



## Research Article

# The role of incentives on improving performance of human resources in Nesma holding company in Saudi Arabia

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## ABSTRACT

The importance of incentives lies in their effect on human behaviour, as it is considered an important factor in improving the performance of employees, and this study aims to identify the role of material and moral incentives on the performance of the human resource in Nesma Holding Company in Jeddah. We have relied on the descriptive and analytical approach in the theoretical side; where the study sample consisted of 60 workers in Nesma Holding Company, 60 questionnaires were distributed to the workers of the company, and they were completely retrieved. In conclusion, the results show that having appropriate materials and moral incentives, and good training can have a significant impact on employee motivation, knowledge and job performance.

**Keywords:** *Incentives; Employee Motivation; Job Performance; Action Research*

## 1. INTRODUCTION

### 1.1. BACKGROUND OF THE STUDY

The human element is one of the most important elements that organizations depend on in the implementation of their activities, programs and achieving their goals, as it is the main pillar for their success or failure, and organizations are still working hard to make this element present.

Material and moral incentives play a great role in Affecting the performance of employees, whether positively or negatively, and means their unavailability and not distributing them fairly, affecting the performance of diligent employees and may negatively affect their performance and thus affect the opportunity to achieve the desired goals of the researched organization.

The importance of incentives lies in their effect on human behaviour, as it is considered an important factor in improving the performance of employees, and this study aims to identify the role of material and moral incentives on the performance of the human resource in Nesma Holding Company in Jeddah.

### 1.1.1. Case Company Introduction

Nesma Holding Company faces some serious challenges in the varying level of performance of employees. The company sought to provide various material, moral incentives, and training represented in various external influences and temptations, which encourage the individual to increase his performance. The company's vision is to continuously improve its strategic human resource practices. As for its mission, it is to achieve high-performance levels for the company's employees compared to competitors from other companies.

## 1.2. BACKGROUND OF ORGANIZATION

Nesma Holding Company, a Saudi company headquartered in Jeddah, was established in 1979, operating in construction, logistics, provision of innovative products and support and back-up services, manufacturing and recycling. Throughout those years, the company adopted a development strategy that pursued diversification as a basis for growth and was able to harness opportunities in promising and balanced fields to achieve sustainable growth.

## 1.3. PROBLEM DIAGNOSIS

The initial interview session with the manager of Nesma Holding Company showed information and data regarding performance levels among employees in the organization. The data showed that the performance level among employees is steadily decreased in these few years. It became a severe concern towards Nesma Holding Company and later showed a signal where the organization had a loss of skilled employees. The continuous low in employee's performance on the organization had affected it both internally and externally, which brings serious delays towards important projects. Moreover, the performance level among employees will affect the motivation, attitudes, and moral values of those who work in the organization.

Fig. 1 with using a fishbone diagram, can be the factors that affect employee performance. The problem is shown as the head of the fish looks toward the right, and the causes spread when fish bones to the left; there are four factors that contribute to a problem arising in Nesma Holding, which are the employee's material incentives, moral incentives, training, and problems in the company. Based on fishbone analysis in Fig. 1, it shows that the longer employees remain without material incentives for an extended period of time, such as a salary delay or no rewards, employees will feel frustrated and bored, fatigue will increase dramatically and lose the enjoyment of a sense of accomplishment. Also, management pressure can affect the employee's work efficiency since the level of motivation is low, resulting in lower productivity and work performance.

Morale incentives also have a significant impact. It is known that the nature of the work of Nesma Holding Company requires the employee to perform well at work, but the company is obligated to provide motivation and encouragement to the employee.

Another important factor that affects the employee's work performance in Nesma Holding Company is training. Training on machines and training on occupational safety and including the employee in internal or external training courses will reflect positively on the employee's performance and thus improve performance efficiency.

When employees seem unqualified to perform their duties, this affects the work efficiency of Nesma Holding, reduces the quality of work and distorts the company's image. Besides, problems related to work inefficiency led to an increase in the workload of employees who are particularly concerned about the efficiency of their work as well as a delay in work, and in order to alleviate this problem, an intervention must be made in Nesma Holding to increase the employee's work performance and improve work efficiency.

### 1.3.1. Problem Statement

Nesma Holding Company faces problems in terms of employee performance. Nesma Holding Company participates in a large number of projects and community initiatives across the group with the aim of promoting the vision and mission of Nesma Holding, which confirms the serious commitment to becoming a Nesma company that enjoys the respect and confidence of all members and this commitment includes the commitment of each member of the group's employees. Therefore, Nesma Holding Company seeks to implement a strategy of material and moral incentives and to train to raise work performance for employees.

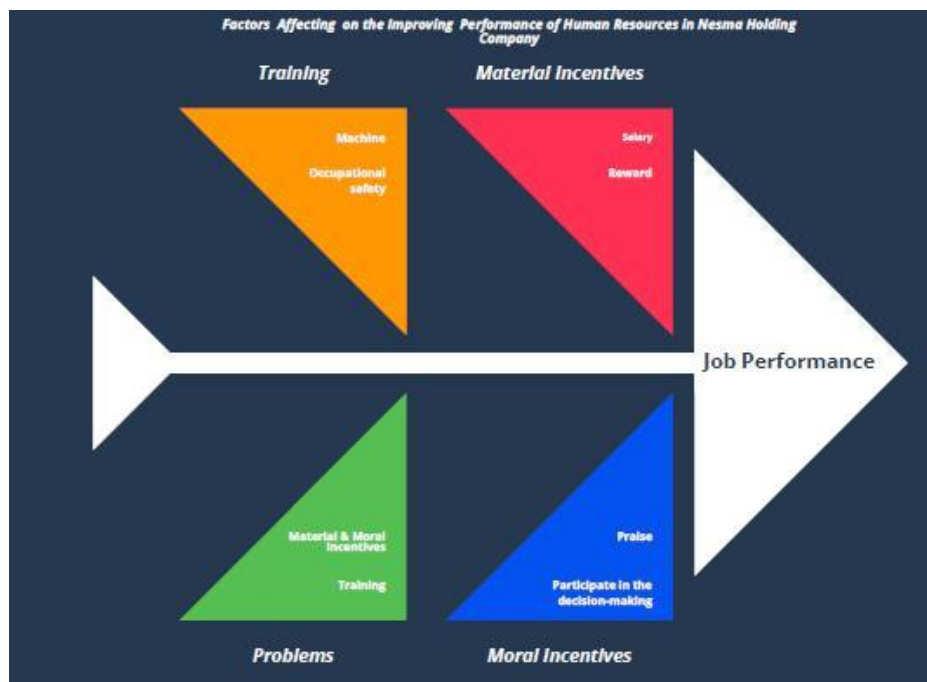


Fig. 1. Fishbone Diagram for Problem Diagnosis, source: Author

### 1.4. RESEARCH OBJECTIVES

The research aims to achieve the following objectives:

ROI - Knowing the reality of the material, moral incentives and training system in force in Nesma Holding Company

RO2 - Identifying the most attractive types of material and moral incentives for workers in Nesma Holding Company.

RO3 - Searching for the relationship between material, moral incentives, training and improving the performance of Nesma Holding Company employees.

RO4- Reaching out to recommendations and proposals in order to create an effective incentive system.

## **1.5. IMPORTANCE OF THE PROPOSED RESEARCH**

The study seeks to shed light on one of the scientifically important topics because of its great effects in guiding the behaviour of workers, and in practice for the results that the research will reach and the possibility to benefit from this is in the amendment of the material and moral incentives systems in Nesma Holding Company. It becomes clear to us the importance of research through the following:

### **1.5.1. Theoretical**

The topic of incentives, both in their tangible and intangible forms, is among the important topics for both the organization and the individual. The material and moral incentives are the means by which the organization can satisfy some unmet desires and needs. Therefore, the researcher believes that this study may enrich the scientific library with the information it contains about the study variables and the findings of the researcher.

### **1.5.2. Practical**

This study directs its main attention to focus and application on the category of workers in Nesma Holding Company, and then the findings will be primarily attributable to the workers of Nesma Holding Company in general, which leads to presenting recommendations to those in charge of this institution, and the possibility of using them in amending the systems of material and moral incentives and the consequences of that find effective motivation systems that contribute strongly to increase job performance and achieving goals.

## **2. LITERATURE REVIEW**

### **2.1. THEORY/MODEL**

The diagnosis is made on three (3) levels in order to make sure that all aspect of the environment is covered. The diagnosis of the organization is based upon the "Open systems model", which is the model that employs that the organization is a part of the environment that affects the way the organization performs and interacts. The environment is divided into two types, the external environment, which involves inputs of the social and technical process. The outputs are the culture, ideas, and services provided by the organization (Cummings & Worley, 2017).

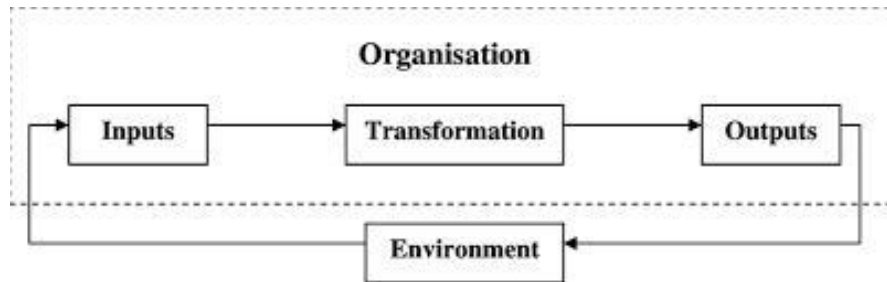


Fig. 2. Open System Model, source (Cummings & Worley, 2017)

### 2.1.1. Organizational Level

The researcher requested a meeting with the chief operating officer and Director of Operations of the Nesma Holding company in order to discuss the analysis of the organizational level diagnosis and get more information; in the meeting, the Director of Operations and chief operating officer emphasized that they are satisfied with the performance of the company in terms of the external environment. That was an indication of moving forward to the next step of the analysis.

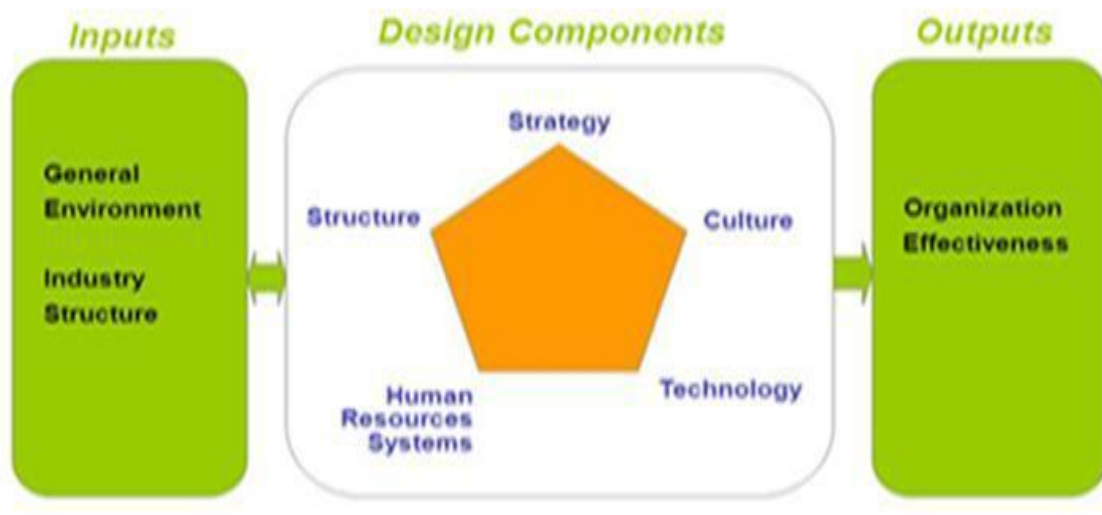


Fig. 3. Organization Level Diagnosis, source (Cummings & Worley, 2017)

#### 2.1.1.1. Group Level Diagnosis

The next step of analysis is on the group level; the group can be on employees' levels. The input of the group level is such as defined strategy and objectives. Hence, the researcher requested a meeting with all the employees in the company, including the Director of Operations and the chief operating officer. After careful discussion, the managers said that the culture of the company is good, the working employees already feel they are part of a team. However, some of the employees are unsatisfied with the overall performance of their departments, which necessitate that the problem study.

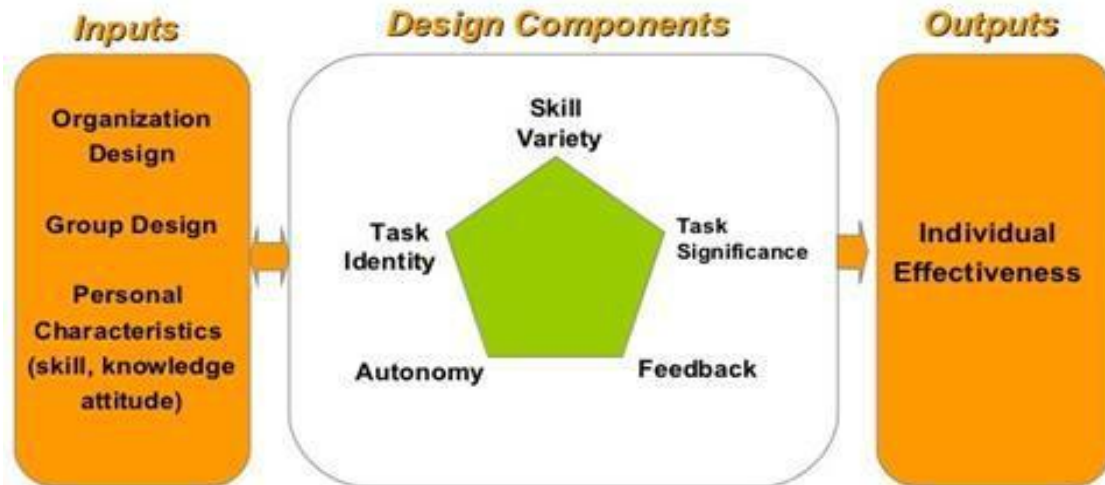


Fig. 4. Group Level Diagnosis, source (Cummings & Worley, 2017)

### 2.1.2. Individual Level Diagnosis

The diagnosis aims to understand the complete set of factors that affects employee performance in order to perform a strategy that leads to improving the performance of human resources. To understand these factors, further investigation is required.



Fig. 5. Individual Level Diagnosis, source (Cummings & Worley, 2017)

## 2.2. SUMMARY OF LITERATURE REVIEW

Performance reflects employees' skills and their communication capabilities at any administrative organization, so if performance was appropriate for the work proposed to be accomplished, then an objective can be achieved (Bartoli & Blatrix, 2015).

A study by Akafo & Boateng (2015), observed that rewards had a positive impact on work motivation. Also, many negatives point in the incentive system (lack of incentives, lack of established criteria for employees' performance evaluating, not just incentives, personal factors in applying incentives). Khan et al. (2020) showed that financial incentives are an effective and influential factor that motivates employees to work dedication to their organizations, which leads to improved job performance. Also, organizations need to provide monetary incentives to their employees so that they can stay as long as possible in order to improve their performance by providing High quality, safe and fast service according to the expectations, needs of consumers and customers. Al-Qudah (2016) agreed

that the importance of incentives at all administrative levels can increase efficient performance as it can have an impact on developing the working condition, which can Leeds productivity incensement. Khadar (2018) focuses on may tangibly content or physical stimulation including allowances, salaries, telephone, housing allowance, transport and other bonuses both at (regular and exceptional concepts, the rewards as of amounts, upgrade, commissions and profit-sharing and modification status.

Training is important to keep up-to-date with talent and information among employees and upgrade their capabilities to organize success in an effective manner (Ozkeser, 2019). Training and development programs help employees acquire the importance of abilities, talents, and knowledge to perform work productively (Atteya, 2012).

Good behaviour of employees and high performance and efficiency are positive results of unlimited training (Ozkeser, 2019). The results of training and development can be clearly seen in the work of employees who work with great confidence and are ready to improve (Donovan et al., 2001).

A study by Nhubia (2020) on a manufacturing company in Anambah State show the impact of material incentives on job performance. The results of the study showed that there is a relationship Positive between job performance, commission, salary and remuneration. Ponta, Cainarca, & Cincotti (2020) showed that there is a positive effect of the material incentive on the Job performance of the employee. Ponta et al. (2020) also found a positive relationship between financial motivation and job performance.

Material incentives are used to satisfy workers' needs to motivate them to do more to improve their performance, by satisfying the physiological needs of workers that carries the principle of reward for workers, in order to support good and desirable behaviour that ensures the fulfilment of their needs and their motivation, which creates the satisfaction that leads to improved performance (Kejora, 2018).

Moral incentives are those incentives that satisfy the self-needs of the human being, in addition to satisfying them social needs, which increase the employees "attachment to work and their most prominent form is accessed their participation in policy-making, management decisions and awarding of medals and certificates (Ponta et al., 2020). The moral incentives contribute to improving performance by satisfying the needs for self-realization for workers, which creates a feeling of satisfaction, workers are attracted to this type of activity that satisfies them with some motivation, so they turn towards these incentives in order to obtain appreciation and respect. Moral incentives quickly have an immediate and direct effect on employees and thus lead to improved performance in the long period (Kejora, 2018).

### **3. METHODOLOGY**

#### **3.1. RESEARCH PHILOSOPHY**

The research follows Pragmatism philosophy. In this study, a face-to-face interview survey and questionnaire were conducted to identify the problem diagnosis and evaluate the

effectiveness of the intervention plan in the Company. Hence, compare observation on supporting documents to evaluate the effectiveness of the interventions and the quantitative and qualitative results generated from respondents. The research will become more comprehensive and complete than the research that was only focused on either a quantitative or qualitative approach alone.

### **3.2. ROLE OF THE RESEARCHER / DEGREE OF PARTICIPATION**

The measure of the researcher's participation in the data collection process is known as the degree of participation. The degree of research participation is categorized into three categories, high, medium and low. The role will be in conducting the interview, designing the survey, distributing the questionnaire to the employees online, analyzing the data, and designing and communicating the intervention. The degree of participation was medium for this research; that is, the researcher will actively collect data through interview, observation, intervention and survey during a certain period of time.

### **3.3. RESEARCH DESIGN**

The research used a mixed research design as the data has been collected for both quantitative and qualitative approaches. In the initial stage, the interview was conducted where clarify the problem that occurred in the Company. The previous study was done by other researchers will provide a model and theory to solve a similar problem. Hence, the recommendation and implications will be provided after studying the previous study. The survey will be conducted right after the intervention to evaluate whether the transformation is successful or unsuccessful.

The research was cross-sectional time horizon over a period of one year, starting with the planning and choice of the company in January 2021; the interview and survey were done between July and August.

The unit of analysis is Nesma Holding Company, KSA; the population are employees of Nesma Holding Company, KSA. The research samples for quantitative and qualitative data. The quantitative data includes 60 employees working in Nesma Holding Company, which will give the researcher data about the impact of material and moral incentives and training in order to improve the employee's performance efficiency, while the qualitative data, consisting of 10 individuals from managers and employees who work in the board of directors of Nesma Holding Company, who are responsible for providing all information related to the factors that contribute to the inefficiency of work in Nesma Holding.

### **3.4. VALIDITY**

Research validity is classified into 5 types: construct validity, apparent validity, formative validity, criterion-related validity, and sampling validity. The validity of the research is expressed by how well the instrument tests what it is supposed to measure. The validity of the research is divided into an internal group concerned with how to translate the search results into reality and an external one which means the extent to which the search results can be replicated in other environments. As for this study, by the employee at the

headquarters of Nesma Holding Company, we obtained the survey and interview data. As for the interview, we checked the data collected during the process by the interviewees to ensure that all the data were reliable. After that, an objective analysis was conducted while the data collected through the survey questionnaire will be analyzed using SPSS software.

### 3.5. DATA COLLECTION (MIXED METHOD)

The action research is divided into two cycles. In the first cycle, the data is collected through qualitative and quantitative approaches, while in cycle two, data is collected through quantitative analysis. In cycle one, for the qualitative approach, the researcher conducted 10 interview sessions with the aim of collecting relevant qualitative data. In order for the researcher to obtain data to answer research questions 1 and 3, the interview session with managers and employees at the administrative level in Nesma Holding Company is very important. The interview sessions were conducted in two days; the interviewed persons are 10 persons (6 workers and 4 administrators) of the company.

For the quantitative (questionnaire), given the Covid-19 pandemic, the researcher conducted a survey using an online platform called Google Form because respondents were required to work from home during the data collection process. The researcher distributed the survey questionnaire to the respondents who had chosen them correctly for the process of collecting data in a quantitative manner. All respondents participating in this survey are those who worked for Nesma Holding Company.

## 4. RESULTS

### 4.1. CYCLE 1 QUALITATIVE DATA ANALYSIS

The qualitative data thematic analysis. The result is demonstrated in table 1

Table. 1. Thematic analysis results

Them	Meaning	Sub theme	Evidence
Material Incentives	It means salaries, wages and any other partial monetary form that meets the martial need from individuals only	1. Salary 2 Reward	P1 said salaries are low P2 mentioned that there are no rewards
Moral Incentives	It means the promotion of workers, their respect, appreciation of their efforts and the stability and improvement of work conditions.	1 Praise 2. Participate in the decision-making	P1 mentioned that there is no praise for the employee in the company P2 mentioned that there is in participation in the decision making
Training	It is an activity concerned with the transmission of instructions and information. With the aim of developing the performance of the individual receiving it.	1. Machine 2. Occupational safety	P1 mentioned that he needs training in the machines. P2 mentioned that there is no experience in the field of occupational safety.
Problems	Lack of material and moral incentives and training in the company, which is reflected in the employee's job performance.	1. Material & Moral Incentives. 2. Training	P1 mentioned the lack of material and moral incentives P2 said we need training

## **4.1.1. Results of cycle 1 qualitative data thematic analysis**

### **4.1.1.1. Material Incentives**

They include Material incentives besides wages, salaries and any other monetary form such as rewards, which satisfies the individual's material needs only. Material incentives include:

#### **4.1.1.1.1. Salary**

It is the wage that the working person receives from the entity in which he works, whether the work is in the government sector or the private sector. The employee's income (salary) increases every year, and the salary also increases when the employee is promoted to the next rank.

#### **4.1.1.1.2. Reward**

A reward is a financial compensation that exceeds the recipient's normal payment expectations. The reward can be awarded to both junior employees and high-level executives. The reward may be exposed as incentives to potential employees and may also be distributed to shareholders of the company.

### **4.1.1.2. Moral Incentives**

It addresses the individual's psychological, social and mental needs, The components that make up the corporate philosophy and, together with others, shape the overall corporate climate So that these components help to provide full satisfaction of the company's non-material needs and the management has a set of moral incentives, on top of which is the appropriate job For the individual, job enrichment is through promotion, advancement and Praise and participation in decision-making and a climate of supervision, a group climate, the image of the company, The nature of the work, the company's philosophy towards its employees, and flexible scheduling.

#### **4.1.1.2.1. Praise**

Appreciating an employee's efforts means acknowledging that a certain job was done properly and that's all there is to it; All you have to do is show employees the respect they deserve; you have to show them that you appreciate their effort.

#### **4.1.1.2.2. Participate in the decision-making**

Employee engagement is a management philosophy practiced by the company by giving its employees the opportunity to participate in decisions that directly affect their jobs.

### **4.1.1.3. Training**

Training is a complex concept consisting of several elements. It means a change for the better or a development in the individual's information, abilities, skills, ideas and behaviour, with the aim of preparing the individual well to meet the requirements of current jobs and developing his technical and mental skills to meet future needs and achieve success.

#### **4.1.1.3.1. Machine**

It is a type of learning in order to acquire skills, knowledge, experiences, information and facts related to a specific entity, and this training is directed to new and even old workers

on advanced machines and equipment so that they can give what they have of energy and experience to increase production and develop the competencies and performance of its workers in order to achieve the greatest effort in the shortest possible time and with the best quality.

#### **4.1.1.3.2. Occupational safety**

The field of occupational health and safety is concerned with everything related to the safety, health and well-being of workers in the workplace, and the most important focus on it is the prevention of work-related hazards. Therefore, the component of occupational safety and health training is an essential component of contributing to the reduction of occupational risks of injury and disease.

#### **4.1.1.4. Problems**

The most important problems facing Nesma Holding Company are the material and moral incentives and employee training, which have a major role in influencing the performance of employees, whether positively or negatively, which means that they are not available and not distributed the performance of the hardworking workers (employees) equitably and may negatively affect their performance and thus affect the opportunity to achieve the desired goals of the company under study.

## **4.2. CYCLE 1 QUANTITATIVE DATA ANALYSIS**

Questionnaire questions and distributed them to 60 people in the company; these 60 people were 52 males and 8 females. As for their ages, they were from (20-30) years old number (34) people, from (31-40) years old number (21) a person, from the age of (41-50) years, a number of (5) people. They were chosen from the Finance Department (5) people, from the Human Resources Department (7) people, and from the Operations Department (48) people, according to the number of managers (5), Staff number (50) and the number of supervisors (5). As for the academic qualification, it was (7) persons with a degree, (32) holding a diploma and (21) holding a high school. As for the number of people based on years of work in the company, they were from (1-2) years old a number of (35) people, from (2-5) years old a number of (17) people and less than one year, a number of (8) people. Finally, the number of people depending on the type of contact they are (52) people full-time and (8) part-time persons.

Normality Based on the outcome of SPSS of the One-Sample Kolmogorov-Smirnov Test as demonstrated in Table 2, the variables are normally disturbed. Conducting a normality test is to understand the techniques that the researcher will use to analyses the t-test, and hence, it is important for the researcher to determine whether the data is normally distributed or not. In order to determine which of the data is normally distributed or not, the deviation value must be between -2 and 2. As can be seen from Table 1, for the material incentive variable, the deviation value is -127. For moral incentives, the value of the deviation is -143. Finally, for the training variable, the deviation value of this variable is -117; the deviation value is usually distributed for all three variables since the deviation values under these three variables lie between -2 and 2.

Table 2. One-Sample Kolmogorov-Smirnov Test

Statistical parameters		Material Incentives	Moral Incentives	Training
Normal Parameters	Mean	6.000	8.500	15.000
	Std. Deviation	1.309	2.45301	3.866
Most Extreme Differences	Absolute	.221	.143	.165
	Positive	.221	.131	.165
	Negative	-.127	-.143	-.117
Test Statistic		.221	.143	.165
Asymp. Sig. (2-tailed)		.004	.260	.079

The questionnaire reliability was checked through Cronbach's alpha, as demonstrated in Table 3. The Cronbach's alpha is generally between 0.568 and 0.681, which indicates moderate reliability of the questionnaire model.

Table 3. Values of Cronbach alpha

Variables	No. of items	Cronbach's Alpha
Material incentives	2	0.681
Moral incentives	4	0.568
Training	6	0.625

The researcher made a naturalistic t-test, and the results showed that the data set is normal for this research; therefore, the researcher will use the double-sample t-test to determine whether the intervention made by the researcher is effective or not. All variables' data were compared occurred to determine their significant value. The results of the double sample t-test will be divided into three variables, namely material incentives, moral incentives and training, and the results can be seen in Tables 4 and 5.

Table 4. Paired Samples Statistics

Variable	Mean	N	Std. Deviation	Std. Error Mean
pre-Material Incentives	3.590	60	.104	.180
post- Material Incentives	4.250	60	.104	.180
pre-Moral Incentives	3.520	60	.104	.180
post-Moral Incentives	4.270	60	.104	.180
pre-Training	3.460	60	.104	.180
post-Training	4.340	60	.104	.180

Based on the t-test analysis that has been conducted, the findings indicate that the mean value for post-intervention for all three variables are higher than pre-intervention where material incentives mean value before the intervention took place was only 3.590 compared to after intervention where the mean value is 4.250; moral incentives mean value before intervention was 3.250 while after the intervention the value change to 4.270 and for training, the mean value before intervention was 3.460 which is lower than value after the intervention is 4.340.

Table 5. Paired Samples T-Test Result

Model	Variables	Coefficients B	Std. Error	Coefficients Beta	t	Sig.
	Material Incentives	.702	.315	.352	2.443	.020
	Moral Incentives	.179	.227	.138	.831	.393
	Training	.092	.140	.113	.647	.615

In addition, the researcher also refers to the t-value to identify whether the data is significant or not. Based on Table 4.20, t-value for material incentives (2.443), moral incentives (.831) and training (.647) Hence, since the t-values for each variable were higher than the critical value, it shows that there are differences between before and after the intervention took place in the company. The researcher indicates that the data is statistically significant. The findings were also identified as statistically significant.

In Action Research Cycle 1, the intervention that was implemented by the researcher focused only on the material and moral incentives and training that improved the current job performance practices of the employee in Nesma Holding Company, which includes an interview session with management and an evaluation of private performance.

#### **4.2.1. Cycle Two Proposed Intervention and Implication**

In Practical Research Cycle 2, the researcher will implement an intervention on the promotion practice in Nesma Holding Company. The presence of opportunities for promotion helps the employee to see the future career path and stability within the company. It greatly affects the functionality. This indicates that promotion interference is one of the factors affecting job performance. They also Perceived Organization Support. When employees feel supported, they tend to improve and increase their job performance for the better. This indicates that perceived organizational support increases job performance.

#### **4.2.2. Cycle 2 results of quantitative**

The quantitative data that was collected will be analyzed using the SPSS program. Results regarding the effectiveness of the intervention plan will be analyzed using a double-sample t-test. The aim of the analysis is to formulate a successful intervention. We carried out the new intervention before distributing the questionnaire to the respondents. Our new intervention was "Promotion practice" and "Perceived organizational support" In Nesma Holding Company.

For the second cycle, the respondents were 60 employees in Nesma Holding Company, of whom (52) were males and (8) females. Those whose ages were from (20-30) years numbered (34) employees, from (31-40) years their number was (21) employees, and from (41-50) years numbered (5) employees). The number of managers was (5), the number of employees (50) and the number of supervisors (5). As for the academic qualification, there were (7) employees with a degree, and (32) holding a diploma, and (21) holding a high school. As for the people who worked in the company from (1-2) years their number was (35) employees, and from (2-5 years) their number was (17) employees, while there were (8) people who worked for less than a year in the company. Finally, the number of employees who worked full-time were (52) people and (8) part-time people.

The questionnaire was checked for reliability through Cronbach alpha, as demonstrated in Table 6. The Perceived Organizational support and Promotion Practice had 0.669 and 0.742 Cronbach's Alpha coefficients, respectively.

Table 6. Reliability of cycle 2 questionnaire

Variables	No. of items	Cronbach's Alpha
Perceived Organizational support	8	0.669
Promotion Practice	3	0.742

The normality test was categorized into 2 variables which are Perceived Organization support (SUPRT) and Promotions Practices (PROM). Based on the outcome of SPSS of the One-Sample Kolmogorov-Smirnov Test demonstrated in table 6, the variables are normally disturbed. In order to determine which of the data is normally distributed or not, the deviation value must be between -2 and 2. As can be seen from Table 6-8, for the Perceived Organization support variable, the deviation value is -.122. For Promotions Practices, the value of the deviation is -.151. the deviation value is usually distributed for these two variables since the deviation values under these two variables lie between -2 and 2

Table 7. Cycle 2 One-Sample Kolmogorov-Smirnov Test

Statistical parameters		SUPRT	PROMO
N		60.000	60.000
Normal Parameters <sup>a,b</sup>	Mean	19.000	9.000
	Std.	5.219	3.151
	Deviation		
Most Extreme Differences	Absolute	.157	.151
	Positive	.157	.138
	Negative	-.122	-.151
Test Statistic		.157	.138
Asymp. Sig. (2-tailed)		.205 <sup>c</sup>	.173 <sup>c</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

The results showed that the data set is normal for this research; therefore, the researcher will use the double-sample t-test to determine whether the intervention made by the researcher is effective or not. The data is statistically significant as t-value for Promotion Practice (2.803) and Perceived Organizational support (5.235). Hence, since the t-values for each variable were higher than the critical value, it shows that there are differences between before and after the intervention took place in the company. The result of the Paired Samples T-Test Result for cycle two is demonstrated in Table 8.

Table 8. Paired Samples T-Test Result for cycle two

Variables	Coefficients		Coefficients Beta	t	Sig.
	B	Std. Error			
Promotion Practice	.512	.188	.367	2.803	.018
Perceived Organizational support	.604	.127	.905	5.235	.000

This indicates that perceived organizational support increases job performance. According to Sitati, Were, & Waititu (2016), the presence of promotion opportunities significantly affects employee performance as it helps the employee see a future career path and stability within the company. The result obtained from the qualitative and quantitative analysis of the study both support the literature review. This indicates that promotion intervention is considered as one factor that affects improve employee performance.

## 4.3. DISCUSSION

### 4.3.1. Reflection

This research proposed that providing material, moral incentives and training will improve job performance in Nesma Holding Company. This research believes that improving the current job performance practice will help increase work efficiency, thus reducing the problem of low productivity. The results of qualitative and quantitative analysis in cycle 1 confirm that improving job performance by means of material and moral incentives made in Nesma Holding Company is an effective intervention. The obtained results match with the past study findings by (Abo hymed , 2020), where material incentives are said to be one of a method that can be used by the company to increase employee performance and increase motivation through the divergence of employee's activities and help broaden employees' skills. Aside from that, the researcher used moral incentives to test the relationship of Praise and Participate in the decision-making with job performance, and findings from this research show that moral incentives have a significant relationship with job performance and this finding match with past study from Almahdi (2017) where the researchers stated that the moral incentives creation process is a success when employee able to increase his or her knowledge through involving themselves in variety of working experiences. Findings from this research also indicate that when a company commits to employee's training, work efficiency will increase, and this was also supported by Elena-luliana & Maria, (2016) study were providing opportunities for the employee to participate in developing their career will promote tendency of job satisfaction and motivation thus reducing the number of absenteeism or any other misconduct cases hence improve work efficiency and productivity.

Objective 1 Knowing the reality of the material, moral incentives and training system in force in Nesma Holding Company

The first objective of this research is to identify the factors that affect the improvement of the job performance of employees in Nesma Holding Company. In order to achieve this goal of the research, the researcher conducted 10 interviews with managers and officials at the administrative level in the company. All respondents were currently serving in Nesma Holding. The interviewees highlighted the main factors that affect the improvement of employee performance at Nesma Holding, which includes material incentives such as salary increases and bonuses, moral incentives such as respect and employee involvement in decision-making, as well as training on machines and occupational safety. The interviewees also acknowledged that the incentive and training policy was not properly implemented in this company. There were other problems in the company, which the management decided without discussing them with the employees.

Objective 2: Identifying the most attractive types of material and moral incentives for workers in Nesma Holding Company.

The material and moral incentives and training that were implemented in Nesma Holding Company had an effective effect and improved employee motivation, knowledge, development and job performance. Accordingly, this result supports the second research

objective, which aims to improve the level of job performance in the company. The second objective of this research was to show the effect of Perceived Organizational Support and Promotion Practice on improving the job performance of employees in Nesma Holding Company. The result indicated that the Perceived Organizational support and Promotion Practices that were implemented in Nesma Holding Company had an effective effect and improved employee motivation, knowledge, development and job performance.

Objective 3 Searching for the relationship between material, moral incentives, training and improving the performance of Nesma Holding Company employees.

In Cycle 2 of Action Research, the second intervention (Perceived Organizational support and Promotion Practice) was suggested to the Nesma Holding Company, and the company successfully adopted the intervention. The researcher also recommended conducting a special performance evaluation for the employee by providing Perceived Organizational support and Promotion Practice for the employee with outstanding performance. In order for the employee to feel that he is under the auspices of the company's management.

## **5. CONCLUSION**

### **5.1. CONTRIBUTION**

The importance of the research becomes clear to us by shedding light on one of the important topics in theoretical and practical because of its significant effects in directing the behaviour of employees.

#### **5.1.1. Theoretical Contribution**

This topic is one of the topics that has attracted the attention of many thinkers over time and is still needed for new studies due to its connection to the motives, needs and desires of workers, which are characterized by change and difference from one factor to another, especially in light of the rapid technological developments, and accordingly, the importance of the study can be summarized in the following: Valuing the human element as a strategic resource for the company, linking the motivation policy to the needs and desires of employees. Improving employee performance by closing the performance gap. Finally, arriving at an effective incentive policy that contributes to improving the performance of employees.

The current research makes an important theoretical contribution to the body of information in the field of Perceived Organizational Support and Promotion Practice, especially in Nesma Holding Company in the Kingdom of Saudi Arabia. It also refers to previous studies in the field of material and moral incentives, training, support and promotion provided by companies to improve the performance of their employees; the majority of those studies are applied studies, with only a few studies using the method of action research, and as a result, this study fills a gap in the literature of action research in the field of providing material and moral incentives, training and support to the employee. The study can be summarized in the following: Valuing the human element as a strategic

resource for the company to arrive at an effective incentive policy that contributes to improving the performance of employees.

### **5.1.2. Practical Contribution**

The importance of the research becomes clear to us by shedding light on one of the important topics from a practical point of view because of its great impact on benefiting from it in modifying the material and moral incentives and training systems in Nesma Holding Company. The practical importance also came in solving the problem of the company, which was witnessing a continuous decline in the performance of employees internally and externally, which led to serious delays in the implementation of important projects.

The importance of the study becomes clear to us by shedding light on a topic of practical importance because of its great impact in solving the problem of Nesma Holding Company, which was witnessing a continuous decline in the performance of employees at the internal and external levels, which was negatively reflected and led to serious delays in the implementation of important projects. The importance of the research is also highlighted by making use of it in modifying the incentive systems in Company.

## **5.2. ACTION RESEARCH REFLECTION**

The process of designing and developing the intervention is an important step in procedural research through which the researcher can learn more from the practical side of the theoretical and academic literature. Action research is a long process that requires a lot of planning and review by current researchers about the employee's job performance. The nature of action research that depends on the actual company enables the researcher to develop additional skills compared to regular research, which is to communicate with stakeholders in the company.

## **5.3. OVERALL CONCLUSION**

The company has been instrumental in ensuring that the work culture is employed in the organization. Enabling effective communication between subordinates and superiors will help shape the employee's sense of company and thus develop organizational commitment behaviour (Wang, 2011). The study concluded that there is an improvement in Cycle 1 and Cycle 2 between before and after the intervention. It was determined that the interventions on both cycles had an impact on the improvement in the job performance of employees in the company. Each aspect and strategy in Cycle 1, such as material incentives, moral incentives and training and Perceived Organizational Support and Promotion Practice in Cycle2, as determined by the study, have had a significant impact on the job performance of employees in the Nesma Holding Company.

## **5.4. LIMITATION**

There are many limitations to the search; when designing the research, the researcher used a printed questionnaire to take into account the varying levels of scientific level and use of

modern technology among the employees of Nesma Holding Company. The use of a printed online questionnaire due to the global event of the COVID 19 outbreak that led to staying at home. The difficulty of obtaining information, the sample size, which is considered relatively small, the closure that occurred in the world due to the outbreak of the Corona pandemic. However, this may be seen as a good opportunity for managers at Nesma Holding Company to consider and implement a tailored intervention strategy upon resumption of work.

## 5.5. FUTURE RECOMMENDATION

Future recommendations can be suggested for researchers in this action research. The planned intervention of Nesma Holding Company was a good success, but research has indicated that performance appraisals are one of the most important components of human resource management practices. According to this research, this study covered Nesma Holding as the sample size. That is why future researchers suggested exploring A more similar company using a large sample size. Also, another recommendation is the use of the framework with additional factors that influence employee jobs performance improvements, such as work environment, the leadership style and the Company culture.

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