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**INTRINSIC AND EXTRINSIC MOTIVATIONS DRIVING USAGE**  
**INTENTION OF COWORKING SPACE**

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*Abstract*

Coworking space is a new phenomenon of sharing economy, it introduces the sharing of office space, disrupting the traditional workplace and work relation models. Coworking space has gained its momentum, prompted notably by the growing freelancers, knowledge workers and start-up businesses. Though this new wave of collaborative consumption has substantial implications for business sustainability, the determinants of coworking space usage have not yet been thoroughly defined, leaving considerable space for different interpretations. The explicit sustainability consideration and economic benefits are the salient determinants. Nonetheless, due to its collaboration nature that encourages social integration and networking, this paper proposes a conceptual model that bring intrinsic and extrinsic factors together to examine consumers' attitude towards coworking spaces, and their usage intention based on the self-determination theory. From the extant literature review, a total of six propositions were developed to understand the intrinsic (perceived sustainability and enjoyment) and extrinsic (perceived reputation, economic, and social benefits) motivational factors that may influence consumers' attitude formation and then the usage intention of coworking spaces. As such, this paper sheds some light on the sharing economy perspective of coworking space and provides valuable insights for coworking space providers and policy makers to identify and outline appropriate strategies in order to ensure co-workers thrive in and gravitate towards these coworking spaces.

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## 1. Introduction

Over the last decade, the negative consequences arising from uncontrolled resource consumption have become more evident. Natural resources are constantly experiencing depletion faster than the earth is able to replenish. Hyper-consumption of resources has resulted in various sustainability concerns (Barnes & Mattsson, 2016). The global issues of climate change, deforestation and overexploitation of natural resources are no longer far-off, immediate attention from the society is necessary. Major changes in consumption patterns are needed to avoid further damages to our earth and ensure a more sustainable lifestyle (Carley & Christie, 2017). Often fuelled by accelerating rate of technological advancement and the Internet Age, people are switching from individual consumption patterns to sharing within a community as a mean to embrace sustainable living (Martin, 2016).

Fundamentally supported by the era of Big Data and analytics, people strive to explore the vast availability of choices for sustainable practices and the experiments may often require a lifelong commitment. The paradigm shift has sensationalised the sharing economy which is a peer-to-peer based activity of sharing access to goods and services, coordinated through community-based online services (Hamari et al., 2016). Initially thought to be a fad, public acceptance towards sharing activities has been growing positively in recent years (Cherry & Pidgeon, 2018). For example, Airbnb is notably one of the earliest pioneering forms of sharing economy where it allows temporary access and sharing of accommodation. Today, this business model is still flourishing (Guttentag, 2015). Among the various facets of sharing economy such as ridesharing, couch surfing and crowdfunding, the essence lies in the prioritisation of access over ownership to goods and services (Cheng, 2016).

One of the most significant emergences is the sharing of coworking space (Waters-Lynch & Potts, 2017). Coworking activity which is ultimately changing not only the way people work but also how people relate and communicate with one another. Essentially, coworking refers to a way of working in which individuals gather and work at a common ground to create distinctive values through meaningful interaction (Uda, 2013) as a pathway to foster sustainable development. Through optimisation of resources, this trend is making its way to global sustainability, as a matter of fact, this development implies the gradual switching from the traditional linear economy to circular and sharing economy model.

## 2. Problem Statement

Under the umbrella term of sharing economy, coworking activity has risen in popularity exponentially in recent years (Waters-Lynch & Potts, 2017). Gradually, traditional business models are experiencing a decline both in market share and asset utilisation. Today, the coworking industry as a new trend in modern business has received almost universal acceptance and is widely adopted in most parts of the globe, especially in Asia (Bouncken et al., 2016). As of now, there are currently 18,287 coworking spaces around the globe. Furthermore, market researchers predicted that there will be 25,968 coworking spaces worldwide by 2022 (Coworking Resources, 2019). Though this new wave of collaborative consumption has substantial implications for business sustainability, the determinants of coworking space usage have not yet been thoroughly defined, leaving considerable space for different interpretations.

Against this setting, this paper aims to propose a holistic coworking space model that takes into account various factors such as economic and social benefits alongside perceived sustainability.

### **3. Research Questions**

Earlier discussion highlights the emerging trend of coworking spaces in transforming the resources consumption behaviour among the consumers. Apart from perceived sustainability, more and more people are embracing coworking spaces due to economic and social benefits. It is crucial to determine the various factors that motivate the usage intention of coworking spaces and from there determine whether consumers' attitude formation affect the usage intention of coworking spaces. Herein, two main research questions are raised:

*RQ1: What are the motivational factors that would affect consumers' attitude towards coworking spaces?*

*RQ2: Do consumers' attitude towards coworking spaces affect their intention to use coworking spaces?*

### **4. Purpose of the Study**

To support the arguments and research questions posted, this paper aims to gain insights into the reasons for coworking space usage intention, from the self-determination theory perspective. This perspective helps to better understand the reasons, based on the intrinsic and extrinsic motivational factors that may influence consumers' attitude and usage intention of coworking spaces. In this sense, the purpose of this paper is to conceptualise and propose a coworking space model that takes into consideration both extrinsic and intrinsic motivational factors as a contribution to advance knowledge in the sharing economy context.

### **5. Research Methods**

This paper identified the coworking space research gap through synthesising the extant literature and proposed a conceptual model to understand the reasons towards attitude formation and use intention of coworking spaces. Based on the self-determination theory that focuses on types of motivation that drives behaviour, the conceptual model is outlined, and six propositions were formulated. In the effort to present the conceptual model, the propositions were developed based on the intrinsic and extrinsic motivations. The conceptual model sets the boundaries of the phenomenon of coworking space and layout the footing for future empirical analysis and interpretations.

### **6. Findings**

The proposed conceptual model which is based on the self-determination theory posits that human behaviour and action is largely driven by intrinsic and extrinsic motivations. The intrinsic motivational factors engage a behaviour naturally within the individual (perceived sustainability, perceived enjoyment). Meanwhile the extrinsic motivational factors (economic benefits, social benefits and perceived reputation) are driven externally.

## 6.1. Theoretical Underpinnings

Motivation is the force that guides people's action. Why do some consumer act differently? Drawing from the vast theories of human behaviour and motivation, the self-determination theory is chosen to support and encompass the coworking space model in order to provide insight on the reasons of coworking space usage. The core element of self-determination theory is the emphasis placed upon types of motivation that drive behaviour. Fuelled by the increasing motivation-driven participation in the sharing economy, the self-determination theory (Deci & Ryan, 1985) states that human behaviour and action is driven strongly by intrinsic motivation and extrinsic motivation. Theoretically, intrinsic motivation refers to the satisfaction derived from performing an activity itself (Deci & Ryan, 2010). In essence, it is the motivation that originates from inside the individual and often influenced by individual core values, personality and moral upbringings. The intrinsic motivation to engage in a behaviour or an action naturally comes from within the individual. Furthermore, the satisfaction earned from performing an activity based on intrinsic motivation is compelling because an activity is pursued out of pure enjoyment (Deci & Ryan, 2010). On the other hand, extrinsic motivation refers to behaviour driven by external rewards or motivation related to external pressures (Deci & Ryan, 1985). As opposed to intrinsic motivation, extrinsic motivation is steered by the various external factors and benefits reaped from performing a task or participating in an activity. For example, awards from an achievement and recognition from the community. As such, the coworking space user's attitude towards coworking space is influenced by both the intrinsic (perceived sustainability, perceived enjoyment) and extrinsic motivational factors (economic benefits, social benefits and perceived reputation), which subsequently affect their use intentions.

## 6.2. Proposition Development

### *Perceived Sustainability*

Proper distribution of resources that focus on sustainable consumption has become increasing important (Tussyadiah, 2016). The attitude shaped by the ideology of sustainability as well as the environmental conservation may affect the engagement of peer to peer within the sharing community (Hamari et al., 2016). In line with Belk (2014), sharing might be more acceptable with the rising concern on sustainable consumption. Similarly, Hamari et al. (2016) also pointed out that one of the reasons for participation is driven by sustainability. Since coworking is part of collaborative activities, the system enhances the capacity of resource utilization as well as improves environmental sustainability (Bouncken et al., 2016) by helping to reduce carbon footprint. Hence, this paper considers perceived sustainability as the intrinsic motivation related to norms thus expect that sustainability plays an essential role in the formation of attitude towards coworking spaces. As such, this leads to the first proposition:

*P1: Perceived sustainability positively influences attitude towards coworking space.*

### *Perceived Enjoyment*

The second determinant illustrated in this model is perceived enjoyment. Enjoyment influences and connect with each other, hence justifying the reasons a person engaging an activity (Hamari et al., 2016). In line with both Bouncken et al. (2016) and Tussyadiah (2016), co-workers enjoy the social activities as well as social interactions within the organisation thus minimising the isolation of digital work. Therefore,

enjoyment is proposed as an intrinsic motivation to predict attitude towards coworking spaces. This leads to the second proposition:

*P2: Perceived enjoyment positively influences attitude towards coworking space.*

#### *Economic Benefits*

Collaborative consumption within the sharing economy focused not only ecologically but also emphasising on economic aspects, as supported by a number of researchers (Hamari et al., 2016; Mohlmann, 2015; Tussyadiah, 2016). According to Mohlmann (2015), cost savings via lower costs of office space rental can be very much related to self-benefits which is a major factor when considering participation in collaborative consumption, in this case, coworking spaces. Similarly, Bouncken et al. (2016) have also suggest that coworking allows dynamic combinations of both social and economic benefits. Therefore, this paper postulates that economic benefits positively influence attitude towards coworking space usage intention. This leads to the third proposition:

*P3: Economic benefits positively influences attitude towards coworking space.*

#### *Social Benefits*

Coworking spaces are certainly places where a tendency for social interaction can be enhanced, so does willingness to share resources. Generally, people often strive to expand their social connectedness through sharing or collaborating (Mohlmann, 2015; Tussyadiah, 2016). According to Wu et al. (2017), sharing is a way to interact with others and making direct or indirect connection. Since coworking is considered as one of the collaborative activities within the context of sharing economy, the interactions between each individual and co-workers are the main extrinsic motivations that form their attitude towards coworking spaces. In coworking spaces, users are able to obtain social benefits by making connections with other professionals and meeting referrals for their businesses (Capdevilla, 2013). This leads to the fourth proposition:

*P4: Social benefits positively influences attitude towards coworking space.*

#### *Perceived Reputation*

Hamari et al. (2016) defined reputation as earning higher status within the community through engaging in collaborative consumption services. Earning good reputation and garnering admiration among the community encourage people to participate in sharing activity (Hamari et al., 2016). According to Davenport & Prusak (1998), one of the most important factors in determining users' participation in sharing activity is reputation. By using coworking spaces, users can possibly be regarded as those who do their part in saving the environment, or even be regarded as hip and happening thus enhancing their image among society. Hence, with reputation as the extrinsic motivation, this leads to the fifth proposition:

*P5: Perceived reputation positively influences attitude towards coworking space.*

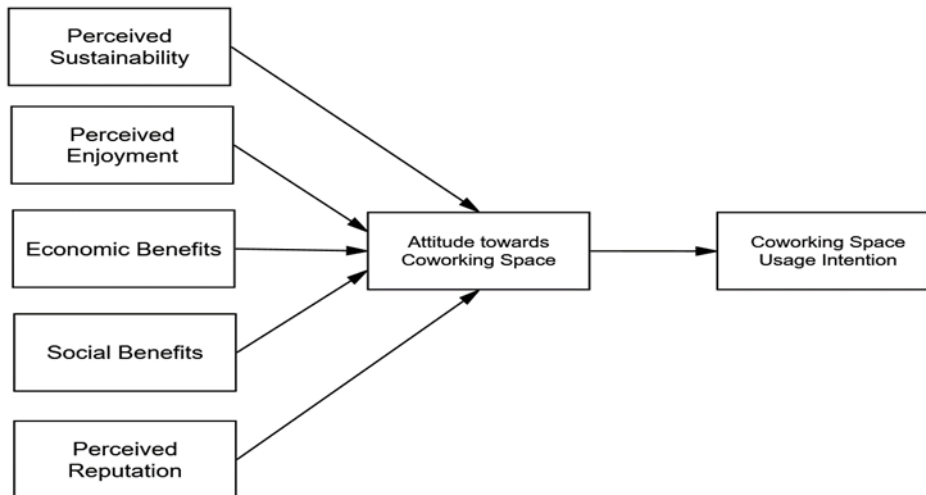
#### *Attitude towards Coworking Space*

Ajzen (1991) claims that attitude towards behaviours can be either positive or negative personal evaluations towards an action, whereby a person is more likely to behave in a particular manner if he or she has a positive attitude towards that action and vice-versa. Consistent empirical findings have proven that

the behavioural intention will be influenced by the attitude, which in turn influence the performance of a behaviour. As such, this leads to the sixth proposition:

*P6: Attitude towards coworking space positively influences the use intention of coworking space.*

Figure 1 depicts all the exogenous and endogenous variables together into a coworking space model based on self-determination theory



**Figure 01.** The Coworking Space Model

## 7. Conclusion

Generally, this paper aims to provide an explicit understanding of the critical determinants that play an essential role in attitude formation and subsequently leads to use intention of coworking space from the self-determination theory. Taken together both the intrinsic and extrinsic motivations, the propositions of the model argue that perceived sustainability, perceived enjoyment, social benefits, economic benefits, and perceived reputation influence consumers' attitude, which then leads to the use intention of coworking spaces.

As a type of collaborative consumption, using coworking space has been regarded as a sustainable type of activity. Hence, it is crucial to enhance its usage. If the propositions are proven to be valid, it is crucial to enhance the positive attitude towards coworking spaces. The proposed model serves as a starting point to provide insights into the essential elements of the right attitude formation.

To avoid overuse of resources, and coupled with the importance of sustainable development, it would be practical for the office rental market to look into this alternative model – the coworking space model. Apart from that, as sustainable development is undoubtedly a collective responsibility, it would seem prudent for the government, investors, coworking space providers, and consumers to work closely towards enhancing the participation rate in this sharing economy.

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