes place. A feeling of control kills intrinsic motivation; hence, the over-reliance on extrinsic rewards automatically reduces employees' internal drive to work hard [8]. Adding more insight into how effective extrinsic motivation can be is Equity Theory. According to this theory, employees find fairness or unfairness by comparing their "input-output ratio" with that of other colleagues [9]. If perceived inequity arises, extrinsic motivation may decline, leading to reduced effort or increased turnover intention, ultimately affecting organizational performance. Corporate governance aspects, such as the independence of the compensation committee, the design of equity incentive plans, and internal fairness review mechanisms, also influence employees' perception of fairness regarding extrinsic rewards, thereby affecting the stability and effectiveness of extrinsic motivation and moderating its impact on organizational performance.

Beyond intrinsic and extrinsic motivation, Public Service Motivation (PSM)—defined as the beliefs, values, and attitudes that drive individuals to serve the public interest and contribute to societal well-being beyond self-interest—has also become a key construct, particularly in organizations with public value goals. Perry categorized PSM into four dimensions: compassion, commitment to the public interest, self-sacrifice, and attraction to policy making [10]. PSM is significantly positively correlated with job performance [11], and cultural background can significantly moderate this relationship, with a stronger correlation observed in Eastern cultural contexts [12]. Corporate governance can also moderate the role of PSM through the board's emphasis on social responsibility and the long-term orientation of institutional investors.

2.2. The mediating effect of Organizational Citizenship Behavior (OCB)

OCB is a crucial mediating variable that links employee motivation to organizational performance. OCB is defined as individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that, in the aggregate, promotes the effective functioning of the organization [13]. Organ proposed a five-dimensional model of OCB: altruism (helping colleagues), conscientiousness (exceeding role requirements), civic virtue (participating in organizational activities), sportsmanship (tolerating workplace inconveniences), and courtesy (avoiding conflict). Intrinsic motivation has a significant positive impact on OCB. Employees' sense of belonging [14], sense of work meaning [15], and other factors positively influence OCB, while job insecurity [16] negatively affects OCB. OCB is also driven by extrinsic motivation; employees may exhibit high levels of OCB when they believe it will aid their promotion, but they tend to reduce such behaviors after achieving promotion [17]. A high level of Public Service Motivation plays a vital role in enhancing OCB within organizations [18]. OCB can reduce employees' turnover intention, thereby lowering operational costs and improving productivity and efficiency, which benefits organizational performance [19]. However, some scholars found while OCB leads to effectiveness of the organization, it can as well negatively impact the organization and employees (for instance its discretionary and extra-role nature may be instrumentalized, or leads to role ambiguity and emotional exhaustion), hence describing it as a “double-edged sword” on organizational performance [20, 21]. Corporate governance plays a crucial contextual moderating role in this motivation-OCB-performance chain. Through clear division of responsibilities, fair performance appraisal systems, and the shaping of a positive organizational culture, governance provides the “soil” for the emergence of OCB.

3. Case analysis

3.1. Huawei Technologies Co., Ltd.

The growth trajectory of Huawei Technologies Co., Ltd. (hereinafter referred to as Huawei) illustrates how effective governance mechanisms facilitate the activation of intrinsic motivation and its translation into performance. Starting as a small private enterprise in Shenzhen, it became a global telecom leader in three decades, relying on technological innovation and systematic intrinsic motivation stimulation [22]. Its Employee Stock Ownership Plan (ESOP) is key: the founder, Ren Zhengfei holds less than 1% of shares, with the rest held by employees. Through iterations like virtual restricted shares and TUP, it ties employees' long - term development to the company, enhancing relatedness. Concurrently, by granting R&D teams high autonomy and continuously investing in R&D resources (e.g., allocating 10% of annual sales revenue to independent R&D)

[23], employees' sense of control over their work (autonomy) and mastery of tasks (competence) are elevated. These governance designs align with Self-Determination Theory: when psychological needs are met, intrinsic motivation drives work engagement and innovation, laying the groundwork for enhanced organizational performance.

Intrinsic motivation was substantially activated, breaking down the knowledge-sharing barriers and removing other forms of OCB reservations at Huawei that went beyond formal job requirements in helping create new knowledge through technological innovations [24], finally translated into organizational performance- It achieved a 307 - fold profit above the industry median in 2015, and its 2023 GBA cross - border R&D new product launch success rate was 15% higher than elsewhere [25]. This practice is well-adapted to the multi-institutional environment of the GBA. By building a community of interests, it effectively resolves inherent trust issues in cross-border R&D collaboration, providing institutional assurance for the deep cooperation essential for high innovation performance.

3.2. Citigroup

As a core multinational financial institution in the GBA, the development and implementation of Citigroup's extrinsic motivation system confirms its positive impact on performance with OCB as the mediator. The compensation committee, composed of independent directors, leads compensation decisions [26], ensuring the objectivity of the incentive system from the governance source. The compensation structure, comprising "base salary + annual bonus + long-term incentives," is designed with the base salary benchmarked against the GBA financial industry and referencing competitors like JPMorgan Chase [27], meeting the basic needs of "Hygiene factors" in the Two-Factor Theory to reduce dissatisfaction. The annual bonus is directly linked to cross-border business revenue and customer satisfaction, whereas long-term incentives such as stock options and restricted shares associate employee interests with the company's long-term performance [28]. They become 'motivators' to prevent the crowding-out effect of extrinsic motivation. Simultaneously, job evaluation techniques are used to quantify the value of positions [29], thereby maintaining the internal perception of fairness regarding the "input-output ratio," which is consistent with the core proposition of Equity Theory.

Such fair and precise incentive orientation helps Citi establish a harmonious work environment, practicing its corporate spirit of "Innovate with Joy," thereby fostering the spontaneous emergence of collaborative and service behaviors beyond formal duties (i.e., OCB). For instance, employee networks such as "C-Women," supporting female career development, and the "Working Parents Network," aiding work-life balance [30], serve as communication platforms that promote diversity, strengthen cohesion, and improve efficiency. Citi's approach is well-suited to the GBA financial sector's international and mobile talent landscape. Its structured, transparent incentive system offers a replicable framework for tackling regional talent competition, helping attract and retain key staff in dynamic settings, and supporting sustainable cross-border business growth.

3.3. Hong Kong Social Welfare Sector Heart-to-Helping Initiative

The Hong Kong Social Welfare Sector Heart-to-Helping Initiative demonstrates how PSM thrives under policy-institutional synergy. As a government-supported charity, it connects the Hong Kong social welfare sector, the SAR Government, the Mainland, and within the industry itself to promote welfare services. Its mission on helping vulnerable groups, as well as integrating social welfare resources, aligns with PSM dimensions like compassion, awakening social workers' motivation.

This system encourages public service values in employees, stimulating altruism and conscientiousness as forms of OCB. Initiatives like the "Benefiting Livelihoods, Warming Hearts" seminars and the AI hearing screening project directly serve community needs, boosting organizational performance. This is evidenced by the efficient resource integration during the 2023 "99 Giving Day" and the 2024 "Thousands of Social Workers See the Motherland" event, which attracted over 8,000 participants and expanded service impact [31]. Governance measures played a key moderating role: the SAR Government provided policy and resource support, while the "Heart-to-Helping Academy" established by the initiative itself offered ongoing training, strengthening PSM implementation and OCB sustainability. This collaborative model enhances cross-border welfare resource integration in the GBA, reducing institutional barriers and amplifying public service effectiveness.

4. Discussion

The preceding theoretical analysis is strongly corroborated by the case studies (Huawei, Citi, and the Hong Kong Social Welfare Sector Heart-to-Heart Initiative) presented in this paper. Corporate governance plays a significant moderating role in transforming employee motivation into organizational performance, demonstrating high consistency across various contexts. Huawei strengthened the link between intrinsic motivation and OCB through equity incentives and delegation of autonomy (e.g., ESOP). Citi optimized the conversion efficiency of extrinsic motivation through an independent compensation committee and a fair performance evaluation system. The Hong Kong Social Welfare Sector provided a sustainable platform for Public Service Motivation through government support and institutionalized construction (e.g., the Heart-to-Helping Academy). These cases confirm that corporate governance, as an important moderating variable, can enhance the stability and effectiveness of the motivation-OCB-performance chain through institutional design (e.g., clear responsibilities, resource coordination, supervision mechanisms). This finding extends the situational applicability of motivation theories, indicating that governance structures must be dynamically aligned with the types of motivation (intrinsic/extrinsic/public service) and organizational goals. Regarding the "double-edged sword" nature of OCB, it is necessary to avoid incorporating it into mandatory assessments to prevent it from becoming an implicit pressure, while guiding "substantive OCB" (altruistic behavior based on team needs) through managerial role modeling and inhibiting "superficial OCB" (deliberate ingratiation for approval), ensuring that OCB genuinely enhances employees' emotional identification with the organization rather than becoming a tool for currying favor.

5. Conclusion

Through theoretical analysis and case studies, this study clarifies that intrinsic, extrinsic, and public service motivation all influence organizational performance through OCB. Furthermore, the moderating effect of corporate governance on this transformation pathway is more pronounced in the context of the GBA's cross-regional collaboration and multicultural integration—sound corporate governance can provide an adaptable institutional environment for different types of motivation, reduce the risk of OCB instrumentalization, and improve conversion efficiency. Future research could further quantitatively examine the differential moderating intensities of various corporate governance dimensions (e.g., ownership structure, compensation mechanisms, organizational architecture) on different motivations, while expanding to more industry and regional samples to explore the boundary conditions of governance's moderating effects (e.g., firm size,

cultural distance), providing more precise theoretical support and practical guidance for cross-context motivation management and governance optimization.

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