

Moral Incentives Vehicle of Job Performance in Saudi Arabian Banks

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Introduction

Job performance plays an important role in the economic stability of the firm and enhances its visibility in the market, by directly affecting the productivity of the company. Consequently, the motivation and stimulation at work encourage the employees to do their utmost, so that to reach the goals, and objectives planned by the direction, by increasing the workers' productivity. We chose to consider the banking activity for our field study because of the importance of the banking sector and its weight in the economy; it offers financial services to its clients, provides funds and loans to investors of various sectors. Banks are vital in any kind of economy, and this fact can be explained by the role they play to promote industrial and commercial activities, the latter having themselves a very important impact on economic growth. The present study offers an innovative analytic framework to analyze and explain the issue of job performance in Saudi Arabian banks, by conducting a field study in order to evaluate the capacity of job performance to improve the firm's efficiency in the Kingdom.

1. The importance of job performance in companies

The multiple studies dedicated to business administration and management have made of job performance a classical and recurrent concept, in all studies and papers discussing the role of individuals in companies and their efficiency at work. That's why, we had ourselves, to start by exposing the meaning of satisfaction at work, which has become a key part of most scientific and field studies, based on the evaluation of the role of individuals and employees, as well as the impact they have on productivity and more generally on companies and organizations efficiency.

1-1- The concept of job performance

We could define job performance as the effort made by a person within the company he works in. The expression reflects the desire the employee has to make this effort in order to improve the company's efficiency and results. Job performance is affected by the worker's contentment towards his or her own position or job, and that is called "job satisfaction". From this point, we could define job satisfaction as the personal and psychological feeling of contentment and ease the worker or employee has at his work. This concept, as a general notion, does not include only material dimensions. In fact, the working and the professional environment are considered to best motivate and satisfy the employee, psychologically speaking. Some precious social values are also to take into account, like: trust, sense of belonging and loyalty to the superiors.

1-2- Measurement of job performance

The fact of focusing on improving the services quality has pushed all economic institutions in general and banks in particular to adopt several various ways to assess their workers job performance. The latter may be considered as an indicator to reward the most brilliant employees, and this, by constantly watching the workers behavior, their outcomes and results within specific periods.

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1-3 Job satisfaction

The concept of job satisfaction could be defined as the degree of positive feeling towards one's job or position. It reflects positive feelings such as; happiness and comfort the employee feels at work, and which make him be willing to go to work each day. We will present the determinants that generally affect job satisfaction in companies, later on, in the present research.

1-4 Ethics of job performance

The field research we have conducted in this study allows us to better approach the determinants that directly affect workers' job efficiency in banks, by trying to highlight the role job satisfaction plays in positively affecting individual productivity, along with other psychological factors that may have positive influence on employees' results, as long as he feels at his place in the company. We are then going to present the factors that have immediate impact on job satisfaction, and consequently on the employee's efficiency. Previous literature and studies related to job satisfaction and performance, brought out 3 main influential factors.

Factors related to the employee's personality

The personality of the worker plays a significant role in his job performance E. Smith and al (2002). Going back to previous literature, we can say that these factors include the social position, the ability to stand difficulties and pressure and the ability to cope with work requirements and stressful situations.

Self-respect and others around

This means respecting oneself and others around, helps the employee to better take on his responsibilities and excel at work.

Factors related to the company's organization

This set of factors includes the motivation and incentives. They may be defined as the privileges and possibilities the company offers to the employees, so that to work efficiently. Most of the companies rely on privileges as a means to encourage and stimulate the employees to make more efforts and work better, in order to improve the company performance and productivity. The incentives offered by a company to the employees may be divided into two categories: financial or more generally material incentives and moral incentives C.J. Cranny and al (1992).

Financial incentives

They represent essential means to improve employees' job performance: they include the salary, the technology and the equipment the company provides the employees with. Financial incentives may even include profit sharing or giving employees part of the company's stock.

Moral incentives

Companies focus on moral incentives to improve workers' performance, by making them participate in goal setting, emphasizing the role they play within the company, showing them recognition, even by delivering certificates of appreciation, organizing parties or ceremonies, distributing "best employee" rewards, and so on... In addition to all that, clarifying and delimitating the role played by each employee, his responsibilities and his prerogatives are related to the organization chart and are very important to enhance the employees' commitment. Explaining career development process may encourage the worker to better give and perform at work.

2- Literature review; previous field studies

Literature related to job performance and its role to enhance the results and the efficiency of companies, whatever their activities are, is abundant. The vast amount of field researches underlines the importance of such a concept in contemporary business administration. Some Arabic and foreign studies having discussed the theme of job performance, they were led by: AL RAWI (2000). His work aims to analyze the satisfaction of the employees working at the university AL ZARKA in Jordan. The researcher based his field study on a random sample including several employees of the university, of both genders. The researcher findings suggest that job satisfaction among "AL ZARKA" Jordanian university workers is mainly based on two components: years of experience and educational qualification. The research contributed to show that the highest levels of job satisfaction are especially affected by the worker-manager relationships, incentives related to the job nature and safety.

The lowest levels of job satisfaction start with basics exigencies; the salary and the respect. AL YAMI study (2002). This research aims to study four different components of communication, and tries to assess their impact on the satisfaction of employees in Saudi Arabian companies. The researcher used a random sample of employees from different organizations and sectors all over the kingdom of Saudi Arabia. The investigation examined 4 different organizational levels of many Saudi Arabian companies. He found a strong, statistically significant link between communication in workplace and job satisfaction. He concludes that negative communication in Saudi Arabian institutions has negative effects on workers' satisfaction, and extends beyond, to affect job performance of the employees in Saudi Arabian institutions. - AL AJMI study (1999). This study aims to determine the nature of the relation between organizational allegiance and the satisfaction of the employees, based on a set of indicators and concepts related to supervision, communication and promotion. The findings of the researcher allowed him to deduce that organizational allegiance is linked to some external factors such as the lack of job opportunities... and internal factors like: supervision, ways of communication and promotion opportunities. The researcher also underlines, through his work, a positive correlation between organizational allegiance and job satisfaction and thus job performance. YOUSSEF (1999). The research work aims to investigate the correlation between job satisfaction, organizational allegiance and job performance, and their impact on incomes levels granted by the job. The researcher based his study on a sample of employees belonging to the public sector in United Arab Emirates. He found that contentment at work is highly affected by just and fair treatment of the employees. The study also proves that the income earned by the Emirati employees has an obvious impact both on their organizational allegiance and their job performance.

VALENTINE (2001). The objective of the field research is to evaluate the influence of the gender of the supervisor within the company, as well as its impact on job satisfaction and workers commitment. The researcher based his work on a sample of approximately 2600 supervisors from different commercial and industrial fields. The conclusion is the following; the sense of responsibility seems to be more pronounced among male supervisors compared to female ones. He also found that the sense of responsibility is positively correlated with job satisfaction and employees discipline, which therefore reflects a positive influence on job performance. KINICKI study (2002). This research work aims to determine the major factors influencing employees' job satisfaction in the United States of America, on the basis of a random sample of about 220 workers in two American companies.

The author had emphasized the importance of the feelings of enjoyment and challenge at work. The author considers these two feelings as the most important reasons affecting both employees' satisfaction and job performance within the two companies. Promotion opportunities, new skills learning and fair salary come next. CHANDRASEKAR, K. (2011). The researcher tried to investigate the degree to which age and experience affect the job performance of different employees of the hotel industry. He found no relevant link between the age and job performance. Indeed, job performance of aged employees doesn't differ a lot from that of younger ones. However, the research showed that experience and seniority have an important positive impact on the job performance of hotels employees.

3- The field research

At this point of the research work, we are going to try to collect data in order to assess the importance of the factors influencing the performance of the employees in Saudi Arabia banks, considering for this purpose banks' agencies located in the area of Jazan. The methodology used consists in a questionnaire administered to the banks employees within Jazan area. We will then, try to measure the impact of some factors thanks to the collected data, in order to analyze the determinants of job performance in Saudi Arabian banks.

3-1 The dimensions studied in the questionnaire

The field research is an attempt to assess the impact of different determinants on employees' job performance in Saudi Arabian banks, by conducting a survey among banks' employees in Jazan area. The questionnaire considers, among other factors: Moral incentives: and among the moral variables that influence the performance of the employees, we can cite the following:

- The general atmosphere at work and the relationship with colleagues, self-esteem and the respect of other employees
- Participation in the bank goals setting
- Recognition of the employee competence
- Precision of the role and the responsibilities of each employee
- Career development and transparent promotion system

Financial incentives: the questionnaire proposes two types of financial incentives that may support employees' job performance

- The salary the employee receives
- Annual returns of the banks
- The role of technology in facilitating the employee's work

3-2- Model evaluation method

To analyze the questionnaire, we are going to use the partial least squares method, in order to determine the impact of both financial and moral incentives on job performance within banks. This method is recommended for studies with small sample size. The evaluation method adopted in the present field research takes into account a set of latent variables, such as: job performance, which includes different dimensions mainly related to financial and moral incentives, themselves affecting the job performance of the banks' employees. The evaluation method used is very important and is adequate for this kind of field studies, especially when the number of observations or answers, collected by the researchers is limited. It's the best way to proceed for samples and studies where the number of variables exceeds the number of observations or answers.

3-3- Results and recommendations

After applying the model, in order to determine the effects of each latent component on job performance of bank employees in Saudi Arabia, we have been able to estimate the latent variables, and the results may be summarized as below:

Illustration 1: Estimation of the model parameters

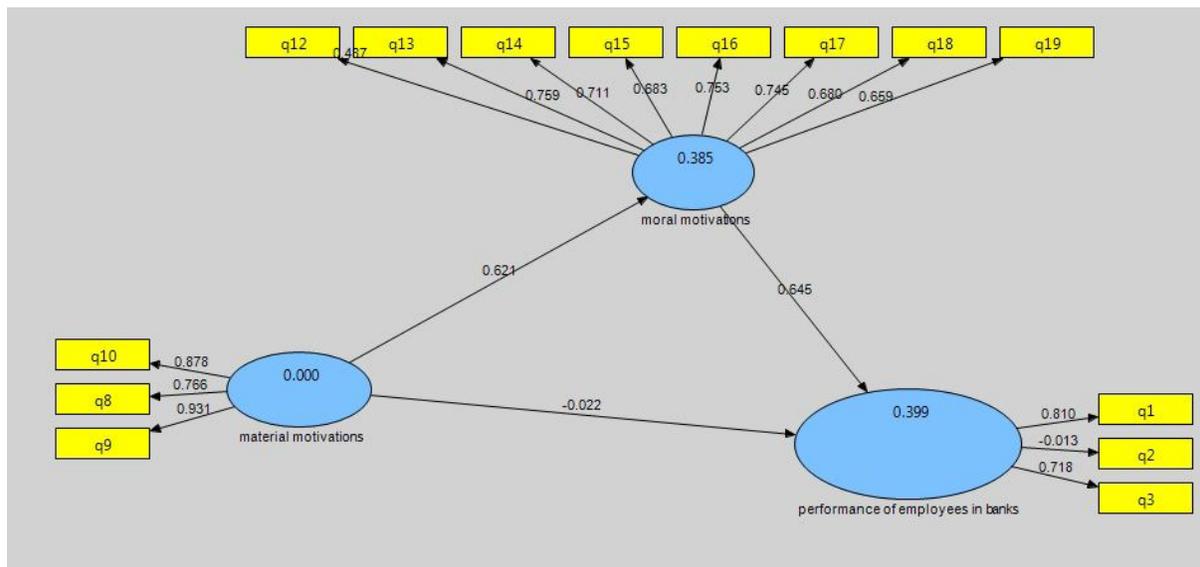


Illustration 2: Significance of the model parameters

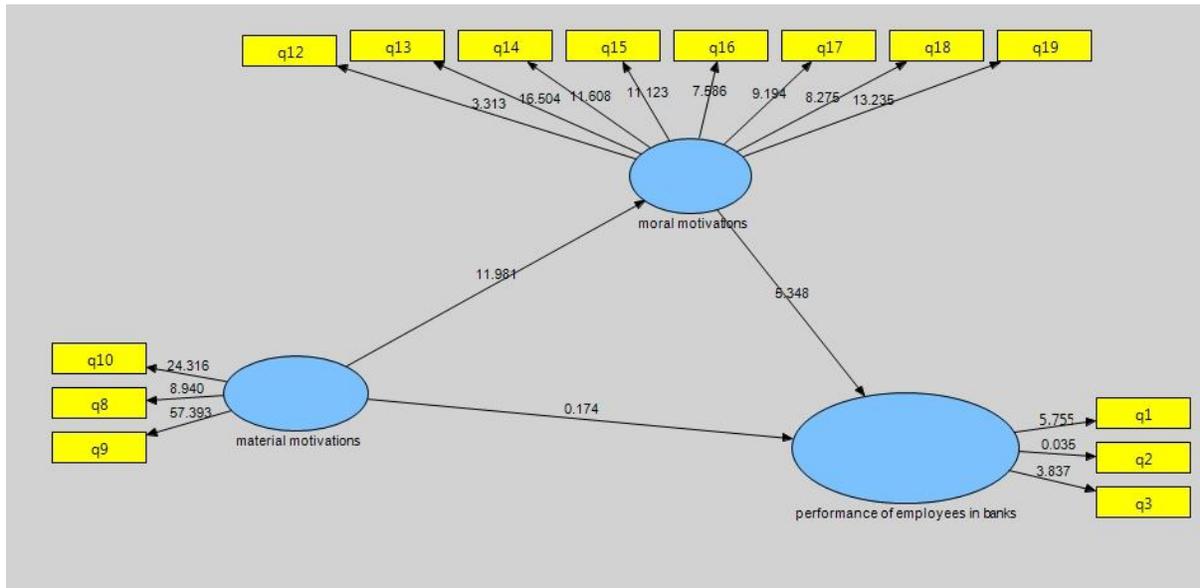


Table 1: Results of the hypotheses related to the impact of the different latent variables of the standard model

Research hypothesis	Coefficients	Standard deviation	t-statistics
Financial incentives and their impacts on moral incentives	***0.6206	0.0518	11.981
Financial incentives and their impacts on job performance in banks	-0.02	0.1239	-0.174
Moral incentives and their impacts on job performance in banks	***0.6451	0.1206	5.3478

The statistical significance of the financial incentives effect on moral incentives, for the employees of Saudi Arabian banks is 99%, which means that the positive impact is confirmed, and that the margin of error margin is 1%.

• **Reliability and validity of the data**

The reliability and the validity of the collected data, used in this field research may be summarized in the following table:

Table 2: Reliability and validity tests of data used to estimate latent variables

Latent variables	Mean change	Reliability values	R ²	Cronbach's Alpha
Financial incentives	0.7415	0.8953	0	0.8241
Moral incentives	0.4752	0.8772	0.3852	0.8394
Job performance of banks' employees	0.3904	0.5566	0.3988	0.5238

According to the results summarized in the table 2 above, we can tell that the applied model is reliable, and that the questions used in the survey characterize well job performance in Saudi Arabian banks. Cronbach's Alpha reflects how representative the variables used in the survey are, and to what extent they allow to explain the model's latent variables.

• **Interpretation of the results and recommendations**

According to table 1, we have been able to clearly see that financial incentives have a direct positive impact on moral incentives. In fact, the person who gets better salary and compensations, would be morally and psychologically more enthusiastic to better perform at work.

The mood of the employee is affected by his finances, and when he is financially satisfied, he becomes motivated to improve his performance at work, in order to keep his job and his professional position. Therefore, his job performance is positively affected. Saudi employees in banks, similarly to any other employees become more enthusiastic when they get a salary rise or compensations. Wage growth is perceived as a moral support, to encourage them to make efforts, and consequently, job performance is effectively improved. Regarding the positive impact of financial incentives on job performance within banks, wages or compensations, in reality, do not correspond to the productivity of the workers. This may be explained by the fact that financial incentives, even if considered as the main factor affecting the employee's efficiency, are so negligible for Saudi banks employees to affect their productivity. Table 1 confirms this statement, showing a small impact value of financial incentives compared to the other factors influencing the performance of banks' workers. The impact of these financial incentives has a small statistical significance; less than 90%. This result suggests ignoring its direct impact on the job performance of banks' employees, and rather focusing on its indirect impact, through moral influence. In our survey, we also considered new technologies and assessed the impact they have on banks. New technology adoption has positively affected the employees' morale. They reported that their tasks became easier using the new technologies their banks adopted. Strong networks, computers and ATM have direct impact on employees' morale. They think their jobs are more comfortable; there is no more need to move from an office to another, a simple click is sufficient. This way, they save time and useless effort and above all, this makes them feel less stressed. All these things combined lead to better performance at work.

Regarding the influence of moral incentives on the job performance of banks' employees, these incentives play an important positive role, supporting Saudi workers' productivity and efficiency within the banking sector. This is confirmed by a statistical significance of 99%, which means that we are 99% sure, that moral incentives have positive influence on the job performance of employees in banks. The field research has demonstrated the important weight of moral incentives in banks, since they help enhancing the employee's productivity. Praising the brilliant workers, and giving them rewards and certificates of appreciation efficiently boost individuals' efficiency as well as job performance within banks. The field study conducted allows us to come out with some recommendations that may further improve employees' efficiency within the Saudi banking sector. These recommendations are the following: The negative influence financial incentives have on the job performance of employees, within Saudi Arabian banks is a predictable result, regarding the salaries Saudi Arabian are paid for their work, especially when they are new recruits. We hope that this finding will encourage decision makers in banks to raise the salaries of the employees who consider themselves underpaid regarding the effort they make. Their performance does not meet their wages nor the compensations they are given.

Focusing on financial incentives improvement may motivate the workers to make bigger efforts, which will finally have a positive and important effect on the position and the role played by banks in Saudi Arabian economy, along with annual benefits growth. Moral incentives also play a great role, boosting the banks workers performance. The statistical significance of this factor has been proved to have such an effect according to the findings of the researcher, in the field study. Thus being said, this factor is to be continually considered and this kind of incentives are to keep being improved so that to keep their positive effect on banks' employees within the kingdom. More transparent promotion policies, involvement of the employees in decision making, appreciation ceremonies planning, appreciation certificates distribution, recognition of their efforts, and so on, are the best support decision makers, within banks, could give so that to boost their employees' performance.

Conclusion

In light of the research study conducted, we can argue that financial incentives have a positive and direct impact on moral incentives. However, they have a negative, yet statistically non-significant, effect on the job performance of employees within Saudi banks. These results are a scientific proof of how trivial the influence of salaries and compensations is, on supporting staff productivity in banks. Indeed, wages and compensations given to banks' employees in Saudi Arabia are small, especially for young beginners, compared to the incomes of the other sectors' employees'. Consequently, one may state that salary and compensation raise will likely be the best way to motivate workers, and foster their productivity, by pushing them to improve their job performance, which, at the end, will also result in banks benefits growth. The research study also suggests that moral incentives play an important great role, influencing the efficiency of banks' employees. Recognition, as well as the building of organizational culture based on gratitude and acknowledgement of good work and performance, have the greatest impact on the employees' morale, and are considered the best support.

The more the workers feel appreciated and praised for their hard working, the more they feel satisfied and content about their job and also about themselves, which makes them go further, and make constantly more efforts. At this point, and according to our survey, we have to underline the fact that Saudi employee is not affected by financial compensations and bonuses, which are considered inadequate by the employees having taken part in the field study. The compensations received do not match the efforts made at workplace. The field study also showed the importance of technology as a main component of material incentives, strongly affecting the employee's morale and satisfaction at work. The present research argues that moral incentives are to be seriously taken into account, for they are very important, and highly influence job performance of the employees in Saudi Arabian banks. Acknowledging the efforts made by the employee, praising his skills and competence, giving him the opportunity to participate in the bank's future goals setting, planning annual ceremonies so that to thank the employees for their performance all year long, adopting transparent promotion system, and so on, are ways to support banks' employees and have a great influence on job performance of Saudi employees in banks.

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