



Submission date: 06/12/2023 Accepted date: 1/4/2024 Published date: 30/4/2024
DOI: <https://doi.org/10.33102/abqari.vol30no1.564>

THE EFFECT OF INCENTIVES ON IMPROVING THE EMPLOYEES' PERFORMANCE FOR PUBLIC SECTORS IN MALAYSIAN UNIVERSITIES

*Kesan Insentif Terhadap Peningkatan Prestasi Pekerja Bagi Sektor Awam Di
Universiti Malaysia*

Mohamed Hamed Elsaid Haggag^{a1} & Dr. Mohd Saiful Izwaan Saadon^b

^{ab}Fakulti Pengajian Maritim, Universiti Malaysia Terengganu, 21030 Kuala Nerus,
Terengganu, Malaysia.

^{a1}mohamed.hamed.haggag@gmail.com

Abstract

As knowledge producers and higher education providers, universities play an important role in any country. Training of qualified laborers and technicians is the responsibility of universities. The staff of higher education institutions are essential tools. Highly motivated workers would depend on whether the universities perform the expected position of society. The essence of the success of employees in universities is therefore necessary to understand. Universities worldwide face new challenges in the 21st century. The transformation from Elite Higher Education to Mass higher education concept, internationalization, and globalization, the widespread use of IT, and new funding methods in HE are considered some of the major causes of shifting forces in response to new challenges. The problem is that it affects the efficiency of employees at work in the educational industry in Malaysia. In this report, the educational sector focuses on its success and its impacts. In addition, the management must face two of the most disconnective and severe obstacles in resolving performance concerns and disciplinary steps. The objectives of the study are to determine the relationship between the Efficiency of the Incentive System, Rewards Incentives, Moral Incentives, Promotion Incentives and Financial Incentives and employee's performance in Malaysian Public Universities. The data is collected using an online questionnaire over 387 employees of three universities namely UPM, UM,

and UKM, and analyzed using multiple regression analysis to test the research hypotheses of this study. The proposed model indicated a 90% variance of the employee's performance. The results indicate a significant relationship between the Efficiency of the Incentive System, Rewards Incentives, Moral Incentives, Promotion Incentives, Financial Incentives, and employees' performance in Malaysian Public Universities.

Keywords: employees' performance, Malaysian public universities, incentives, Structural Equational Modelling.

Abstrak

Sebagai pengeksploitasi ilmu dan penyedia pendidikan tinggi, universiti memainkan peranan penting di seluruh negara. Latihan buruh dan juruteknik yang berkelayakan adalah tanggungjawab universiti. Kakitangan institusi pengajian tinggi memegang peranan yang penting. Kesejahteraan pekerja yang bermotivasi tinggi bergantung kepada sama ada universiti melaksanakan kedudukan masyarakat yang diharapkan. Oleh itu, intipati kejayaan pekerja di universiti perlu difahami. Universiti di seluruh dunia menghadapi cabaran baharu pada abad ke-21. Transformasi daripada konsep Pendidikan Tinggi Elite kepada Pendidikan Tinggi Massa, pengantarabangsaan, dan globalisasi, serta penggunaan meluas IT dan kaedah pendanaan baharu dalam pendidikan tinggi dianggap sebagai beberapa punca utama pergeseran kuasa sebagai tindak balas kepada cabaran baharu. Masalah ini memberi kesan kepada kecekapan pekerja di industri pendidikan di Malaysia. Laporan ini memberikan tumpuan kepada kejayaan dan kesannya dalam sektor pendidikan. Pihak pengurusan juga dihadapkan dengan dua halangan utama dalam menangani kebimbangan prestasi dan langkah disiplin. Objektif kajian adalah untuk menentukan hubungan antara Kecekapan Sistem Insentif, Insentif Ganjaran, Insentif Moral, Insentif Kenaikan Pangkat, dan Insentif Kewangan terhadap prestasi pekerja di Universiti Awam Malaysia. Data dikumpul melalui soal selidik dalam talian daripada 387 kakitangan dari tiga universiti iaitu UPM, UM, dan UKM, dan dianalisis menggunakan analisis regresi berganda untuk menguji hipotesis kajian ini. Model yang dicadangkan menunjukkan 90% varians dalam prestasi pekerja. Keputusan menunjukkan hubungan yang signifikan antara Kecekapan Sistem Insentif, Insentif Ganjaran, Insentif Moral, Insentif Kenaikan Pangkat, Insentif Kewangan, dan prestasi pekerja dalam Universiti Awam Malaysia.

Kata kunci: prestasi pekerja, universiti awam Malaysia, insentif, Struktur Pemodelan Persamaan.

INTRODUCTION

1.1 Background of the study

Incentives are nevertheless regarded as one of the most important factors encouraging workers to make great efforts and improve their productivity. The reality is that benefits and incentives direct workers' desire to accomplish institutional goals in a successful way (Chi, Liao, Wang, Zhao, & Ye, 2019). Consequently, a lack of appropriate rewards affects the output of employees; they may also undermine their work productivity, thus reducing the ability to attain the organization's ambitious objectives (Thakor & Quinn, 2019). They have to compensate their employees in the education sector as a significant aspect. This opportunity attracts employees generates jobs and results and increases productivity. Such benefits also increase jobs. Incentives also help to strengthen the relationship between the employee and the organization.

The Human Resources department nonetheless establishes incentive schemes and awards for different companies by tracking the financial department's employees and operational performance. There is also a problem of consistency, as the divisions appear to fragment. Furthermore, the benefits are normally planned by the top management without employees. In this situation, the benefits would not be enough to meet the employee and the project, since they feel they are unwilling to change their job and position in this business because they feel that their effort is not being received well. Malaysia has grown to remain relevant and performing in the world markets from a successful to a knowledge economy. Under the authority of the Education Ministry(MOE), the Government is responsible for quality education for the people of Malaysia. Malaysia's schooling begins at pre-school and moves on to school. The vision of the MOE is to make Malaysia an excellent training center. An MOE source estimates that more than 95% of basic, secondary, and 60% of tertiary education are being funded by the government (Ministry of Higher Education, 2009).

1.2 Issue/Problem Identification

The challenges of higher education (HE) have an undue influence over the university inputs, operations, functions, processes, and outcomes. Employees underperform because they do not receive prompt and exact feedback on their work. For this reason, identifying the main issues and challenges in HE has attracted the attention of scholars and practitioners of social science and education. The problem assertion is about factors affecting employee performance at the job in the educational industry in Malaysia. This research concentrates on the educational sector to find out its performance and the factors affecting it. Moreover, dealing with performance problems and disciplinary action are two of the most breakdown and intense

challenges that must be facing management. The research aims to answer the following questions: What is the relationship between the Efficiency of the Incentive System, Moral Incentives, Financial Incentives, Promotion, and employees' performance in Malaysian Public Universities? How do reward incentives influence employees' performance in Malaysian Public Universities?

LITERATURE REVIEW

2.1 Concept of Employees' Performance

Employee performance is an essential portion of the organization where the performance of employees can decide how much growth or decline in the organization is. Bernardin and Russel (1998) stressed that performance is perceived as a document generated over time on a given work or activity task (Pam, Yakubu, Emmanuel, & Musa, 2019). Campbell, McCloy, Oppler, & Sager (1993) indicated that performance represents the persons appointed to accomplish their mission and job tasks, which can be accurately evaluated and measured (Ciobanu, Androniceanu, & Lazaroiu, 2019). The organization needs maximum employee performance feedback to achieve its goals and objectives and also to be capable of competing with its rivals (Jacobsen & Andersen, 2019). Effective organizations focus on the employee's performance. In this way, it implies that students are the university's main concern. An employee's services to the universities imply that both performance and an employee are important to the subject matter. Whenever employees meet expectations of work, this implies that they will have the student with excellent service. Most significantly, the performance of employees can directly affect the efficiency of the university. It's increasing the relationship between the growth and performance of employees as well (Basalamah, Ramli, Sinring, & Alam, 2019). If appropriate consideration is given to the development of employees, the employees would then be comfortable with their work.

Previous studies have shown that multiple factors contribute to employee productivity. Job development plans, self-reliance, staff feedback, staff evaluation, effective supervision, and educational programs are factors that foster and influence employee efficiency and attitudes in the workplace (Sachdeva, 2020). Research conducted by Ajila and Abiola (2004) indicated that 3 of the workforce findings relating to the external award were unrelated to the employee's efficiency. Yet financial benefits or bonuses in cash are not necessary to inspire workers. Mahmood et al. (2016) reported integrating financial and non-financial incentives to increase the commitment of workers. To achieve the required level of performance by Mahmood et al, combined and combined financial and non-financial stimuli are appropriate (2016). (New York, 2016). The financial award was performed and characterized by saying that the financial compensation contained monetary benefits, bonuses, wage

increases, and others, thereby lobbying, lobbying, and incentives. It also provides programs for paid holidays, education, gratitude, and promotion.

2.2 Underline Theories

This research is based on two theories which are the expectancy theory and the Theory of Incentives. Expectancy theory by Loyd & Mertens (2018) found that an individual will work and give results according to the motivation drivers that he/she gains. The motivation factors that improve job satisfaction in the long term, include advancement, work itself, the possibility of growth, responsibility supervision, recognition, and achievement. Supported by Barba-Sánchez & Atienza-Sahuquillo (2017) Needs Hierarchy Theory, it is human nature to fulfill basic needs (i.e. physiological needs, safety needs, and social needs) first before reaching the above levels (i.e. esteem needs and self-actualization needs). Wherein, basic needs are reflected in financial incentives while above levels are reflected in moral incentives. Therefore, the input form in this study will present incentives which are divided into two types and those are financial incentives and moral incentives. Hence, the Efficiency of the Incentive System, Reward Incentives, Moral Incentives, Promotion Incentives, and Financial Incentives are the independent variables while Employees' Performance is the dependent variable. Regarding the theory of Incentives, according to Rummel and Brach's Performance Model Swanson (1995), organizational failure happens because of a lack of understanding of variables that influence organizational, process, and individual performance. Wittkuhn (2016) pointed out that incentives provide the real motivation that produces important employee and organizational gains. Further, goals are the basic concept behind the incentive theory (LIU, LI, & LI, 2017). When the goals are present, the employees will attempt to reach the goals which leads to gaining incentives for themselves and gaining organizational performance for the company. Incentives are given to motivate employee's performance and encourage their loyalty and retention.

2.3 Concept of Incentives

Incentives are characterized as ways of encouraging high-spirit workers as well as realistic and moral approaches to meet the needs of employees. They are used by organizations. Palmer (2012) defines rewards as external temptations and benefits that make it harder to work, given that the worker is hard and more productive in the organization because of the excellent performance of the employee (Wang, 2019). The incentive principle stimulates concern particularly from the start, as incentives can play an important role in the productivity of the employees, in the search for skilled employees who can achieve the organization's objectives efficiently. The importance of these benefits stems from the employee's need to consider and appreciate his job. Fundamentally, it is an important element for fulfilling an individual's internal wishes to motivate them to value their contribution. The abilities of individuals are not

sufficient to ensure high efficiency unless a system of rewards facilitates their true intentions and then leads hardworking initiatives (Locke and Braver, 2008). A good company will exploit its employees' skills effectively. The investigators therefore have been working hard to clarify in depth how employee efficiency can be increased how the administration hires good employees, and how the organization's priorities are related to personal aims that enhance its performance. It can be proposed that successful organizations, to influence the efficiency of workers, develop an active reward scheme that will enable them to work harder to achieve their objectives. In addition, encouraging workers will help them overcome many of their job challenges (Dahiya, & Gupta, 2019). To encourage the administrator, on the other hand, he must try to establish trust and tranquillity, security honesty, and effective respect. You should always remember that acknowledging or praising people's work and their achievements does not impact your results, so everyone must acknowledge its accomplishments directly or just before a group of people, who deserve it (Riener, & Wagner, 2019).

2.4 The Relationship between Incentives and Employees' Performance

Several studies have found significant relationships between incentives and employees' performance. This study started with the work of Al-Nsour (2012) a case study in Jordan's private and public; academic libraries found a significant relationship between financial incentives, moral incentives, and the performance of employees in the form of business process and consumer satisfaction. An insufficient financial incentive from library staff leads to a weak cycle of the internal library. Consequently, there was a significant association between financial, and moral incentives and the performance of employees as well as financial, and moral incentives and internal library process and the satisfaction of users. George, Walker, & Monster (2019) studied the comparison between the United States and Japanese companies and found that reward practices are useful in improving organizational performance. Their research used certain rewards to measure incentive levels, which are employee stock ownership plans, individual-based performance systems, regular expression of appreciation by managers to employees, and exceptional amenities.

Elumah Lucas, Ibrahim Olaniyi, & Shobayo Peter (2016) found there is a relationship between financial and moral incentives toward organizational performance in Nigerian universities. They found that financial and moral incentives improve employee motivation to work more efficiently and effectively in performing their task, and the combination of financial and moral incentives will bring about superior performance. Al Otaibi (2017) found that material incentives and moral incentives affect the performance of the administrative staff working in the institutes of the General Authority for Applied Education and Training in the State of Kuwait. Al-Otaibi found that moral incentives have a low impact on the administrator's

performance in the company. Khan, Abbas, & Zaki (2017) analyzed the relationship between incentive systems and employee performance in the Telecom Sector of Pakistan. The theoretical framework of this research is based on the effect of Two Factor Theory on employee performance; i.e., motivation factors and hygiene factors. The results of the research showed that incentive systems have a significant impact on employees' performance. Alshaibah (2018) examined the effects of the reward system, Islamic work ethics, and job satisfaction on employees' performance in the governmental sector in Sana'a City, the capital of Yemen. The results of the study found a direct statistically significant relationship between Islamic work ethics and employees' performance, as well as between reward system and job satisfaction, between Islamic work ethics and job satisfaction, and between job satisfaction and employees' performance. In contrast, there was no significant direct relationship between the reward system and employees' performance. Moreover, the study revealed that job satisfaction fully mediates the relationship between the reward system and employees' performance, while it partially mediates the relationship between Islamic work ethics and employees' performance. Kejora (2018) illustrated the close relationship between financial incentives and moral incentives in learning and growth, and the financial incentives and moral incentives as important partners for internal industrial processes, economic incentives, and moral incentives.

2.5 Development of Hypothesis

Al-Nsour (2012) found that there is a significant relationship between incentives (i.e. appropriate social security and health insurance, consideration of employees' 52 complaints and suggestions, appropriate well-furnished offices, smooth employee annual leave by rules and regulation, health insurance for employees' family, disciplinary sanctions, career development, the annual ceremony for the creative employee, certificates of appreciation and recognition, and learning and growth of the company. Khan et al. (2017) showed that incentive systems have a significant impact on employees' performance. Their research is presented in a structured way to help practitioners analyze the factors that may help them to enhance their employees' performance. This is supported by the findings of Al-Nsour (2012) Hence the research postulates that

H1: There is a significant relationship between the Efficiency of the Incentive System and employees' performance in Malaysian Public Universities.

A direct incentive that rewards employees' performance can induce employee learning and performance in an assembly task (Bailey, Brown, & Cocco, 1998). Employee innovative activities are influenced by compensation systems (financial incentives) that are based on growth promotion (Berber & Lekovic, 2018). Incentives such as financial for successful ideas in individual activities improve problem-solving activities in learning (Huang & Chin, 2018). The rewards in the forms of a cash bonus,

team share bonus, and profit share motivate employees to give more attention to product development and new product introduction (Spaulding & Woods, 2002). This is supported by the findings of (Mustapha, 2013). Hence the research postulates that

H2: There is a significant relationship between Rewards Incentives and employees' performance in Malaysian Public Universities.

Incentives that are dedicated based on corporate culture towards the open innovation paradigm fit the purpose and make the new strategic focus explicit within and beyond corporate boundaries will improve the company in gaining benefits of crowdsourcing and collective intelligence projects for corporate innovation (Schneckenberg, 2014). The Incentives, such as independent performance bonuses and performance rewards, have a relationship to increase employees' creativity to generate more ideas and improve the quality of the ideas submitted (Frey & Osborne, 2013). A higher incentive, especially in the form of stock ownership given to employees, will lead the company to have a higher innovative culture (Prince, Prince, & Kabst, 2020). A higher level of the prize as a moral incentive given to managers is associated with improving product development managers who also impact the enhancement of product development projects performance (Suprpto, Bakker, Mooi, & Hertogh, 2016). There is a marginal influence between moral incentives which are oriented on long-term impact and company innovativeness (Ritala, Vanhala, & Järveläinen, 2020; Schneckenberg, 2014). There is a significant role of moral incentives in the forms of promotions, employee training, and continuous appraisal of employees' work to bring more innovation to the company (Elumah Lucas et al., 2016). The moral incentives in the form of company awards and promotions motivate employees to give more attention to product development and new product introduction (Almahdi, 2017). Moral incentives in the forms of individual, group, time-based plans, output-based plans, and intrinsic benefits incentives encourage innovative technology in organization productivity (Elumah Lucas et al., 2016). This is supported by the findings of Obeidat & AL_Dwairi (2015) Hence the research postulate that

H3: There is a significant relationship between Moral Incentives and employee performance in Malaysian Public Universities.

Promotion is the occurrence of labor moved to incomes, duties, and/or organizational levels from a higher role. A promotion is a movement within towards an organization of one position of another that involves either an increase or an increase in status." States (Rinny, Purba, & Handiman, 2020). The promotion shall play an essential role in all jobs, as a promotion means encouragement and appreciation of employees' abilities and expertise to hold a high position. Promotion is highly linked to employee performance as it motivates the employee to perform better or perform extra tasks. This is supported by Rashid, Hamza, & Said (2018) findings. Hence the research postulates that

H4: There is a significant relationship between Promotion Incentives and employees' performance in Malaysian Public Universities.

Incentives such as finance for a successful idea in individual activities improve problem-solving activities in learning (Al-Nsour, 2012). The incentives in the forms of a cash bonus, team share bonus, and profit share motivate employees to give more attention to product development and new product introduction (Spaulding & Woods, 2002). It is established that financial incentives play a significant role in employee performance. This is supported by the findings of Mustapha (2013) Hence the research postulates that

H5: There is a significant relationship between Financial Incentives and employees' performance in Malaysian Public Universities.

Based on the previous literature review, which leads to the development of the hypothesis, this research conceptualizes a framework that will act as a blueprint for the study. The conceptual framework is demonstrated in Figure 2.1

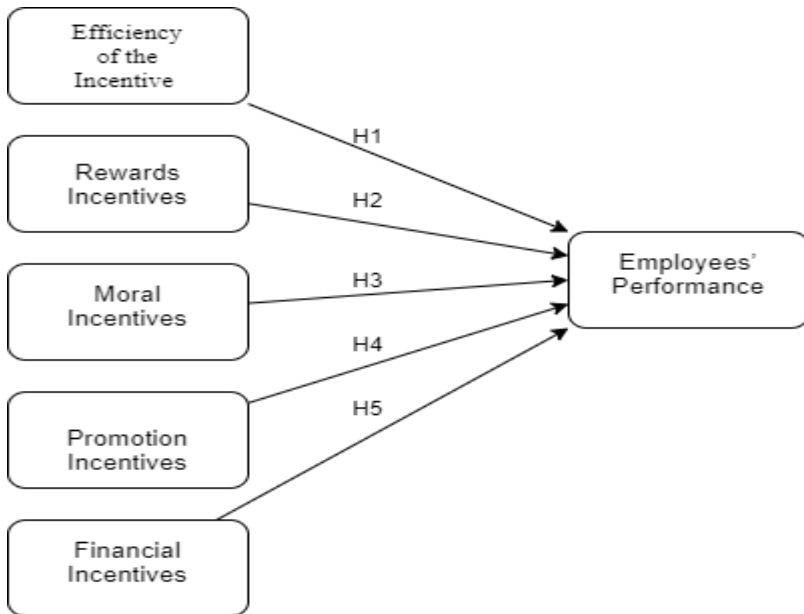


Figure Error! No text of specified style in document..1: Conceptual Framework

METHODOLOGY

The study used research with a descriptive research design using a quantitative method. In addition, the population of this study is 22206 employees of the three Malaysian Public Universities. Rahi (2017) also argued that an adequate sample

makes it easier for researchers to make a fair decision and helps them generalize the population they are researching. Hence, the sample size of this study using the G* Hopkins (2017) calculator is 377 employees of Malaysian universities. The sample was then increased to 400 to avoid response bias (Hair Jr, Howard, & Nitzl, 2020). The proportional and simple random sampling technique is the sampling technique that will be used for this study. This study will divide the study sample by the population of each of the three universities, and then use simple random methods. This sort of random sampling technique gives every member of the population an equal opportunity to be selected (Kirtley, Lafit, Achterhof, Hiekkaranta, & Germeys, 2020). Etikan & Bala (2017) suggested that a researcher should create a precise section frame to perform a simple random sampling; use the mathematical selection process to select features from the frame and then trace the naturally selected element in the sample. It, therefore, implies that, regardless of age, religion, gender, qualification, or other criteria, every member of the population has an equal opportunity to be selected as a participant in this study.

Table 3.1: Proportional Sample

Universities	Number of Employees	Percentage	Proportion
UKM	9,781	$\frac{9781}{22206} \times 100$ = 44%	$\frac{44}{100} \times 400 = 176$
UM	5,870	$\frac{5870}{22206} \times 100$ = 26.4%	$\frac{26.4}{100} \times 400$ = 106
UPM	6,555	$\frac{6555}{22206} \times 100$ = 29.6%	$\frac{29.6}{100} \times 400$ = 118
Total	22,206	100	400

3.1 Data Collection Technique

Consequently, the study was conducted in Malaysia, and the data were obtained via a self-administered questionnaire, in which respondents were asked to complete the survey on their own. This study aims to minimize costs with the removal of devices and items, including computer software, from the respondent (Abdulla et al., 2014).

Essentially, the modified questionnaire is a synthesis of different previous study methods on this phenomenon. To provide a clear understanding of the phenomenon and constructions of this research study in Malaysia, this questionnaire was adapted and modified (Alfandi & Alkawsaneh, 2014). Employees' performance is the dependent variable and has 11 items. In addition, Incentives systems were divided into five: Efficiency Incentive system (FI) has 7 items; Reward Incentive (RI) has 5 items; Moral Incentive (MI) has 14 items; Promotion Incentive (PI) has 6 items, and Financial Incentives (FI) has 7 items. The alpha of Cronbach is used for estimating the variance compatible with the number of test values and usually ranges from 0 to 1. The strong internal consistency of the items in the scale suggests a high Cronbach alpha value. For use in research is appropriate to construct with a reliability coefficient above 0.6 (Streiner & Streiner, 2010). The values show that the analysis tool is highly reliable.

Table 3.2: Cronbach's Alpha results

Construct	Code	No. of items	Cronbach's Alpha	Reliability
Employees Performance	EMPER	11	0.919	Strongly Reliable
Efficiency of the Incentive System	EFNCY_INC	7	0.891	Very Reliable
Promotion Incentives	PROM	6	0.661	Reliable
Reward Incentives	RWRD	5	0.806	Very Reliable
Moral Incentives	MORAL	14	0.854	Very Reliable
Financial Incentives	FINCE	7	0.790	Very Reliable

RESULTS AND DISCUSSION

A total number of 387 responses were collected using Google Forms. Employees from UKM represented 42.6 % of the overall collected respondents. Additionally, 26.6 % are from UM and 30.7 % are from UPM. Male participants were the majority of the research respondents constituting 72.9 %, the majority of the participants are between the ages of 31 and 40 years old range consisting of 48.8 %, and 53.9 % of the respondents are university graduates with a bachelor's degree. most of the respondents 45.5 % indicated that they have been working for the same university for 1-5 years and 37.7 % have been working for the university for more than five years. Only 16.8 have been working for their prospective universities for less than one year. This indicates the majority of the respondents are well familiar with their universities'

promotion policies and have stable job and career prospects. The data analysis procedure used Multiple regression the assumptions tested are Normality, Homoscedasticity, Linearity, Multivariant Outliers, and Multicollinearity, the data met all the assumptions for regression analysis. The chosen model for regression analysis includes 5 of the independent variables as indicated in the research hypotheses. These independent variables are the Efficiency of the Incentive System, Rewards Incentives, Moral Incentives, Promotion Incentives, and Financial Incentives in Malaysian Public Universities these variables are tested to demonstrate if they are predictors of the dependent variable which is employees' performance.

Model Summary

Change Statistics

Model	R	Adjusted R Square	Std. Error of the Estimate	R Square	F Change	df1	df2	Sig. F Change
1	.948 ^a	.899	3.23773	.899	680.215	5	381	.000

a. Predictors: (Constant), FINCE, RWRD, PROM, MORAL, EFCNY

b. Dependent Variable: PERFRM

The overall model is statically significant as indicated by p-value=.000. The proposed model accounts for almost 90 % of the variance which is employee performance in Malaysian Public Universities. This indicates that the model examines the majority of the variance account for employee performance in Malaysian Public Universities. The result of the model indicates that change in employees' performance in Malaysian Public Universities is only 90 % predicted by the proposed model of the Efficiency of the Incentive System (EFCNY), Rewards Incentives (RWRD), Moral Incentives (MORAL), Promotion Incentives (PROM) and Financial Incentives (FINCE). The result is demonstrated as follows, $F(5, 381) = 680.2, p$

Table 4.10: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35653.039	5	7130.608	680.215	.000 ^b
	Residual	3993.974	381	10.483		
	Total	39647.013	386			

a. Dependent Variable: PERFRM

b. Predictors: (Constant), FINCE, RWRD, PROM, MORAL, EFCNY

The result of the multiple regression was run to predict factors affecting employee performance in Malaysian Public Universities. Five variables namely Efficiency of the Incentive System, Rewards Incentives, Moral Incentives, Promotion Incentives, and Financial Incentives statistically significantly predicted employees' performance in Malaysian Public Universities, all the research hypotheses are supported.

No.	Hypothesis.	Result
H1	There is a significant relationship between the Efficiency of the Incentive System and employees' performance in Malaysian Public Universities	Supported
H2	There is a significant relationship between reward incentives and employees' performance in Malaysian Public Universities.	Supported
H3	There is a significant relationship between Moral Incentives and employees' performance in Malaysian Public Universities	Supported
H4	There is a significant relationship between Promotion Incentives and employees' performance in Malaysian Public Universities	Supported
H5	There is a significant relationship between Financial Incentives and employees' performance in Malaysian Public Universities	Supported

CONCLUSION

Based on the results of the analysis, it is obvious that the selected Malaysian public university poses certain types of incentives, especially financial incentives (UKM, UM, and UPM). The extent of use or application of non-financial benefits, meanwhile, is also sufficient. This research study found that selected Malaysian public university workers suggested that the scheme of university rewards is successful. The following benefits include rewards, morals, promotion, and financial effects on the success of workers. The consequence of this observation is that most workers are pleased with their system of university incentives. Under the Expectancy Theory and Theory of Incentives Toward Organizational Performance, an incentive preference is also significantly related to the determination of employees' performance. Selected public universities in Malaysia are usually happy with their present standard of salaries. In comparison, workers are not only inspired by cash rewards. Non-financial rewards are rated by the study participants, according to the interpretation of the research results. They are likely to value non-financial benefits after they have satisfactory financial rewards. It may be inferred, in this respect, that this public university will benefit from financial benefits for employee motivation and non-financial incentives.

The results have shown that a non-financial incentive had a better likelihood of enhancing the efficiency of workers. In the literature review and during the study analysis, the value of non-financial incentives, in particular in the context of rewards, morals, and promotion, was obvious and could not be overlooked. Non-financial rewards intrinsically increase the efficiency of workers without impacting public financial expenditure in the light of public service encouragement. Although it could be deemed more productive to obtain additional nonfinancial benefits such as rewards, morale, and promotion for employee achievements, to increase employee ability, skills, and expertise through education and different training programs, to increase the feeling of empowerment and engagement, as well as to allow a successful working atmosphere. Rewards, morale, and promotion were favored among the non-financial rewards as incentives that will improve the efficiency of public workers. This implies the public workers at Malaysian public universities value meaningful employment and more promotional opportunities.

The results of this analysis make many contributions to recognizing the value of incentives for employees and the effect on job performance and efficiency. Both elements of financial and non-financial rewards are significant and, especially in the sense of Malaysia, have become a core determinant of work satisfaction among public employees. Public managers must understand from the research results that rewards, specifically financial incentives, are a distinct element of financial gain and that public sector workers may shape a particular view of such benefits and experience various degrees of satisfaction with them. Similarly, public workers consider inherently motivational task-related traits, representatives, or workplace managers' positive and negative actions, and positive co-worker behavior as the most significant determinants

of the work motivation and job satisfaction of employees. The realistic consequences of this result are that public universities will inspire and empower public workers to expend more job effort, boost efficiency, and increase university effectiveness by enhancing these variables. To obtain enriched knowledge, and results, more broadly representative of Malaysian public universities, future studies might choose other public universities with a diversity of research participants (academic and non-academic staff). More precisely, further study in other Malaysian public universities will involve this topic to understand the motivational mechanism, as well as to better understand the motivating power of financial and non-financial rewards in the public sector of Malaysia. To gain in-depth opinions regarding rewards and their connection to results, prospective studies can involve both quantitative and qualitative approaches.

REFERENCES

- Ajila, C., & Abiola, A. (2004). Influence of rewards on workers' performance in an organization. *Journal of Social Sciences*, 8(1), 7–12.
- Al-Nsour, M. (2012). Relationship between incentives and organizational performance for employees in the Jordanian Universities. *International Journal of Business and Management*, 7(1), 78.
- Al Otaibi, S. (2017). Financial and moral incentives and their impact on the functional performance of the administrators working at the institutes of the Public Authority for Applied Education and Training (PAAET) in Kuwait. *International Journal of Information, Business and Management*, 9(4), 53.
- Alfandi, A. M., & Alkawsaneh, M. S. (2014). The Role of the Incentives and Reward System in Enhancing Employee's Performance" A Case of Jordanian Travel and Tourism Institutions". *International Journal of Academic Research in Business and Social Sciences*, 4(4), 326.
- Almahdi, H. K. (2017). Moral incentives vehicle of job performance in Saudi Arabian banks. *Journal of Management*, 5(2), 17–23.
- Alshaibah, M. S. M. (2018). *Impact of Reward System and Islamic Word Ethics On Job Satisfaction and Employees Performance in Yemen* (Doctoral dissertation, Universiti Sains 12 Islam Malaysia).
- Bailey, C. D., Brown, L. D., & Cocco, A. F. (1998). The effects of monetary incentives on worker learning and performance in an assembly task. *Journal of Management Accounting Research*.
- Barba-Sánchez, V., & Atienza-Sahuquillo, C. (2017). Entrepreneurial motivation and self-employment: evidence from expectancy theory. *International Entrepreneurship and Management Journal*, 13(4), 1097–1115.
- Basalamah, I., Ramli, H. M., Siring, H. B., & Alam, R. (2019). Effect of Commitment, Compensation, and Leadership on Employee Performance

- and Sharia Engagement as Variable Intervening. *International Journal of Accounting & Finance in Asia Pacific (IJAFAP)*, 2(1).
- Berber, N., & Lekovic, B. (2018). *The impact of HR development on innovative performances in central and eastern European countries. Employee Relations.*
- Campbell, J. P., McCloy, R. A., Oppler, S. H., & Sager, C. E. (1993). A theory of performance. *Personnel Selection in Organizations*, 3570, 35–70.
- Chi, W., Liao, H., Wang, L., Zhao, R., & Ye, Q. (2019). Incentives to move up: Effects of pay gaps between levels on employee performance. *Human Resource Management Journal*, 29(2), 238–253.
- Ciobanu, A., Androniceanu, A., & Lazaroiu, G. (2019). An integrated psycho-sociological perspective on public employees' motivation and performance. *Frontiers in Psychology*, 10, 36.
- Crawford, J. L., Yee, D. M., Hallenbeck, H. W., Naumann, A., Shapiro, K., Thompson, R. J., & Braver, T. S. (2020). Dissociable effects of monetary, liquid, and social incentives on motivation and cognitive control. *Frontiers in Psychology*, 11, 2212.
- Dahiya, A., & Gupta, B. B. (2018). Importance of Providing Incentives and Economic Solutions in IT Security. *Machine Learning for Computer and Cyber Security: Principle, Algorithms, and Practices*, 320.
- Elumah Lucas, O., Ibrahim Olaniyi, M., & Shobayo Peter, B. (2016). the impact of financial and moral incentives on organizational performance: A study of Nigerian universities. *Arabian J Bus Manag Review*, 6(255), 2.
- Etikan, I., & Bala, K. (2017). Sampling and sampling methods. *Biometrics & Biostatistics International Journal*, 5(6), 00149.
- Frey, C. B., & Osborne, M. (2013). *The future of employment.*
- George, B., Walker, R. M., & Monster, J. (2019). Does Strategic Planning Improve Organizational Performance? A Meta-Analysis. *Public Administration Review*, 79(6), 810–819.
- Hair Jr, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, 109, 101–110.
- Hopkins, W. G. (2017). Estimating Sample Size for Magnitude-Based Inferences. *Sports science*, 21.
- Huang, Y. C., & Chin, Y. C. (2018). Transforming collective knowledge into team intelligence: the role of collective teaching. *Journal of Knowledge Management.*
- Jacobsen, C. B., & Andersen, L. B. (2019). High-performance expectations: Concept and causes. *International Journal of Public Administration*, 42(2), 108–118.
- Kane, J. S., Russell, J. E. A., & Bernardin, H. J. (1998). *Performance appraisal and management. Human Resource Management: An Experiential Approach*, Irwin/McGraw-Hill, Burr 13 Ridge, IL, 237–272.

- Kass, R. A., & Tinsley, H. E. (2018). Factor analysis. *Journal of Leisure Research*.
- Kejora, M. L. (2018). *The relationship between incentives and organizational performance for employees: the study of Islamic private universities in Yogyakarta*.
- Khan, A. A., Abbas, N., & Zaki, K. A. (2017). Effect of incentives based two-factor theory on employee performance in telecom sector of Pakistan. *The Nucleus*, 54(3), 173–180.
- Kirtley, O., Lafit, G., Achterhof, R., Hiekkaranta, A., & Germeys, I. (2020). *Making the black box transparent: A template and tutorial for (pre-) registration of studies using Experience Sampling Methods (ESM)*. Advances in Methods and Practices in Psychological Science.
- Lloyd, R. A., & Mertens, D. (2018). Expecting more out of Expectancy Theory: History urges inclusion of the social context. *International Management Review*, 14(1), Lloyd, R. A., Mertens, D. (2018). Expecting more.
- LIU, L., LI, N. Y., & LI, Y. (2017). Application of the incentive theory in student management. *Journal of Yunnan University (Natural Sciences Edition)*, 51.
- Mayer, C., & Timofte, R. (2020). Adversarial sampling for active learning. In *The IEEE Winter Conference on Applications of Computer Vision* (Pp. 3071-3079).
- Mustapha, N. (2013). The influence of financial reward on job satisfaction among academic staffs at public universities in Kelantan, Malaysia. *International Journal of Business and Social Science*, 4(3).
- Obeidat, O. A., & AL_Dwairi, K. M. (2015). The role of the financial and moral incentives on employees' performance in academic libraries: a case study of Jordan. *International Journal of Library and Information Science Studies*, 1(1), 12–26.
- Palmer, B. R., & Gignac, G. (2012). The impact of emotionally intelligent leadership on talent retention, discretionary effort, and employment brand. *Industrial and Commercial Training*.
- Pam, H. D., Yakubu, I. M., Emmanuel, O. E., & Musa, K. A. (2019). *Organizational Leadership, Workers' Self-Concept and Employees Job Performance Among Employees of NTA*.
- Prince, N. R., Prince, J. B., & Kabst, R. (2020). National culture and incentives: Are incentive practices always good? *Journal of World Business*, 55(3), 101075.
- Rahi, S. (2017). Research design and methods: A systematic review of research paradigms, sampling issues, and instruments development. *International Journal of Economics & Management Sciences*, 6(2), 1–5.
- Rashid, S., Hamza, M. B., & Said, H. M. (2018). Impacts of Rewards, Promotions and Supervisor Support on Academic Staff's Performance: An Empirical Study in Malaysian Universities. *Int. J. Acad. Res. Bus. Soc. Sci*, 8(9), 1983–1998.
- Riener, G., & Wagner, V. (2019). On the design of non-monetary incentives in schools. *Education Economics*, 27(3), 223–240.

- Rinny, P., Purba, C. B., & Handiman, U. T. (2020). The Influence Of Compensation, Job Promotion, And Job Satisfaction On Employee Performance Of Mercubuana University. *International Journal of Business Marketing and Management (IJBMM)*, 5(2), 39–48.
- Ritala, P., Vanhala, M., & Järveläinen, K. (2020). The Role Of Employee Incentives And Motivation On Organisational Innovativeness In Different Organisational Cultures. *International Journal of Innovation Management*, 24(04), 2050075.
- Sachdeva, G. (2020). Impact of Psychological Contract on Employees' Performance: A Review. In *Handbook of Research on Positive Organizational Behavior for Improved Workplace Performance* (pp. 201-218). IGI Global. 14
- Samuels, P. (2017). *Advice on exploratory factor analysis*.
- Schneckenberg, D. (2014). Strategic incentive systems for open innovation. *Journal of Applied Business Research (JABR)*, 30(1), 65–72.
- Siddiqui, D. A. (2019). Impact of Motivation on Employees' Performance in Pakistan. Mpaot of Motivation on Employees Performance in Pakistan. *Business Management and Strategy*, 10(1), 1–22.
- Spaulding, A. D., & Woods, T. A. (2002). *Rewarding New Product Development Personnel: Are Confectionery Manufacturers Still In the Dark Ages?*
- Suprpto, M., Bakker, H. L., Mooi, H. G., & Hertogh, M. J. (2016). How do contract types and incentives matter to project performance? *International Journal of Project Management*, 34(6), 1071–1087.
- Swanson, R. A. (1995). Human resource development: Performance is the key. *Human Resource Development Quarterly*, 6(2), 207–213.
- Thakor, A. V., & Quinn, R. E. (2019). Higher purpose, incentives, and economic performance. *Incentives and Economic Performance (April 8, 2019)*.
- Umrani, W. A., Mahmood, R., & Ahmed, U. (2016). Unveiling the direct effect of corporate entrepreneurship's dimensions on the business performance: a case of big five banks in Pakistan. *Studies in Business and Economics*, 11(1), 181–195.
- Wang, L. (2019). Research on the Incentives of Knowledge Employee from the Perspective of Management Psychology. In *2019 International Conference on Advanced Education, Service and Management* (Vol. 3, pp. 365-369). The Academy of Engineering and Education.
- Wittkuhn, K. D. (2016). Understanding performance improvement. *Performance Improvement*, 55(6), 13–18.