# T.C. ISTANBUL AYDIN UNIVERSITY INSTITUTE OF SOCIAL SCIENCES



# THE ROLE OF INCENTIVES ON THE EMPLOYEES LOYALTY IN THE PALESTINIAN GOVERNMENTAL ORGANIZATIONS 2018

# **MBA THESIS**

Qassam N. M. Alnawasra

Department of Business Business Administration Program

Thesis Advisor: Dr. Özge EREN

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# T.C. İSTANBUL AYDIN ÜNİVERSİTESİ SOSYAL BİLİMLER ENSTİTÜSÜ MÜDÜRLÜĞÜ



# YÜKSEK LİSANS TEZ ONAY FORMU

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# **DECLARATION**

I hereby declare that all information in this thesis document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results, which are not original to this thesis.

Qassam N. M. Alnawasra

# **FOREWORD**

I have always looked forward to writing this section of my thesis since I started to my program at İstanbul Aydın University in 2017. Full of thanks and appreciations to my superviser Prof. Ozge Eren as she was pationt and helpfull to guide in the research through her experience and scientific support, as well appreciations can't be enough to the pray of my mother and the great support and invistiment of my father to me, as they were the motive engine to complete this degree, and is not forgatble to thank all of my teachers in all educational levels, and to everyone helped me to my MBA degree.

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# THE ROLE OF INCENTIVES ON THE EMPLOYEES LOYALTY IN THE PALESTINIAN GOVERNMENTAL ORGANIZATIONS 2018

#### **ABSTRACT**

Employees motivation is one of the most important determinants of the organization performance as a whole towered achieving the ultimate organizational goals. In this study we are going to highlight on motivation system in the Palestinian Governmental organizations and how the incentives are going to affect the loyalty of the employees in the Palestinian Governmental organizations, as the both types of incentives playing an important role to motivate employees in the Governmental sector. A descriptive analytical methodology have been used in this study to test the relationship and the role of motivation on the employees loyalty and applied on the 10000 employees from men and women with different age and educational scales as a population of the study, with a representative sample of 222 employee, and have recovered 205 questionnaire with the percentage of 92% which is considered as strongly representative. As well the study analyses the collected data from the sample and processed it, which helps to provide a better recommendations in order to get better and more effective motivational system in the Public Organizations in Palestine and in the Governmental sector as a whole.

**Keywords**: Discourse information, relative clause attachment ambiguity, implicit causality

# İKİNCİ DİL İNGİLİZCE'DE İLGİ TÜMCECİĞİ TERCİHİ BELİRSİZLİĞİNİN ÇÖZÜMÜNDE SÖYLEM BİLİM BİLGİSİNİN ROLÜ 2018

### ÖZET

Bu araştırma, çalışanların çalıştıkları organizasyona ve bölümlerine sadakat derecelerini belirlemek amacıyla yapılmıştır. Bu çalışmada betimsel analiz metodu kullanılarak motivasyon çalışan ilişkilerinin sadakatli oluşlarına etkileri ve motivasyonun çalışanlarda sadakat adına etkilerini, 10000'e yakın her cinsiyetten, yaş grubundan ve farklı eğitim seviyelerine sahip bir skala oluşturan çalışan portföyü olusturan bireylere uygulanarak, temsilen bu portföyden örnek istirak eden 222 çalışan ve 205 anket sonucu göz önünde alınarak %92'lik güçlü temsil ettiği kabul edilen bir sonuç elde edilmiştir. Öyle ki, bu çalışma esnasında toplanılan bilgilerden ve elde ettiğimiz örneklerden analiz ederek bu analizi işleme almakla beraber bizlere Filistin Kamu Kuruluşlarında ve bütün olarak bütün kamu kullanılabilecek, daha işlevsel ve efektif motivasyon sistemi kurabilmemiz için bizlere daha iyi bir öneri sağlayarak yardımcı olmaktadır. Bu çalışma bizlere finansal teşvikler ve çalışan sadakati arasındaki ilişkinin var olduğunun yanı sıra, ahlaki teşvikler ve çalışan sadakatinin arasındaki ilişkinin de var oluşunu kanıtlar. Ek olarak kurum ve kuruluşlarda Finansal teşviklerin ve Ahlaki teşviklerin çalışan sadakati üzerinde ne kadar önemli etkisi olduğunun ayrıntılarını barındırır.

**Anahtar Kelimeler:** Söylem bilim bilgisi, ilgi tümceciği iliştirme tercihi, örtülü nedensellik.

#### 1. INTRODUCTION

There is no doubt human resource is one of the most important elements in the success of any organization regardless the role or the job of this organization "production, service, or mixed organization" through a main role in which the leaders and managers pay attention to the factors that affect the level of productivity and efficiency of workers, managers are always seek to reach the workers in their productivity to highest possible level of efficiency. In order to achieve this objective organizations and departments works to provide various efficient labors in order to raise up capacity, qualifications, abilities and performance which will lead to enhancing the quality of job and service at all. However the ability alone is not sufficient, as the worker works as efficiently as possible even if there was no motives to work, the efficiency of individuals depends on two main elements the ability to work and the desire to work, the ability to work is possessed by the skills, knowledge, and capabilities that the individuals have which can be developed by training and education.

The desire to work is the motivation that drives its behavior in the direction that achieves the objectives of the organization and the incentives are the external factors that encourage the individual to increase his performance and the incentives are multiple and varied, they can be positive or negative and can be in the form of material or moral stimulation. The Incentives passed through advanced stages and crystallized in the form we have now started the traditional phase which was focused only on material incentives and then followed by the school stage of human relations, which focused on moral incentives and materialism and then came the modern phase linking the physical and moral incentives and performance, incentives stimulate enthusiasm and motivation in the overall performance and increase the productivity of the worker which is reflected positively in the incentives that work on preventing the feeling of individuals frustration and push the worker to persevere in his job and make it highly efficient.

Organizational loyalty subjects are related to the most important factors that can be considered as positive indicators and it is a measure of the effectiveness of the performance of individuals, if the morale of individuals is high this lead to the achievement of the results desired by the organization to be achieved, therefore the organizations must pay attention to morality of workers in order to get their organizational loyalty to help the organization in achieving its objectives. As there is a positive relation between empowering and raising up the employees morality and their organizational loyalty as more loyalty greater productivity. as a result to this, loyal employees become very important to any organization in achieving its goal and objectives in the most efficient and effective manner which will lead to enhance the quality of its productivity and services in order to satisfy their customers.

#### 1.1 Problem Statement

Many studies have shown the significance of the incentives generally the tangible or the moral in the achievement of the organizational loyalty and its role on the quality of production and services in the institutions. It is clear the significance of incentives in the field of work and their positive effect on the organizational loyalty, which is reflected in the employees and workers productivity and affiliations with their jobs in the institutions. Recently there was many cases related to the employees rights specially in the third world countries as they were insulted they are not appreciated and empowered to provide their best which affect on the quality of production and services to their society. This research will highlight on an important aspect which contributes in providing some solutions to such problems. A successful institution is an institution which will dedicates how its goals and objectives are achieved in the most efficient and effective manner by its staff. So in order to develop an effective incentive system capable to influence positively the performance of employees in a manner that raises up the level of organizational loyalty in order to help both of the organization and employees to survive in a fully competitive environment and achieve the main goal of the organizations. The problem of this research can be summarized by the next the question:

• What is the role of incentives in the organizational loyalty of employees and its effects on their organizations?

# 1.2 The Importance of the Study

The importance of this research is due to the importance of the organizational loyalty and incentives among the employees in the institutions and the affect on the quality of service they provide. Hence, the importance of the incentives applied to the employees due to their direct relationship with the organizational loyalty of the workers in the institutions. This study may contribute to the provision of a number of recommendations and proposals to the activate the incentive system and thus raise up the level of employees loyalty to their organizations.

The theoretical importance: this study aims to examine the role of policies of the physical and moral motivation in the organizational loyalty in the institutions as there is a lack of studies and efforts related to this field, the purpose of this study is to establish and develop a conceptual model of the physical and moral motivation system in the organization to achieve its goals and objective efficiently and effectively.

The practical importance of this study is what we will offer to the managerial staff in the organizations of the abilities which will allow them to take physical and moral incentive decisions in order to improve policies to the motivation system within the organizations to increase the organizational loyalty of employees to their institutions to achieve the main goals of the organization in the most efficient manner.

# 1.3 Research Questions

- What is the role of the tangible incentives in the employees loyalty and its effects on the organizational performance.
- What is the role of the intangible incentives in the employees loyalty and its effects on the organizational performance.

# 1.4 Research Hypothesis

# Main hypothesis:

 $H_0$ : There is no Relationship between the tangible and intangible incentives and the employees loyalty in the organizations.

 $H_1$ : There is relationship between the tangible incentives and the employees loyalty in the organizations.

 $H_2$ : There is relationship between the intangible incentives and the employees loyalty in the organizations.

# 1.5 Research Objectives

- To identify the types of tangible incentives provided to the employees in the organizations.
- To identify the types of the intangible incentives provided to the employees in the organizations.
- To recognize the degree of the organizational loyalty of the managers to their institutions.
- To determine the type of relationship of the undertaking incentive systems and the organizational loyalty of the employees in the institutions.

#### 1.6 Research Variables

• Incentives (motivation): it's the process of empowering the employees in positive or negative ways in order to increase productivity rates and enhancing the performance level. Its known as all of the possible ways and procedures to induce the employees to work efficiently and effectively in achieving the organizational goals.

There are two different types of incentives:

- Tangible incentives; are those incentives with the financial or economical nature such as the cash and salary premiums.
- The tangible incentives which satisfy the basic needs of the human being in order to encourage and empower the employees to perform well and raise up

- the level of qualifications, and employing their abilities in the achievement of the organizational goals. Such as "salaries, wages, rewards, and bonuses".
- The intangible (Moral) incentives: it is the motivation of the psycho-social nature, which increases the employee cooperation among his co-workers in the job toward achieving the organization goals.
- The intangible incentives which helps the human in achieving his
  psychological and social needs, which lead to raise up the morale level of the
  employees, and selecting the ideal employees in the organization which lead
  to self-actualization or social cohesion and acceptance.
- Organizational loyalty: it's the degree of the individuals conformity to their organizations supported by the desire to perform their best efforts for the organizations in which they works with a strong desire to continue as members of their institutions.

#### 2. LITERATURE REVIEW

#### 2.1 Introduction

In this chapter we will discuss our main variables, at the beginning. I'm going to clarify the incentives generally and the different types of incentives in details: which are the financial incentives and the non financial incentives. As the incentives are the most common motivational tool used to encourage and motivate the employees to perform their best in order to achieve both the goals on the individual and organizational level, so I am going to clarify and discuss in general the motivation concept and some related theories such as maslow's pyramid "the hierarchy of needs" and Herzberg hygine theory. This part going to cover the literature review according to the study objectives, in order to test or discover wither there is a relation between the role of incentives and the organizational loyalty of employees in the governmental organizations or not. In the next part we will define and clarify the organizational loyalty, job satisfaction, and the different aspects related to this variables and their effects on the employees and the organization itself.

### 2.2 Motivation

Motivation is one of the most important drivers used by the employees regardless of the reasons. According to Mitchell (1983) that motivation is necessary when recognizing it as psychological process which will lead the voluntary actions by the direction and persistence to the directed goals (p. 81) in addition to Park and Rainey and Bostajancic they said that the motivation could be both intrinsic and extrinsic. Intrinsic motivation we can see this kind of motivation when an individual participate in an activity that is really interesting and enjoyable for himself without any outside effects. On the other hand the extrinsic motivation is that when some employee or an individual is engaged with a particular accts as a result of some outside motivators or incentives such as rewards or extra.

#### 2.3 Motivation and Incentives

Incentives considered as the core factor of motivation, which mean without incentives the employee, group, and team work can't be motivated toward performing their tasks, executing the plans, and achieving their and the organization ultimate goals. In order to motivate employees the managers should empower the acts and behavior of employees by undertaking the suitable incentives which should be related to the employees behavior and organization goals, there are many different types of incentives in the organizations such as the tangible and morale incentives, tangible such as rewards and wages, the morale such as promotion and appreciation, both of them are important in the extrinsic motivation to the employees as this different types of incentives are considered as main outside effects on the employee behavior to be motivated toward enhancing his/her performance (Lindbeck, 1998).

# 2.4 What are the Incentives in the Organizations

The researchers and the scientists of management have been very carefully about the incentives and it's different types and effects, and have defined it in a different fields. Related to the health care field they defined it " the available means used to affect the willingness of the health care employees as doctors or nurses in order to keep their efforts toward the achievement of the organizational goals", incentives are essential to be existed to motivate any person, group, or organization to perform in the proper way to achieve certain target or goal regardless these goals were individualistic, group, or organizational goals in any different field. Incentives are considered as the machine which generates the power to perform in the needed way to achieve the planned goals (Mathauer and Imhoff, 2006).

#### 2.4.1 Incentives definition

Is the process of activating the workers in both negative or a positive way in order to enhance their productivity rates, improving their performance and know all the possible ways and means to motivate employees to work on their best and continuously in order to achieve the main goals of any organization, and the incentives are divided into main two different types, the tangible incentives are

those incentives which can be in form of financial rewards in different ways such as the wages, financial facilitations and extra. The other type the intangible incentives are those rewards which can be negative or positive forms of incentives such as the promotion, demotion, job rotation, and extra, all of these different methodologies of incentives are set to the same target in order to motivate the individuals, groups and teams to act and perform in the proper way to achieve what they are required to do in their tasks in the most efficient and effective way to reach the needed and planed results and goals (Lindbeck, 1998).

#### 2.5 Motivation Theories

# 2.5.1 Maslow's hierarchy of needs

According to Maslow's hierarchy of needs, the needs are divided and arranged in form of the pyramid which its base represents the basic physiological needs and then rise up to the top of the pyramid where the self realization and actualization needs are existed and the most important in his theory that the higher needs cannot be achieved without satisfying before the lower or the least need (Conforti, 1972:11).



Figure 2.1: Maslow's pyramid "hierarchy of needs"

Here below we are going to clarify this hierarchy of needs from Maslow's point of view;

# • The Physiological Needs;

We refer to this kind of needs the basic needs for the survival of a human, where a human can't survive without the existence of this needs, such as the food, water, home and extra, which is the starting point to achieve the other different kinds of needs, and this kind of needs is common all of the human beings, but the difference is due to the degree or the level of satisfaction required for each individual as needed, and the acts or works which achieve this kind of needs to a certain extent will be the point of employees acceptance and satisfaction (Conforti, 1972; Brown and Cullen, 2006).

# • The safety needs;

Achievement of this kind of needs is depends on the satisfaction level of the physiological needs which are very important and basic to achieve the safety needs such as the security and reassurance. As well as seeking to achieve the job security in terms of income securing or avoiding any kinds or risks resulting from the job during work this will lead the employees to think how to secure this source of income, so the management should recognize the importance of the security and safety needs for the employees in order to create a spirit of creativity among the employees.

# • The belonging needs "the social needs";

The human in his nature looking to be loved by the others by belonging to them and sharing with them principles and norms, which define the course of his own life. The job that a worker does has the opportunity to achieve this need by establishing the relationships with the people around him such as the job mates, and this kind of needs according to Maslow's can't be achieved by passing the previous needs the physiological and safety needs. This kind of needs if is not achieved this will lead to many problems such as lack of production and high rates of absenteeism and leaving the jobs which will totally effect the achievement of the organization main goals and objectives.

Self esteem needs; this kind of needs refereed to the sense of trust, appreciation, and respect from others to the individual. This need create a sense to the individual importance and potential value to participate in the achievements of the organization objectives and because of this the managers has an important function to focus on the needs of appreciation as a motive and incentives to the workers to achieve the organization goals and objectives.

Self actualization needs; the realization of the higher aspiration of an individual in the human is being what he wants to be where the human reaches a distinct stage from the others and become independent entity from the others. The need for independence is in one of the most important components of this need, which appear since the childhood and developed with the age until maturity to be appeared by getting independent from relying on the others and the individual in

looking to be independent in his work when get the freedom to execute his own work which will allow him to show his individualistic abilities and qualifications.

## 2.5.2 Herzberg's motivator hygiene theory

According to Herzberg that there are two different groups of factors;

The first group according to Herzberg is called the basic factors and its includes:

- Job stability: in the sense of job continuity and non firing threat.
- The justice of the organizational systems
- The appropriate position: includes career position, authorities, work hours, respectable workplace such as appropriate office.
- Supervision and self control: means a level of self control in how the work is performed in the organization.
- The sufficient financial income and benefits: includes all the wages and benefits such as the insurance, treatment, and the transportation costs.
- The good social relation in the job.
- The job conditions: means the appropriate working conditions in the terms of safty and availability of the job tools, equipments, and the basic services needed to the employees.

According to Herzberg theory, these factors are not considered as motivators or incentives but the lack of these factors will lead to discouragement and frustration then the workers are not motivated. Which mean the existence of these factors its helps the employees or the individuals satisfied but not motivated. Which mean that those factors are fundamental factors that should be existed (Bassett-Jones and Lloyd, 2005:933).

The second group, which Herzberg called it the incentives group:

- The interesting job: any job that satisfied the employees concerns and abilities.
- The appreciation: which is the appreciation from the job mates, seniors, and juniors.
- The developing opportunities: the sense of promotion and developments and income enhancement.
- Carrying responsibilities : the ability to take decisions and lead the others.

• Achievements: the ability to feel the achievements as a result to the performance and exceeding the required performance to get more achievements.

According to this theory these factors are considered as a motivators and incentives to the employees, in the sense that the first group of factors (health factors) do not lead to the motivation but the lack of this factors lead to the dissatisfaction of the employees then performing less the planned or the required (Bassett-Jones and Lloyd, 2005).

#### 2.5.3 Carrot and stick

This theory is one of the most traditional theories related to motivation, which is developed by the philosopher Jeremy Bentham during the time of the industrial revolution in the 1800s, which divided motivation into two main components and only two, Incentives and fear. There are many workers are motivated by themselves through their desire to gain more benefits such as compensation or promotion or any other kind of benefits, at the same time there are some employees are behaving out of fear as Bentham said this fear is the source of motivation, those fears such as losing job, or demotion, and any other different punishment are pushing the employees to perform and giving their best in their job tasks (Gibbon, 1997).

Related to Bentham, Employees in the organization can be motivated into two different ways, in a positive way by the incentives, which is the appreciation to employees when they are performing well, or the other way, which is the punishments, through legislating some rules or punishments, which will lead the employees to risk when they are not performing well.

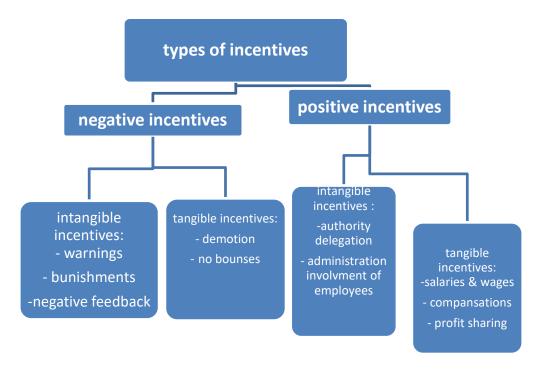
# 2.5.4 Howthorne effect

Elton Mayo has applied many experiments during 1920s in order to develop Howthorne Effect. The role of this effect is motivating the employees in their jobs, that the employees are being more motivated to be more productive when they realize their work and their performance is able to be measured, moreover, mayo has noticed that the employees who are more productive and performing more efficiently and effectively are those employees who are getting a feedback related to their tasks which helped them through enhancing and correcting their

performance in order to be more effective and productive during their performing of the coming tasks (Zeiger and Stacy, 2018).

# 2.6 The Different Types of Incentives

There are different views to classify the types of incentives as Clark and Wilson define it (1961):



**Figure 2.2:** The different types of incentives

# 2.6.1 The role of the different types of incentives in the organizations

• The positive incentives:

The tangible incentives: its defined as the fiscal material incentives, which consist of pay on an hourly, weekly, or day-to-year basis, in addition to performance based payments, as well as concessions such as health insurance, profit sharing, children care programs, pension and retirement systems, the tangible incentives include a number of different types as the following:

Wages and Salaries: The wages are one of the most important types of incentives, which motivate people to work and perform their given tasks. The higher was the wage the greater incentive for the worker to exert effort and improve his performance.

Compensations: It is given for the additional efforts of the employees such as the bonuses, grants and allowances, the compensation nature it depends on the kind of the given job or task.

The valuable tangible advantages: and it can be on different forms such as travel cards, food, party attendance, travel tasks.

The work conditions and the tangible requirements: the physical conditions which surrounding the work environment such as the machines, processes and the job equipment's as a whole are based on their work performance and their desires. More suitable work conditions are a motive and incentive more effectiveness in the work, and greater willingness of the employees in the organization.

The continuous bonuses: On the basis of productivity and performance and on the efficiency of the employees in the job it's one of the effective incentives.

Profit sharing: the kind of incentive in the private sector is often used by linking the wages and incentives paid by the organization to its profitability levels, in order to motivate their employees to improve their performance and productivity, as well the profitability (Storey, 1991).

The intangible (moral) incentives: This kind of incentives includes job promotions, employees involvement in management, employees efforts appreciations, ensuring and stabilizing work and authority delegation.

• Here are some forms of positive intangible incentives:

Opportunities for job promotion and advancement: Promotion is an effective moral incentive if it is linked to efficiency in performance and productivity and is motivated by the workers who wish to occupy a functional position in order to achieve their needs, which is the functional position and self-actualization in the society.

Appreciation of employee's efforts: this can be achieved through awarding appreciation certificates and praise the competent staff for those who achieved a high level of performance in the organizations, and that is recognition from the management and appreciation to their employee's efforts.

### • Employees or staff contribution in decision-making:

This can be achieved by giving the staff a voice in the Board of directors, contributing to the management of the organization by an actual contribution, by participating in the organization policies and its decision making.

# • Work Ensuring and Stabilizing:

Job ensuring and work stability provided by the management to their employees in the job environment has a significant impact on their morale, and therefore on the level of performance, because the stable work provides a stable income for the individual to secure a good life.

# • Job Enlargement:

Job enlargement means adding new tasks to the job of the individual within the scope of the original field, as intangible incentive, by creating a sense of the importance of the function performed by the employee.

#### • Job Enrichment:

Job enrichment it refers to the necessity of adding new tasks to the job within the scope of employee field, such as involving him in the decision making related to his work field with his direct manager.

# • The Negative Incentives:

It refers to the different punishments imposed on the subordinates, may appear in changing the behavior of employees that was punished, or improve the impression taken from the employee, and thus be motivated to work and improve his performance and behaviors.

The negative incentives are divided into:

- Tangible Incentives: This kind of incentives is represented in the demotion of employee, or the suspension of his periodic allowances, and temporary stop of the employee.
- Intangible Incentives:

It is represented in activities such as preventing the employee to publish his name on the honor board of the institution, or alert the employees who are performing less than the planed performance, or publishing the employee's names on the organization punishment list. Such activities it can be a motive to the employees to perform as planned to be away from this punishments.

Some they classified the incentives related to the beneficiaries:

#### • Individualistic Incentives:

These incentives are offered to a specific person or individual in the organization as a result of executing particular work or job that has been accomplished or exceeded the predetermined goals and objectives, and this can be both tangible and intangible.

## • Group Incentives:

This kind of incentives are directed to a group of employees in the organization, who are working collectively together in a specific productive section, this kind of incentives help employees to achieve their objectives by improving efficiency and productivity, and self control among employees and providing them with the opportunity to submit their suggestions to improve the performance.

# 2.6.2 Incentives in the governments organizations

The motivation and incentives system in the organizational governments has many fundamental conditions to be applied successfully.

These fundamental conditions must be taken into consideration to ensure that the incentives are used to make the productive process more successful and sustainable;

The incentives should be linked to the goals of the employees and management together, Finding a close link between the incentives and the goal that drives the person to achieve his desire, Choose the right time for incentives, specially the tangible incentives, Ensuring the continuity of the incentives and create a sense to the employees that by anticipating the regularity of the incentive system, The incentive should be suitable and related to the individual performance, And The perception and acknowledgment of the individuals to the policy of incentive system where the incentives are given.

# 2.7 Employees Commitment

Related to Weitz and Anderson (1992) in addition to Hunt and Morgan (1994), Commitment "is the belief which encourages the individuals to scarifies the current and short term benefits offered by the other parties in order to get the long run benefits associated with the current party of institution that the individual is belonging to" (Dagger, 2011:277).

Employees Commitment: there are three main levels of employee's commitment; the Affective level of commitment, when the employee strongly emotional attached to his or her organization, so he or she will stay and remain in the same organization as they want to (Pepe, 2010).

The continuance commitment level, they will stay with same organization or the same employer as they know well the costs of leaving the current employer, that they should scarifies by some benefits. Therefore, they choose to remain not because they want to, because of comparing the benefits and costs of leaving (as cited in Pepe, 2010).

The normative commitment, when employee is staying with same employer or organization not because of their willing to stay or because they should remain in the organization, only they will stay because their feelings that the right thing is to stay with the same employer (Meyer and Allen, 1991).

#### 2.7.1 Organizational commitment

Is the value of the organization that the employees experience in and creates the feelings to the employees that they fit to their organization which creates the strong connection between the employee and the employer and the feeling of understanding the organizational goals and their added value to the employees, which helps the employees to show more productivity and be more proactive in giving their support.

Motivation: Can be defined as the empowered behavior, which is strongly directed toward achieving an identified goals or objectives, which can be measured in terms of the varying behaviors and interests (Bernand, Mills and Swenson, 2005:129).

Work motivation: It's empowering the individuals activity towards achieving a desired objective through the motives which is creates internally in the organization environment or in the individual himself according to the needs of this individual (Peklar, 2012:57).

Intrinsic Motivation: It's the willing to perform and execute the tasks in the highest level primarily because of the job itself is interesting, challengeable, and satisfying to the employee or the worker (Catania and Randall, 2013:32).

Extrinsic Motivation: It's existed when an individual acts or perform some activities in certain way to adapt with some consequences, such as getting an award, or run away from punishment or guilt, or getting and approval (Ryan and William, 1996, 2013:413).

## 2.8 Loyalty

Loyalty as Logan defined it in the (1984) is "the strong connection which tie to bands the employee with his or her employer, even if the employer was not economically sound to his employee" (Wageman, 2001:150).

Employee Loyalty: Is the commitment to seek the best benefits and interest of the employer or the organization by the employee even with sacrificing some benefits to the interest of the organization (Elegido, 2013:496).

Despite the fact that the loyalty sometimes be vague, but as well it be clear and found in the company or the institutions. According to Antonicic "the employees loyalty it is existed when the employees really believe in the goals and the objectives of the organization that they are belonging to, and accepting the goals and objective as their own objectives and perform their best for both of interests for them and the organization and wants to remain and stay in the organization, and you can see the loyalty in behaviors and acts that stems from self-motives, as well as you can see the loyalty as a form of employees commitment which requires actions to further the employer interests over their own interest. In fact, Loyalty is the ability and willing to put the personal benefits and interests a side in order to achieve the organizational interests to the common welfare, as the loyal employees believe the organization interest is their interest (Reichheld, 2001).

Loyalty it should be between both the individual and the organization which requires both parties to go into common interests which is mutually beneficial "for the need of achieving both satisfaction the individual and collective needs" (Turner and Haslam, 2001; Wageman, 2001:47).

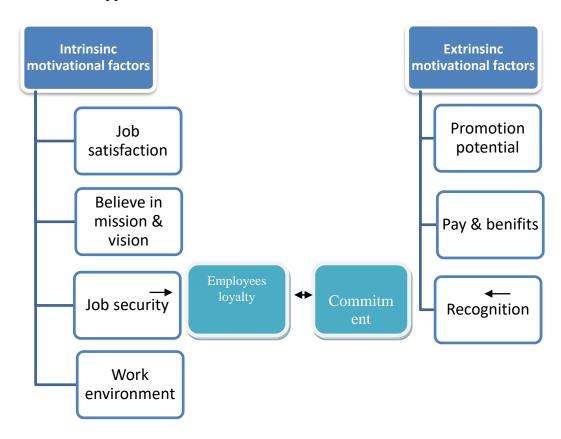
#### 2.9 Job Satisfaction

Job satisfaction level can be determined and affected by many factors such as the degree or the existence or absence of happiness, which has a profound effect on the behavior and commitment (Shahid and Azhar, 2013:257). Job satisfaction likely defined by Locke (1976) "as an emotional result". As well as Pepe (2010) defined job satisfaction as it's not only a concept which is connects the employees feeling to their jobs. However, it is directly related to the level of willingness toward leaving their positions in the institutions (Springer, 2011:34).

Gupta and Gokhale (2013) they defined Job satisfaction as the extent to which level the employee is content to the job he or her is performing. There are two different types of job satisfaction, which are affective and cognitive job satisfaction, which can determine to which degree the employee is fit to job he is performing or to the organization, he is belonging. For example, the affective job satisfaction is the high emotional feelings of employees toward the job they perform overall, while the cognitive satisfaction is stems from particular facets from the jobs they perform such as paying them extra wages, pension fund or the job hours.

In Melvin (1979), he mentioned that the old employees are more satisfied in the jobs they performed. On the other hand, Eichar and Fortinsky (1991) they said the employees during their thirties tend to be more committed and satisfied during this age as their tasks and jobs will be more defined to them. And others like Nimmagadda and Buddha (2012) they said that passion and fulfillment are determining the job satisfaction level to the employees rather than their age, as if the employee didn't believe in the tasks he or she is performing or is not satisfied with his job that he has given then the results normally will low on both sides the quality and the quantity. Therefore, the positive relation between job satisfaction and the employee's performance is existed regardless of the employee's ages.

Being satisfied in job in directly connected with ability to achieve some motivators. According to the Two Factory theory (Herzberg, 1959). The job satisfaction can be achieved results and job outcomes its connected directly to the job the employee performs and when the workers or employees are qualified to get; success, have the opportunity for developing themselves, have the recognition, have a given responsibility and have a promotional chances and the job satisfaction can increasingly improve by many factors such as the rewards, incentives, and appreciations.



**Figure 2.3:** Summery fighure; model of motivation, loyalty, and commitment, adapted from Fridlander and Walton (1964).

#### • Theoretical Contrast:

Generally, most of the employees are loyal and motivated in their nature for both intrinsic and extrinsic factors (Eccles and Wigfield, 2002; Park, Rainy, Peklar and Bostjncic, 2012). Related to Rainey the employees have the choices to stay in their position in the organization or to stay at the same job in order to get the rewards as a result to their loyalty and commitment to the organization that they are belonging to. There are many factors can affect on both the intrinsic and extrinsic incentives such as the job satisfaction of the employees in the

organization (Pepe, Kumar and Shekar, 2010- 2012), the employees confidence in the mission, vision, and the strategic goals of the organization (Shaihd, 2010), having the sense of connection between the employee and the job, the trust in their leadership and management, the potentiality of getting the promotion, the wages, salaries and payments, in addition to the job security (Peklar and Bostajancic, 2012).

We have mentioned above the theoretical contrast model, which clarified that every employee in the organization is able to be, motivated regardless the nature of their position or job to enhance and empower the loyalty and commitment to the organization through both factors intrinsic and extrinsic. Suppose that the employees inside the organization are intrinsically satisfied from the external environment of the organization their job, the nature of tasks, their belief in the organization and its mission and vision, this will create the feeling of having a job security, because of that and their satisfaction on their job, they are enjoying of performing their job tasks with their work peers and managers, all of this will naturally exhibit and promote their commitment and loyalty to the employer which is the organization. Related to the extrinsic employees are those employees who are looking motivated and loyal to their employer because they are planning to get something in exchange such as getting award, or increase their salary, promotion or any kind of self-interest or to get a recognition (Peklar and Bostajancic, 2012).

Job security: related to this study, if the employees in the organization they got the feeling of job security they are able to be more motivated, committed and loyal to their organization. When the employee secured that he/she will not be fired or laid out of their job he/she will be more satisfied and then more productive which is the evidence on the loyalty and commitment in the organization?

The Potential Promotion: In the relationship between the employer and employee, the perception of promotion plays an important role as the main component of this relationship when the employee is motivated and committed to his organization (Bore, 1997). For example, if the employees in the job feels like they are close to reach the level where they will be promoted to the next level, they will be naturally motivated and committed to their job and organization and

performing their tasks efficiently and effectively, in addition in this situation the employee will be able to carry more responsibilities in order to get an offer for getting level up or some position or positive recognition (Friedlander and Walton, 1964).

Work environment: The employee tend to be more loyal, committed, and motivated when he is able to do what he likes, and believe in the organization mission and vision, and working with employees where he can enjoy with them during job which all of this is associated through the work environment (Buchanan, 1974).

Job satisfaction: When the work environment is comfortable environment for the employee and he/she likes what they are doing, and they likes the employees around them, and they are receiving their wages, salaries, and payments when its matured, they tend to be more loyal and motivated and committed to their organization (Friedlander and Walton, 1964). When some employee he has not any reason to work in anywhere else than his organization, almost this employee got whatever he wants from his employer, as a result to this loyalty and commitment come as a feedback to the organization.

### 2.10 Previous Studies

As an important field of research there are many researchers and scholars have researched and focused on the field of employees performance and loyalty, Elizabeth from united states international university-Africa Nairobi in her research which was testing the impacts of motivation on the employees performance in a private limited company which means in the private sector, in her study she tried to test the role of goal-setting on the employees loyalty and their performance in the company which they gave the power to the employees to cooperate in goal setting but unfortunately the employees respond in goal setting to their interest first then to the company which comeback negatively on the employees and the company performance as a whole, the opposite for her testing the effect of the financial incentives on the employees performance, in her study related to this test the employees were not satisfied because the company where they are working are not giving them appropriate financial incentives or they were not giving the workers as a whole this kind of incentives which means that

there is a positive relation between the financial and monetary incentives on the employees satisfaction and then the employees performance which is going to converse on the company performance in the future.

In this company there is a weak motivation system which led to this dissatisfaction of employees which associate many negative effects on the company performance as a whole, and related to this point in the research she recommended them to establish an effective motivation system in order to keep the employees motivated to perform efficiently and effectively in order to achieve the company goals. After testing the other type of incentives on the employees performance which is the non-monetary incentives and intangible incentives such as the rewards and recognition effects on the employees loyalty and performance. It was clear related to her survey test that the company they didn't adapt any motivation system or policy related to the non-financial incentives, moreover the workers in the company said that the recognition and the reward system in the company is inequitable which means even in non-monetary incentives there is bias and discrimination, and it was clear to the employees and workers in the company that the recognition and rewards are essential to them and the company performance.

It's observed from her study that the company, which has not an effective non-financial motivation system, could not be able to enhance the employees loyalty and the company performance.

In another study, testing the role of employee's incentives and their effects on enhancing the quality performance in the Cambodian Public Organizations, which was submitted to the Virginia University and it, was a inductive study through adapting the face to face interview survey instrument.

In this study there was 10 different respondents associated with 10 different responses among those 10 interviewees and only common thing in these 10 responses in the promotion, the financial and any other type of benefits in only for directing the employees to work more and harder in order to achieve the main goal of the organization with ignoring the other individual goals, on the other hand the other type of incentives which more of the interviewees in this study they supposed it as a gift as an appreciation to the employee through such a policies promoting the employees recognition, establishing a flexible work

system, in addition to suitable work environment and many various non-financial policies and activities, related to next question in the interviews which was about the role the correlation of incentives and their effects on the employees performance in the organization, the result of this question to most of the respondents were similar as the study showed that there is a significant relationship between both categories financial and non-financial incentives on the employees performance, some of the interviewees have expressed different level of satisfaction and dissatisfaction in their job related the existence and absence of particular incentives where the work and organization performance is affected significantly by this incentives, as the majority of the respondents reported that most of the dissatisfied employees are those who are affected more by the existence or the absence by such an incentives and they are less effective than the others who are not affected much by the existence or absence of such an incentives, some other respondent said that he was not satisfied but this didn't affect his overall performance, generally related to this question in this study the results approved that more monetary and non-monetary incentives are needed to improve and enhance the employees and organization performance. In the third question to the respondents related to the importance of such an incentives both monetary and non-monetary in the public organizations, most of the respondents they expressed that both of these incentives are very important in the public organization and this incentives the monetary and non-monetary are complementing to each other and helping the organization to achieve the overall goals which is the public interest effectively and efficiently through motivating their employees by this two different categories of incentives.

In research study applied by Hackman and Oldham (1980) have recommended that the employees should be motivated from the internal environment of their job and should be in advance motivating since the recruiting process, hiring, and retaining them, in order to help in achieving the main goals of organization and its vision and empowering the organization relationship internally and externally of the organization. Hackman and Oldham (1980) mentioned that in order to keep the employees internally motivated in the organization during their performance they should have the sense of responsibility of the job outcome, that achieving a specific targets is their job as cited in (Ramllal, 2004:57) and look for the job

tasks as meaningful and they should be aware by their level of effectiveness when transferring their efforts into a performance.

#### 3. METHODOLOGY AND RESEARCH DESIGN

#### 3.1 Introduction

This chapter describes the methodology of the research adopted to accomplish the objectives of the research. The term methodology is used to establish a step-by-step procedure for reaching the intended research results. The purpose of any research is to search for answers to questions through the application of scientific procedures. The main purpose of this research is to study "The Role of Incentives on the Employees Loyalty in the Governmental Organizations". This chapter is divided into the following sections: Research Methodology, Research Population, Research Model and variables, Questionnaire Design, Data coding and editing, Reliability and Validity, Statistical techniques and Software's had been used in the research.

#### 3.2 Research Methodology

This research is considered one of the field researches that used the descriptive analytical methodology which studies the phenomenon as it is, and describes it accurately and clarifying its characteristics through collecting, analyzing and explaining data. The usage of this methodology aims to examine "The Role of Incentives on the Employees Loyalty in the Governmental Organizations".

The descriptive analytical methodology characteristics are not only collecting and organizing data that are related to a specific phenomenon but also aim to reach conclusions that contribute to understanding reality throughout analyzing and explaining the studied phenomenon. Furthermore, it reaches meaningful generalizations that enable the study to enrich the knowledge about that phenomenon and contributes to developing the fact of an intentional phenomenon, standing on the most important advantages and disadvantages, trying to improve the disadvantages and developing the advantages that are related to the phenomenon.

#### 3.3 The Research Population

This study aimed at recognizing the role of motivation on the employee's loyalty in the Palestinian governmental organizations. Whereas the study population represents the employees in these organizations which counts about 10000 employees from men and women.

The research samples.

The researcher chose a sample of the study population through using the equation of the American education association approach (Kergcieand Morgan 1970) to identify the suitable minimum size of the sample that represents the research population according to the following formula:

$$n = \frac{\chi^2 NP(1-P)}{ME^2(N-1) + \chi^2 P(1-P)}$$

Whereas:

n: the required sample size.

N: the size of the research population.

P: the resident's indicator or the percentage of the population as well as the suggestion of Kergcieand Morgan to be 0.05.

ME: the error rate that can be overridden, whereas the biggest value of it is 0.065.

 $\chi^2$ : chi-squared test= 3.86 at a confidence level that equals 0.95 or at significance level that equals 0.05.

After using this equation, the sample size is 222 employees from males and females of the total population number, which is 10000 employees. Whereas a random sample is chosen consisted of 222 employees. Therefore, 222 surveys were distributed and 205 of them were recovered. Whereas the percentage of the recovery is 92.3% which can be strongly used in generalizing the research results.

#### 3.4 Research Model and Variables

The model that the researcher wants to examine in this study consists of two independent variables including Financial Incentives and Moral incentives, and one dependent variable, which is Employee loyalty. In fact, this model is taken by

the researcher from previous studies the resources of the previous studies are (Farwana, 2016; Alsaqaf and 'Abu sun, 2015; bn Nasir, 2015; bn Hafiz, 2014; Najim, 2012; Alfaris, 2011; Eawaydat, 2008).

#### 3.5 Questionnaire Design

This research is conducted by using a quantitative research methodology. A descriptive research approach was followed to use the questionnaire that is designed to examine the "The Role of Incentives on the Employees Loyalty in the Governmental Organizations", by focusing on four dimensions, two dimensions represent the independent variable(Incentives), and another dimension represents the dependent variable (Employee loyalty). The research questionnaire consists of two parts as follows:

Part 1: Consists of personal information of the respondents (Gender, Age, academic qualification). Part 2: which consists of three dimensions as follows: (1) "Financial Incentives" consists of Eighteen items, (2)"Moral incentives" consists of Eighteen items, (3)"Employee loyalty" consists of fifteen items.

#### 3.5.1 Scale of items

Questions of questionnaire were proposed in the form of statements using a five-point Likert scale, asking respondents to rate the level of their agreement assigned to (1) "Strongly disagree", (2) "Disagree", (3) 'Neutral', (4) 'Agree', (5) "Strongly agree'.

The level of agreement will determine each item and each construct according to five levels, the following table shows that:

**Table 3.1:** Level of agreement about Items according to the mean value of answers.

Level of agreement	V. Low	Low	Medium	High	V. High
Mean	1 - 1.80	1.80 - 2.60	2.61 – 3.40	3.41 – 4.20	4.21 – 5.0
RII	20% - 36%	36% - 52%	52% - 68%	68% - 84%	84% - 100%

Hint: Mean: Mean of answers, RII= Relative Important Index.

The table above shows that the lower the granted degree of the answer is, the higher the rejection is. The degree (1) shows the complete disagree of the item and more the granted degree of the answer, more the degree of consent on it. The degree (5) shows the completely agree of the item where the dependence is on the value of mean and Relative Important Index. The table (3.1) below shows the levels of the consent based on five levels (*Very Low, Low, Medium, High, and Very High*).

this gives a clear indication the averages that are less than (1.80) indicate to a very low degree in the consent on the item or the dimension which means a high degree in the disagree. the averages between (1.80-2.60) indicate to a low degree in the consent which means a high degree of disagree on the items and dimension. The averages between (2.61-3.40) indicate to a medium degree in the consent or neutral degree on items and dimension. The averages between (3.41-4.20) indicate to a high degree in consent. The averages between (4.21-5.0) indicate to a very high degree of consent. This segmentation is selected according to a 5-degree scale of Likert Scale which is adopted in correcting the tool of the study.

#### 3.6 Data Coding and Editing

Once the quantitative data were obtained via the survey, the data were checked for missing values, inconsistencies, and any other response errors. A coding was constructed manually, which contained general instructions on how each variable was coded. For quantitative data input and analysis, the Statistical Package for Social Science (SPSS) was used. The coded data were rechecked visually for the detection of any possible data entry errors. Descriptive statistics were computed for all the variables for the accuracy of inputs as follows: the range of each variable was checked for out-of-range values; frequency counts were performed; the distribution of each variable was analyzed to detect irregular answers and cases with extreme values, and the means and standard deviations were computed.

#### 3.7 Pilot Study

The survey sample is one of the types of samples that the researchers use before the final procedure of the field study and its use is very important when the researcher's knowledge is simple in the subject of his research that contributes to strengthening his knowledge in order to get deeper in his study. The survey sample is the starting point in the scientific research (theoretical and applied) as it also represents the first step of the field study and it strengthens the researcher to continue in his study. He also depends on it frequently in selecting the level of sincerity and persistence of the study tool. Accordingly, the researcher studied a random sample contains (40) respondents ("N= 33, 82.5% males", N= 7, 17.5% females") to verify the validity and stability of the study tool (questionnaire) that is the main step before distributing the questionnaires on the targeted study society to verify the validity and stability and then distributing the questionnaires on the targeted study society.

#### 3.8 Reliability and Validity

Validity and reliability are concepts that capture the measurement properties of a survey, questionnaire or another type of measure. Reliability is necessary for establishing the validity of a measure and ensuring accurate interpretation (Churchill and Brown, 2007). The validity of an assessment is the degree to which it measures what it is supposed to measure (Malhotra, 2007). This is not the same as reliability, which is the extent to which a measurement gives results that are consistent (Golafshani, 2003). Therefore, reliability analysis of the constructs needs to be undertaken prior to testing their validity and hypothesized relationship (Churchill and Brown, 2007). We give an initial assessment of the reliability of constructs through internal consistency using Cronbach's alpha coefficient, Guttman Split-half and Composite reliability method. Then their validity is established in two different ways: Content validity and Construct validity and Discriminant validity

#### 3.8.1 Validity

Validity of an assessment is the degree to which it measures what it is supposed to measure, which means "determining whether a measuring instrument actually measures what it is supposed to measure" or the "degree to which a measuring instrument measures what it intends to measure" (Long and Johnson, 2000:31). In this research, we consider content validity and construct validity as suggested by many scholars (e.g. Bagozzi et al., 1991; Hair et al. 2010). Content validity is to

ensure the content of instruments by different ways, while the assessment of construct validity requires that the correlations of the measure be examined in regard to variables that are known to be related to the construct (Churchill and Brown, 2007).

The construct validity test (Pearson test) measures the correlation coefficient between each item in the dimension to which it belongs.

# 3.8.1.1 Content validity

Content validity refers to the extent to which a measure represents all facets of a social construct. This refers not to what the test actually measures, but to what it superficially appears to measure (Sarantakos, 2005). To demonstrate content validity, testers investigate the degree to which a test is a representative sample of the content of whatever objectives or specifications the test was originally designed to measure (Churchill and Brown, 2006). It's concerned with the question of whether the instrumentation includes a sufficiently representative number of items to ensure that all ways to measure the content of the studied construct (Sarantakos, 2005). Hence, content validity includes any validity strategies that focus on the content of the test, then it was presented to a group of seven academics from different faculties and universities, review the questionnaire to judge its validity. The evaluation of the questionnaire was according to its content, the clearness of its items' meaning, and its appropriateness for the research, to avoid any ambiguous items and to assure its linkage with the study.

#### **3.8.1.2** Construct validity (Internal validity)

The internal validity of the questionnaire was measured by a survey sample, consisting of forty questionnaires, by measuring the correlation coefficients between each item in dimension.

The following Table (3.2) shows the correlation coefficient for each item of the dimension "Financial Incentives". The p-values are less than 0.05, so the correlation coefficients of this dimension are significant at  $\alpha = 0.05$ . Therefore, it can be said that the items of this dimension are consistent and valid to measure what it was set for.

**Table** Hata! Belgede belirtilen stilde metne rastlanmadı.**3.2:** Correlation Coefficient for Each Item of the Dimension "Financial Incentives".

#	Items	Test	
1	The organization management is interested in	Person correlation	0.804*
	providing financial rewards to outstanding	P-value (Sig)	0.000
	employees.		
2	The organization associates the value of the	Person correlation	0.815*
	equivalent by the nature of work effort.	P-value (Sig)	0.000
3	The awards are based on a set of criteria set by the	Person correlation	0.751*
	organization.	P-value (Sig)	0.000
4	There is full knowledge by staff about the awards	Person correlation	0.705*
	criteria.	P-value (Sig)	0.000
5	The employee receives his annual allowance on a	Person correlation	0.630*
	regular basis.	P-value (Sig)	0.000
6	The organization connects the promotion grants	Person correlation	0.791*
	with the efficiency of work performance.	P-value (Sig)	0.000
7	The organization gives exceptional promotions to	Person correlation	0.645*
	outstanding employees.	P-value (Sig)	0.000
8	The organization's management is concerned with	Person correlation	0.799*
	the development of distinguished human cadres	P-value (Sig)	0.000
9	The organization covers the costs of the training	Person correlation	0.623*
	neededand wanted by the staff.	P-value (Sig)	0.000
10	The promotion of financial rewards encourages	Person correlation	0.450*
	more work excellence.	P-value (Sig)	0.004
11	The Organization provides cash loans to staff in	Person correlation	0.653*
	emergency situations.	P-value (Sig)	0.000
12	The organization contracts some commercial	Person correlation	0.754*
	places to meet the staff needs at special prices.	P-value (Sig)	0.000
13	The organization allocates cash equivalents to the	Person correlation	0.776*
	ideal employee.	P-value (Sig)	0.000
14	The organization grants financial advances to its	Person correlation	0.773*
	employees when needed.	P-value (Sig)	0.000
15	The organization provides in-kind gifts to	Person correlation	0.717*
	employees at various events.	P-value (Sig)	0.000
16	The organization provides a dedicated recreation	Person correlation	0.653*
	for its employees.	P-value (Sig)	0.000
17	The Organization covers the overtime costs of its	Person correlation	0.739*
	staff.	P-value (Sig)	0.000
18	The organization provides health insurance	Person correlation	0.652*
	services to its employees.	P-value (Sig)	0.000

<sup>\*</sup>Correlation is significant at the level 0.05 (2-tailed)

As shown below in Table (3.3) shows the correlation coefficient for each item of the dimension "Moral incentives". The p-values are less than 0.05, so the correlation coefficients of this dimension are significant at  $\alpha = 0.05$ . Therefore, it can be said that the items of this dimension are consistent and valid to measure what it was set for.

**Table 3.3:** Correlation Coefficient for Each Item of the Dimension "Moral Incentives".

#	Items	Test	
1	The organization relies on the management	Person correlation	0.772*
	by the objective to achieve business goals.	P-value (Sig)	0.000
2	The organization management involves t	Person correlation	0.810*
	he staff in approving various work objectives	P-value (Sig)	0.000
3	The organization management pays special	Person correlation	0.837*
	attention to the staff opinion on ways to	P-value (Sig)	0.000
	develop the working methods.	( <i>U</i> /	
4	The administration is interested in showing	Person correlation	0.922*
	appreciation for the employee's efforts when	P-value (Sig)	0.000
	completion of the work.		
5	The organization provides certificates of thanks	Person correlation	0.881*
	and appreciation to distinguished employees	P-value (Sig)	0.000
	on a regular basis.		
6	The organization encourages employees to	Person correlation	0.788*
	work in a state of legitimate competition for self-	P-value (Sig)	0.000
	affirmation.		
7	The organization provides an organized work	Person correlation	0.874*
	environment that ensures comfort in delivery.	P-value (Sig)	0.000
8	The organization shows an interest in	Person correlation	0.728*
	participating in various social activities for staff.	P-value (Sig)	0.000
9	The organization is interested in strengthening	Person correlation	0.851*
	the patriarchal style in the administration	P-value (Sig)	0.000
10	The organization uses the tools of reward and	Person correlation	0.675*
	moral punishment in influencing the attitudes	P-value (Sig)	0.000
	of the workers towards accomplishing the work		
11	The organization organizes honorary celebrations	Person correlation	0.815*
	for distinguished employees on a regular basis	P-value (Sig)	0.000
12	The organization gives tribute to the employee	Person correlation	0.576*
	at the end of his service	P-value (Sig)	0.000
13	The organization encourages good human	Person correlation	0.823*
	relations among staff members	P-value (Sig)	0.000
14	The organization is interested in spreading	Person correlation	0.798*
	the idea of linking promotion to qualitative	P-value (Sig)	0.000
	achievement rather than seniority at work		
15	The organization is interested in diversifying	Person correlation	0.858*
	the work of employees to avoid their sense of	P-value (Sig)	0.000
	routine and boredom		
16	The organization is responsible for security and	Person correlation	0.875*
	job stability.	P-value (Sig)	0.000
17	The organization management is concerned with	Person correlation	0.820*
	raising the staff morale spirit while carrying out	P-value (Sig)	0.000
10	their duties	D 1	0.730*
18	The organization allocates breaks for staff	Person correlation	0.728*
		P-value (Sig)	0.000

<sup>\*</sup>Correlation is significant at the level 0.05 (2-tailed)

The following Table (3.4) shows the correlation coefficient for each item of the dimension "Employee loyalty". The p-values are less than 0.05, so the correlation

coefficients of this dimension are significant at  $\alpha = 0.05$ . Therefore, it can be said that the items of this dimension are consistent and valid to measure what it was set for.

**Table** Hata! Belgede belirtilen stilde metne rastlanmadı.**3.4:** Correlation Coefficient For Each İtem Of The Dimension "Employee Loyalty".

#	Items	Test	
1	I feel like wanting to spend the rest of my life in	Person correlation	0.718*
	the organization.	P-value (Sig)	0.000
2	I am proud to talk about my membership in social	Person correlation	0.779*
	and professional circles.	P-value (Sig)	0.000
3	The organization has a high place in myself.	Person correlation	0.838*
		P-value (Sig)	0.000
4	I feel that the problems of the organization are part	Person correlation	0.667*
	of my personal problems.	P-value (Sig)	0.000
5	I am ready to double my efforts free of charge	Person correlation	0.816*
	within the organization if it is about the continuity	P-value (Sig)	0.000
	and success of the organization.		
6	I feel that the benefits offered by the organization	Person correlation	0.814*
	are more than the benefits offered by other	P-value (Sig)	0.000
	organizations.		
7	I feel job security within my organization.	Person correlation	0.845*
		P-value (Sig)	0.000
8	My organization relies on openness and	Person correlation	0.760*
	communication.	P-value (Sig)	0.000
9	I would like to have my organization the best	Person correlation	0.629*
	among other organizations.	P-value (Sig)	0.000
10	I want to stay in the organization more than	Person correlation	0.892*
	anywhere else	P-value (Sig)	0.000
11	I will not leave my job in the organization even if I	Person correlation	0.833*
	find a workplace with better benefits.	P-value (Sig)	0.000
12	I am not thinking about leaving the organization	Person correlation	0.743*
	now.	P-value (Sig)	0.000
13	I feel that my values of belonging outweigh the	Person correlation	0.684*
	values of the organization.	P-value (Sig)	0.000
14	I feel there is a moral obligation to keep me	Person correlation	0.618*
	working within the organization	P-value (Sig)	0.000
*Co	errelation is significant at the level 0.05 (2-tailed)		
	<i>(</i>		

### 3.8.1.3 Discriminant validity

The Discriminant Validity: It is the ability of the test to differentiate the followed paragraphs to each dimension and the absence of overlap among the dimensions and its values will be calculated through the results of the analysis by calculating the square root to the variance ratio that the latent factor derives. The values that extend 0.50 indicate to a reasonable degree of discriminatory fidelity.

Table (3.5) includes the indicators of Discriminant validity DV which calculated by results of factor analysis, the values of DV indicator more than 0.50 and the values of DV indicators greater than 0.946, these values indicate that there is good validity of our data.

**Table 3.5:** Shows Discriminant Validity.

Variables	Constructs	No. of items	<b>Discriminant Validity</b>
Independent	Financial Incentives	18	0.948
_	Moral incentives	18	0.971
Dependent	Employee loyalty	14	0.946

#### 3.8.2 Reliability

# 3.8.2.1 Indicators Cronbach's Alpha and Guttman Split-half composite reliability

The establishment of unidimensional is required for effective use of Cronbach's alpha as the Cronbach alpha can underestimate the reliability of a multidimensional measure (Anderson and Gerbing, 1988). Cronbach's Alpha is widely used in social science and business for testing the internal consistency of the survey items (Cronbach, 1951). The Cronbach alpha statistic indicates the level of reliability. Its values could range from 0.0 to 1.0 with a value closer to 1.0 indicating a higher level of reliability.

Table (3.6) shows the values of reliability indicators, where Cronbach's Alpha value ranged between 0.938 and 0.968.Guttman values for Split-Half reliability and ranged between 0.972 and 0.981.

As a conclusion, it is proven that the study questionnaire was valid, reliable and ready to be used for data collection. According to FA results, composite reliability was calculated, the minimum (CR) was 0.711 above the critical level of 0.7 as well, indicating high reliability. According to these indicators, conclude that the questionnaires of the study are considered reliable

**Table 3.6:** Indicators Cronbach's Alpha and Guttman Split-half and composite reliability

Variables	Dimensions	No. of items	Cronbach Alpha	Guttman split-half	CR
Independent	Financial Incentives	18	0.941	0.972	0.711
	Moral incentives	18	0.968	0.981	0.808
Dependent	Employee loyalty	14	0.938	0.973	0.748

#### 3.9 Statistical Techniques and Software's

The researcher used Statistical Package for social science to analyze data by:

- Frequencies and Percentages to describe personal information for the study sample.
- Mean of Answers and RII-Relative Importance Index to identify to what extent the responses for items and the main dimensions of the study and Standard Deviation to show how much variation or dispersion exists from the mean.
- Cronbach's Alpha and Guttman Split-half: to estimate the reliability of the questionnaire dimensions.
- Person correlation coefficients to assess the construct validity.
- T-test for independent samples to test the presence of statistically significant differences in the level of Agreement on variables due to gender.
- one sample T-test to determine the direction of respondents' responses to the value (5.5)
- Analysis of Variance- ANOVA to test for the presence of statistically significant differences in the level of Agreement on variables of the study due to other Personal information factors.
- Regression analysis: The purpose of regression analysis is to identify changes in independent variables that are significant predictors of changes in a dependent variable and in so doing, build a linear model that describes these relationships. How well the resulting model fits the population it is indicated by the coefficient of determination (i.e. R-square, R2). In this study, multiple Regression analysis was undertaken to test the Impact of The Role of Incentives on the Employees Loyalty in the Governmental Organizations.

#### 4. DATA ANALYSIS AND RESULTS

#### 4.1 Introduction

This chapter explains the stages of the data analysis process for the collected responses and presents the results of the analysis with explanations for these results. It also provides a clear idea of the personal information of respondents. In this chapter, the researcher uses an analytical tool: IBM SPSS Statistics 25; In order to determine the nature of the relationship between the variables of the study and test hypotheses of the study.

#### 4.2 Personal Characteristics of the Research Population

The questionnaire data was collected from (205) Employees in the Governmental Organizations in Gaza - Palestinian National Authority, where 80.0% of them are male and 20.0% of them are female. Table 5.1 shows the Characteristics of respondents on the questionnaire. Where the respondents distrusted according to age the respondent distributed to (From 20-30= 41.5%, From 31- to less than 40 = 39.0%=, From 41- to less than 50= 16.1%, 51 years and more = 3.4%). As well as to Academic qualification (High school = 18.5%, Diploma= 57.1%, Bachelor= 15.1%, Graduate Studies = 9.3%).

**Table 4.1:** Characteristics of Respondents.

Variables	Male	(164)	Femal	le (41)	Total	(205)
	Number	Percent	Number	Percent	Number	Percent
		Age	e			_
20-30 years	70	42.7%	15	36.6%	85	41.5%
from 31 to less than 40	63	38.4%	17	41.5%	80	39.0%
from 41 to less than 50	28	17.1%	5	12.2%	33	16.1%
51 years and more	3	1.8%	4	9.8%	7	3.4%
•	A	cademic qu	alification			
High School	33	20.1%	5	12.2%	38	18.5%
Diploma	90	54.9%	27	65.9%	117	57.1%
Bachelor	24	14.6%	7	17.1%	31	15.1%
Graduate Studies	17	10.4%	2	4.9%	19	9.3%

#### 4.3 Descriptive Statistics of Variables of the Study

Table 4.2 shows the descriptive measurements of Variables of the Study construct, whereas the table has three Variables, the Variables which come first based on the level of agreement is "Financial Incentives" with (M = 2.90, RII = 57.9%, SD = 0.84), the Variable which comes last "Employee loyalty" with (M = 2.62, RII = 52.3%, SD = 0.89). According to one sample T-test around the mid value(3), In general, the results indicated that the value of the T-test to verify that the mean of the responses differed from the value (3) that expresses the neutral position of the participants or not, and was statistically significant at level 0.05 for the second and third dimensions. While the T-test of the first dimension "Financial Incentives" was statistically insignificant at 0.05, which means that the average dimension is close to the value (3), and the mean values for the second and third dimensions were less than the value (3) and statistically significant at 0.05. this indicates that the position of the participants of the second and third dimensions tend to be negative and the mean values are less than (3). This result indicates that the level of acceptance of employees working in governmental organizations tends to be negative on the study dimensions.

**Table 4.2:** Descriptive measurements of Variables of the Study construct.

Variables	Dimensions	Mean	S.D	RII	t-test	Sig.
Independent	Financial	2.90	0.84	57.9%	-	0.080
-	Incentives				1.762	
	Moral incentives	2.76	0.89	55.2%	-	0.000
					3.818	
Dependent	Employee loyalty	2.62	0.89	52.3%	-	0.000
•					6.169	

Hint: Mean=Mean of answers, RII=Relative Importance Index ((Mean/5) \*100%), SD=Standard Deviation, T = statistics of one sample T-test about (3), and \*sig = significance of test, R=Rank.

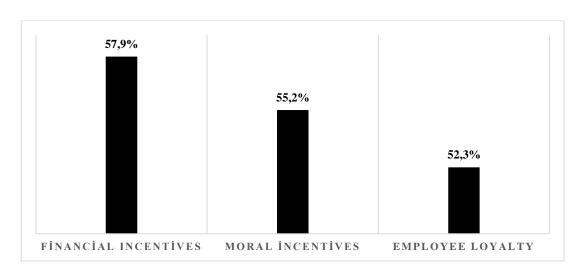


Figure 4.1: Descriptive measurements of Variables of the Study construct

# 4.3.1 Financial incentives

Table 4.3 shows the descriptive measurements of items of Financial Incentives construct, whereas the table has Eighteen items ,the total degree of agreement on Financial Incentives construct was Medium with (M = 2.90, RII = 57.9%, SD = 0.84).

The item which comes first based on level of agreement is "The organization allocates cash equivalents to the ideal employee." with (M = 3.41, RII = 68.2%, SD = 1.20), the item which comes last based on agreement level is "The promotion of financial rewards encourages more work excellence" with (M = 1.88, RII = 37.6%, SD = 1.19).

**Table 4.3:** Descriptive measurements of items of Financial Incentives construct.

#	Items	Mean	S.D	RII	Rank
1	The organization management is interested in	3.11	1.26	62.1%	6
	providing financial rewards to outstanding				
2	employees. The organization associates the value of the	3.11	1 10	62 10/	6
2	The organization associates the value of the equivalent by the nature of work effort.	3.11	1.19	62.1%	O
3	The awards are based on a set of criteria set by the	2.75	1.25	55.1%	11
	organization.	2.7.0	1.20	001170	
4	There is full knowledge by staff about the awards	3.22	1.26	64.5%	5
	criteria.				
5	The employee receives his annual allowance on a	2.60	1.34	51.9%	13
_	regular basis.	• • •	4.00	<b>=</b> 0 <b>=</b> 0.	_
6	The organization connects the promotion grants	2.93	1.32	58.5%	7
7	with the efficiency of work performance.  The organization gives exceptional promotions to	2.87	1.32	57.4%	9
,	outstanding employees	2.07	1.32	37.470	9
8	The organization's management is concerned with	2.72	1.17	54.3%	12
	the development of distinguished human cadres			- 112 / 1	
9	The organization covers the costs of the training	2.57	1.29	51.4%	14
	needed and wanted by the staff				
10	The promotion of financial rewards encourages	1.88	1.19	37.6%	16
1.1	more work excellence	2.25	1.07	67 10/	2
11	The Organization provides cash loans to staff in	3.35	1.27	67.1%	2
12	emergency situations The organization contracts some commercial	2.90	1.25	57.9%	8
12	places to meet the staff needs at special prices	2.70	1.23	31.770	O
13	The organization allocates cash equivalents to the	3.41	1.20	68.2%	1
	ideal employee.				
14	The organization grants financial advances to its	3.25	1.34	65.0%	3
	employees when needed.				
15	The organization provides in-kind gifts to	2.78	1.23	55.5%	10
1.0	employees at various events.	2.02	1.07	50 50/	7
16	The organization provides a dedicated recreation for its employees	2.93	1.27	58.5%	7
17	The Organization covers the overtime costs of its	3.24	1.44	64.9%	4
1/	staff	J.∠ <del>T</del>	1.77	U-1.7/U	-T
18	The organization provides health insurance	2.53	1.45	50.6%	15
	services to its employees				
	Overall	2.90	0.84	57.9%	

Hint: Mean=Mean of answers, RII=Relative Importance Index ((Mean/5) \*100%), SD=Standard Deviation., R=Rank.

### 4.3.2 Moral incentives

Table 4.4 shows the descriptive measurements of items of Moral incentives construct, whereas the table has Eighteen items, the total degree of agreement on Moral incentives construct was Medium with (M = 2.76, RII = 55.2%, SD = 0.89).

The item which comes first based on level of agreement is "The organization is interested in diversifying the work of employees to avoid their sense of routine and boredom" with (M = 3.28, RII = 65.6%, SD = 1.34), the item which comes last based on agreement level is "The organization provides certificates of thanks and appreciation to distinguished employees on a regular basis." with (M = 2.45, RII = 49.0%, SD = 1.21).

**Table 4.4:** Descriptive measurements of items of Moral incentives construct.

#	Items	Mean	S.D	RII	Rank
1	The organization relies on the management by the	2.52	1.06	50.4%	13
	objective to achieve business goals.				
2	The organization management involves the staff in	2.94	1.13	58.8%	5
	approving various work objectives				
3	The organization management pays special attention to	2.82	1.12	56.5%	7
	the staff opinion on ways to develop the working methods.				
4	The administration is interested in showing appreciation	2.52	1.18	50.4%	13
	for the employee's efforts when completion of the work.				
5	The organization provides certificates of thanks and	2.45	1.21	49.0%	15
	appreciation to distinguished employees on a regular basis.				
6	The organization encourages employees to work in a state	2.68	1.12	53.6%	10
_	of legitimate competition for self-affirmation.	2.02	4.40	50 <b>T</b> 0/	2
7	The organization provides an organized work environment	3.02	1.19	60.5%	3
0	that ensures comfort in delivery.	2.50	1.16	<b>51 6</b> 0/	10
8	The organization shows an interest in participating in various social activities for staff.	2.58	1.16	51.6%	12
9	The organization is interested in strengthening the	2.87	1.07	57.4%	6
9	patriarchal style in the administration	2.07	1.07	37.4%	O
10	The organization uses the tools of reward and moral	2.50	1.16	50.0%	14
10	punishment in influencing the attitudes of the workers	2.30	1.10	30.070	17
	towards accomplishing the work				
11	The organization organizes honorary celebrations for	2.80	1.26	56.0%	8
	distinguished employees on a regular basis		1.20	20.070	Ü
12	The organization gives tribute to the employee at the end	2.68	1.31	53.7%	10
	of his service				
13	The organization encourages good human relations among	2.52	1.16	50.3%	13
	staff members				
14	The organization is interested in spreading the idea of	3.19	1.32	63.7%	2
	linking promotion to qualitative achievement rather than				
	seniority at work				
15	The organization is interested in diversifying the work of	3.28	1.34	65.6%	1
	employees to avoid their sense of routine and boredom				
16	The organization is responsible for security and job	2.98	1.28	59.6%	4
	stability.				
17	The organization management is concerned with raising	2.62	1.16	52.5%	11
4.0	the staff morale spirit while carrying out their duties	2.51	1 22	<b>7.1.0</b> 0:	•
18	The organization allocates breaks for staff	2.71	1.22	54.3%	9
	Overall	2.76	0.89	55.2%	

Hint: Mean=Mean of answers, RII=Relative Importance Index ((Mean/10) \*100%), SD=Standard Deviation., R=Rank.

#### **4.3.3** Employee loyalty

Table 4.5 shows the descriptive measurements of items of Employee loyalty construct, whereas the table has fifteen items, the total degree of agreement on Employee loyalty construct was Medium with (M = 2.62, RII = 52.3%, SD = 0.89).

The item which comes first based on level of agreement is "I will not leave my job in the organization even if I find a workplace with better benefits." with (M = 3.46, RII = 69.2%, SD = 1.32), the item which comes last based on agreement level is "I would like to have my organization the best among other organizations." with (M = 1.76, RII = 35.2%, SD = 1.08).

**Table 4.5:** Descriptive measurements of items of Employee loyalty construct.

#	Items	Mean	S.D	RII	Rank
1	I feel like wanting to spend the rest of my life in the	3.29	1.32	65.8%	3
2	organization.  I am proud to talk about my membership in social and professional circles.	2.31	1.26	46.2%	9
3	The organization has a high place in myself.	2.30	1.31	46.1%	10
4	I feel that the problems of the organization are part of my personal problems.	2.48	1.28	49.6%	8
5	I am ready to double my efforts free of charge within the organization if it is about the continuity and success of the organization.	2.56	1.39	51.1%	7
6	I feel that the benefits offered by the organization are more than the benefits offered by other organizations.	3.39	1.26	67.8%	2
7	I feel job security within my organization.	2.94	1.34	58.8%	4
8	My organization relies on openness and communication.	2.79	1.16	55.9%	5
9	I would like to have my organization the best among other organizations.	1.76	1.08	35.2%	12
10	I want to stay in the organization more than anywhere else	2.75	1.23	55.0%	6
11	I will not leave my job in the organization even if I find a workplace with better benefits.	3.46	1.32	69.2%	1
12	I am not thinking about leaving the organization now.	2.31	1.21	46.1%	9
	I feel that my values of belonging outweigh the values of the organization.	2.31	1.17	46.2%	9
14	I feel there is a moral obligation to keep me working within the organization	2.05	1.11	41.0%	11
	Overall Overall	2.62	0.89	52.3%	

Hint: Mean=Mean of answers, RII=Relative Importance Index ((Mean/5) \*100%), SD=Standard Deviation., R=Rank.

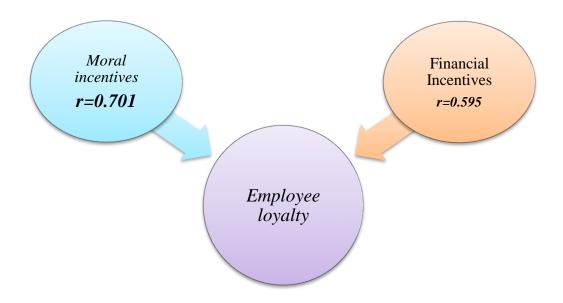
### 4.4 Relationships between Variables of the Study.

The following table (4.6) shows the results of Pearson correlation coefficients between the variables of the study. the researcher calculated coefficients between all main construct and its sub construct. Where we notice through the results that there is no correlation between the independent variables (Financial Incentives, Moral incentives) and the dependent variable (Employee loyalty) Figure 4.2 the results of Pearson correlation coefficients between variables of the study

**Table 4.6:** Show the Results of Pearson Correlation Coefficients between Variables of the Study

Variables	Financial Incentives		Moral incentives		<b>Employee loyalty</b>	
	R	Sig	r	Sig	r	Sig
Financial Incentives	1.000		0.802*	0.000	0.595*	0.000
Moral incentives	0.802*	0.000	1.000		0.701*	0.000
Employee loyalty	0.595*	0.000	0.701*	0.000	1.000	

<sup>\*</sup>Correlation is significant at the level 0.01 (2-tailed).



**Figure 4.2:** Shows the Results of Pearson Correlation Coefficients between Variables of the Study

### 4.5 Testing The Study Hypothesizes

The starting point of the practical side of any research is to develop hypotheses about the phenomenon to be studied.

The impact hypothesis test is validated by calculating the simple and multiple linear regression method. The impact of each variable of the independent variables that represent Dimensions (Financial Incentives, Moral incentives) on the dependent (Employee loyalty) is studied by the simple regression. Then the multiple regression models study the impact of independent variables on the dependent variable. Statistically, the null hypothesis (Ho) which assumes that there is no statistically significant effect against the alternative hypothesis (H1) that assumes there is a statistically significant effect and the judgment of the test result is based on the value of the calculated level of significance of the test (Sig). Where the null hypothesis is rejected and we go to the validity of the alternative hypothesis in case that the value of (Sig) is less than 0.05 so the test is significant which means there is a statistically significant effect. Where the null hypothesis is accepted in case that the value of (Sig) is more than 0.05 which means there is no a statistically significant effect.

The table (4.7) shows the results of the test of sub-hypotheses and the main hypothesis to verify the existence of an impact of the independent variables (Financial Incentives, Moral incentives) on the dependent variable that is represented in (Employee loyalty)

**Table 4.7:** Shows the Results of the Test of the Impact Hypotheses by Calculating the Simple Linear Regression Method

Independent	Regression		Correlation	Determination	F	Sig
Variable's	Coefficients		Coefficient	Coefficient		
	A	β	r	R-square		
Financial Incentives	0.802	0.627	0.595	0.354	111.432	0.000
Moral incentives	0.695	0.696	0.701	0.492	196.430	0.000

#### 4.5.1 First main hypothesis

"There is a significant impact of Financial Incentives on Employee's loyalty in the organizations"

Table 4.7 shows the result of the first hypothesis, which indicates that (i) The Correlation coefficient was (0.595) which indicates that there is a significant relationship between Financial Incentives on Employee's loyalty. (ii) the results

of simple regression to estimate the impact Financial Incentives on Employee's loyalty, where the results show that the impact of Financial Incentives, is significant at 0.05 level ( $\beta$  = 0.627, Sig. = 0.000), and the coefficient of determination equals 0.354 which means that 35.4% of Changing of Employee's loyalty had explained by Financial Incentives, and this percentage is significant at 0.05 level because F-statistics are insignificant at 0.05 where (F = 111.432, Sig. = 0.000), and this result supports the validity of the first main hypothesis. Therefore, we can conclude, "There is a significant impact of Financial Incentives on Employee's loyalty in the organizations".

#### 4.5.2 The second main hypothesis

"There is a significant impact of Moral incentives on Employee's loyalty in the organizations".

Table 4.8 shows the result of the second hypothesis, which indicates that (i) The Correlation coefficient was (0.701) which indicates that there is a significant relationship between Moral incentives on Employee's loyalty. (ii) the results of simple regression to estimate the impact Moral incentives on Employee's loyalty, where the results show that the impact of Moral incentives are significant at 0.05 level ( $\beta$  = 0.696, Sig. = 0.000), and the coefficient of determination equals 0.492 which means that 49.2% of Changing of Employee's loyalty had explained by Moral Incentives, and this percentage is significant at 0.05 level because F-statistics are insignificant at 0.05 where (F = 196.430, Sig. = 0.000), and this result supports the validity of the second main hypothesis. So, we can conclude that "There is a significant impact of Moral incentives on Employee's loyalty in the organizations"

Table 4.8 shows the results of the regression of financial and moral incentives on Employee's loyalty.

Where we conclude that variable (moral incentives) affects the dependent variable employee's loyalty ( $\beta = 0.623$ , Sig. = 0.000), while variable (financial Incentives) did not affect the dependent variable employee's loyalty and the coefficient of determination equals 0.495 which is mean 49.5% of changing of employee's loyalty had explained by financial and moral incentives, but this

percent is significant because F-statistics are insignificant at 0.05 where (F = 98.909, Sig. = 0.000).

**Table** Hata! Belgede belirtilen stilde metne rastlanmadı.**4.8:** The Effect of Financial and Moral Incentives on Employee's Loyalty

Independent Variable	<b>Regression Coefficients</b>			Determination Coefficient	F	Sig
	В	T	Sig.	R-square		
(Constant)	0.617	3.839	0.000	0.495	98.909	0.000
Financial Incentives	0.097	1.094	0.275			
Moral incentives	0.623	7.492	0.000			

# 4.6 The Differences in Financial and Moral Incentives on Employee's Loyalty According to Personal Information.

To test the differences in Financial and Moral incentives on Employee's loyalty according to Personal information "Gender, Age, the Academic qualification". We used independent samples T-test to test the null hypothesis ( $H_0$ : there is no significant differences) versus alternative hypothesis ( $H_1$ : there is significant differences) for factors that have two categories like Gender, and analysis of variance test for factors that have more than two categories like the age of the respondent. Table 4.9 shows the results of the test the differences Financial Incentives according to Personal information, where the results indicate that the level of significance for most of (Gender and Academic qualification) is greater than the standard level 0.05 except (Age) the level significance is (sig< 0.05).

**Table 4.9:** Results of Test the Differences in Financial Incentives According to Personal Information.

Persona	"Financial Incentives"							
		M	SD	RII	Test - statistics	Sig.	Comment	
Gender	Male	2.89	0.85	57.8%	T= -249	0.803	Rejected	
	Female	2.93	0.83	58.5%				
Age	20-30 years	2.72	0.85	54.3%	F = 3.170	0.025	Accepted	
	from 31 to less	3.09	0.87	61.8%			-	
	than 40							
	from 41 to less	2.95	0.67	59.0%				
	than 50							
	51 years and more	2.60	0.87	51.9%				
Academic	High School	2.66	0.59	53.2%	F=0.566	0.638	Rejected	
qualification	Diploma	2.94	0.97	58.9%			-	
•	Bachelor	2.92	0.86	58.3%				
	<b>Graduate Studies</b>	2.91	0.73	58.1%				

Table 4.10 shows the results of the test the differences Moral incentives according to Personal information, where the results indicate that the level of significance for most of (Gender and Academic qualification) is greater than the standard level 0.05 except (Age) the level significance is (sig < 0.05).

**Table 4.10:** Results of Test the Differences in Moral Incentives According to Personal Information.

Persona	"Moral incentives"							
		M	SD	RII	Test - statistics	Sig.	Comment	
Gender	Male	2.73	0.92	54.7%	T = -0.857	0.392	Rejected	
	Female	2.87	0.81	57.4%			-	
Age	20-30 years	2.60	0.86	51.9%	F = 2.995	0.032	Accepted	
	from 31 to less	2.99	0.96	59.8%				
	than 40							
	from 41 to less	2.65	0.76	53.0%				
	than 50							
	51 years and more	2.70	0.67	54.1%				
Academic	High School	2.34	0.79	46.8%	F=2.361	0.073	Rejected	
qualification	Diploma	2.64	1.05	52.8%			· ·	
•	Bachelor	2.82	0.88	56.3%				
	Graduate Studies	2.96	0.75	59.2%				

Table 4.11 shows the results of the test the differences Employee loyalty according to Personal information, where the results indicate that the level of

significance for most of (Age) is greater than the standard level 0.05 except (Gender and Academic qualification) the level significance is (sig < 0.05).

**Table 4.11:** Results of Test the Differences in Employee Loyalty According to Personal Information.

Perso	onal information		"Employee loyalty"						
		M	SD	RII	Test - statistics	Sig.	Comment		
Gender	Male	2.54	0.88	50.7%	T = -2.694	0.008	Accepted		
	Female	2.95	0.83	58.9%			-		
Age	20-30 years	2.63	0.99	52.7%	F = 2.652	0.050	Rejected		
	from 31 to less than 40	2.76	0.81	55.2%					
	from 41 to less than 50	2.25	0.76	45.1%					
	51 years and more	2.51	0.59	50.1%					
Academic	High School	2.11	0.74	42.2%	F=2.888	0.037	Accepted		
qualification	Diploma	2.53	0.92	50.7%			-		
-	Bachelor	2.68	0.89	53.6%					
	Graduate Studies	2.80	0.83	56.0%					

### 5. CONCLUSIONS AND RECOMMENDATIONS

This chapter includes an overview of the study's results "The Role of Incentives on the Employees Loyalty in the Governmental Organizations.

# **5.1 Test Results of Study Hypotheses**

**Table 5.1:** Summary of the Results of the Study Hypotheses

Hypotheses	Comment
H1: There is a significant impact of Financial Incentives on Employee's loyalty	Accepted
in the organizations	
H2: There is a significant impact of Moral incentives on Employee's loyalty in	Accepted
the organizations	
H3: There are statistically significant differences at 0.05 in respondents' response	es to
Financial Incentives according to demographic factors	
H3.1 There are statistically significant differences at 0.05 in respondents'	Rejected
responses to Financial Incentives according to gender	
H3.2 There are statistically significant differences at 0.05 in respondents'	Accepted
responses to Financial Incentives according to age	
H3.3 There are statistically significant differences at 0.05 in respondents'	Rejected
responses to Financial Incentives according to Academic qualification	
H4: There are statistically significant differences at 0.05 in respondents' response	es to Moral
incentives according to demographic factors	
H4.1 There are statistically significant differences at 0.05 in respondents'	Rejected
responses to Moral incentives according to gender	
H4.2 There are statistically significant differences at 0.05 in respondents'	Accepted
responses to Moral incentives according to age	
H4.3 There are statistically significant differences at 0.05 in respondents'	Rejected
responses to Moral incentives according to Academic qualification	

# **5.2 General Results of the Study**

• The overall agreement on incentives for financial incentives was Medium Relative Importance Index = 57.9% From the point of view of staff members of the Palestinian National Authority.

- The overall agreement on incentives for Moral incentives was Medium Relative Importance Index = 55.2% From the point of view of staff members of the Palestinian National Authority.
- The overall agreement on incentives for Employee loyalty was Medium Relative Importance Index = 52.3% From the point of view of staff members of the Palestinian National Authority.
- there is correlation between Financial Incentives and the (Employee loyalty).
- there is correlation between Moral incentives and the (Employee loyalty).
- There is a significant impact of Financial Incentives on Employee's loyalty in the organizations
- There is a significant impact of Moral incentives on Employee's loyalty in the organizations
- There are no statistically significant differences at 0.05 in respondents' responses to Financial Incentives according to gender
- There are statistically significant differences at 0.05 in respondents' responses to Financial Incentives according to age
- There are no statistically significant differences at 0.05 in respondents' responses to Financial Incentives according to Academic qualification'
- There are no statistically significant differences at 0.05 in respondents' responses to Moral incentives according to gender
- There are statistically significant differences at 0.05 in respondents' responses to Moral incentives according to age
- There are no statistically significant differences at 0.05 in respondents' responses to Moral incentives according to Academic qualification

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# APPENDICES

Appendix A : Questionnaire in Arabic language ' Population language'

# Appendix A: Questionnaire in Arabic language 'Population language'

### بسم الله الرحمن الرحيم

كلية الدراسات العليا إدارة الأعمال

حفظكم الله ورعاكم ،،،

السادة الأفاضل السلام عليكم ورحمة الله وبركاته ،،،

# الموضوع: استبانة

يتشرف الباحث أن يضع بين أيديكم استبانة لإجراء بحث بعنوان:

"دور الحوافز على ولاء الموظفين في المنظمات الحكومية "

وذلك استكمالا لمتطلبات الحصول على شهادة الماجستير في تخصص إدارة الاعمال من جامعة تركيا. لذا آمل من سيادتكم التكرم بقراءة كل عبارة من عبارات الاستبانة، ثم وضع علامة  $(\times)$  في الخانة التي تمثّل وجهة نظركم نحو ما هو قائم بالفعل وفق تدرّج خماسي (موافق بشدة، موافق، محايد، غير موافق، غير موافق بشدة). علما بأن إجاباتكم سيتم معالجتها بسرية تامة و لأغراض البحث العلمي فقط، نشكر لكم تعاونكم، ونؤكد لكم أن لإجاباتكم تأثيرا مهما في دقة النتائج وتحقيق أهداف البحث.

وتفضلوا بقبول فائق الاحترام والتقدير،

الباحث: قسام النواصره

يرجى التكرم باختيار البديل المناسب لكل عبارة من العبارات التالية وذلك بوضع إشارة (V).

القسم الأول: البيانات الديموغرافية	
1. الجنس	
□ذکر	□أنثى
2. العمر	
□ أقل من 30 سنة	□ 30 سنة إلى أقل من 40 سنة
40 □ سنة إلى أقل من 50 سنة	□ 50 سنة فأكثر
3. الحالة الزواجية	
□ متزوج	□ غير متزوج
□ أرمل	□ مطلق
4. سنوات الخبرة	
□ 1 الى اقل من 5 سنوات	□ 5 سنوات - أقل من 10 سنوات
□ 10 سنوات - أقل من 15 سنة	□ 15 سنة فأكثر
5. المؤهل العلمي	

ا بكالوريوس	🗖 دبلوم فأقل
<ul><li>أخرى حدد ()</li></ul>	🗖 دراسات عليا
	6. المسمى الوظيفي
•••••	

# القسم الثاني: محاور الدراسة

# المحور الاول: الحوافز

				المادية	البعد الأول: الحوافز ا	
				اعمانية	البعد الاون: العوائر ا	
عیر موافق بشدة	غیر موافق	محايد	موافق	موا <u>فق</u> بشدة	الفقرات	م.
					تهتم إدارة المنظمة بتقديم المكافنات المادية للعاملين المتميزين.	1
					تربط المنظمة قيمة المكافئة بطبيعة الجهد المبذول في العمل.	2
_					يستند منح المكافئة الى معايير محددة من قبل المنظمة.	3
					يوجد معرفة تامة من قبل الموظفين بمعايير منح المكافئات المادية.	4
					يحصل الموظف على علاوته السنوية بشكل منتظم.	5
					تربط المنظمة منح الترقيات بكفاءة الإنجاز في العمل.	6
					تقوم المنظمة بمنح ترقيات استثنائية للموظفين المتميزين	.7
					تهتم إدارة المنظمة بتطوير الكادر البشري المتميز	.8
					تقوم المنظمة بتغطية تكاليف التدريب المتخصص وفقا	.9
					لاحتياجات ورغبات الموظفين يشجع تقديم المكافئات المادية على بذل المزيد من الجهد للتميز في العمل	.10
					تقوم المنظمة بتوفير قروض نقدية للموظفين في الحالات الطارئة	.11
					تقوم المنظمة بالتعاقد مع بعض الأماكن التجارية لتامين احتياجاتهم المادية بأسعار مميزة	.12
					تخصُّص المنظمة مكافئات نقديَّة للموظف المثالي.	13
					تمنح المنظمة سلف مادية للعاملين بها عند الحاجة.	14
					تقوم المنظمة بتقديم هدايا عينية للموظفين في المناسبات المتنوعة.	15
					تؤمن المنظمة امكان ترفيهية مخصصة للعاملين بها	.16
					تقوم المنظمة بتغطية تكاليف العمل الإضافي لموظفيها	.17
					توفر المنظمة خدمات التامين الصحي للعاملين بها	.18
				لمعنوية	البعد الثاني: الحوافز ا	
غیر موافق بشدة	غیر موافق	محايد	موافق	موا <u>فق</u> بشدة	الفقرات	م.
					تعتمد المنظمة على أسلوب الإدارة بالأهداف لإنجاز الاعمال.	1
					تقوم إدارة المنظمة باشراك الموظفين في إقرار اهداف	2

	العمل المتنوعة	
تماما خاصا بآراء الموظفين حول	· · · ·	3
	سبل تطوير أساليب الع	
قدير لجهود الموظف عند الانتهاء		4
ייני ה נו יין לה אין ווייני ווייני און אין אין אין אין אין אין אין אין אין אי	من انجاز العمل.	
تقديم شهادات الشكر والتقدير شكل دوري	للموظفين المتميزين بن	5
لفين على العمل في ظل حالة من		
	المنافسة المشروعة لإ	6
ظمة للعمل تضمن وسانل الراحة		7
ماما بالمشاركة في الأنشطة	في الإنجاز.	
مامــا بالمشــاركة فــي الأنشــطة	تظهر المنظمة اهت	8
	الاجتماعية المتنوعة ا	
نمط الابوي في الادارة		.9
ات الثواب والعقاب المعنوي في		.10
عاملين نحو انجاز الاعمال		
ت تكريمية للموظفين المتميزين	تقيم المنظمة احتفالا بشكل دوري	.11
دايا تكريمية للموظف عند انتهاء		
	خدمته	.12
و علاقات إنسانية جيدة بين فرق	تشجع المنظمة إقامة	.13
	العمل المتنوعة	.13
كرة ربط الترقية بالإنجاز النوعي		.14
	وليس الاقدمية في العه	•••
الاعمال الخاصة بالموظفين تجنبا		.15
	لشعورهم بالروتين وال	
لف بالأمن والاستقرار الوظيفي	تشعر المنظمة الموظ ارتباطا بأدائه لأعماله	.16
فع الروح المعنوية للعاملين اثناء	بهنم إداره المنظمة برا تأديتهم لواجباتهم واع	17
مالهم يص أوقات محددة للاستراحة		
عيض اوقتات محدده برستراحه	الموظفين بداخلها	.18
	<del>ر</del>	

المحور الثاني: ولاء الموظفين							
غیر موافق بشدة	غیر موا <b>ف</b> ق	محايد	موافق	موافق بشدة	المفقرات	م.	
					اشعر بالرغبة في قضاء بقية حياتي في المنظمة.	.1	
					ينتابني الفخر عند الحديث عن انتمائي لمؤسستي في الأوساط الاجتماعية والمهنية.	.2	
					للمنظمة مكانة عالية في نفسي.	.3	
					اشعر بان مشاكل المنظمة هي جزء من مشاكلي الشخصية.	.4	
					انني على استعداد لمضاعفة جهدي مجانا داخل المنظمة إذا تعلق الامر باستمرارية ونجاح المنظمة.	.5	
					اشعر بان المزايا المقدمة من قبل المنظمة أكثر من المزايا التي تقدمها منظمات اخرى.	.6	

	اشعر بالأمن الوظيفي داخل منظمتي.	.7
	تعتمد مؤسستي على سياسة الانفتاح وتشجيع الاتصال.	.8
	أحب ان تكون منظمتي هي الأفضل بين المنظمات الاخرى.	.9
	ارغب بالبقاء داخل العمل في المنظمة أكثر من أي مكان اخرى	.10
	لن اترك عملي في المنظمة حتى لو وجد مكان عمل بمزايا أفضل.	.11
	لا أفكر في ترك العمل بالمنظمة في الوقت الراهن.	.12
	اشعر بان قيمي في الانتماء تتفوق على قيم المنظمة.	.13
	اشعر ان هناك تجانس بين قيمي الشخصية والقيم السائدة في المنظمة.	.14
	اشعر بوجود التزام أخلاقي لدي يدفعني للاستمرار في العمل داخل المنظمة	.15

Appendix B: Questionnaire in English language "the study language"

#### In the Name of God

College of Graduate Studies Business Administration

#### May God preserve you and protect you

#### **Questionnaire**

The researcher is honored to put in your hands a questionnaire to conduct a research entitled:

### "Role of Incentives on Employee Loyalty in Government Organizations"

In order to complete the requirements for obtaining a master's degree in business administration from Turkey University. So I hope you can read each paragraph, then tick (x) in the box that represents your opinion. The scale consists of a degrees (strongly agree, agree, neutral, disagree, strongly disagree). We thank you for your cooperation. We assure you that your answers will have an important impact on the accuracy of the results and the achievement of the research objectives.

#### **,Yours sincerely**

Researcher: Qassam Alnawasra

✓ Please select the appropriate variant for each of the following statements by marking()

**Part 1: Demographic Factors** 8. Gender ☐ Male **□Female** 9. Age □Less than 30 years □Less than 40 years □Less than 50 years ☐More than 50 years 10. Marital status □Single □Married □Widowed **□**Divorced 11. Years of Experience □Less than 5 years **□** 5-10 Years **□10-15** Years ☐More than 15 years 12. Academic qualification □Diploma ☐ Bachelor

### **Part II: Study Topics**

**□**Graduate Studies

13. Job title

#### **Incentives**

□Other (.....)

	First dimension: Financial Incentives						
#.	Paragraph	Strongly Agree	Agree	Neutral	disagree	Strongly disagree	
1	The organization management is interested in providing financial rewards to outstanding employees.						
2	The organization associates the value of the equivalent by the nature of work effort.						
3	The awardsare based on a set of criteria set by the organization.						
4	There is full knowledge by staff about the awards criteria.						
5	The employee receives his annual allowance on a regular basis.						
6	The organization connects the promotion grants with the efficiency of work performance.						
7	The organization gives exceptional promotions to outstanding employees						
8	The organization's management is concerned						

	with the development of	1				
	distinguished human cadres					
	The organization					
	covers the costs of the					
9	trainings neededand					
	wanted by the staff					
	The promotion of financial					
10	rewards encourages more					
10	work excellence					
	The Organization provides					
11	cash loans to staff in					
11	emergency situations					
	The organization contracts					
	some commercial places to					
12	meet the staff needs at special					
	prices					
	The organization allocates					
13	cash equivalents to the ideal					
10	employee.					
-	The organization grants					
14	financial advances to its					
	employees when needed.					
	The organization provides in-					
15	kind gifts to employees at					
	various events.					
	The organization provides a					
16	dedicated recreation for its					
	employees					
17	The Organization covers the					
	overtime costs of its staff					
	The organization provides					
18	health insurance services to					
	its employees					
	Second di	imension:	moral in	centives		
#	Danagnanh	Strongly	Agree	Neutral	disagree	Strongly
#	Paragraph	Agree	Agree	Neutrai	disagree	disagree
	The organization relies on the					
1	management by objective to					
	achieve business goals.					
	The organization management					
2	involves the staff in					
4	approving various work					
	objectives					
	The organization management					
3	pays special attention to the					
3	staff opinion on ways to					
	develop the working methods.					
4	The administration is					

	interested in showing			
	appreciation for the			
	employee's efforts when			
	completion of the work.			
	The organization provides			
5	certificates of thanks and			
3	appreciation to distinguished			
	employees on a regular basis.			
	The organization encourages			
(	employees to work in a state			
6	of legitimate competition for			
	self-affirmation.			
	The organization provides an			
_	organized work environment			
7	that ensures comfort in			
	delivery.			
	The organization shows an			
0	interest in participating in			
8	various social activities for			
	staff.			
	The organization is interested			
Δ	in strengthening the			
9	patriarchal style in the			
	administration			
	The organization uses the			
	tools of reward and moral			
4.0	punishment in influencing the			
10	attitudes of the workers			
	towards accomplishing the			
	work			
	The organization organizes			
	honorary celebrations for			
11	distinguished employees on a			
	regular basis			
	The organization gives tribute			
12	to the employee at the end of			
	his service			
	The organization encourages			
13	good human relations among			
	staff members			
	The organization is interested			
	in spreading the idea of			
14	linking promotion to			
14	qualitative achievement rather			
	than seniority at work			
	The organization is interested			
	in diversifying the work of			
15	employees to avoid their			
	sense of routine and boredom			
	sense of fourthe and boredon			

16	The organization is responsible for security and job stability.			
17	The organization management is concerned with raising the staff morale spirit while carrying out their duties			
18	The organization allocates breaks for staff			

Third dimension: Employee loyalty							
#	Paragraph	Strongly Agree	Agree	Neutral	disagree	Strongly disagree	
1	I feel like wanting to spend the rest of my life in the organization.						
2	I am proud to talk about my membership in social and professional circles.						
3	The organization has a high place in myself.						
4	I feel that the problems of the organization are part of my personal problems.						
5	I am ready to double my efforts free of charge within the organization if it is about the continuity and success of the organization.						
6	I feel that the benefits offered by the organization are more than the benefits offered by other organizations.						
7	I feel job security within my organization.						
8	My organization relies on openness and communication.						
9	I would like to have my organization the best among other organizations.						
10	I want to stay in the organization more than anywhere else						
11	I will not leave my job in the organization even if I find a workplace with better						

	benefits.			
12	I am not thinking about leaving the organization now.			
13	I feel that my values of belonging outweigh the values of the organization.			
14	I feel there is a homogeneity between my personal values and the prevailing values in the organization.			
15	I feel there is a moral obligation to keep me working within the organization			

#### **RESUME**

#### **Personal Information**

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39, Esenyurt. Istanbul, Turkey.

E-mail : qassam.nasser@gmail.com

# **Work Experience**

10/01/2013–08/05/2014 Administrative assistant in Palestinian Banking Corporation

Main Responsibilities

- Customer service.
- Following up the lending procedures.
- Recording all the transactions of loans and facilitations.
- Following up and mentoring the projects during and after the loan period.

21/09/2015–10/01/2015 Senior assistant in Gaza Training College - UNRWA Main Responsibilities

- Data Entry.
- Preparing the College schedules
- Coordination between College departments.

**27/02/2016–14/07/2016** Data entry administrator in Ministry of Labour.

Main Responsibilities

- Data entry of the collected reports of the projects.
- Data coding and documentation of reports and files.
- Following up the safety standards of factories and projects.
- Reporting to the head manager.



#### **Education and Training**

**15/09/2016 – 2018** Training Courses

Master of Business Administration (MBA) Istanbul Aydin University (Turkey)

**15/09/2010–08/06/2014** BA Economics and Management Al-azhar Univiersity- Gaza – Palestine.

**15/09/2008–20/06/2010** E- Business Diploma Degree. KYTC, Khanyounis Training College- UNRWA

- Computerized Data Entry and Typing at UNRWA KYTC.
- Monitoring and Evaluation of projects at SMET- UNRWA- Gaza.
- Professional Management of projects at SMET UNRWA- Gaza.
- Financial Management at NGOs at SMET- UNRWA- Gaza.
- Managerial skills at SMET- UNRWA Gaza.
- Communication skills and body language at Hiadar Abdel-shafi Centre.

#### **Skills and Abilities**

- Ability to type 50-60 word per minute in both languages Arabic and English.
- Ability to deal with the different Microsoft Office Group programs.
- Team Work: Excellent interpersonal skills and ability to establish and maintain effective working relations both as a team member and a team leader.
- Communication : good interpersonal, oral, and written communication skills
- Technological awareness; Solid computer skills and ability to deal with different data entry and processing programs.
- Ability to take initiative and operate effectively in a stressful work environment.
- Ability to prepare financial and narrative reports in both languages Arabic and English.