

Article

Unveiling the interplay of financial and moral incentives in elevating employee performance within healthcare organizations: A Klang Valley, Malaysia exploration

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Abstract: In today's rapidly evolving organizational landscape, understanding the dynamics of employee incentives is crucial for fostering high performance. This research delves into the intricate interplay between moral and financial incentives and their repercussions on employee performance within the dynamic context of healthcare organizations. Drawing upon a comprehensive analysis of 226 respondents from three healthcare organizations in Klang Valley, Peninsular Malaysia, the study employs a quantitative approach to explore the relationships between independent variables (career growth, recognition, decision-making, salary, bonus, promotion) and the dependent variable of employee performance. The research unveils that moral incentives, including career growth, recognition, and decision-making, significantly impact employee performance. Professionals motivated by opportunities for growth, acknowledgment, and participation in decision-making demonstrate heightened engagement and commitment. In the financial realm, competitive salaries, performance-based bonuses, and transparent promotion pathways are identified as crucial factors influencing employee performance. The study advocates a holistic approach, emphasizing the synergistic integration of both moral and financial incentives. Healthcare organizations are encouraged to tailor their incentive structures to create a supportive and rewarding workplace, addressing the multifaceted needs and motivations of healthcare professionals. The implications extend beyond academia, offering practical guidance for organizations seeking to optimize workforce dynamics, foster job satisfaction, and ensure the sustainability of healthcare organizations.

Keywords: career growth; recognition; decision-making; salary; bonus; promotion; employee performance

1. Introduction

Numerous studies have examined the interconnection between moral and financial incentives and their effects on employee performance across diverse regions, various countries, and a multitude of industries. One such study is Alabi et al. (2022) who reported that both monetary and non-monetary (moral) incentives are deemed crucial for employee commitment. Moral incentives, encompassing recognition, promotion, and decision-making involvement, emerge as pivotal in ensuring optimal employee performance. Career growth, highlighted as a moral incentive, is identified as a significant factor in enhancing performance and competitiveness (Lartey, 2021;

Njiraine, 2019). Recognition is found to positively correlate with performance, influencing employees emotionally and reducing work stress (Manzoor et al., 2021). Decision-making involvement is noted to enhance satisfaction, commitment, morale, and efficiency (Ugwu et al., 2018).

Financial incentives, designed to enhance production efficiency, center on elements such as salary, bonuses, and promotions. The literature underscores the importance of competitive salaries in retaining and motivating employees, with base pay serving as a foundation for other monetary incentives (Shields, 2015). Bonuses, as a form of financial incentive, are highlighted for their role in recognizing exceptional work and driving performance (Anas et al., 2022; Waal and Jansen, 2013). Job promotions are explored as a financial incentive, with studies suggesting their positive impact on employee performance, contingent on conducive environments, talents, and motivation (Siswoyo et al., 2020).

Organizations across industries recognize the pivotal role of employee performance in achieving overall success and productivity. The dynamic interplay between financial and moral incentives has been a subject of considerable research, with a consensus emerging on their potential to enhance job satisfaction, motivation, and, consequently, employee performance. While the existing literature acknowledges the significance of incentives, there remains a critical gap in understanding the nuanced relationship between financial and moral incentives and their impact on job performance, particularly in the context of healthcare organizations in Klang Valley, Malaysia. While the literature suggests a positive correlation between incentives and employee performance, a dearth of comprehensive research exists on the specific impact of financial and moral incentives on healthcare employees in Klang Valley, Malaysia. Current incentive systems may fall short in addressing the diverse needs of employees, potentially leading to dissatisfaction, diminished motivation, and compromised performance. The absence of clear expectations, criteria for rewards, and communication channels exacerbates this issue, hindering the optimal utilization of incentives to drive performance improvements.

This research is important because it addresses a critical gap in the literature regarding the specific impact of financial and moral incentives on healthcare employees in Klang Valley, Malaysia. While previous studies have examined the relationship between incentives and employee performance in various contexts, there is limited research focusing on the healthcare industry in this region. Healthcare organizations face unique challenges and opportunities, and understanding how incentives impact employee performance is crucial for maintaining high-quality patient care.

The main issue of this research is the need to investigate the intricate relationship between financial and moral incentives and their impact on the performance of healthcare employees. The study aims to uncover challenges in the current incentive systems that may lead to dissatisfaction, diminished motivation, and compromised performance. By addressing these issues, the research seeks to offer valuable recommendations to healthcare management to enhance employee satisfaction, motivation, and overall organizational success.

This research aims to investigate the intricate relationship between financial and moral incentives and their impact on the performance of healthcare employees in

Klang Valley, Malaysia. By focusing on this specific industry, the study seeks to uncover the unique challenges and opportunities in healthcare settings, where employee performance is paramount for maintaining accessibility, affordability, and high-quality patient care. This research contributes to the limited knowledge on the role of financial and moral incentives in the healthcare industry, providing insights that can inform organizational strategies and human resource management practices. The findings aim to offer valuable recommendations to healthcare management, assisting them in creating a well-rounded incentive approach to enhance employee satisfaction, motivation, and overall organizational success. By delving into the intricate interplay between financial and moral incentives, this research seeks to bridge the existing gap in understanding the dynamics of employee performance in the healthcare industry in Klang Valley, Malaysia. The outcomes are anticipated to offer practical implications for organizations aiming to optimize their incentive systems and foster an environment conducive to improved employee performance, ultimately contributing to the sustained success and resilience of healthcare organizations. The remainder of the sections are organized in the following manner: the next section consists of Section 2 which contains a literature review. The next section is Section 3, where the author provides the adopted methodology. Meanwhile, Section 5 provides the findings. Lastly, this research article culminates in Section 6 which comprises the conclusion.

2. Literature review and hypothesis development

The Incentive Theory of Motivation by Ferster and Skinner (1957) is used to explain the proposed conceptual model. The incentive theory of motivation posits that individuals are driven by external incentives and reinforcement rather than internal urges. It suggests that people are motivated to act in ways that lead to rewards and avoid actions that result in punishment. This theory, rooted in the work of psychologists like Ferster and Skinner (1957), argues that behavior is influenced by the consequences it produces, following the law of effect. Unlike theories emphasizing internal drives, incentive theory highlights the role of external rewards such as grades and monetary prizes in motivating behavior. It distinguishes between positive incentives, which aim for positive outcomes, and negative incentives, which aim to avoid negative consequences.

Interest, a key aspect of motivation, is seen as a psychological state that predisposes individuals to engage with certain topics. While knowledge can influence interest, it is not essential for its emergence. Interest is linked to the brain's reward system, suggesting a neural basis for motivation. The incentive theory aligns with research on the impact of financial and motivational incentives on employee performance, focusing on external factors influencing behavior.

Organizations globally strive to attain and sustain market leadership, employing diverse strategies to motivate and retain their employees. Alabi et al. (2022) emphasize the pivotal role of reward systems, comprising both monetary and non-monetary (moral) incentives, in fostering employee commitment. Okeke (2020) extends this by highlighting the challenges faced by banks in retaining employees amid abundant business opportunities, underscoring the potential financial losses associated with high

turnover. Recognition, promotion, and decision-making are identified as critical moral incentives in a company's reward management strategy (Okeke, 2020).

2.1. Moral incentives

Njiraine (2019) asserts that career growth, viewed as one's perception of progression and development within a company, serves as a potent moral incentive. It aligns with Weng et al.'s (2019) exploration of organizational career growth, encompassing goal progression, professional development, promotion speed, and pay growth. Achieving professional growth, a higher-order demand fulfillment, is associated with enhanced job performance (Weng et al., 2019). Lartey (2021) corroborates these findings, linking career growth, employee autonomy, and manager recognition to heightened employee engagement.

Recognition, a crucial moral incentive, positively influences employee behavior and performance (Manzoor et al., 2021). The positive correlation found by Manzoor et al. (2021) between recognition and performance underscores its role as a symbolic reward that emotionally impacts employees, reducing work stress and improving practicality. Ondhowe et al. (2021) emphasize the direct influence of recognition on employee performance, emphasizing its significance in organizational success.

Decision-making involvement emerges as a prominent moral incentive, employee participation in decision-making processes enhances satisfaction, commitment, morale, and support. Ugwu et al. (2018) asserts that when employees witness their ideas being implemented, they feel valued, fostering a sense of belonging and psychological importance within the organization. This participation positively correlates with employee performance, as evidenced in the hotel industry (Ugwu et al., 2018).

2.2. Financial incentives

Financial incentives, aimed at improving production efficiency, are exemplified through salary structures. The significance of competitive salaries is emphasized, indicating the industry's commitment to retaining dedicated employees. Shields (2015) highlight the motivational function of base pay, satisfying physiological needs and playing a crucial role in attracting and retaining employees.

Bonuses, as a form of financial incentive, are explored for their impact on job performance. Waal and Jansen (2013) argue that bonuses, as part of a reward system, are crucial in creating a fair and equitable organizational culture. Landry et al. (2017) note that bonuses provide prompt feedback for employees, representing a straightforward form of motivation. Anas et al. (2022) demonstrate the positive relationship between bonuses and job performance, further establishing their motivational impact.

Job promotion, a common financial incentive, is posited as an enhancement in the quality of employment, offering higher pay, increased stability, and other benefits that amplify employee performance. Siswoyo et al. (2020) support this by finding that training and promotion positively impact work motivation and job performance. Notably, job promotion exhibits a more direct and dominant effect on improving job performance than training.

In conclusion, the literature converges on the critical role of both moral and financial incentives in shaping employee performance. From career growth to recognition, decision-making, competitive salaries, bonuses, and promotions, organizations can design comprehensive incentive systems to optimize employee satisfaction, motivation, and overall organizational success. The synthesis of these studies lays the groundwork for a holistic understanding of the interplay between incentives and employee performance across various industries and contexts.

2.3. Moral incentives and employee performance

In the realm of ethical incentives, advancements in one's profession, opportunities for career growth, acknowledgment, and the acquisition of power and responsibility, along with more chances for professional development, collectively influence employee performance (Ying et al., 2020). Organizations consistently require talented individuals within their teams to excel in their tasks with precision, and to achieve this, they must retain their top performers. In this context, Weiwei (2023) suggested that employers should offer recognition and assign responsibilities to their employees, empowering them to feel confident in their abilities and motivated towards their task objectives, thus enhancing their performance outcomes.

For employees, intrinsic motivation is a source of moral satisfaction and drive, providing them with psychological and emotional contentment, knowing that their efforts are valued and needed by their organization (Gill et al., 2023). The expectation from employers for employees to uphold their environmentally friendly image by enhancing environmental performance is a responsibility that is not outlined in job descriptions or officially assigned roles; it has evolved into a moral duty for both the organization and its employees. Therefore, to maintain employees' motivation for environmental performance, granting them the freedom to perform, encouraging self-initiatives, and offering green recognition are important rewards from the organization (Ercantan, 2023). Understanding human workplace needs and fostering motivation to perform, the Socio-Environmental Theory (SET) has underscored and posited the positive impact of intrinsic motivation and rewards on Employee Environmental Performance. Based on the previous studies discussed above, we formulated the following hypothesis:

There is a statistically positive relationship between moral incentives and employee performance among employees in Healthcare Organizations in A Klang Valley, Malaysia.

2.4. Financial incentives and employee performance

To motivate individuals and boost productivity, financial incentives are considered beneficial. Both individual and collective incentives can be utilized to encourage greater effort and output. This monetary reward acts as an additional motivator for successful contributions or increased productivity. Emphasizing fairness, monetary compensation is distributed fairly, in line with the principle of rewarding individuals based on their deserving contributions. In incentive programs, the connection between compensation and output is established (Daniel, 2019). Lee's (2015) study illustrates that financial incentives significantly impact personnel

performance, leading to increased motivation through the provision of financial rewards. Basu and Kiernan's (2016) research further confirms that financial incentives drive positive changes in healthy lifestyles. Financial incentives demonstrate a strong positive correlation with employee performance (Siswoyo et al., 2020). The significant positive relationship between bonuses and employee performance underscores the motivating power of financial rewards (Anas et al., 2022). Drawing from the aforementioned studies, we developed the following hypothesis:

There is a statistically positive relationship between financial incentives and employee performance among employees in Healthcare Organizations in A Klang Valley, Malaysia.

3. Methodology

This research draws upon foundational concepts in motivation theory to establish its conceptual framework. The Incentive Theory of Motivation, as articulated by Ferster and Skinner (1957), serves as a cornerstone, positing that behavior is driven by a desire for reinforcement or incentives. Additionally, John Stacey Adams' 1963 theory is incorporated to explore employees' beliefs about fairness and righteousness in the workplace, emphasizing their significance for organizational performance. The research design identifies the dependent variable as employee performance, with the independent variable encompassing the management of both financial and moral incentives. Moral incentives, such as career growth, recognition, and decision-making, are considered alongside financial incentives, which include salary, bonuses, and promotions. This integrated approach provides a robust foundation for investigating the intricate dynamics between motivational factors and employee performance within organizational contexts.

In this study, a quantitative approach will be employed to explore the intricate relationship between independent variables—financial and moral incentives—and the dependent variable, which is employees' performance. The research encompasses a total population of 550 individuals, focusing on employees from three healthcare organizations situated in Klang Valley, Peninsular Malaysia. The selection of healthcare organizations is rooted in the imperative for continuous improvement in job performance among healthcare employees, critical for delivering high-quality care, adapting to evolving healthcare landscapes, and ensuring the sustained success of these organizations.

The sample population consists of non-managerial employees holding diverse positions such as sales representatives, marketing executives, telemarketers, administrators, and HR executives. This specific cohort was chosen to capture a holistic perspective on the impact of incentives on various roles within the healthcare organizations. To maintain confidentiality, the three Malaysian healthcare organizations are anonymized as Organization A, Organization B, and Organization C as shown in **Table 1**. This research design seeks to unravel the nuanced dynamics between incentive structures and employee performance, providing valuable insights for the enhancement of organizational effectiveness in the healthcare sector.

Table 1. Distribution of population.

No.	Companies in Klang Valley	Non-Managerial Employees'
1	Organization A	150
2	Organization B	200
3	Organization C	200
TOTAL		550

The study encompasses a total population of 550 individuals. Following the guidelines provided by Krejcie and Morgan (1970) and considering the Determining Sample Size Table, a sample size of 226 was determined as appropriate for this research. Sampling procedures play a crucial role in selecting an optimal sample size for larger research endeavors (Dalzochio et al., 2016). In this investigation, a simple random sampling approach was deemed most suitable (Salkind et al., 2021). Using the lottery technique outlined, 226 workers were randomly selected. Each of the 550 employees was assigned a number between 1 and 550, with 226 of those numbers drawn at random. The individuals selected formed a balanced subset, ensuring an unbiased representation from the larger population.

The primary instrument for data collection is a structured questionnaire, divided into Three sections—A, B, and C. The questionnaire incorporates established measurements and scales identified from relevant literature. Section A focuses on capturing demographic information about the respondents. Section B aims to measure moral incentives (Career growth, Recognition, and Decision Making) and financial incentives (Salary, Bonus, and Promotion). Section C is designed to assess employees' performance within the organization. The questionnaire is adapted and comes from various sources such as Elumah Lucas et al. (2016), Tan et al. (2019), Dziuba et al. (2020), Awotidebe (2018), Talal and Alzoubi (2020), Moncey and Baskaran (2020). Utilizing a 5-point Likert scale questionnaire, responses are quantified, ranging from strongly disagree (1) to strongly agree (5). This comprehensive questionnaire provides a robust foundation for evaluating the relationships between incentives and employee performance in the targeted healthcare organizations.

A reliability test, specifically Cronbach's Alpha, was conducted for the independent and dependent variables, and the findings are shown in **Table 2** below. According to Hair et al. (2021), a Cronbach's Alpha score above 0.70 is considered good for each construct. Therefore, the alpha values obtained for the instruments in this study were described as good (0.70 to 0.80) and very good (0.80 to 0.90).

Table 2. Coefficient of moral and financial incentives on employees' performance for pilot study.

Construct	Cronbach Alpha coefficient
Moral Incentive	
• Career Growth	0.909%
• Recognition	0.921%
• Decision Making	0.969%
Financial Incentive	
• Salary	0.754%
• Bonus	0.843%
• Promotion	0.896%

4. Findings

Table 3. Demographic profile of the respondents.

Variables	Profile	<i>n</i> = 180	Percentage (%)
Gender	Female	133	74.0
	Male	47	26.0
Race	Malay	130	71.8
	Indian	22	12.2
	Chinese	21	11.6
	Others	7	4.4
Age	18–28 years	55	30.4
	29–39 years	76	42.0
	40–50 years	42	23.2
	Above 50	7	4.4
Highest Education	Master	20	11.0
	Bachelor	70	38.7
	Diploma	65	35.9
	Others	25	14.4
Department Attached To	Nursing	40	22.2
	Marketing	13	7.2
	OPCS	12	6.7
	Finance	11	6.1
	Training	9	5.0
	Accident and Emergency	8	4.4
	Medical	6	3.3
	SPD	6	3.3
	Sales	5	2.8
	Business office	4	2.2
	Admin	2	1.1
Quality	2	1.1	
Others	62	34.4	

A total of 180 complete questionnaires were collected out of the 226 distributed, resulting in an 80% response rate. This surpasses the 60% response rate considered satisfactory by the American Association for Public Opinion Research (AAPOR) (2015). Upon conducting a demographic analysis based on Section A of the questionnaires, the profile of the 180 respondents participating in the study is presented in **Table 3**. Among the respondents, 74% (133 individuals) were female, while 26% (47 individuals) were male, indicating a higher percentage of female participation. The ethnic composition reveals that the majority of respondents were Malay, constituting 71.8% (130 individuals). Indian respondents accounted for 12.2% (22 individuals), Chinese respondents for 11.6% (21 individuals), and the remaining respondents, belonging to other ethnicities (Iban, Punjabi, Kadazan, and Kenyah),

represented 4.4% (7 individuals). In terms of age distribution, 42% (76 individuals) fell within the 29 to 39 years old range, followed by 30.4% (55 individuals) in the 18 to 28 years old range. The 40 to 50 years old range comprised 23.2% (42 individuals), and the lowest age range, 50 years and above, constituted 4.4% (7 individuals). Educational qualifications varied among respondents, with 38.7% (70 individuals) holding a degree, 35.9% (65 individuals) having a diploma, 11% (20 individuals) possessing a Master’s degree, and 14.4% (25 individuals) having other qualifications, including certificates, the Malaysian Higher School Certificate, and PhDs. Concerning departmental affiliation, the majority of respondents, 22.2% (40 individuals), were from nursing departments. Marketing departments comprised 7.2% (13 individuals), finance departments included 6.1% (11 individuals), and training and human resources departments represented 5% (9 individuals) and 3.9% (7 individuals) respectively. Other departments, including medical, administration, business office, quality, and wards, constituted the remaining percentage.

4.1. Reliability test for actual data collection

Table 4. Coefficient of financial and moral incentives and employee performance for actual data collection.

Variables	Case Processing Summary	<i>n</i>	%	Cronbach’s Alpha	No. of Statements
Independent Variables—Moral Incentives					
Career Growth	Valid	180	100.0	0.93	7
	Excluded	0	0		
	Total	180	100.0		
Recognition	Valid	180	100.0	0.92	7
	Excluded	0	0		
	Total	180	100.0		
Decision Making	Valid	180	100.0	0.96	6
	Excluded	0	0		
	Total	180	100.0		
Independent Variables—Financial Incentives					
Salary	Valid	180	100.0	0.82	7
	Excluded	0	0		
	Total	180	100.0		
Bonus	Valid	180	100.0	0.83	6
	Excluded	0	0		
	Total	180	100.0		
Promotion	Valid	180	100.0	0.89	6
	Excluded	0	0		
	Total	180	100.0		
Dependent Variable					
Employee Performance	Valid	180	100.0	0.84	8
	Excluded	0	0		
	Total	180	100.0		

A reliability assessment was conducted, and the outcomes for both the independent variables and the dependent variable are presented in **Table 4** above. The reliability test aimed to identify results that consistently avoided random errors (Oluwafemi and Okon, 2018). An alpha value exceeding 0.80 is considered good and indicative of high reliability. Examining each variable in the table, all the measured variables demonstrate high reliability, reflecting a well-validated scale.

4.2. Measures of central tendency

Measures of central tendency were performed for both moral incentives (career growth, recognition, and decision-making) and financial incentives (salary, bonus, and promotion), as well as for employee performance. The mean and standard deviation of the study’s variables are presented in **Table 5**. Notably, all variables exhibited standard deviations exceeding 0.70, suggesting a high level of agreement among respondents regarding the statements associated with each variable (Pallant, 2016).

Table 5. Mean score for financial incentives, moral incentives and employees’ performance.

Variables	n	Mean	Std. Deviation	Std. Error Mean
Career Growth	180	3.9238	0.75100	0.05598
Recognition	180	3.6563	0.80497	0.06000
Decision-Making	180	3.6380	0.88628	0.06606
Salary	180	3.3103	0.77423	0.05771
Bonus	180	3.1833	0.88281	0.06580
Promotion	180	3.5269	0.79982	0.05962
Employee Performance	180	3.9730	0.59619	0.04444

4.3. Normality test by Q-Q Plot

In this study, the Q-Q Plot served as the foundation for normality testing to identify extreme outliers in both moral incentives (career growth, recognition, and decision-making) and financial incentives (salary, bonus, and promotion) related to employees’ performance. Ideally, data with a normally distributed distribution should align roughly on a straight line, while deviations from this indicate non-normality, as depicted by a curved pattern (Allen, 2018).

The overall findings, as depicted in **Figure 1** below, indicate that all variables under investigation exhibited a normal distribution. Given the normal distribution of the data, the Pearson Correlation Product Moment Coefficient was employed to analyze the association between moral and financial incentives and employee performance.

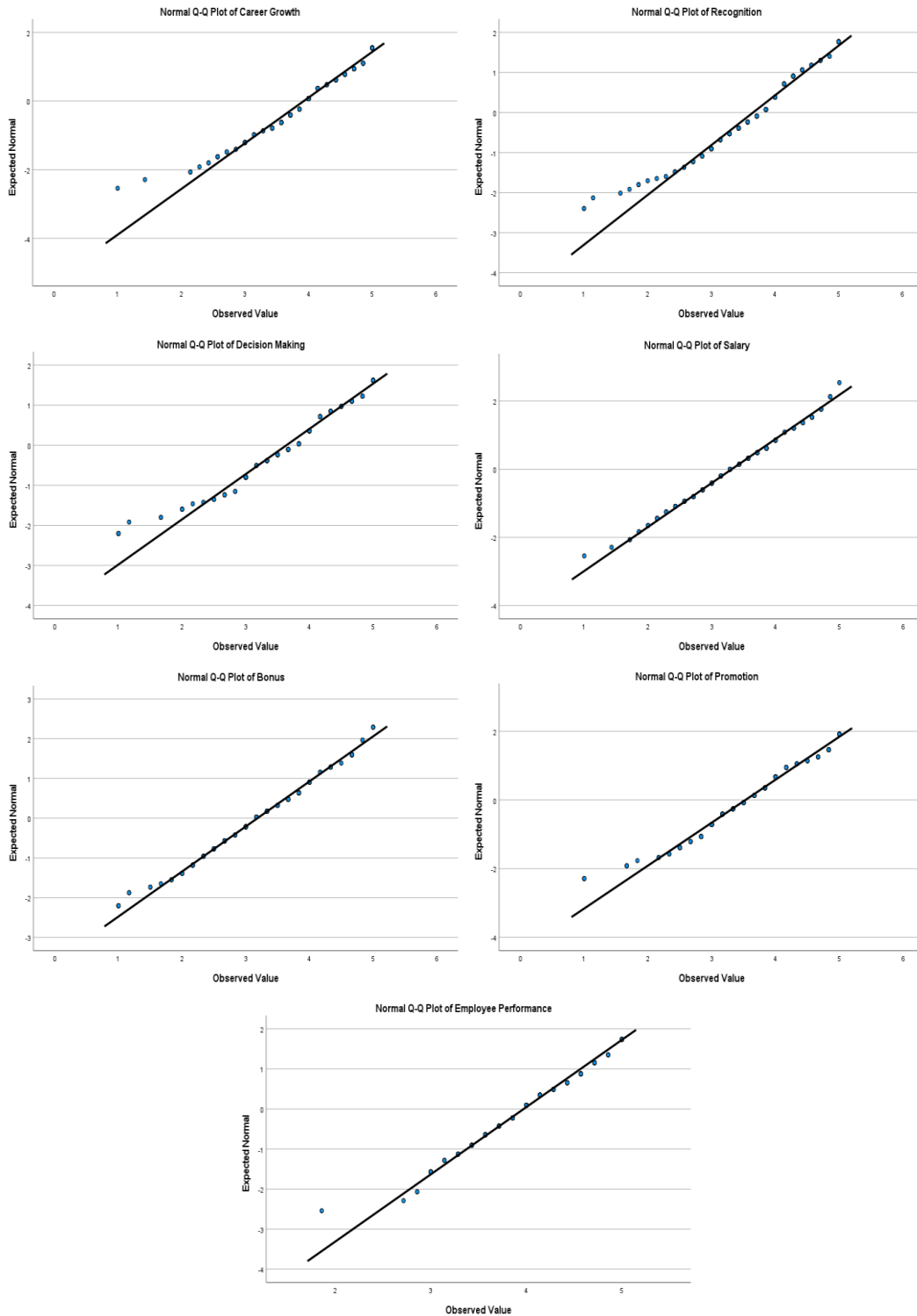


Figure 1. Normal Q-Q Plot for variables.

4.4. Correlation analysis and discussion

The strength of the relationship between the independent variables representing moral incentives (career growth, recognition, and decision-making) and financial incentives (salary, bonus, and promotion) concerning the dependent variable, employees' performance, is assessed through correlation analysis as shown in **Table**

6.

Table 6. Correlation analysis.

Variables		Career Growth	Recognition	Decision-Making	Salary	Bonus	Promotion	Employee Performance
Career Growth	Pearson Correlation	1	0.798**	0.764**	0.481**	0.379**	0.613**	0.511**
	Sig. (2-tailed)		< 0.001	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001
	N	180	180	180	180	180	180	180
Recognition	Pearson Correlation	0.798**	1	0.864**	0.585**	0.500**	0.692**	0.470**
	Sig. (2-tailed)	< 0.001		< 0.001	< 0.001	< 0.001	< 0.001	< 0.001
	N	180	180	180	180	180	180	180
Decision-Making	Pearson Correlation	0.764**	0.864**	1	0.571**	0.453**	0.707**	0.458**
	Sig. (2-tailed)	< 0.001	< 0.001		< 0.001	< 0.001	< 0.001	< 0.001
	N	180	180	180	180	180	180	180
Salary	Pearson Correlation	0.481**	0.585**	0.571**	1		0.674**	0.328**
	Sig. (2-tailed)	< 0.001	< 0.001	< 0.001		< 0.001	< 0.001	< 0.001
	N	180	180	180	180	180	180	180
Bonus	Pearson Correlation	0.379**	0.500**	0.453**	0.740**	1	0.663**	0.273**
	Sig. (2-tailed)	< 0.001	< 0.001	< 0.001	< 0.001		< 0.001	< 0.001
	N	180	180	180	180	180	180	180
Promotion	Pearson Correlation	0.613**	0.692**	0.707**	0.674**	0.663**	1	0.486**
	Sig. (2-tailed)	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001		< 0.001
	N	180	180	180	180	180	180	180
Employee Performance	Pearson Correlation	0.511**	0.470**	0.458**	0.328**	0.273**	0.486**	1
	Sig. (2-tailed)	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001	< 0.001	
	N	180	180	180	180	180	180	180

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

4.5. The relationship between career growth and employees' performance

The Pearson correlation ($r = 0.511$) between career growth and employees' performance, as depicted in **Table 6**, is statistically significant at the 0.01 level. This result aligns with prior research findings, supporting Njiraine's (2019) conclusion that career growth, as a human resource strategy, enhances employee performance and competitiveness. Lartey (2021) also affirmed a significant association between career growth and employee engagement.

Career growth is a multifaceted aspect of organizational and individual behavior. It involves a partnership between employees and the organization, progressing from simpler roles to more challenging ones with increased responsibilities and time commitment.

4.6. The relationship between recognition and employees' performance

The Pearson correlation ($r = 0.470$) between recognition and employees' performance, illustrated in **Table 6**, is statistically significant at the 0.01 level. Consistent with prior studies, Ondhowe et al. (2021) found a significant impact of recognition on employee performance. Similarly, Manzoor et al. (2021) reported a strong positive correlation between recognition and performance.

Recognition is crucial for fostering a healthy work environment, enhancing employee engagement, and building loyalty. It significantly affects various aspects, including identity, satisfaction, and total rewards, contributing to a positive organizational culture.

4.7. The relationship between decision making and employees' performance

The Pearson correlation ($r = 0.458$) between decision making and employees' performance, as shown in **Table 6**, is statistically significant at the 0.01 level. This result corroborates earlier studies, such as Ugwu et al. (2018), which revealed a positive relationship between participative decision-making and employees' performance. Reeves (2021) emphasized the impact of involving employees in decision-making on an organization's success.

Employee involvement in decision-making fosters trust, openness, communication, and cooperation. It not only enhances skills and performance but also contributes to reducing wastage and gaining employee commitment to organizational changes.

In summary, among moral incentives, career growth demonstrates the highest correlation ($r = 0.511$, $p < 0.01$), making it the most significant contributor to employee performance.

4.8. The relationship between salary and employees' performance

The Pearson correlation ($r = 0.328$) between salary and employees' performance, as presented in **Table 6**, is statistically significant at the 0.01 level. This result aligns with previous research emphasizing the critical role of salary and compensation in attracting and retaining employees. Shields (2015) highlight the motivational function of base pay, particularly at lower organizational levels.

Salary is a crucial factor for industry competitiveness, reflecting the perceived value of jobs and influencing individuals' decisions when choosing employment opportunities.

4.9. The relationship between bonuses and employees' performance

The Pearson correlation ($r = 0.273$) between bonuses and employees' performance, displayed in **Table 6**, is statistically significant at the 0.01 level. This finding is consistent with studies by Anas et al. (2022) and Landry et al. (2017), emphasizing the motivational role of bonuses and their impact on job performance.

Bonuses, as a straightforward form of motivation, provide prompt feedback for employees' work. They are integral to organizational culture, expressing and reinforcing the desired attitudes and behaviors.

4.10. The relationship between promotion and employees' performance

The Pearson correlation ($r = 0.486$) between promotion and employees' performance, illustrated in **Table 6**, is statistically significant at the 0.01 level. This result aligns with Siswoyo et al.'s (2020) findings, emphasizing the positive impact of promotions on work motivation and job performance. It supports this by considering job promotions as an enhancement in the quality of employment.

Well-structured organizations with clear career progression plans motivate employees, offering transparent paths to achieve set goals. Among financial incentives, promotion exhibits the highest correlation ($r = 0.486$, $p < 0.01$), indicating its significant contribution to employee performance.

5. Discussion

The findings of this study shed light on the intricate relationship between incentives—both moral and financial—and employees' performance in the context of healthcare organizations. This is in accordance with research conducted by many studies which assertion that incentives have a positive and substantial impact on employee performance suggests that the rewards provided to employees significantly influence job satisfaction, motivation, and ultimately, job outcomes. The discussion will delve into the implications, significance, and nuances of the obtained results.

5.1. Moral incentives: Career growth, recognition, and decision making

The strong positive correlation between career growth and employees' performance aligns with established literature, emphasizing the pivotal role of professional development in enhancing employee productivity (Njiraine, 2019). In healthcare, where skill acquisition and continuous learning are imperative, career growth emerges as a crucial factor. Organizations should invest in structured career progression plans to not only attract but also retain skilled healthcare professionals.

Recognition, another moral incentive, displays a significant relationship with employees' performance. Acknowledging employees' efforts positively correlates with enhanced morale, motivation, and job satisfaction, contributing to improved organizational success (Ondhowe et al., 2021). Creating a culture of appreciation and acknowledgment within healthcare organizations can lead to a more engaged and motivated workforce.

The correlation between decision making and employees' performance underscores the importance of involving employees in organizational decision-making processes. This not only enhances job satisfaction and commitment but also contributes to the overall efficiency of the organization (Ugwu et al., 2018). In healthcare, where decisions directly impact patient care, fostering a collaborative decision-making environment becomes paramount.

5.2. Financial incentives: Salary, bonus, and promotion

Salary, a fundamental financial incentive, exhibits a significant positive correlation with employees' performance. The role of competitive and satisfactory remuneration in attracting and retaining skilled healthcare professionals cannot be overstated (Shields, 2015). Healthcare organizations need to benchmark their salary

structures against industry standards to remain competitive.

The positive correlation between bonuses and employees' performance underscores the motivational power of financial rewards (Anas et al., 2022). While salary provides a stable income, bonuses act as immediate reinforcement for exceptional performance, contributing to a motivated workforce. Healthcare organizations should consider implementing a well-structured bonus system to recognize and reward outstanding contributions.

Promotion, the highest contributor among financial incentives, demonstrates a substantial positive correlation with employees' performance. A transparent career progression plan significantly impacts motivation and job performance, particularly in healthcare where employees are often driven by a sense of purpose and professional growth (Siswoyo et al., 2020).

5.3. Implications for healthcare organizations

The findings suggest that healthcare organizations need a holistic approach to incentivizing their workforce. While financial incentives play a crucial role, moral incentives such as career growth, recognition, and involvement in decision making are equally vital. Organizations should design comprehensive reward systems that cater to the diverse needs and motivations of healthcare professionals.

Moreover, the study underscores the need for healthcare organizations to prioritize career development programs, recognition initiatives, and inclusive decision-making processes. By doing so, organizations can create an environment that fosters employee satisfaction, engagement, and ultimately, improved performance. According to Nurlina and Jumady (2022), offering appropriate incentives can motivate employees by making them feel recognized for their skills and achievements. As employee satisfaction grows, so does the improvement in employee performance (Wahjoedi, 2021).

In conclusion, this study provides valuable insights into the multifaceted nature of incentives and their impact on employees' performance in healthcare organizations. The interplay between moral and financial incentives is complex, and an integrated approach that addresses both aspects is essential for achieving optimal workforce performance and, subsequently, ensuring the delivery of high-quality patient care. Future research may delve deeper into the specific nuances of incentive structures within different healthcare specialties and settings, providing tailored recommendations for diverse healthcare contexts.

5.4. Recommendations for future studies

Based on the findings of this study, several recommendations can be made for future research. Firstly, explore mediating and moderating factors that may influence the relationship between incentives and employee performance. This could provide a more nuanced understanding of how incentives work in healthcare settings. Secondly, investigate the role of incentives in employee retention in healthcare organizations. This could help in developing strategies to retain skilled professionals in the healthcare industry. Lastly, evaluate the effectiveness of specific incentives (e.g., training and development programs, flexible work arrangements) on employee performance. This

could help in identifying innovative incentive strategies for healthcare organizations. Overall, future research should focus on addressing these recommendations to enhance our understanding of the relationship between incentives and employee performance in healthcare organizations.

6. Conclusion

In conclusion, this research has explored the dynamic relationship between moral and financial incentives and their impact on employee performance within healthcare organizations. The comprehensive analysis has revealed valuable insights that hold significance for both academic discourse and practical implications in the healthcare sector.

The study's findings emphasize the crucial role of moral incentives, particularly career growth, recognition, and decision-making, in influencing employee performance. Healthcare professionals, motivated by opportunities for professional development, acknowledgment of their contributions, and involvement in decision-making processes, demonstrate higher levels of engagement and commitment. As such, healthcare organizations are encouraged to invest in structured career progression plans, foster a culture of recognition, and involve employees in decision-making to harness the positive effects on performance.

On the financial front, the study underscores the importance of competitive salary structures, performance-based bonuses, and transparent promotion pathways in driving employee performance. A well-balanced combination of financial incentives acts as a motivational force, attracting and retaining skilled healthcare professionals. Organizations are advised to benchmark their salary structures, implement effective bonus systems, and establish clear career progression plans to optimize the performance of their workforce.

The holistic approach advocated in this research suggests that healthcare organizations should not view moral and financial incentives in isolation. Instead, a synergistic integration of both types of incentives is essential for creating a work environment that nurtures employee satisfaction, engagement, and, consequently, high levels of performance.

The implications of this study extend beyond the academic realm to offer practical guidance for healthcare organizations aiming to enhance their workforce dynamics. By recognizing the multifaceted needs and motivations of healthcare professionals, organizations can tailor their incentive structures to create a supportive and rewarding workplace. Ultimately, this approach contributes not only to the well-being and job satisfaction of employees but also to the overall success and sustainability of healthcare organizations.

While the findings provide valuable insights, it's essential to acknowledge the evolving nature of the healthcare landscape. Future research endeavors may explore the specific nuances of incentive structures within different healthcare specialties, settings, and cultural contexts, offering tailored recommendations for diverse healthcare environments. Overall, this research serves as a foundation for ongoing discussions and endeavors aimed at optimizing employee performance in the critical and ever-evolving field of healthcare.

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