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RESEARCH ARTICLE

THE IMPACT OF INCENTIVES ON ENHANCING THE ORGANIZATIONAL LOYALTY OF EMPLOYEES OF THE JORDANIAN MINISTRY OF HIGHER EDUCATION.

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Abstract

The Impact of Incentives on Enhancing the Organizational Loyalty of employees of the Jordanian Ministry of Higher Education. The importance of the study came from the researched sector, which is the Jordanian Ministry of Higher Education, in which a large number of employees work there, while the reason of reforming and developing the system of the Higher Education Ministry is to improve the developmental sectors and to use the economic resources. The activation of the use of incentive systems in this ministry would raise the degree of loyalty of the workers and would increase their productivity as well. The study followed the descriptive - analytical approach based on sampling method through the use of the questionnaire. The study population consisted of workers in the Ministry of Higher Education of Jordan (The Center) which was (250) employees and the sample which was (38) employees. The study came up with some results and the most important were: There is a statistically significant effect between the financial incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education. There is also a statistically significant effect between the moral and financial incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education. There is a statistically significant effect between the social incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education as well. The study showed that there is a high level of loyalty among the employees to their ministry. The study also provided a number of recommendations including the following: To revise the incentive systems constantly and developing them to keep pace with the developments in the business environment. To logically respond to the employees' demands. To develop the work atmosphere and to spread the innovation and tolerance among the employees. To develop the communication systems and to use management with a love approach, and finally to highlight justice and transparency among workers.

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Introduction:-

The Ministry of Higher Education is considered to be one of the important ministries in Jordan for the huge role, its playing in enhancing and organizing the higher education which is contributing to the sustainable development , and the incentives topic occupies a prominent place ,since the interest of searching for individuals who work efficiently while ensuring the effective achievement of the objectives of the organization ; as the incentives play an active and important role in the productivity of workers. The importance of incentives comes from individual need to recognize his efforts and achievements , as recognizing the others to this efforts through incentives is considered to be one of the important things that contributes in fulfilling the basic interactive needs for individuals .(Al Sawalha 2016) . The individual's skills and abilities aren't enough to gain a high productivity if there wasn't a system for incentives that is capable to turn on the individuals motives aiming the perfect use for their potentials (AlQaryoti2016). The matter of the organizational loyalty took a great deal of interest from the management experts who study methods of motivating employees to ensure their loyalty and love for their organization. And this issue cannot take a place overnight, however the organization needs a group of procedures and programs which can gain the employees loyalty and love and at the same time convince them with its love and loyalty .Hence the process is mutualbetween the two parties, and the employee will not be able to continue in giving for an organization that does not give him what suits his efforts.

The Study Hypotheses:-

The main hypothesis: There isn't statistically significant effect for incentives on enhancing organizational loyalty for the employees in the Jordanian Ministry of Higher Education.

And the following sub-hypothesizes are coming out of it:-

- There isn't a statistically significant effect between the financial incentives and the enhancing of the employee's loyalty for employees at the Jordanian Ministry of Higher Education.
- -There isn't a statistically significant effect between the moral incentives and the enhancing of the employee's loyalty for employees at the Jordanian Ministry of Higher Education.
- -There isn't statistically significant effect between the social incentives and the enhancing of the employee's loyalty for employees at the Jordanian Ministry of Higher Education.

The Study Objectives:-

1. Identifying the reality of the incentives systems in the Jordanian Ministry of Higher Education.
2. Identifying the level of loyalty of the employees in the Jordanian Ministry of Higher Education
3. Knowing the impact of incentives on enhancing the loyalty of the employees in the Jordanian Ministry of Higher Education.
4. Providing effective solutions, recommendations and proposals that would work on the administrative and organizational development in the Jordanian Ministry of Higher Education.

The previous Literature:-

Incentives:-

There is great interest to know the types of incentives that affect individuals in order to guide them and to increase their productivity (Ambrose&Kulak, 1999; Heneman& Judge, 1999; Stajkovic&Luthans, 1997). However, research examining the use of incentives to enhance outcomes at the business-unit level is lacking, even though this level of analysis is crucial to an organization's competitive advantage through outcomes such as profitability, customer service, and employee retention (Harter, Schmidt, & Hayes, 2002) .Many previous studies have shown that in implementing incentives properly, it will become an effective tool to enhance individual performance (Kluger&DeNisi, 1996; Komaki, Coombs, &Schepman, 1996; Stajkovic&Luthans, 1997, 2003)

As Bandura (1986, p. 228) argued, "Human behavior . . . cannot be fully understood without considering the regulatory influence of response consequences" . In fact, as much as human agency is rooted in social systems (Bandura, 1999), individual work performance is at least partially determined by organizational reward systems (Rynes&Gerhart, 1999). However, this does not assume that different reinforcing contingencies produce uniform effects. For example, Bandura (1986) has provided theoretical understanding of the nature of different types of reinforces, and there is considerable research evidence showing that different reinforcing contingencies produce different effects on performance (Bandura, 1986; Kluger&DeNisi, 1996; Komaki et al., 1996; Stajkovic&Luthans, 1997, 2001, 2003). In particular, in the development of contingent interventions, different types of incentive

motivators may have different effects on workplace outcomes because of their unique and subsequent (a) outcome utility, (b) informative content, and (c) mechanisms through which they regulate human action (Stajkovic&Luthans, 2001).

And generally, the importance of incentives lies in the following (Bandura, 1986; Kluger&DeNisi, 1996; Komaki et al., 1996; Stajkovic&Luthans, 1997, 2001, 2003).:

- Contributing to the satisfaction of financial needs of employees and raising up their morale.
- Contributing to the re-organizing of the employees needs' system and coordinating its priorities.
- Contributing to the controlling of employees behavior to ensure guiding, reinforcing and adjusting this behavior according to the common interest between the organization and employees.
- Developing a new behavioral habits and values that the organization is seeking to have among the employees.
- Contributing in having the employees supporting the organization's objectives or policies and enhancing their abilities and preferences.
- Developing the creative energies of the employees to ensure the prosperity of the organization and its superiority.
- Contributing to the achievement of any business or activity that the organization is trying to accomplish.

The organizational Loyalty:-

The organizational loyalty is considered to be one of the topics that gained a huge interest from the researchers in the organizational and behavioral fields, and the study of organizational loyalty has taken many and different dimensions, as the study of the organizational loyalty has exceeded the mere study and examination of the different ways to measure the loyalty to the study of behavioral results for various images and forms of the organizational loyalty (Al-Hajri, 2002). Porter and his colleagues, has defined it as "The strength of matching and relationship between the individual and his organization and that the individual who shows a high level of organizational loyalty towards the organization, has the following attributes (Porter, L., Steers, R., Mow day, R. & An Ban lain, P. (1979).

1. A strong belief of accepting the goals and values of the organization.
2. Readiness to exert maximum effort on behalf of the organization.
3. A strong desire to maintain his membership at the Organization.

Therefore, any individual who shows a high level of organizational loyalty toward his organization has the following components (Jha, S. & Bhattacharyya, S.S. 2012)) .

- Acceptance to the organization's goals and core values and believing in them.
- He should have a full readiness to exert more effort to achieve its goals, as he feels that his goals go along with the organizations'.
- There should be a strong desire to stay in the organization and high level of engagement within it.
- There should be a high degree of immersion in the organization.
- An inclination to evaluate the organization positively.

Organizational loyalty properties:-

The organizational loyalty characterized by number of characteristics as follows (Jha, S. & Bhattacharyya, S.S. 2012)) :

- The organizational loyalty is an intangible case that can be inferred from the regulatory of some organizational phenomena coming from the consecutive behavior and actions of individuals working in the organization, which shows the extent of their loyalty.
- The organizational loyalty is the outcome of many human and organizational factors and other administrative phenomena interaction within the organization.
- The organizational loyalty will not reach the level of absolute stability but if the degree of change gotten is relatively less than the degree of change that is related to other administrative phenomena.
- The organizational loyalty is a multi-dimensional, and though that the majority of researchers in the field has agreed on the multi-dimensions of the loyalty, they differ in determining these dimensions, but these dimensions affect each other's.

The importance of the organizational loyalty:-

It must be pointed out that the concept of the organizational loyalty is one of the modern management concepts. This concept has gained the attention of many researchers since a long time back and to this day, and this attention is attributed to the importance that organizational loyalty has and which affects a lot of behaviors and attitudes of individuals and it also affects both individual and the organization (Nada, Semitism T .2007). The organizational loyalty is supposed to be one of the prior important and natural behaviorsthatindividuals must characterize with at the organization.Hence, there is an importance for the organizational loyalty in the life of an organizations and it has a clear impact on the progress of work on it and achieving its objectives effectively anddistinctively, and also on how the individual is related to organizational behavior, which plays an important role in guiding individuals to the correct path within the organization, or to reduce their negative behavior such as leaving their jobs, absenteeism, neglecting their duties or frustration.Thus, the importance of organizational loyalty is apparent in the following points(Al-Hajri.2002):

- Organizational loyalty is an important element in linking between the organization and the employees, particularly at the times when organizations cannot provide the proper incentives to pay these employees to work and achieve the highest level of achievement(Kluger, A. N., &DeNisi, A.1996).
- The employee's loyalty to the organizations in which they work is more important factor than job satisfaction in the prediction if they will stay in their organizations or leaving thework.
- Whenever theindividual's sense of loyalty to the organization has increased it would help in gaining their acceptance to any changethat will be advantageousto the organization and its progress as they believe that any flourishing of the organization will return with benefits on them as well.
- Organizational Loyalty leads to the development of creative behavior of individuals in the organization.
- Individuals' loyalty for their organizations is considered to be an important factor in predicting in the organization's affectivity.
- The organizational loyalty is one of most issues that has gained the concern of organizations management as it is responsible for maintaining the organization in a proper and good condition to enable it to keep going, and out of that the need for studying human behavior in that organizations for the purpose of motivating and increasing the degree of their loyalty to its objectives has showed up.
- Individuals' loyalty for their organizations is an important factor in ensuring the success of these organizations and increasing and sustaining their productivity.
- The organizational loyalty is considered to be one of the main elements in measuring the compatibility between individuals and organizations. As individuals who have high organizational loyalty tend to exert more efforts for their organizations, and they also tend to endorse and support the organization's values and stay there for a longer time.
- The sense loyalty from individuals to the organization can reduce the managers' burden to direct their subordinates, because individuals areresponding to their instructions in a betterway andtrying to work more effectivelyto achieve confidence and friendliness between the manager and subordinates.
- Due to this critical importance of the organizational loyalty, the organizations should work hardly to create this organizational loyalty among their employees, andthis can be by providing all the tools that can contribute to create this loyalty and to have it improved.

Analyzing and Interpretation the Results and Testing the Hypotheses:-

At this part of the study the hypotheses of the study will be tested, were the main hypothesis will be subjected to the multiple linear regressionanalysis.While the sub- hypotheses will be subjected to the simple linear regression analysis.

The main hypothesis: There isn't statistically significant effect for incentives on enhancing organizational loyalty for the employees in the Jordanian Ministry of Higher Education.And the following sub-hypothesizes are coming out of it:

The first sub-hypothesis: There isn't statistically significant effect between the financial incentives and the enhancing of the employee's loyalty for employees at the Jordanian Ministry of Higher Education.

Table number 1:- Simple regression analysis for the first sub- hypotheses.

The Dependent Variable	Model Summary		Variance Analysis			Coefficients Table				
	Correlation	Determination Coefficient	F	Degrees of Freedom	Level of Significance	Variance	β	Standard error	T	Level of Significance
Enhancing Organizational Loyalty for the Employees	0.399	0.266	176.258	1	0.000	Financial Incentives	0.399	0.038	12.085	0.000

From the table above it is obvious that there is a strong correlation between financial incentives variable and enhancing organizational loyalty for the employees in the Jordanian Ministry of Higher Education , and the financial incentives has interpreted a percentage of 26.6% of the variance in enhancing organizational loyalty of employees, as the value (F) refers on the moral test. Based on the results we accept the alternative hypothesis that says: There is a statistically significant effect between the financial incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education.

The second sub-hypothesis: There isn't a statistically significant effect between the moral incentives and the enhancing of the employee's loyalty for employees at the Jordanian Ministry of Higher Education.

Table number 2:- Simple regression analysis for the second the sub- hypotheses.

The Dependent Variable	Model Summary		Variance Analysis			Coefficients Table				
	Correlation	Determination Coefficient	F	Degrees of Freedom	Level of Significance	Variance	β	Standard Error	T	Level of Significance
Enhancing Organizational Loyalty for the Employees	0.789	0.752	180.526	1	0.000	Moral Incentives	0.789	0.029	33.058	0.000

From the table above it is obvious that there is a strong correlation between moral incentives variable and enhancing organizational loyalty for the employees in the Jordanian Ministry of Higher Education , and the moral incentives has interpreted a percentage of 75.2% of the variance in enhancing organizational loyalty of employees, as the value (F) refers on the moral test. Based on the results we accept the alternative hypothesis that says: There is a statistically significant effect between the moral incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education.

The Third sub-hypothesis: There isn't statistically significant effect between the social incentives and the enhancing of the employee's loyalty for employees at the Jordanian Ministry of Higher Education.

Table number 3:- Simple regression analysis for the third sub-hypothesis:

The Dependent Variable	Model Summary		Variance Analysis			Coefficients Table				
	Correlation	Determination Coefficient	F	Degrees of Freedom	Level of Significance	Variance	β	Standard Error	T	Level of Significance
Enhancing Organizational Loyalty for the Employees	0.745	0.732	220.152	1	0.000	Moral Incentives	0.732	0.026	21.058	0.000

From the table above it is obvious that there is a strong correlation between social incentives variable and enhancing organizational loyalty for the employees in the Jordanian Ministry of Higher Education , and the social incentives has interpreted a percentage of 73.2% of the variance in enhancing organizational loyalty of employees, as the value

(F) refers on the moral test. Based on the results we accept the alternative hypothesis that says: There is a statistically significant effect between the social incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education.

For testing the main hypothesis the multiple linear regressions has been used and the results were as below:

The main hypothesis: **There isn't statistically significant effect for incentives on enhancing organizational loyalty for the employees in the Jordanian Ministry of Higher Education.**

Table number 4:- Multiple linear regressions Analysis for the main hypothesis

The Dependent Variable	Model Summary		Variance Analysis			Coefficients Table				
	Correlation	Determination Coefficient	F	Degrees of Freedom	Level of Significance	Variance	β	Standard Error	T	Level of Significance
Enhancing Organizational Loyalty for the Employees	0.905	0.810	135.0256	3	0.000	Financial Incentives	0.210	0.014	5.231	0.000
						Moral incentives	0.169	0.047	4.425	0.000
						Social incentives	0.118	0.041	3.045	0.000

From the table above it is obvious that the correlation coefficient (0.905) indicates a strong correlation, and that the impact of incentives on the dependent variable enhancing organizational loyalty for employees in the Jordanian Ministry of Higher Education is statistically significant, and according to the results between the value F, and the coefficient of determination a percentage of 81% of the change happened in enhancing organizational loyalty for employees in the Ministry of Higher Education of Jordan is due to the incentive system.

Results and Recommendations:-

The Results:-

1. There is statistically significant effect of incentives on enhancing organizational loyalty for the employees in the Jordanian Ministry of Higher Education.
2. There is a statistically significant effect between the financial incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education.
3. There is a statistically significant effect between the moral incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education.
4. There is a statistically significant effect between the social incentives and the enhancing of the loyalty of the employees at the Jordanian Ministry of Higher Education.
5. The study results showed that there is a high level of loyalty among workers for their companies.

The Recommendations:-

1. To revise the incentive systems constantly and developing them to keep pace with the developments in the business environment.
2. To logically respond to the employees' demands.
3. To develop the work atmosphere and to spread the innovation and tolerance among the employees.
4. To develop the communication systems and the management with love.
5. To highlight justice and transparency among workers.

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