

## The Impact of Incentives on the Performance Level of Nursing Staff in the Libyan Public Health Sector

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### المخلص:

تناولت العديد من الدراسات موضوع الحوافز وأثرها على الرضا الوظيفي ومستوى الأداء، وحثت في توصياتها على ضرورة دراسة الحوافز لرفع مستوى الأداء في المؤسسات. ومن هنا سعت هذه الدراسة إلى التعرف على نظام الحوافز المتبع في القطاع العام للصحة في ليبيا، وأثره على مستوى أداء الكادر التمريضي. استُخدمت الحزمة الإحصائية للعلوم الاجتماعية (SPSS) لتحليل البيانات التي جُمعت من خلال استبيان من 643 ممرض وممرضة. وأظهرت النتائج أن مستوى الحوافز المادية والمعنوية المقدمة لكادر التمريض في قطاع الصحة العام في ليبيا غير كاف وغير مناسب، وأنه يستخدم حوافز سلبية من خلال تطبيق الإجراءات التأديبية، أكثر من استخدامه للحوافز الإيجابية. كما أظهرت النتائج ارتفاع أفراد العينة بشكل عام لمستوى أداء عملهم. وأن هناك تأثيراً للحوافز المادية والمعنوية على مستوى الأداء. وهكذا فإن نظام الحوافز المتبع في القطاع العام للصحة في ليبيا يؤثر إلى حد ما على مستوى الأداء.

### الكلمات المفتاحية:

الحوافز المالية، الحوافز المعنوية، مستوى الأداء، قطاع الصحة العام.

### Abstract

Several studies have dealt with the issue of incentives and its impact on job satisfaction and the level of performance, and urged in their recommendations the need to study incentives to raise the level of performance in institutions. Hence, this study sought to identify the incentive system followed in the public health sector in Libya, and its impact on the performance of the nursing staff. The Statistical Package for Social Sciences (SPSS) was used to analyse the data collected through a questionnaire of 643 male and female nurses. The results showed that the level of financial and moral incentives provided to nursing staff in the public health sector in Libya is insufficient and inappropriate and that it uses negative incentives by applying disciplinary measures, more than using positive incentives. The results also showed that the sample members are satisfied in general with the level of their work performance. And that there is an of incentives on the performance level. Thus, the incentive system followed in the public health sector in Libya, to some extent, impacts the level of performance.

**Keywords:** financial incentives, moral incentives, level of performance, public health sector.

## 1. INTRODUCTION

Financial and moral incentives are considered as the main factors that encourage employees to work hard to improve their performance. When the employees' performance reaches to required levels, this will help the institution to achieve their predetermined goals <sup>(1)</sup>. Besides the absence of the appropriate incentives may lead to the decrease in the efforts of employees to perform their work as required which may weaken their productivity at work and reduce the chance of attaining the goals of the institution. Moreover, both financial and moral incentives will help in achieving job satisfaction which will improve the relationship between the employees and the organization <sup>(2)</sup>. Incentives refer to all those things which play an essential role in increasing the rate of performance or satisfaction at work, and it is the role of the top management level within the organization to enhance the employees' motivation level by providing them incentives either financial (tangible) or moral (intangible) <sup>(3)</sup>.

## 2. LITERATURE REVIEW

Many studies have discussed the issue of incentives in different parts of the world, which have reached significant results that will enrich this study.

**Eltarhuni and Alagile (2019)** study which entitled as "Impact of Incentives on Physicians' Performance at Pediatric Hospitals in Benghazi". This study discussed the type of incentives available to physicians and to measure the preferable incentives and also to investigate the impact of financial and moral incentives on physicians' performance. The study results were most physicians were dissatisfying with financial incentives, where they were neutral with moral incentives and performance. The study also recognized that there was a positive association between incentives and performance, and significant relationship was determined between (financial and moral) incentives and personal variables <sup>(4)</sup>.

**Al-Hawary and Banat (2017)** conducted a study about the impact of motivation on level of performance of nursing staff and found a statistically significant effect of material and non-

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material motivations on level of performance of the nurses working at private in Amman <sup>(5)</sup>.

**Khalek et al., (2016)** discuss the topic of “Incentives System for Nurses in Assiut University Hospital”, aimed to explore nurse’s awareness of the incentives system and identify the extent of nurse’s satisfaction with the incentives system applied in the main hospital at Assiut University. The study showed a high percentage of the respondents reported that fair remuneration, bounces, appropriate working hours and different services (health/ education) are the most important incentives respectively and the promotion, appreciation of work efforts, good relations with colleagues and superior encouragement were the most important incentives respectively. Furthermore, about half of the participants, especially female nurses, considered the moral incentives are more important than the financial one, especially the good dealing and respect from the physicians <sup>(6)</sup>.

**Lucas, Olaniyi and Peter (2016)** conducted a similar study about incentives named “The Impact of Financial and Moral Incentives on Organizational Performance”. This study aimed to examine the impact of financial incentives and moral incentives on organizational performance on employees of Nigerian Universities, where it found the following results, an adequate level of incentives provided to employees in Nigerian Universities and financial incentives ranked in first while moral one ranked second. Moreover, there was a high level of organizational performance <sup>(7)</sup>.

**Elarabi & Johari (2014)** also conducted a study to understand the nature of job satisfaction in hospitals and its relationship to the level of performance. Therefore, this study aimed to evaluate the factors that affect job satisfaction and improve the performance of human resources in government hospitals in Libya and concluded that most of medical staff and employees in Tripoli public hospitals have disagreed with the incentives systems <sup>(8)</sup>.

**Al-Nsour (2012)** conducted a study aimed to investigate the impact of financial and moral incentives on organizational performance for the employees of the Jordanian Universities. The study found that there is an adequate level of incentives provided to employees. There is a relationship between financial & moral incentives and organizational performance as well as between financial and moral incentives and internal business process and customer satisfaction <sup>(9)</sup>.

**Al-Fares (2011)** identified the relationship between the incentives methods applied in four public institutions. This study found that there is a strong relationship between the incentives and loyalty towards the organization, which as a result, affects the performance at work <sup>(10)</sup>.

**Awad and Odeh's (2011)** study tried to identify the quality and role of incentives, given to the employees at Nables hospital in Palestine, in enhancing the employees' performance. This study found that there is no direct relationship between the incentives and the employees' performance <sup>(11)</sup>.

**Muhsen (2004)** investigated the most effective factors that help to attain job satisfaction and effective performance at the UNRWA in Amman. The study found that the percentage of job satisfaction was low and, also, found that there are differences, with statistical evidence, in job satisfaction. due to variables such as salary, age, and years of experience, marital status and place of residence <sup>(12)</sup>.

### 3. RESEARCH PROBLEM

The problem of the study lies in increasing the number of nurses who transfer from the tertiary level in Libyan health care system which is represented in this study in (Libyan public health sector) into the secondary level, such as polyclinics and health care unit’s due to many considerations, which may affect negatively on the stability of nurses in the health care system. Moreover, many previous studies showed that there is a decline in the level of nursing performance in Libyan public health sector <sup>(13, 14, 15)</sup>. The human being is the main foundation upon which organizations are built, as the interest in this element effectively reflects on the individual and the organization to achieve the desired goals <sup>(16)</sup>. Incentives are considered as one of many factors that have an affect on transferring workers among health care institutions, and also have an effect on the level of performance, because they have an affect on human behaviour of individuals and workers, and thus their stability in health care organizations and their ability to perform and work effectively. The current study is looking for studying the incentives system followed in the Libyan public health sector and their effect on nursing performance. Therefore, this study conducted to answer the following question:

*What is the impact of incentives on the performance level of nursing staff in Libyan public health sector?*

### 4. RESEARCH AIM AND OBJECTIVES

This study aim is to identify the financial and moral incentives system adapted in Libyan public health sector to motivate nurses and its impact on the level of nurses' performance in Libyan public health sector. This broad aim divided into the following three objectives:

1. Investigate financial incentives that are followed in the Libyan public health sector.
2. Investigate moral incentives that are followed in Libyan public health sector.
3. Identify the administrative performance level of nursing staff in the Libyan public health sector.

### 5. RESEARCH HYPOTHESIS

The main hypotheses formulated after a review of the literature are given below:

- The implemented incentives in LPHS have not a significant impact on the levels of nursing staff’s performance.

- **The First Hypothesis:**

H0:the implemented financial incentives in LPHS have not a significant impact on the levels of nursing staff’s performance

H1:the implemented financial incentives in LPHS have a significant impact on the levels of nursing staff’s performance.

- **The Second Hypothesis:**

H0:the implemented moral incentives in LPHS have not a significant impact on the levels of nursing staff’s performance.

H1:the implemented moral incentives in LPHS have a significant impact on the levels of nursing staff's performance.

## 6. INCENTIVES:

Incentives defined as “an essential factor that affecting employee's performance to work hard and efficiently”. All incentives types are created to encourage individuals' performance and play an important role in pushing individuals forward to done work efficiently and effectively<sup>(17)</sup>. Incentives, in general, divided into two types, financial and moral incentives, each one of them are being subdivided into positive and negative incentives<sup>(18)</sup>:

### 6.1. Moral Incentives

Moral incentives (Non-financial incentives) are an important motive for employees to get satisfied and perform their job well. There are many types of moral incentives that have an effect on the improving quality of level of performance as well as motivational level. Moral incentives have many terms like non-material incentives, non- financial incentives, non-monetary incentives or intangible incentives<sup>(7)</sup>. Moral incentives include performance appreciation, social recognition, improved working conditions, diversification in the job description, increasing responsibilities, vacation days, study leave, etc. Moral incentives play an important role in increasing the overall job satisfaction of workers which affect positively on the level of job performance. Nurses staff who get fair incentives are most likely to offer their effort, experience and education to perform their work as required. Fair incentives system make nurses feel optimistic, this sense of optimism leads to a positive impact on their commitment to do their work effectively. On the other word, nursing staff who don't get inappropriate or unfair incentives are most likely to quit their jobs<sup>(19)</sup>.

Moral incentives have two forms, positive moral incentives which are represented in any consequent that raised the spirit of the individual, such as holidays, job enrichment, the appropriate post, participation in decision-making, social harmony and confidence in the objectives of the organization, etc. and negative moral incentives which are represented in negligent acts, such as shame and blame<sup>(12)</sup>. There are several non-financial incentives that may represent more effective means of improving the quality of work performed, as well as the motivational level<sup>(16)</sup>. Moral incentives are defined as means of incentives that do not involve directly with money, transfers of monetary values or equivalents. Selected non-financial incentives for this study were job promotion, recognition, and training and development<sup>(20)</sup>.

### 6.2. Financial Incentives

Financial incentives defined as “A set which may satisfy basic human needs, encourage employees to do their best and increase the level of their competences such as through prompt payment of salary, bonuses, allowances, profit sharing and rewards”<sup>(7)</sup>. Financial incentives based on improving the productivity of employees as a result of payment system followed. Therefore, employees looking to do their work as required to get more paid<sup>(21)</sup>.

Financial incentives play an important role in encouraging employees to work effectively because an appropriate payment leads to the high efficiency of productivity. On the other hand, low or inappropriate payment according to exerted efforts leads

to the low efficiency of productivity<sup>(22)</sup>. Financial incentives have many forms, positive and/or negative incentives, and directly monetary and/or indirectly monetary. Positive incentives include; (rewarding of grants and aid or giving bonuses, etc.), while as negative incentives include (deprivation of reward or bonuses, or salary reduction, etc.). Directly monetary represented in (overtime pay, allowances, bonuses, profits, etc.), while as indirect monetary represented in (nutrition, housing, transportation, facilities treatment, loans, etc.)<sup>(23)</sup>. While monetary incentives increase effort, their effect on performance depends on the decision maker's perceptual differentiation. This finding suggests that in certain settings, monetary incentives may motivate higher levels of effort and the utilization of greater resources without improving job performance level<sup>(24)</sup>. The employees' effort only improves performance if the match between the analytical skills possession and the demands of the task is good. So, the effort is an important variable in the connection between monetary incentives and task performance. On the other wards, the effect of monetary incentives to the actual performance is reduced by effort<sup>(25)</sup>.

## 7. JOB PERFORMANCE

Job performance is defined as “the total expected value to the organization of the discrete behavioral episodes that an individual carries out over a standard period of time<sup>(26)</sup>. Another defined it as “A signifies individual's work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaging profile, and compassionate colleagues/ employers around”<sup>(17)</sup>. Job performance has two components, behavioral engagements from an expected outcome and outcome aspects. The behavior refers to the action that people exhibit to accomplish a required work, whereas the outcome aspect refers to the consequence of an individual's job behavior<sup>(27)</sup>. To get a better understanding, suppose we take the two components that Rabindra and Lalatendu (2017) referred to, and try to understand how they affect the job performance of the employees. In that case, we must submit to the axiom that says human's actions are subject to what the mind thinks. On the other hand, creates human's behavior by the influence of their feelings, which in turn are affected by all the factors surrounding them (Socially, economically, etc.). Hence, low income and lack of financial and moral incentives in the field of work lead to emotional stress and job dissatisfaction<sup>(28, 29)</sup>. In this regard, Liu's study found the effect of job dissatisfaction, as well as pressure among medical personnel in general, caused by low income and lack of incentives, not only affecting their performance but also pushing them to leave work<sup>(30)</sup>.

## 8. RESEARCH METHOD

The research method is formed from the methods through which the research is undertaken, and this needs to be both explained and justified in order to understand the underlying reasons for which the methods were adopted<sup>(31)</sup>. In this paper, the researcher adopted quantitative methods. As this paper identifies the incentives' system that adapting to the Libyan public health sector and its impact on the performance of nursing staff.

### 8.1. Research Context

The empirical research was conducted on one of the important sectors in the Libyan public health sector. The reasons behind

the choice of this sector are: (1) previous study investigations have neglected nursing staff in the Libyan public health sector; (2) some sectors have received investigative the incentives' system, such as the Oil, Electricity, Cement industries, and food industry, whilst Libyan public health sector (LPHS) has not been researched significantly comparing with oil and heavy industrial sectors; (3) the importance of this sector as Libyan government support non-oil industry; (4) the originality and uniqueness of the research mean that results will contribute to the development of LPHS. It is important to note four of LPHS in are distributed across Benghazi, subsequently posing implications the Libyan public health sector were selected in terms of: (1) paper time schedule; (2) the cost of research; (3) furthermore, given the focus of the research, only the LPHS in Benghazi were studied; (4) as the Libyan civil war which affect to close almost public health sector in Benghazi except the four

LPHS in Benghazi were studied which some of their medical staff practice their duties in LPHS.

**8.2. Research sample**

Relating to time and the cost of fieldwork, this current research has limitations. Therefore, the researcher was unable to cover the completely Libyan public health sector. Therefore, purposive sampling was conducted within (643) of the nursing staff. The questionnaire was delivered to them all in person (comprehensive survey) and was conducted between January and March 2020. The table of (Kregcie and Morgan, 1970) <sup>(32)</sup> was used to draw a sample of nursing to facilitate the collection of information from a large number of nursing concerning responses and reaction towards the impacts of incentives on level of performance. Table (1) shows the sample of nursing from the four selected hospitals in the LPHS.

**Table (1) the Sample of Nursing Staff the four selected hospitals in the LPHS**

Hospitals	Nursing	Nursing Number	Sample of Nursing
Al-Jala Hospital		392	191
Benghazi Medical Sector		310	175
Al-Kuifea Hospital		170	118
Children Hospital		275	159
<b>Total</b>		<b>1147</b>	<b>643</b>

**8.3. Research Measurement**

The measurements adopted in this research are existing in the literature, which are items and scales that have been developed by previous studies. Some items and scales that have been developed for this research. Accordingly, the measurements adopted in the questionnaire are reviewed. Part one of the questionnaire investigated the financial incentives in the Libyan public health sector, and consisted of seven questions. Part two examined the moral incentives in the Libyan public health sector, and consisted of seven questions. Part three of the questionnaire investigate the level of performance in the Libyan public health sector, and consisted of seven questions.

**8.4. Questionnaire Reliability and Validity**

The reliability and validity of the questionnaire was assessed using a number of different strategies; these included: experts' evaluations, internal consistency analysis, and the literature review. Amaratunga, 2002 stated that 'The reliability of the data derived refers to the extent to which any procedure produces similar results when repeated, under similar or constant conditions, at all attempts' <sup>(33)</sup>. An analysis of internal consistency was carried out on 21 questions about the respondent's financial incentives, moral incentives, and level of performance in the Libyan public health sector. The reliability of the questionnaire was confirmed using Cronbach's Alpha measurements. Table 2 shows the variables using Cronbach's Alpha results.

**Table 2. The Variables Using Cronbach's Alpha Results**

Variables	Questions	Number of Questions	Reliability Cronbach's Alpha	Validity
1. financial incentives	Q1 to Q7	7	0.87	0.93
2. moral incentives	Q 8 to Q14	7	0.82	0.90
3. level of performance	Q 15 to Q21	7	0.77	0.87

It can be seen from Table 1, the reliability Cronbach's Alpha measured of this research was considered to have high reliability between (0.87-0.77) and to be an acceptable instrument for this test. Research validity refers to the truthfulness or accuracy of the results, and the extent to which the questionnaire measures what it was set up to record. Flynn B. B. (1990) indicate that there is no one way to determine the

validity of a measuring instrument <sup>(34)</sup>. The validity of the questionnaire was tested by academics and the research staff in the University of Benghazi and by 20 of nursing staff in the LPHS. This rigorous testing was conducted before the questionnaire distribution in order to ensure an accurate assessment.

### 9. DATA ANALYSIS

A five-point Likert scale was used in this research. The respondents were asked to score each of the questions (1= strongly disagree, 2= disagree, 3= Neither Agree nor Disagree, 4= agree, 5= strongly agree). The following table shows the range of each scale <sup>(35)</sup>.

**Table 3. Summary of the range of scales**

Degree of agreement	Point	Level	Scale range
Strongly disagree	1	Very low	From 1 to 1.80
Disagree	2	Low	1.81 to 2.60
Neither agree nor disagree	3	Medium	2.61 to 3.40
Agree	4	High	3.41 to 4.20
Strongly agree	5	Very high	4.21 to 5

Appropriate statistical methods were used to analyse the results of the questionnaire. The Statistical Package of Social Science (SPSS) was used, mainly to analyse the results. Descriptive analysis was used (i.e., the means, standard deviations, and T-tests) as a method for data examination and measures financial incentive, moral incentive, and level of performance. Pearson’s correlation coefficients were used to test the hypothesis and to assess the correlation between the independent and dependent variables, and to show the correlation between the independent variables themselves. The next three subsections show the results collected from the questionnaires, through the three parts relating to financial incentives, moral incentives, Level of performance.

#### 9.1. Descriptive statistics of the financial incentives

Table 4 shows the results of the analysis of the questions selected to measure financial incentives in the LPHS. These related to the pay matches efforts, pay matches qualifications, pay matches all needs, motivate nurses to work efficiently, provides fair promotions on a scientific basis, and managers punish deduction or deprivation of financial incentives.

**Table 4. means, standard deviations for measures financial incentives**

Variables	Mean	St. D	R. weight	Order	Indicator
1. The pay that I receive is commensurate with my effort at work.	2.213	0.8601	44.26%	7	Weak
2. The pay that I receive is commensurate with my educational qualifications.	2.217	0.8601	44.46%	4	Weak
3. The pay that I receive meets all my needs.	2.662	1.1491	53.24%	1	Medium
4. The center offers rewards that motivate nurses to get the job done efficiently.	2.218	0.8601	44.36%	6	Weak
5. The center offers fair promotions to nurses according to scientific foundations.	2.219	0.8601	44.38%	5	Weak
6. The center offers a system of Bonuses to encourage nurses to work efficiently.	2.331	1.1977	46.62%	3	Weak
7. Deduction or deprivation of financial incentives	2.604	1.4046	52.08%	2	Medium
<b>Total</b>	<b>2.353</b>	<b>.7885</b>	<b>47.05%</b>	<b>-</b>	<b>Weak</b>

The above table explains the attitudes of respondents about the statements of financial incentives, which showed that statistically significant and almost was a weak level of practice for financial incentives system within LPHS.

Accordingly, questions which had been investigated were answered disagree with financial incentives in the LPHS, with a mean average was (2.353) The responses, therefore showed a disagreement about the statements of financial incentives.

**Table 5. One-Sample Test for financial incentives**

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
financial incentives	-14.045-	292	.000	-.64700-	-.7377-	-.5563-

The dimension of financial incentives was in the weak level (2.353±0.7885), and The one sample t-test statistical shows that dimension of financial incentives is statistically significant to differ from (3) since p = .000 (which means p < .05).

**9.2. Descriptive statistics of the moral incentives**

Table 6 present the results related to of moral incentives and the responses from LPHS. The researcher measured this by seven questions, related to offers thanks and appreciation certificates,

offers participation in training sessions, nominates distinguished members of the nursing staff, gives a chance for nurses to participate in taking decisions concerned with their job, provides a sense of security and career stability for nursing staff, LPHS holds honouring ceremonies for outstanding performers, managers punish by deprivation of moral incentives.

**Table 6. means, standard deviations for measures moral incentives**

Variables	Mean	St. D	R. weight	Order	Indicator
8. The centre offers certificates of thanks and appreciation to those who deserve it.	2.481	1.1152	49.62%	2	Weak
9. The centre provides an opportunity to participate in training sessions.	2.184	1.0502	43.68%	6	Weak
10. The centre provides an opportunity for distinguished nurses to graduate study.	2.604	1.375	52.08%	1	Medium
11. The centre's management involves nurses in the decision-making process.	2.328	1.0346	46.56%	4	Weak
12. The centre provides a sense of security and job stability for the nursing staff.	2.198	0.7321	43.96%	5	Weak
13. The centre holds parties to honour outstanding people in performing work.	2.43	1.1701	48.6%	3	Weak
14. managers punish by deprivation of moral incentives	2.085	1.2204	41.7%	7	Weak
<b>Total</b>	<b>2.330</b>	<b>.7785</b>	<b>46.6%</b>	<b>-</b>	<b>Weak</b>

The above table explains the attitudes of respondents about the statements of moral incentives, which showed that all the statements were statistically significant. This refers to all the statements was a weak level of practice for financial incentives system within LPHS except the statement of the centre provides an opportunity for distinguished nurses to graduate study, which

was a medium level. Accordingly, questions that were investigated were answered disagree with moral incentives in the LPHS, with a mean average was (2.330). The responses, therefore, showed a disagree about the statements of moral incentives.

**Table 7. One-Sample Test for moral incentives**

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
moral incentives	-14.729-	292	.000	-.66992-	-.7594-	-.5804-

The dimension of moral incentives was in the weak level (2.330±0.7785), and The one sample t-test statistical shows that dimension of moral incentives is statistically significant to differ from (3) since p = .000 (which means p < .05).

**9.3. Descriptive statistics of the level of performance**

Table 8 presents the results that are related to the level of performance in the LPHS. The researcher measured this by seven questions related to the incentives system followed in

LPHS makes work harder, reduces the percentage of absenteeism from work, works on improving overall performance, trying to acquire new skills and perseverance in the work, achieve the policies and objectives of the center, level of work performance, satisfied with the level of work performance. This part describes the statements of a level of performance variable via mean, standard deviation and relative weight for sample members as shown in the following table:

**Table 8. means, standard deviations for measures level of performance**

Variables	Mean	St. D	R. weight	Order	Indicator
15. Incentives system followed in the centre makes me work hard.	2.515	1.0156	50.3%	6	Weak
16. Incentives system followed in the centre minimize the percentage of me absent.	2.331	1.0868	46.62%	7	Weak
17. Incentives system followed in the centre makes my performance better in general.	2.625	1.2588	52.5%	5	Medium
18. Trying to work hard and accept new skills to improve my level of performance to get incentives.	3.829	1.0161	76.58%	4	High
19. Working hard toward organization’s policy and objectives to be at the highest level of quality.	4.174	1.0036	83.48%	1	High
20. My direct supervisor seems satisfied with my performance at the workplace.	4.068	1.0248	81.36%	2	High
21. In general, I am satisfied with my level of performance.	3.850	1.349	77%	3	High
<b>Total</b>	<b>3.341</b>	<b>.59161</b>	<b>66.83%</b>	<b>-</b>	<b>Medium</b>

The previous table shows that; all the level of performance statements was statistically significant, and the last three statements was a high level. It can be seen that from the table above, the first and second statements was a weak level, and another statement related to” incentives system followed in the centre makes my performance better in general” was a medium level.

From the table above it can be understood that the analyses of the last four items agreed in the level of performance. As the mean average was (3.341), this indicated that all from the data analysis the level of performance is medium. However, both the financial incentives and moral incentives is weak.

**Table 9. One-Sample Test for level of performance**

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
level of performance	9.889	292	.000	.34178	.2738	.4098

The dimension of the level of performance was in the medium level (3.341±0.59161), and The one sample t-test statistical shows that dimension of the level of performance is statistically significant to differ from (3) since p = .000 (which means p < .05).

**9.4. Testing hypothesis**

This section aims to test the two hypotheses that were formulated in this paper related to the impacts of incentives on the level of performance. Pearson’s correlation coefficients were used to test each hypothesis and to assess the correlation

between the independent and dependent variables. A multiple regression results is introduced for each hypothesis, which was achieved by using an ANOVA model and a coefficients model was used to test the impact of incentives on the nursing staff performance in the LPHS. The main hypotheses formulated is:

The implemented incentives in LPHS have not a significant impact on the levels of nursing staff’s performance.

Table 10 shows the Pearson correlation coefficient between the independent and dependent variables.

**Table 10. Correlations Results**

		financial incentives	moral incentives	level of performance
financial incentives	Pearson Correlation	1	.576**	.574**
	Sig. (2-tailed)		.000	.000
	N	293	293	293
moral incentives	Pearson Correlation	.576**	1	.453**
	Sig. (2-tailed)	.000		.000
	N	293	293	293
level of performance	Pearson Correlation	.574**	.453**	1
	Sig. (2-tailed)	.000	.000	
	N	293	293	293

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

The table above indicates a positive correlation between the independent variables themselves. There is also a level of performance, as a dependent variable, is positively correlated at a 1% level of significance with all of the variables.

The financial incentives and moral incentives in LPHS are examined to see if it impacts on the levels of nursing staff's performance. Table 11 and Table 12 demonstrate that the independent variables have p-values below .005. This indicates that they make a significant impact on the levels of nursing staff's performance. The  $R^2 = 0.352$ , so the model explains

35.20% of the variation in the level of performance. These indicators refer to the presence of a statistically significant impact of incentives on the performance of the nursing staff in LPHS.

The Table 11 showed that the ( $R^2$  adj) equal to (0.348), this means that the incentives as a whole explain (34.8%) of the variance in the dependent variable of performance. Also, the value of correlation coefficient equal (R) to (0.594) and thus ensure the presence of an impact between incentive and the performance level in LPHS.

**Table 11. Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.594 <sup>a</sup>	.352	.348	.47778

a. *Predictors: (Constant), moral incentives, financial incentives*

**Table 12. ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.003	2	18.002	78.861	.000 <sup>b</sup>
	Residual	66.198	290	.228		
	Total	102.201	292			

a. *Dependent Variable: level of performance*

b. *Predictors: (Constant), moral incentives, financial incentives*



Table 13. Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.190	.098		22.301	.000
	financial incentives	.351	.043	.468	8.104	.000
	moral incentives	.140	.044	.184	3.178	.002

a. *Dependent Variable: level of performance*

The ANOVA table (as shown in Table 12) depicts that, there is an important relationship between the level of performance financial incentives and moral incentives as independents variables, since the F-value and the corresponding probability as follows:  $P [F \text{ calculate} \geq 78.861] \leq 0.05$  with a degree of freedom (2, 290). From Table 13, it can be seen that the regression coefficients of all explanatory variables are statistically significant, all of the significant variables have a positive impact on the level of performance.

## 10. DISCUSSION

The results of the current study revealed that most of the respondents of nursing staff were agree about the presence of an appropriate incentive system followed in Libyan public health sector. Still, there was a slight difference between the impact of the types of incentives on the level of performance, where the financial incentives come first and have more impact on the level of level of performance than the moral incentives. Al-Hawary (2017) opined that there is a statistically significant effect of the material and non-material motivations on the level of performance of the nurses working at private hospitals in Amman <sup>(5)</sup>. Elarabi (2014) concluded that most of medical staff and employees in Tripoli public hospitals have disagreed with the current incentives systems <sup>(8)</sup>. The study of Lucas and Peter (2016) indicated similar finding about the effect of incentives, where it revealed that financial incentives ranked in first and moral incentives ranked second in terms of impact on performance level <sup>(7)</sup>.

The study also showed that the Libyan public health sector focusing more on positive moral incentives (reward) than negative ones (punishment). In addition, the level of performance was high among nursing staff in the current study; this may be due to the impact of incentives systems that was followed in Libyan public health sector. Furthermore, this study found a statistically significant impact between incentives systems as a whole and the level of performance among nursing staff.

## 11. RESULTS

1. In general, there is a disagreement among nurse's staff about the practices of moral and financial incentives in LPHS.
2. This study provides evidence to the LPHS; both moral incentives and financial incentives should be increased.
3. The level of performance overall among nurses in LPHS appears (High) except the first statement related to

incentives system followed in the centre makes me work hard and the second statement related to incentives system followed in the centre minimize the percentage of me absent. Which appears (weak).

4. Financial incentives have a statistically significant impact on the level of performance. Thus, the first hypothesis was accepting H1 and reject H0.
5. Moral incentives have a significant impact on the level of performance among nurses. Thus, the second hypothesis was accepting H1 and reject H0.
6. Financial incentives come first, and then moral incentives come second according to their impact on the level of performance. This indicated that the financial incentives have more impact on the level of performance among nurses than moral incentives.
7. It provides empirical evidence `the adopting a system to increase both moral incentives, and financial incentives help the LPHS in competitive advantage.
8. The results of this research highlight the importance of the impact of moral incentives and financial incentives on the level of performance.

## 12. RECOMMENDATIONS

From the results of the study, the following recommendations can be suggested to LPHS in general:

- There is a need to develop an integrated system of financial and moral incentives alike, and to define reward and punishment rules to serve the goals of health organizations and the general goals of the health system.
- There should be training and workshop initiatives to qualify LPHS nursing staff and for an awareness to improve on the level of performance.
- Encouragement of nursing staff participation and suggestions is an important issue for improving performance.
- Attention to the emotional and psychological balance and human needs of the nursing staff by treating them properly and raising the level of morale at the workplace.
- Focusing on nursing staff efforts to obtain a high level of productivity and effective performance, by preparing effective programs to guide and develop the capabilities of them and improving their level of performance, and

choosing an appropriate type of incentives that could motivate them.

- Focusing more on the issues that could have impact on moral and financial incentives to raising the level of employees' performance in LPHS.
- Improving the moral incentive system that followed in LPHS to motivate nurses to do their job perfectly.

### 13. CONCLUSION AND FURTHER RESEARCH

This study has investigated the impacts of incentives on the level of performance of nursing

staff within LBHS. In order to help them to achieve a high level of performance, this study presented the results from a questionnaire survey that investigated both moral incentives and financial incentives on the level of performance. It finds that there is a disagree of agreement among nurse's staff about the questions of moral and financial incentives in LPHS. The quantitative survey shows that the level of performance overall among nurses in LPHS appears (High). There is also evidence from the LFI that showed that the adopting a system to increase both moral incentives and financial incentives help the LPHS in competitive advantage.

The results of this study will help and encourage other researchers to conduct similar studies in this field, such as:

- The impact of financial and moral incentive on raising the level of performance of doctors in public hospitals in the Benghazi city.
- The relationship between the achievement motive and the level of meeting the basic needs of the nursing staff in public and private hospitals in Benghazi.
- Evaluation of the performance of nursing staff in public hospitals in Benghazi city from the viewpoint of patients.

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