



**Arab American University – Jenin
Faculty of Graduate Studies**

**The Impact of Motivation on the Employee's Performance: A Case Study
from Palestinian Commercial Banks**

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**This thesis was submitted in partial fulfillment of the requirements for
the Master`s degree in Strategic Planning and Fundraising**

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DECLARATION

I declare that this thesis, which I submit to Arab American University for examination in consideration of the award of a master degree is my own personal effort, I took reasonable care to ensure that the work is original, and, to the best of my knowledge, does not breach copyright law, and has not been taken from other sources except where such work has been cited and acknowledged within the text. And all the work under supervising of Dr. Mohammed Abusharbeh.

Signed _____

Student Number _____

Date _____

DEDICATION

I dedicated this work to my dear Mom and Dad for their unrelenting support and prayer towards complete this work successfully. As also dedicated to my family and friends.

ACKNOWLEDGMENTS

First and foremost, I would thank Allah for giving me the power to face the challenges I have been through .

I would like to express my gratitude to my supervisor Dr. Mohammed Abusharbeh, the one who been generous enough and patient enough to light my way.

Thanks to my great parents and family who keep supporting me no matter what happens and thanks to my family. Also, I sincerely thank my colleagues in the master of strategic planning and fundraising.

ABSTRACT

The thesis title is “The Impact of Motivation on the Employee's Performance: A Case Study from Palestinian Commercial Banks”. This study aimed to find the effects of motivation on the achievement of employees in Palestinian commercial banks. This study is particularly important since it's so vital to study the natural relation between motives and the employee's achievements. That to say punishment could have an alternative since punishment could negatively affects the employee's achievements in his or her organizations. This study concludes some recommendations and inferences which will lead the employees to be more developed and qualified in their field of work. The study picked up a random sample of 252 employees working in Palestinian Commercial Banks (Gaza and West bank) and used questionnaire as the tool to get the data. Where the study follows three main hypotheses and six sub-hypotheses and independent variables were motivations, punishment, and replacing punishment with motivation. However, this study uses descriptive statistics, reliability analysis, correlation coefficients, and multiple regression to conduct the research output. The main consequences of this study were moral motivation has a significant impact on the employee performance. While, the material motivations doesn't have a significant effect on their performance. Whereas, the material and moral punishments have a negative significant effect on the employee performance.

The study also recommends to give a big care to moral motivation, in order to increase the employee's performance. In first place giving a compliment to the employee. Also, the employee's position has to fit his educational qualification, and the employee has to feel that his manager trusts him. Moreover, the banks should start looking for a suitable way to replace the punishment with motivation as giving the employee a second chance to correct his mistakes.

*** Key words: Moral Motivation, Material Motivation, Moral Punishment, Material Punishment, Performance.**

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CHAPTER ONE

1. Introduction

Employees are one of the most important stakeholders and the key factor of staying in the playing field. Moreover, retaining rare skills requires human resources to implement a great reward system as the way to motivate the employees to get their best (Balmer & Gray's, 2000). Furthermore, a successful management system is one that looks at the human resources as the basis when developing a company strategic plan.

Actually, motivation is important for successful companies, because it refers to the underlying behavior which is characterized by willingness that intrinsic motivation is animated by personal enjoyment, interest, or pleasure (Guay et al, 2010). Initially, Herzberg (1987) argued that motivation is the cause of job satisfaction. Moreover, Broussard and Garrison (2004) defined it as the attribute which moves people to do or not to do something. While others like (Kreitner, 1995) as all cited in (Kachalla, 2014) defined motivation as the psychological process which gives behavior goals and direction, a tendency to work in a purposeful way to achieve specific needs, an unsatisfied need, and the will to achieve, respectively. Accordingly, all these definitions show that motivation is the basic issue in work improvement.

In fact, the reward system is considered as one of the faces of motivation, which refers to every type of pay and rewards received by employees for their job performance and achieve specific needs. Furthermore, reward system affects on the company performance, which made companies use the reward system to motivate its employees in order to increase profit and productivity (Belcourt, 1999).

The importance of motivation appears in obtaining employee satisfaction and getting the best of their performance. Moreover, the effective motivation builds efficient employees while the absence of motivational environment can create the inefficient workforce. Furthermore, motivational environment leads to increase the organization productivity. Likewise, the management of manufacturing firms has to choose a suitable motivational system to increase the workers' productivity and performance (Maduka and Okafor,2014).

Indeed, this research attempts to examine the relationship between the motivation, specifically reward system and employee performance. It also looks for the possibility of replacing punishment with motivation.

1.1 Research Problem

Since the organizations are looking for sustainability, increase the profits, and achieve their objectives, they should consider the importance of creating a reward system, and how does it affects the employee as well as the whole organization, which lead to achieving the objectives.

Recently, rewards and an enjoyable workplace have become important main reasons for motivation, which is the key that makes people do what they do, equipped with the knowledge of what is important, significant solutions and the appropriate financial resources can be devoted to addressing the key issue (Kreitner, 1998).

Actually, this issue is concerning on the employees' performance which considered as the driving force of every organization, they have to give it the needed attention, as it will affect their performance and the whole organization. So, one of the basic issues that concern workers in an organization has to do with the reward or compensation for their effort, ability to work and willingness are derived from motivation, Greeno (2012) argued that motivation fills the gap

between the employee's ability and their willingness. Consequently, the organizations have to motivate their employees and enhance them to give their best work as well as increase their performance.

Actually, there are no primary studies discussed that kind of relation between punishment and performance. Moreover, the study attempts to fill the research gap between the employee performance and their willingness, as also to find if replacing punishment with motivation can affect the employee performance.

Indeed, this study attempts to extend the previous studies such as Maslow, Herzberg, Taylor, Fayol, McGregor and other new researchers, to find what is the relationship between motivation and employee performance? and what is the level of motivation provided to the employees in Palestinian commercial banks?

1.2 Research Questions

This thesis attempts to answer the following questions:

1. What is the level of motivation, punishment, and performance that is provided by employees in Palestinian commercial banks?
2. What is the impact of moral, material, and social motives on the employee's performance in Palestinian commercial banks?
3. What is the effect of moral and material punishment on the employee's performance in Palestinian commercial banks?
4. Dose replacement of punishment with other types of motivation affects on employee's performance?

1.3 Research Hypothesis

Main Hypotheses (1):

H0: There is no relationship between motivation and employee performance at the level ≤ 0.05 .

Sub Hypotheses (1):

H011: there is no relationship between moral motivation and employee's performance.

H012: there is no relationship between martial motivation and employee's performance.

H013: there is no relationship between social services and employee's performance.

Main Hypothesis (2):

H02: There is no significant impact of the punishments on the employee performance at the level ≤ 0.05 .

Sub Hypothesis (2):

H021: there is no relationship between moral punishment and employee's performance

H022: there is no relationship between material punishment and employee's performance

Main Hypothesis (3):

H03: There is no significant impact of replacing punishment with motivation on the employees performance at the level ≤ 0.05 .

Main Hypothesis (4):

H04: There is no significant difference between the employees' answers to the motivation dimension due to the demographic variables at the level $\alpha \leq 0.05$.

Sub Hypothesis (4)

H041: There is no significant difference between the employee's answers to the motivation dimension due to gender.

H042: There is no significant difference between the employee's answers to the motivation dimension due to age.

H043: There is no significant difference between the employee's answers to the motivation, punishment, and performance dimension due to marital status.

H044: There is no significant difference between the employee's answers to the motivation, punishment, and performance dimension due to qualification.

H045: There is no significant difference between the employee's answers to the motivation, punishment, and performance dimension due to experience.

H046: There is no significant difference between the employee's answers to the motivation, punishment, and performance dimension due to position.

H047: There is no significant difference between the employee's answers to the motivation, punishment, and performance dimension due to rewards.

H048: There is no significant difference between the employee's answers to the motivation, punishment, and performance dimension due to appraisal.

1.4 Study Objectives

The general objective of this study is to investigate the impact of motivation and punishment in increasing the employee performance and to examine the ability to replace punishment with other types of motivation.

The specific objectives are:

1. To know the effect of moral and material incentives on employee performance.
2. To investigate the effect of social service motive on employee performance in Palestinian commercial banking industry.
3. To find the relationship between motivation and employee performance.
4. To investigate the effect of moral and material punishment on the employee's productivity in Palestinian commercial banks.
5. To determine the impact of reducing punishment on the employee performance.

1.5 The Importance of The Study:

No other studies investigate the ability of replacing punishment with a positive motivation, which makes this study the first one that find the lead to a better and effective motivation system that increase the employee performance.

1.6 Research Contributions

Firstly, this study is motivated by a need to understand the natural relationship between the motivation system and employee's performance that achieved by Palestinian commercial banks as well as the relation between punishment and performance. In fact, few prior studies investigated on that kind of relation. Therefore, the incentive for exploring the issue of motivation has to be seen practically in organization activities.

Secondly, this study was driven by the desire to reveal if the employee's punishment can be replaced with motivation in order to increase their performance. It is worth mentioning, that till now there is no study finds an evidence of the ability to replace the punishment with motivation.

1.7 Obstacles of the study:

The main problem that faced was the un collaborate the banks' managers, while the reason could be that banks afraid of misusing this information. Also, many banks refused to distributed to the employee because they believe answering the questionnaire is wasting time.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents few empirical literature relates to subject, starting from reviewing the basic motivation theories (Maslow, McCell, Hezberg, and McGreggo) and ending with modern studies, also it shows the critics view of these theories. Furthermore, it gives a view of the new recent study as well as the development of the motivation theory that links between motivation and employees performance.

2.2 Motivation:

Despite the differences view of the motivation definition, this difference is not core and not on the basis. Luthans (2011) defined motivation as the basic physiological process that energizes, directs, sustains, and affects on the behavior and performance of individuals as shown in figure(2).

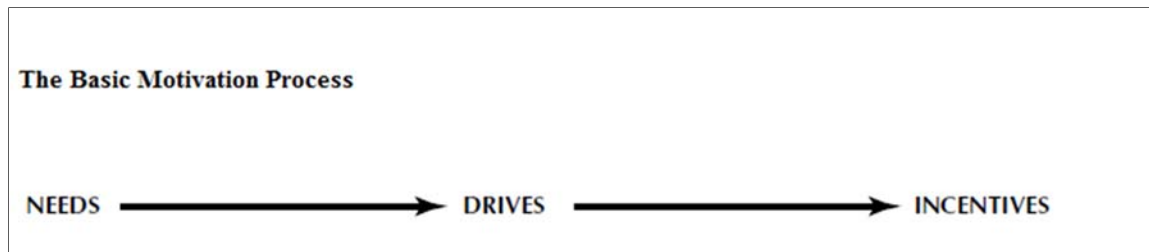


Figure (2): The Basic Motivation Process

Figure (2) shows that the incentives were found because of drives that paid to create this incentive, as these drives were generated by unsatisfied need.

In addition, motivation should be created it by understanding what influences people. Clearly, it is the process of activating people to work and achieve the wanted goal. Basically, motivation is taking action to identify the main need that influences behavior and to satisfy the human needs (Apeyusi, 2012).

Ibrahim (2015) argued that motivation is an inside operation and can't be seen and only its effect can be noticed. Also, his review defined motivation as the "will to work" which created from enjoying the work. Furthermore, Shanks (2012) defined motivation as giving a motive and its process of giving motivating which causes the individual doing action.

Accordingly, Aljassasi (2011) defined the incentives as the issue that creates the motive and leads to create motivation, while motive presents the relationship between the influence and the response, then reaction shown presented in the behavior and responses. Furthermore, Aljassasi argued that motives are a group of inside factors that direct individual's behaviors while incentive is an outside power that attracts factors to adapt individual behavior to fit with its goal.

Fadeel (2014) defined motivation as what the organization gives to its employee, either it moral or material in order to create positive behavior that increase his productivity and increase the profit.

Furthermore, incentive fills the employee needs and that will create job satisfaction which lead us to conclude that there is a relation between human incentives and motivation theory, since motivation process starting from understanding the motivation theory in the way that lead to understand the employee's motivation and their needs.

2.2.1 TYPES OF MOTIVATION:

The researcher divided the motivation as Figure (3) as the following:

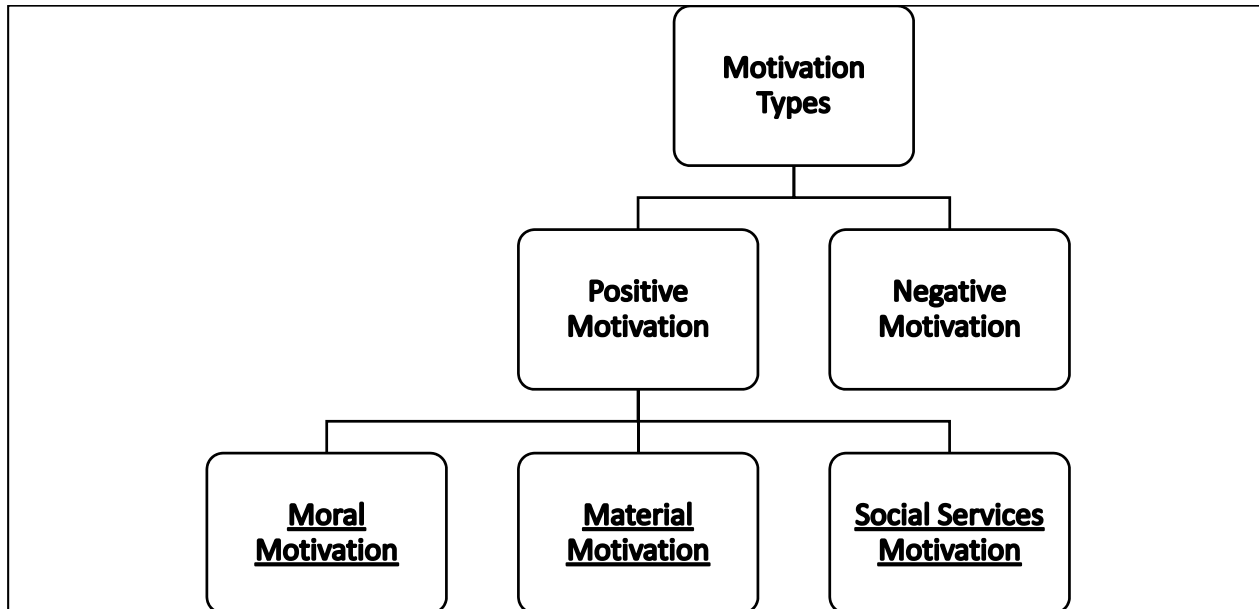


Figure3: Motivation Types (Source: researcher)

2.2.1.1 Positive Motivation:

2.2.1.1.1 Moral Motive

Moral motivation is defined as a human psychological motive that gives the employee the feeling of the importance of his role in the society (fadeel,2014). Maktara&Zaozo (2014) mentioned that moral motivation helps the human to fill his other psychological needs, in order to increase his loyalty to work and increase his co-relation with his partners and that occurred through giving the employee the chance to participate in decision making, send the creative employee a thankful letter, give the employee more authorities and responsibilities, create an honor list, giving extra vacations, trust, and give the creative employee a special task ... etc.

This kind of motivation is given for individual for his well performed in work or for his extraordinary work (Yousif, 2011). Sharkh (2012) stated that moral motives encourage employees to enhance the team work.

Mktara &Zaozo (2014) provided an examples on moral motives as follows:

- Promotion chance: as long as it's linked with the production efficiency since that makes the employee more passion in work to get promoted. Moreover, promotion consider also as material motivation.
- Participate the employee in managing: In other word, consider the employee's need in the organization plan, and involve the employee in the decision making which makes them more loyal and collaborating to achieve this decision.
- Estimating the employee's efforts: as giving them esteem certification, thankful latter, or create honor list. Moreover, Al-Jassasi (2011) mentioned that "thankful words" might be of less effect than other tells, but still give impression of the grateful feelings to the employee for his great work.
- Improve work atmosphere: the employee readiness increase more in healthy condition, such as: good lights, air condition system, ergonomic office...etc. Mktara &Zaozo (2014) believe that taking care of the work conditions increase the inspiration and give the employee the feeling that the management really care about him as it increases the employee loyalty.
- Health Insurance: as give the employees the medical service inside the institution health center or paying the health costs for them and their families.

Al-Mahi (2005) clarified that the moral motivation is exactly of the same importance as the financial / material motivation and there is no way that material motivation effect is away from

moral motivation. Furthermore, the importance of the moral motivation depends on the organization circumstances, and the organization has to choose moral motivation that fits to its situation. Moreover, Yousif (2011) argued that the efficiency of incentives and their ability to get the wanted behavior depends on the direction, power, and continuity.

2.2.1.1.2 Material Motive

Moktara & Zaozo (2014) defined material motivation as the basic physiological needs that encourages employees to give their best performance in their work to get promoted, health insurance, transportations, ...etc, dreaming to improve their financial situation, which increase the competition between employee, leading them to give best performance. In order to improve the overall productivity of the organization (Yousif, 2011).

This kind of motivation can be given for individuals in order to enhance their performance, for extraordinary work (Yousif, 2011) in company. Sharkh (2012) and Al-Fares (2011) proved that motivation improves the employees and enhance the team work.

Al-Jassasi (2011) argued that financial reward, gifts, rewards for the overtime work, providing a loan system, and bonuses that are given to the employee according to an extraordinary work aiming to develop the organization

Mktara & Zaozo (2014) provided some examples to motivate employees as follows:

- Individual extraordinary bonus: it is a bonus that is given to the individual once, in order to get high performance and usually given as cash.
- Bonuses: usually given to the specialties, and sometimes it called annual bonus.

Al-Nsour (2012) argued that the material motivation is not enough without other kinds of motivations, since the effect of material motivation will end when this need is satisfied.

2.2.1.1.3 Social Service Motive

Social service motive defined as the social service that giving to the employee in order to meet his social needs Shark (2012). Actually, this motive is considered as moral motives. However, this thesis classified it as social services motives due to the large social services that provided by bank such as health insurance, friendship and relation between employees, solidarity fund...etc.

Sharkh (2012) classified it beneath the moral motivation, while Al-Eksh (2007) classified it in the group motivation. In the other hand, Yousif (2011) considered the social motives as the moral motivation which guarantee the future after passing the return age, considering the health circumstances that might stop him of work.

In this study the researcher couldn't consider social services as a moral since it might be given as money, also couldn't consider it as group since it might be given to one employee. Therefore, that make the researcher divided the motivation into three types: moral motivation, material motivation, and social service motivation.

2.2.2 Negative Motivation (punishment):

Yousif (2011) considered punishment as one of the negative motivations which could make individual afraid of repeating the mistake as fear of getting punished again, which makes it considered as a motivation not to do the mistake again. He stated that punishment (negative motivation) doesn't motive the employee to work, it just makes him a wear and make him to uncollaborated with his colleagues. Also, it will not improve his productivity, it teaches him how to avoid punishment. In addition, punishment makes a balance in the motivation process since it remind the employee, that as they get incentives for the good work, they also could get punished for the poor work.

Al-Mahi (2005) mentioned an example of employee's punishment as; warning, deduction from salary, prevent promotion. He also mentioned that punishing the employees without clarifying the reason of punishment, might lead to make the employee always scared of making a mistake. Furthermore, this might lead to un-collaboration between employee because they are afraid of making mistakes, and punishment can make the employee hesitated from everything he is doing and unable to hold the responsibility because of his fear. This confirmed the (y) theory which is punishment is not the only way to correct or measure the performance. (Haniah, 2005).

luthen (2011) agreed with most of the researcher, that motivation is more important than punishment. He assured that punishment should be used carefully. Furthermore, he considered that punishment can be efficient in case there is prior weak in employee performance. Otherwise, it is possible that the punishment turns into caring / interest. As luthen (2011) the wrong use of the punishment might consider in the employee view as caring and it possible to make the employee want to repeat this kind of mistake to get that caring again. Also, he mentioned that uses of the punishment have a bad said effect, and one of these said effects, heating pressure for revenge, heat work, uncollaborated with colleagues. He considered giving the low degree to the employee in annual evaluation is a kind of punishment which effects in a negative way the employee's performance. Moreover, he argued that to reduce of the punishment said effects, the manager should find other acceptable alternative of punishing and give a fair punishment that fits the mistake that employee did. Moreover, he discussed that the moral punishment like oral warning is not efficient because it seems like they get punished for getting cut while doing his mistake.

In addition, punishment does not just affect in the employee who got punished, but also on his colleagues, and it might not prevent the other employee of doing the same mistake. Despite of, it might just cause the other employee disrespect their manager

Luthen (2011) believed that the basic role to manage the employee behavior is to enhance reinforce instead of punishment, since it more efficient than the punishment which include a lot of sad effect. Otherwise, there is no way to replace punishment, it should execute reasonably and not just to releases anger the manager also should use in the way that keep the employee his dignity .

However, Liao (2009) who argued that punishment is the good solution, while the tuff role and punishment prevent the mistake, or at least can reduce it. The manager should create a tuff role and make sure of punishing the employee who made a mistake, to insure that employee will be aware doing a mistake. Moreover, Abu Amrah (2011) and Sawwaf (1994) considered the punishment as one of the management tools in the organization. They stated that punishment makes the employee avoid making mistakes and unacceptable This mean that punishment is considered one of the leadership and management process that helps the employees to take the responsibility of giving their best and working in an efficient way .In order to achieve the organization objectives. Furthermore, Gabriel (2015) emphasized the use of punishment in fair and good way will effect positively, while the over punishing might be revenge and have a negative effect not just on the employee but on all of the organization staff.

Abu-Amrah (2011) provided an examples on punishment system such as: warning letter, deduction from salary, promotion prevented... etc.

Vaden (2004) stated that punishment is not the good solution to solve the problems so the manager should find other alternatives, was the unfits use of the punishment leads the employee to do his work in the right way but not inefficiently and effectively way.

Alexander (2000) recommended to not using punishment as he believed that most of the problem could be solved by the collaboration between the employees and the management.

2.2.2 Basic Motivation Theories:

2.2.2.1 Maslow's hierarchy of needs

Maslow developed hierarchy of the needs in 1943. He expanded his idea to include his rote about human instinct curiosity. This theory discussed the human needs and summarized five needs: physiological needs, safety needs, social needs, self-needs, and self-actualization need. Moreover, Apeyusi (2012) argued that motivation affects the individuals' behaviors and this need should be filled to satisfy the individuals.



Figure (1): Maslow's hierarchy of needs

Figure (1) shows Maslow's hierarchy of needs. He discussed his theory with details in his book "Motivation and personality" in 1954. Following are the needs:

1. Physiological needs: needs that keep people living, as the need to breathe, need for food, water, sex, and need to sleep. Maslow argued that if the person didn't fill the physiological need's, when he is capable of filling this needs, he will do in an exaggerated manner, for example, when a poor person becomes rich, most of his expenses goes to drink, and food ... etc.

2. Safety need: when the physiological need is met, the safety need arises which include: physical integrity, job safety, resource and earning safety and safety personal property against crime.
3. Social need, is the third after the physiological and safety , like emotional needs, family relation need, and the need of creating a friendship. In general, the human need to be accepted and the affiliation need whether to the large social group (like sports teams, clubs, religious, and groups), or the small social connection (like family, teachers, closed, and colleagues) or the need of love from others. The absence of this items, many people get close to depression and social isolation.
4. Esteem need, which focuses on the need of individual to get prestigious social status, the feeling of the other respecting, and the feeling of confidence.
5. Self-actualization need which the person tries to get self-realization by maximizing the use of his abilities, and skills to achieve great amount of achievements.

Maslow (1954) argued that each need has to be satisfied, starting from the bottom of the pyramid till the top, and the person should fill each need to get to the next one. Moreover, Maslow argued that the unsatisfied need creates tension and imbalance, and to get balance you have to satisfy each fill in order to motivate the unsatisfied needs.

Owusu (2009) commentates the organization, can meet its employees needs in all levels in many different ways, like respecting, giving satisfied salary to fill the physiological needs, giving health insurance and retirement system, job safety, create a nice social environment between the employees, available promotion opportunities, and appreciating the person's achievement even orally or in any other ways. Furthermore, self-actualization can be achieved by giving the employee's the opportunity to improve their skills, and give them an interested challenged work. Moreover, as Owusu (2009) mentioned that the important issue of Maslow theory is kept

improving the individual. Which means, the employee will give more effort in order to fill the needs. In the long term, filling the employees need will develop the employee skills, and increase its loyalty which will motivate them more and make them give more.

Al-Jassasi (2011) considered Maslow theory the most common theory that explains the human behavior and his seek to fill the different needs as this theory focuses on the necessity of dealing with there needs and motivations.

Since realizing their needs by the decision makers and managers making them able to create an effective motivation system.

The human needs ascending order as its priority and the unsatisfied needs will effect on the human behavior as its role in motivating will finish too. Moreover, many studies show that the absence of filling their needs leads to increase the physiological problems between employee, like increasing in the absence and increasing productivity, losses, and resignation. (Al-Jassasi, 2011)

While the appreciation and give the employee the chance to get his passion will give him the autonomy which is the basic component in self-actualization, and the management has to make it by giving him the authorities and participate them in the decision. Unsatisfied these need might lead the person to sabotage or did irrational things, so organization should satisfy it (Forson, 2012).

Forson (2012) see that there is a problem in link Maslow theory with the work, since every person has his own life, and apply the theory mean that the management has to understand the whole life for every person, not just their behavior at work. Furthermore, the researcher argued that job satisfaction doesn't necessarily lead to improving the work performance and employee productivity.

The critics of Maslow's theory believe that the hierarchy makes sense, but it's not following enough experiment evidence the human needs are different and their priority different based on the person culture, while some culture considers the social needs more important than all other needs in the pyramid. Before Maslow theory appear, most managers can evaluate employees need and determine a new a priority strategy. (Stella, 2008).

Kachalla (2014) agreed with Maslow, as the sick employee or too hungry employee will work hard and he will just keep thinking of food or rest, which will make him unable to work. Francis (2011) on his side, argued that the organization should give enough salary that gives them a priority life since hungry employee couldn't give a lot to his organization.

Ifedili (2012) disagreed with Maslow, as he mentioned that this need does not follow Maslow's pyramid. Furthermore, it is necessary of the management not to follow Maslow theory as the perfect solution, and the manager needs to study the employee needs through asking them directly about their needs instead of working via-assumptions. Moreover, managers have to be familiar with employee characteristics and their culture to motive them in an effective way.

2.2.2.2 Mc Cleland's Theory of Needs (Need For Achievement Theory) :-

Mc Cleland's in his theory divided the human need into the need of achievement, and the need of affiliation. Mc Cleland's believed that the people who have the need for achievement they prefer to work with a responsibility to solve problems since they can't feel the achievement till they have the responsibility to solve the problem. Moreover, they tend to make disciplined risks which mean that they can't feel with achievement till they pass the challenges. Other more, they need feedback about their performance. The second type of need is the need of affiliation, which they care more about creating friendship and good social relationship. While the third part of need is the power, which means looking for the authority (Royle, 2012).

According to Hall (2012), these needs do not only motivate the employee, it also helps in achieving the organization goals. As achievement enhance the employee feeling of responsibility. This theory distinguished from other theory as its focus on the differences between individuals. Also, it depends on picking the extraordinary employee who already has a high performance and there is no persistent need to motivate him (Yousif,2011).

2.2.2.3 Herzberg Theory (2 Factor Theory):

Herzberg (1959) created two factor theory. He found that satisfaction and motivation is affected by two kind of factors, which is health factor and driving factors, Herzberg found that each human has two different group of human needs which affects the personal behavior in a different way. Moreover, he found that the individual dissatisfaction is caused by the inappropriate work environment. Furthermore, Herzberg found that the human will not feel satisfied unless he gets all kind of health, environmental, and physical factors.

Herzberg listed the motivational factor as achievement, estimate, esteem, and promotion. This factor drives individuals and increases their effort , and their performance which helps in achieving the organizational goals. However, Herzberg listed the un-satisfaction factor (which he called prevention factor), as the management policy, personal relationship, salary, work condition, job security, and the social level, all these prevention factors help individual to be more loyal to his job and increase psychological growth which leads to an increase in job satisfaction. So, motivation and hygiene factors depend on specific circumstances, since it couldn't implement all employee. As Herzberg theory, it is better to use the basic form of motivation and hygiene factors, as a general framework since there is an individual difference that could effect on the employee motivation and hygiene for each employee, organization should be cautious of financial enrichment, which increases the responsibilities and authorities.

Barmo (2009) found that there were deficiencies in Herzberg Theory and ensure the importance of individual differences, raise control but with limits.

As results, this theory depends on specific situations, which can't be applied to all employees. Moreover, it is better to use the basic formula of motivation and health factors as a general framework of motivation since there were individual differences can affect the motivation or the health atmosphere of each employee which should be taken care of when using the functional enrichment (Barmo ,2009).

2.2.2.4 Theory X and Y:

This theory was created by Douglas McGregor(1960). He suggested two approaches to organize this theory. First, (x) assumes that the employee hate works and lazy, so management should use violence, a constant threat, supervision, and oversight. Secondly, (y) represents the manager who assumes that employees loving their work, passionate, and loyal. So, the organization should give them the good conditions.

Al Jassasi (2011) mentioned that is one of the important criticism of this theory is that this theory ignored the existence of an area between x & y. In other words, the theory didn't consider for example the individual who is loves his job and he is lazy. Also, this theory ignored the efficient way leading, since the real leader is who can change his way based on the problem he faced. Thus, manager should be able to work with all employee characteristics. Whereas, Stella (2008) stated that this theory ignores the human nature since nobody is perfect and no one can't be motivated.

2.3 Employees Performance:

2.3.1 Performance Concept

Employees performances, in particular, is one of the most important subjects that concerned researchers and administrative leaders managers alike, this is because the performance reflects the expected results of each activity and therefore the renewal of the term performance and set its meaning, considered as the most important topics of scientific research, when it is determined, standard indicators are defined and the actions that can improve performance can be considered as synonymous with the efficiency and effectiveness, especially in the field of human resources (Abu-Sharkh, 2010).

Halaibah(2013) defined performance as the way in which employees perform their tasks during the production processes and associated processes by using the available means of production to conduct quantitative transfers and the appropriate method of the nature of the production process according to the program and the specific objectives of the production unit during the period of study.

The widespread use the term performance and its many uses, especially in dealing with institutions, have led to the non-unification of different views on its meaning which is used to express the extent to which the objectives are met or the extent to which available resources are used. The term performance refers to the Latin language, which corresponds to the term "performare" which means giving shape to something. As the English word "performance", which means the completion of the work or the way the organization achieves its goals, is derived from "performare" (Fadeel, 2014).

The performance is a reflection of the extent to which tasks are accomplished, performance as a concept is limited by many researchers to the human. Some believe that it may mean the individual performs various activities and tasks that make up his work(Halaibah,2013).

Fadeel (2014) argued that the overall output of an organization results from reconciling many factors such as capital, labor, and knowledge. While the performance resulted directly from the work element and therefore each worker will give a performance that commensurate with his abilities and the nature of his work.



Figure(4):Performance Concept

Figure(4) shows that the performance reflects directly the form of activity carried out by the individual during performing the tasks and responsibilities entrusted to him since performance is the meaning that most researchers agreed upon and is often used as a synonymous with efficiency and effectiveness. This figure is supported by Fadeel (2014) who mentioned the performance of the human resources as part of the overall performance of the institution, and to achieve the desired goals, the performance must be characterized by effectiveness and efficiency. As performance efficiency refers to the extent to which the desired goals are achieved from the performance and is therefore measured by the relationship between the achieved results and the set goals. While effectiveness means the ability to lower resource utilization levels without

compromising established objectives which measured by comparing the results with the used resources.

In fact, efficiency and effectiveness are two sides of a single coin, especially when it comes to achievements. Many researchers have defined performance in terms of efficiency and effectiveness, and this is reflected in the definition of performance as the ability to produce effectively (by consuming little resources and allowing the surplus to move the economic system). some researchers give the concept of performance a strategic character such as Angelier. Fadeel (2014) mentioned that Anglier believes that the performance of the institution is reflected on its ability to implement its strategies and face the competitive forces.

This study argues the performance with efficiency and effectiveness, either at the strategic level or at the operational level; so the institution that was able to achieve its objectives by using resources more than its counterparts, can't be described with efficiency as well as the institution that used all its available resources in the case that achieved results less than the level of the set goals. In other words, the performance represents the relationship between the result and the effort whatever this effort is (money, work, time).

2.3.2 Performance Standard

It is a set of conditions that are supposed to exist for achieving a work or to achieve the desired goals according to certain specifications with the lowest costs and effort. Or it is written statements describing the degree of proficiency that the works must be accomplished within it inside the institution. The standard is expressed in physical units, service, hours of work, the speed of achievement, achievement of a goal or degree of work practice. (Halaibeh,2013)

As Abu-Sharkh (2010) mentioned, there are multiple evaluation criteria in institutions where some institutions adopt absolute standards or relative standards. Absolute standards represent the limit that the institution adopts and considers it appropriate for its reality such as sick leave. For example, as determining who miss less than two days as excellent and who miss five days as good, so the relative standards help to measure the performance of each employee compared to other colleagues as who misses less is the best and the one who misses the most is the worst. Some institutions adopt individual standards and others adopt collective standards. Individual standards allow the employee to be evaluated for production or service in relation to specific objectives such as the number of produced goods, the number of completed tasks, and the number of completed files or transactions. Some criteria determine the relationship between work and the inner environment surrounding it like team spirit, ability to initiate and the external environment such as relationship with reviewers.

2.3.3 Performance Measurement:

Abu-Sharkh (2010) argued that the employee performance could be measured by the following:

1. The amount of efforts: means the amount of physical or mental energy of the individual at work during a specific period of time as well as the speed of the work performance.
2. The quality of effort: It means the quality of work completion and the degree of conformity of the effort to a specific quality specifications. Some works don't focus on the amount of performance or speed but on the degree of lack of performance errors and the extent of conformity of production to the required specifications.

3. Performance pattern: The way in which work activities are carried out. For example, through the performance pattern and measuring the way in which a problem can be solved or approved.
4. Performance rates: It means that the evaluator increases the productivity of the employee to know the efficiency of the employee in the work in terms of quality and quantity through a specific period of time and this is done by comparing the work done by the employee with the specified rate.

2.3.4 Performance Evaluation:

According to Halaibeh (2013), the objectives of performance evaluation can be mentioned as the following:

- Selection of suitable personnel to perform the work that commensurate with their qualifications and the distribution of work according to their abilities and skills.
- Providing objective and scientific bases for the promotion of individuals as bonuses and incentives in order to increase production and improve quality.
- Detection of training needs and identify types of programs and develop them.
- Helping supervisors to observe subordinates and monitor their performance accurately, which helps in developing their performance.
- Raising the morale of employees.
- It is a tool or a mean to improve the weakness of workers and to propose procedures to improve this performance.
- The results of the evaluation lead to procedures for adjusting the salaries and wages of employees.

Abu-Hatab (2009) sets steps in the performance appraisal process were as follows:

- Defining performance standards: As Halaibah (2013), the appropriate standard for effective performance should be determined and this varies according to the specifications of the work and its conditions. There are certain characteristics that must be met in the specified standard:

1. Honesty: The standard must reflect what is required for the efficient performance of the work.
2. Persistence: the standard includes a part of stability and compatibility, which means that the individual obtains the same estimates when the performance is fixed, either when it is different, the results of measurement are different.
3. Discrimination: means the extent to which the standard is capable of distinguishing between different levels of performance in order to distinguish efforts for the purpose of using the consequences of such discrimination in wages, salaries, etc.
4. Acceptance: Standards must be accepted by employees and the accepted standard is a fair standard that reflects the actual performance of individuals.
5. Ease of use: means that the standard should be easy to use and should be clear also.

Moreover, the time of using the standard should be appropriate and acceptable.

- Performance measurement: these steps relate to all information about the actual performance.

2.3.5 Performance Determinants

Al-zuhra (2008) determined the performance behavior of an individual by three main factors:

1. Effort: Which reflects the degree of harmony of the individual to perform his work. As effort represents the degree of the individual's actual functioning.
2. Individual abilities and characteristics: This represents the individual's abilities and previous experiences that determine the degree of effectiveness of the effort.
3. The individual's perception of his function: Which means the perceptions and impressions of the individual about the activities that make up his work and how he should perform his role in the organization.

Halaibah (2011) mentioned the individual performance effects are divided into specific factors that characterize the individual as a result of internal personal courses such as competencies or previous training courses or internal training in the institution and the personal study through reading all that is new and related to the job:

- Report Knowledge: It includes the knowledge of the facts, basics, objectives, and self-knowledge of the requirements of a function that measured reportedly by the pen and sheet
- Practical and skill knowledge: This knowledge relates to what to do and is a mixture of knowledge and how to perform and the ability to do, it includes cognitive skills or practical skills that require the use of the muscles of the body in the work, motivation, construction, and coordination.
- Motivation: is a common effect of one of the three behaviors which are the choice of performance, the level of effort and the continuation of the effort" insistence"

Abu-Sharkh (2010) added that performance evaluation process is an important process in the life of each employee. As the process must be honest, objective, and purposeful in order to achieve its goals and to change the employee's behavior toward the best. Moreover, the results of this process affect the future of workers and their careers because of their impact on promotions, grants, incentives and other benefits that may reach the top ranks in the organization and may affect negatively in terms of discounts and warnings and other may reach to dismissal.

2.4 Motivation and Employees performance

In everything we do in our life, motivation plays a significant role and without motivation people they would not be able to get up every day and face the world. In addition, motivation is so much important in work because people spend most of their time at work (Ujkani, 2015). Moreover, the success of the organization to achieve its goal depend, basically, on the employee performance (Mukur,2013).

The organization has to focus on the way that encourage its employee to give their best work by give them an incentive that motivates them and increase their loyalty in order to increase their performance (Mukur,2013). Furthermore, the existence of an incentive system effect on the employee performance as the increase of incentives lead to the increase in performance.

Moreover, the managers respect and esteem effect positively on the employee. Therefore, the incentive should distribute carefully and fairly, or else, it might negatively affect on the employee productivity (Saleh, 2011).

Nadeem et al (2014) state that motivation is very important to all organizations as its effect on the employee performance and the organization productivity, since motivation increase organization efficiency and helping it to achieve its goal. AlJassasi (2011) found that the reason behind the

interest of management behavior science to the motivation is that the motivation (morale and material) is the most important positive variables that motivate individual to work. While the absence of incentive and the salary cut are the most important factors of the work neglect as it's spread the despair and frustration between the employees reflecting on their behavior and work, also it is the reason of the administrative and financial corruption that noticed in these days. According to Maduka & Okafor (2014), the basic goal of the motivation is to make people give forth their best work with enthusiasm in order to achieve goals and hopefully exceed organizational objectives. Furthermore, Luthans (2011) state that motive is the basic physiology process and its basic elements that determine the behavior, but doesn't mean it's the only element that determines the behavior. He believes that the behavior depends on the job satisfaction which created by motivation.

However, Alaksh (2007), All kind of incentives, positive or negative, will undoubtedly have an impact on the productivity of most employees, because of its social and economic effects. The impact is on the efforts of the staff member who has received incentives in order to keep the stereotype that created around them, this incentive should offer equal efforts to the amount of the incentive was granted. In addition to providing a competitive atmosphere between employees, as they look forward to obtaining incentives as their colleagues, which in turn leads to increased work efficiency. Furthermore, the social and economic effects that is achieved by the material incentives, often contribute to solving the material problems experienced by the employees and their families. The incentives created solutions to economic and social problems that give the employee the sense of belonging and loyalty to this institution.

Furthermore, Alaksh (2007) states that motivation leads to attract and retain the good staff of the organization and helping in the improvement and development of staff productivities levels.

2.5 Palestinian Commercial Banks:

The Palestinian Monetary Authority (PMA) was established after the signing of the Paris Protocol on Trade Relations between the Palestinian National Authority and ,so-called, Israel in 1994 to implement and regulate monetary policies in Palestine. Moreover, the number of banks in Palestine reached 22 and 162 branches at the end of 2007, divided into 11 national banks (including three Islamic banks) and 11 foreign banks, including the British Bank (HSBC) (Mas, 2008).

Recently, the Palestinian banking sector considered as the most developed sectors in the Palestinian economy, as this sector witnessed a rapid growth in the number of banks. In addition, the Palestinian banking sector is unique in its circumstances, where it has started its operations and is still operating, under unstable economic conditions which have been reflected in its performance (Zoeeter, 2004).

2.6 Previous Studies

1. Al-Fares (2011) examined the impact of the incentive policies on the organizational loyalty in public institutions. This study explains the theoretical concept of incentive policies and organizational loyalty. As the study sample consisted of 324 employees from 4 different public institutions, where the descriptive analytical method was used. Furthermore, the results of the study indicated that there is no consensus in the employees' perceptions of the concept of incentive policies and organizational loyalty. It also shows the division of employees on the degree of organizational loyalty. The study

indicates that there is a strong and positive relationship between incentive, organizational loyalty, and job performance. Moreover, it shows that there is no differences of statistical significance, due to variables such as job title, scientific qualification, age and years of experience. It recommended to increase the attention of training activities and continues development of employees in order to motivate them to be a part of the organization and its culture since this will help the employee to improve his/her abilities, which will increase the employee's interest and engagement with the organization.

2. Al- Jassasi (2011) investigated the impact of material and moral incentives in improving the performance of employees in the Ministry of Education in Oman. So, to achieve the objectives of the study, it used the descriptive analytical method and the questionnaire to collect data. Moreover, the sample of the study consisted of 290 heads of departments and employees in different directorates. The results indicated that there is no statistically significant differences regarding the attitudes of the study members about the effect of material and moral incentives on improving the performance of employees in the Ministry of Education in Sultanate Oman according to the age variable, social status, educational level and job title.
3. Awda and Awad (2011) examined the impact of incentives on employees at Nablus Specialist Hospital in Palestine. This study identified the quality of the incentives provided to the employees of Nablus Specialist Hospital and the satisfaction of the employees with the incentive system, which it aims to explain the relationship between the incentive system and the employee's satisfaction, in addition to study the importance of renewing the incentive system in order to raise the level of the performance of employees. This study used descriptive method to identify the effect of incentives on the

employees in the hospital. They also used a questionnaire distributed to 75 employees. The results indicated a low level of material and moral incentives. Also, there is no statistically significant correlation between the incentives and the staff performance at Nablus Specialist Hospital.

4. Abo-Sharkh (2010) evaluated the impact of incentives on the level of job performance in the Palestinian telecommunications company from the point of view of employees. The study sample consisted of 110 employees of the Palestinian Telecommunications Company. In order to achieve the objectives of the study, the descriptive statistics questionnaire was used. The results showed a statistical relationship between the effectiveness of the incentive system and the performance of employees. Moreover, the results also showed a low level of material and moral incentives in addition to the absence of statistical differences in the responses of respondents in all fields due to the variables of age, experience, and scientific qualification. Also, there is statistically significant differences in respondents' responses in all fields due to gender variable for male and job title is variable for the head of the department. In this regard, the study recommended that justice and fairness should be established, especially in terms of granting incentives and rewards or eliminating favoritism and nepotism in granting them to ensure justice in the work environment to contribute to raising the level of performance.
5. Yousif (2010) examined the impact of incentive on the employees in the industrial sector in the industrial city of Makkah. This study aimed to identify the material and moral incentives offered to employee in the industrial sector in the industrial city of Makkah Al Mukarramah. It also to examine the relationship between the incentive systems applied to workers and their job performance. The sample of the study consisted of (134) workers in

the industrial city of Makkah. The study revealed a low level of moral incentive and lack of material incentive and also found a positive relationship of statistical significance between the incentives, performance, and job satisfaction. In this regard, the study recommended the need to pay attention to the material and moral motivation in general and the need to pay particular attention to those types of incentives that got low grades such as advances, loans, and bonuses.

6. Alaksh (2007) identified the role of incentives and rewards system and its impact on improving the performance of the ministries in the Gaza Strip, through the study of the system government incentives, and assess its effectiveness and impact on performance. The researcher adopted the analytical descriptive approach, which was based on collecting data on the phenomenon and its interpretation. The questionnaire was used to survey the sample of the study, which was composed of staff working in jobs (368) in the Gaza Strip (11%) of the study population of (3350) employees. The statistical analysis for SPSS questionnaire was about (94%) recovery rate. The most important results were that there is little impact on the efficiency of the incentives and rewards system in improving the performance of ministry employees in the Gaza Strip. Moreover, there is a defect in the methods and mechanisms of promotion. Also, the lack of controls and criteria for granting incentives. As the system of rewards is ineffective and low, and most employees have no knowledge of the system of granting bonuses. Furthermore, the ministries do not use competition methods (competitions and tests) in granting incentives and senior departments in ministries do not correlate performance evaluation results with the basis for granting incentives. Also, there is no equity in the granting of incentives and bonuses, and this has negatively affected the performance of employees. The most important

recommendations are the re-review and evaluate the government incentive system and develop it in proportion to the employee's expectations and higher departments in ministries should increase the award of bonuses to hard-working and diligent staff. Moreover, the results of the annual performance evaluation should be connected to the granting of incentives and rewards and the senior departments of the ministries should promote the spirit of cooperation and brotherhood among their colleagues.

7. Saleh (2011) examined the effect of motivation on raising the level of performance of employees and the relationship between job performance and incentives. The problem of the study was the lack of clarity between the incentives and the level of performance of the two years. The study reached a number of conclusions and recommendations, including the existence of an incentive system that affects the performance of employees and the more incentives increase the performance of employees. In addition to, estimation and subordination of subordinates affect the level of employee performance. And there is a positive correlation between performance evaluation results as a basis for incentives and performance staff. Also, the researcher found that additional incentives and incentives should be distributed equally among the employees the institution for favoritism. As the need to adopt a system of incentives in the institution of oil is transparent and clear and use scientific and peaceful standards so that it is reflected in the performance workers.
8. Halibeh (2013) investigated the effect of incentives in improving the performance of the Greater Amman Municipality staff in order to identify the level of performance and to identify the relationship between the motivation to improve the performance of the Greater Amman Municipality. Also, to detect the statistical differences in the response of sample members on the effect of motivation in improving the level of performance of the

employees of the Greater Amman Municipality. The sample was selected by a random class method, consisting of (150) employees from the managers, heads of departments and administrative staff with (33%) of the study population of (449) employees to achieve the objectives of the study based on a descriptive analytical method using statistical methods. It indicates the most prominent results like possession of both material and moral motivation at a low level. Furthermore, the acquisition of social motivation and performance at the intermediate level and a strong national coverage between the use of motivation dimensions and improving the performance. In the light of these results, the study has promoted positive working relationships among employees and guided them with the goals of the trustworthiness of the work ethos as a moral motivation to reach the planned level of performance.

9. Nadeem et al (2014) studied the aspects of employee's motivations in Pakistan private companies in Multan city. They mentioned that the key factors that can help companies to achieve employee motivation and noted that motivating employees is very important to the employee's performance and the company's own success. The data were collected through the appropriate sampling method and the sample of people includes managers and non-managers of private companies in Multan city of . As the study used a descriptive technique with the sample size of (53).Moreover, the study found that motivation creates a good impact on the employee performance and increase the organization productivity.
10. Al-Qudah (2016) studied the impact of moral & material motivation on the employee's performance in Amman's private hospitals. The research used empirical analysis and distributed (271) questionnaires. As the study found that there isn't any difference application on the employee's motivation to improve their performance when it comes to

demographic variables like (gender, age, and qualifications). Moreover, the recommendation of the study is that the private hospital has to develop a motivation policies in order to increase the employee performance. In addition to, the Amman's private hospitals have to use motivation to fill the employee's needs.

11. Lucas et al (2016) investigated the impact of moral and material motivation on the performance of Nigerian universities employees. The study used the statistical packages for social sciences (SPSS) program where the study found that there is an appropriate level of motivation material motivation ranked in first while moral motivation were ranked second. Also, the study found that there is a negative relationship between moral and material motivation and the performance.

2.7 Discussion The Result of The Previous Studies

The previous studies showed the researcher interest of the motivation effects on the performance of the employee and the organization. Despite the respondents and the differences in the sample study, but most of the study found a strong positive relationship between motivation and performance. As many of the researchers found dereliction by organizations in motivating the staff. However, the employees expressed that motivation affected them. Which makes the researchers argued the development that might be happened to the employee's performance in case of giving them adequate attention.

It is clear that the previous studies did not focus on the impact of punishment. Therefore, this thesis will examine the impact of punishment on the performance of staff and the impact of replacing punishment with motivation.

CHAPTER THREE METHODOLOGY

3.1 Introduction

This chapter outlines some important process of conducting the research, by how the research was organized and designed. Furthermore, it describes the way of research questionnaire design. While the main starting point is data collection and the sample selection. As the theoretical meaning of research variables including the research model. Moreover, the data analysis methods and hypotheses testing criteria.

3.2 Population and Sample Study

The study population consists of all commercial banks that working in Palestine(West bank and Gaza). Therefore, the sample of study consisted of (344) employees and managers that working in these banks.

A number of (350) questionnaires were distributed, of which: (340) of them responded, (48) didn't respond and (44) questionnaires have missing data, as shown in the following table:

Population size	sample size (required)	No. of distributed quests.	No. of retrieved quests.	No. of valid quests.
*3264	344	350	340	252

This sample stated based on (Krejcie and Morgan,1970) as follows:

$$S = \frac{X^2 * NP(1 - P)}{d^2 * (N - 1) + X^2 * P(1 - P)}$$

S = required sample size.

X² = value of chi-square for 1 degree of freedom at the desired confidence level (3.841) = (1.96*1.96)

N = the population size(*according to the Palestinian Monetary Authority annual report (2016))

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05).

$$S = \frac{3.841(3264)(.5)(.5)}{(.05^2)(3263) + 3.841(.5)(.5)} = 343.7532$$

The sample was randomly distributed to employees that working in Palestine commercial banks. Also, it includes both gender male and female, all levels of education, the employee in all levels, old and youth.

3.3 Data Collection Method

3.3.1 Primary Data (Questionnaire Design)

The questionnaire design defined as an outline for data collection, measurement, and analysis as its function is providing a collection of relevant evidence (Kothari, 2004). The current study aims to examine the impact of motivation and punishment on the employee performance. In order to achieve this goal, the researcher designed a questionnaire to answer the research questions and to test the research hypothesis.

The data was gathered through design a questionnaire randomly distributed to the employees that working in Palestine commercial banks in order to achieve the research objectives and to answer the research questions. Thus, the questionnaire consists of (57) paragraphs divided into five parts. Firstly, the question contains the demographic data and it includes nine paragraphs.

The first part is variables which includes nine paragraphs that discuss the personal information of the participants in order to answer the research questions. The second part, includes motivation dimensions that classified into three sections, the first section, which is moral motivation contains

(17) paragraphs while the second section is material motivation and contains (10) paragraphs. The third section is the social motive that contains five paragraphs.

The third part is punishment dimension, which contains two sections, the first section which is moral punishment contains 6 paragraphs while the second section is material punishment and contains 5 paragraphs. As the fourth part is replacing punishment with motivation dimension, which contains 5 paragraphs. The final part, which is the employees' performance dimension, that includes nine paragraphs.

3.3.2 Secondary Data

The research used the data source from journals, books, bulletins, textbooks, scientific articles, newspapers, periodicals. etc.

3.4 Measurement

The researcher used the Likert scale to measure to answer the result questionnaire as follows:

Degree	Scale
5	Strongly agree
4	Agree
3	Neutral
2	Disagree
1	Strongly disagree

(Likert, 1932)

3.4.1 Validity

The questionnaire has been reviewed by two academic professors who had experience, where each of them rewording the language as add and delete sentences to fit the main goal. As the

required modifications were made based on their views. Therefore, the questionnaire was issued in its final form as shown in (Appendix 1).

The questionnaire was examined in a pilot study on a sample of 23 respondents from commercial banks in Jenin. This examination was created in order to test the questionnaire validity to detect any anomalies. The Jenin's commercial banks were chosen since its work is compatible with the nature of the whole commercial banks in Palestine.

3.4.2 Reliability of the Study

The questionnaire reliability means that the questionnaire measures what it prepared for, as also means, includes all the elements that must be included, as the clarity of their paragraphs and vocabularies, which make it understandable to everyone who use it (Al-Jassasi,2011). Furthermore, the questionnaire results reliability depend on the collected sample of people that should be free from bias and sufficiently large. Therefore, Cronbach's Alpha considered the important measurement that commonly used to measure the reliability of the study that depends on internal consistency among research questions (Tavakol and Dennick,2011).

The researcher has verified the study reliability by measuring the questionnaire items and the calculation of the stability coefficient, it was found that the value of all fields amounted as (0.940) which is a high value that meets statistical requirements. Where according to Travakol (2011), the coefficient stability which can be described as reliable, equals in case it is equal to or higher than (0.70), which is considered acceptable if it above (0.60) according to (Churchill, 1979). Thus, the results indicated that the measurement model is sufficient.

Table (2): Cronbach's Alpha Coefficients

Field	No. of Items	Cronbach's Alpha	Result/Pass
Moral motivation	17	.0915	Yes
Material motivation	10	0.840	Yes
Social motive	5	0.630	Yes
Motivation dimension	32	0.930	Yes
Moral punishment	6	.0663	Yes
Material punishment	5	.0767	Yes
punishment dimension	11	0.709	Yes
Replacing punishment with motivation	5	.0739	Yes
Performance	9	0.850	Yes
Over all	57	0.940	Yes

(Source: By Researcher)

Table (2) shows the results of Cronbach's alpha coefficients, that concludes all explanatory variables are consistent and reliable.

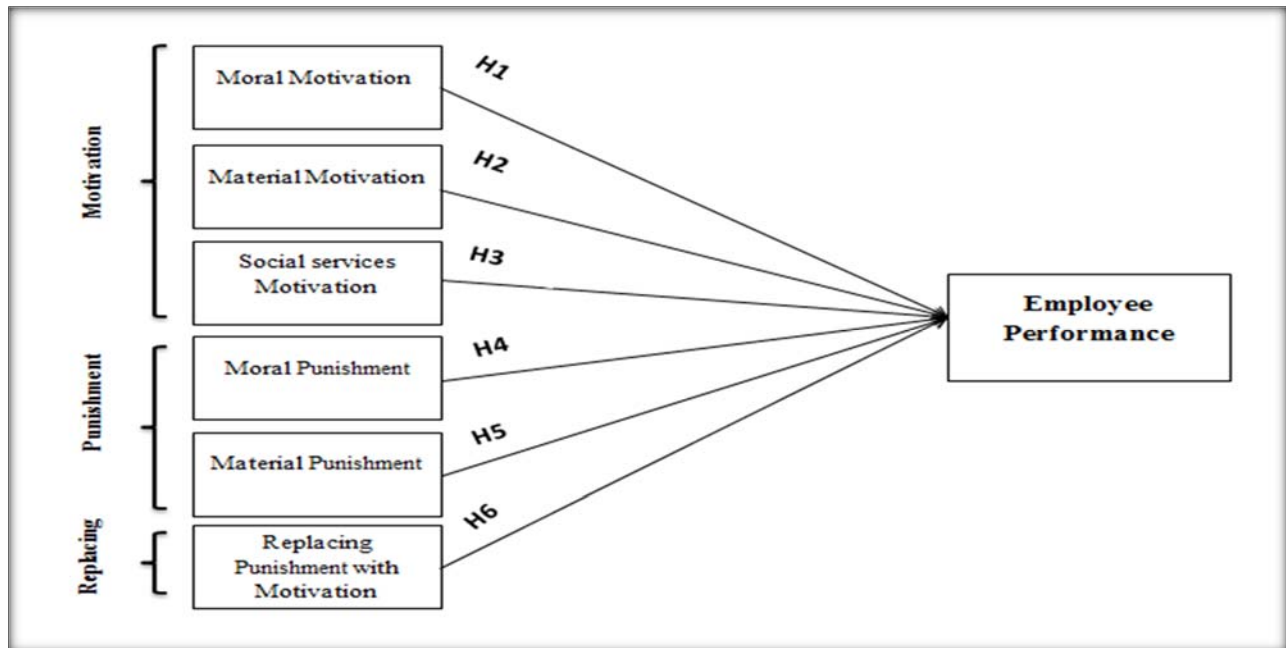


Figure (9): The Research Model (Source: By Researcher)

conceptualized research model. It explains the relationships between the variable "performance" as the dependent variable, and the independent variables are Motivation (moral, material, and social services); Punishment (moral and material); and to find the ability to replace punishment with motivation.

3.5 Statistical Approaches

1. This section explains the statistical methods used to analyze the data gathered from a distributed research questionnaire (means, standard deviation, and regressions).
2. The Likert scale classifications in order to know the relativity importance of every paragraph in questionnaire.

Range	Degree
3.67-5	High
2.34-3.66	Moderate
1-2.33	Low

(Sekaran,2003)

3. Correlation analysis that used to study the strength of a relationship between two variables
4. Calculation of Cronbach's α coefficient to measure the reliability of the study that depends on internal consistency among research questions (Tavakol and Dennick,2011).
5. One-way ANOVA and Independent Samples Test for testing the variance between the respondents' answers.
6. Linear multiple regression. It is a statistical method that used to test the research hypothesis.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents the results data variables analysis from examining the impact of motivation and punishment on employee’s performance. Therefore, this study uses descriptive statistics, correlation coefficients, one-way ANOVA, and multiple regression to conduct the research output.

4.2 Sample Characteristics:

Table (1): The Characteristics of The Sample Study.

Demographic Variables		Frequency	Percentage
Gender	Male	165	65.5
	Female	87	34.5
	<u>Total</u>	<u>252</u>	<u>100</u>
Age	18-25	67	26.6
	26-35	147	58.3
	36-45	20	7.9
	+46	18	7.2
	<u>Total</u>	<u>252</u>	<u>100</u>
Marital Status:	Single	164	65.1
	Married	88	34.9
	<u>Total</u>	<u>252</u>	<u>100</u>
Qualification	Secondary	10	4.0
	Diploma	29	11.5
	Bachelor	192	76.2
	Master or Higher	21	8.3
	<u>Total</u>	<u>252</u>	<u>100</u>
Years of experience	<2	61	24.2
	2-5	87	34.5
	>6	104	41.3
	<u>Total</u>	<u>252</u>	<u>100</u>
Position	Manager	21	8.3

Demographic Variables	Frequency	Percentage	
	Deputy	14	5.6
	Head of Division	80	31.7
	Employee	127	50.4
	Secretary	8	3.2
	Others	2	0.8
	<u>Total</u>	<u>252</u>	<u>100</u>
# of Rewards	Never	53	21.0
	once	88	34.9
	2	50	19.8
	3	46	18.3
	>3	15	6.0
	<u>Total</u>	<u>252</u>	<u>100</u>
Appraisal	<60	13	5.2
	60-69	41	16.3
	70-79	48	19.0
	80-89	94	37.3
	90-100	56	22.2
	Total	252	100

Table (1) exhibits demographic variables includes (gender, age, material status...etc.). The result reveals that (65.5%) of respondents are male and the rest are females. Meanwhile, (58.3 %) of the participants were aged between (26) and (35) years old as shown in figure (5). However, as the majority of participants (65.1%) are single and the rest are married.

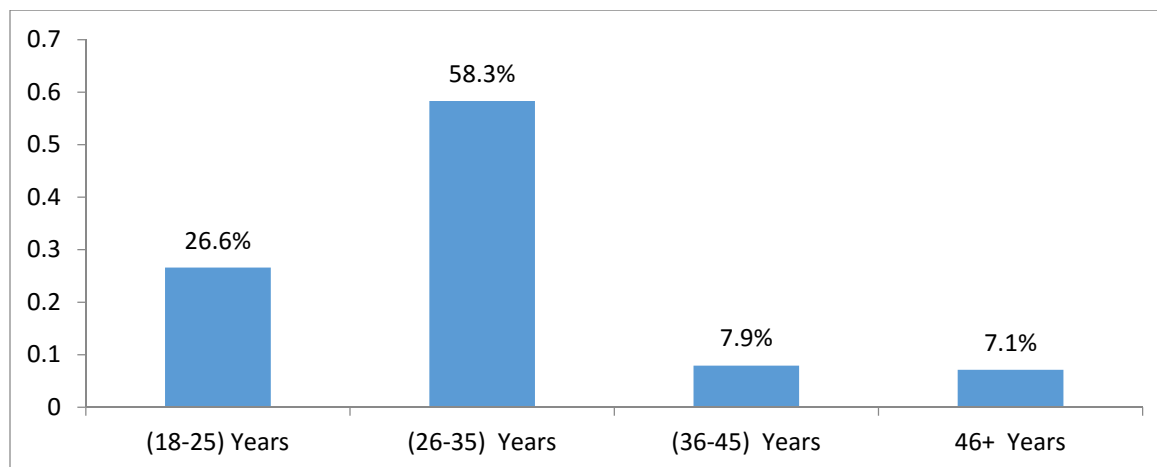


Figure (5): Distribution of Workers by Age Group

Figure (6) shows that most of the participants (76.2%) have a bachelor degree and (11.5%) have the diploma, while only (4%) have secondary education and the rest (8.3%) have a master or higher degree.

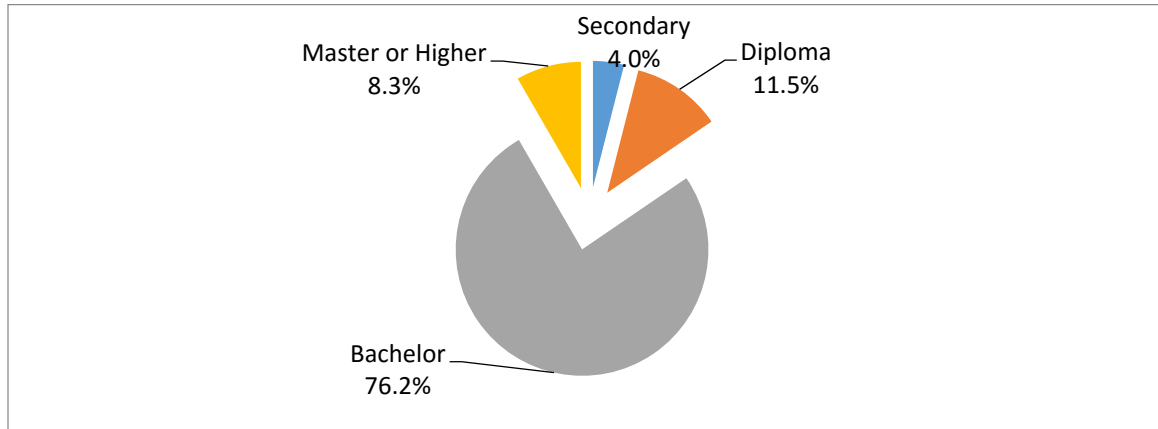


Figure (6): Distribution of Employees Qualification

Moreover, (41.3%) of the participants have more than six years of experience while (34.5%) from (2) to (5) years and (24.2%) less than two years. More than half of the participants are employees while (31.7%) are head of divisions, (8.3%) managers, and (5.6%) are deputies.

Figure (7) shows that most of the participant are an employee(50.4%) while 31.7% of them were head of division.

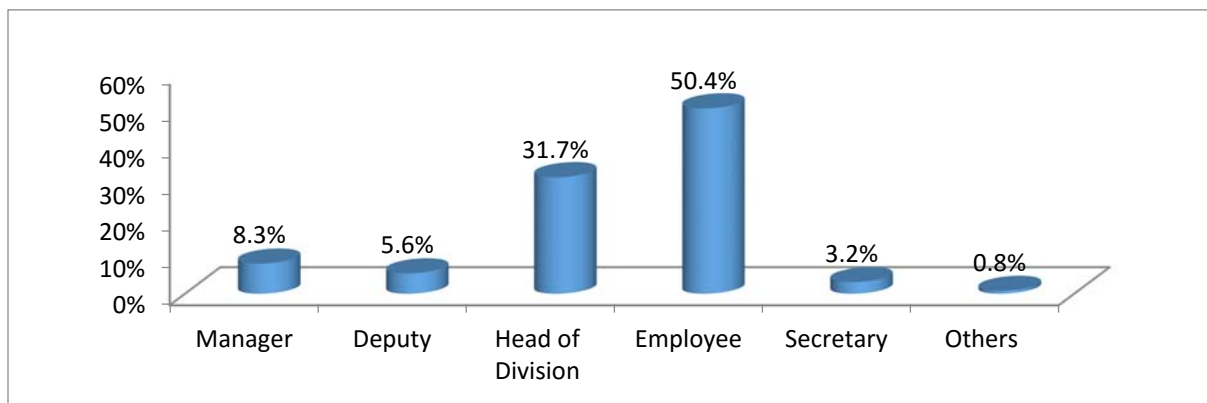


Figure (7): Distribution of Employee According to their Position

Figure (8) shows that (21%) of participants never have a reward, while (6%) have more than (3) times and the rest have it from once to (3) times.

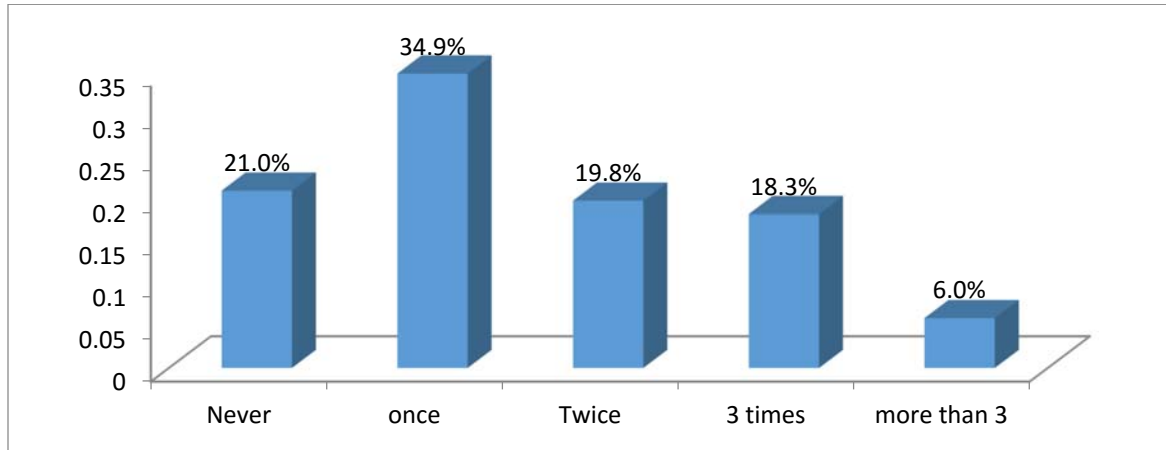


Figure (8): Distribution of Employees by Number of Rewards

Moreover, (5.2%) of the participants got less than (60) in the appraisal,(16.3%) of them got (60) to (69, 19%) from (70) to (79), (37.3%) from (80) to (89) while (22.2%) got more than (90).

As the result, most of the employee young, single, have a bachelor degree, less than six years of experience, and their job title is employee which is logical since most of them are between (26-35) years old. Moreover, the researcher attributes the reason that they are young is most of the Palestinian Commercial Banks are new. Furthermore, the researcher attributes the reason that (65.5%) of them are male that the culture of women working and the vacations that women might needs in future.

4.3 Descriptive of Research Variables

This section represents the descriptive statistics of mean value, standard deviation, and the percentage estimation level for each item in research questionnaire, according to the employee's point of view.

Table (3): Research Variables

No.	Dimension	Mean	St. Dev.	%	Degree
1.	Moral motivation	4.07	0.60	81.5%	High
2.	Material motivation	4.02	0.60	80.5%	High
3.	Social motive	3.95	0.61	79.0%	High
4.	Moral punishment	1.94	0.57	18.8%	Low
5.	Material punishment	1.86	0.62	17.1%	Low
6.	Replacing punishment with motivation	4.25	0.59	85.0%	High
7.	Employee Performance	4.29	0.54	85.7%	High

Table (3) shows that moral motivation has a mean value of (4.07) and deviated by (0.60), material motivation has a mean value of (4.02) and deviated by (0.60), Social motive has a mean value of (3.95) and deviated by (0.61), moral punishment has a mean value of (1.94) and deviated by (0.57), material punishment has a mean value of (1.86) and deviated by (0.62), and replacing punishment with motivation has a mean value of (4.25) and deviated by (0.59). Table (3) also shows the employee performance dimension has the highest mean of the respondents' degree by (4.29) out of five. This indicates that (85.7%) of the employees have the same point of view which lead to think about the relationship between job satisfaction and its strong effect on the performance. As the second highest degree dimension was replacing punishment with motivation with mean value equal (4.25) which is (85.0%) of the respondents have the same point of view. This result applies to all other items with simple differences.

Table (4): Moral Motivation

No.	Item	Mean	St. Dev.	%	Degree
1	My work increases, when the manager compliments my work.	4.46	0.77	89.3%	High
7	I think that choosing an employee and putting him/her in the right place is considered an incentive that increases employee's confidence in the Bank.	4.39	0.78	87.9%	High
13	Moral incentives increase the sense of competitive spirit among employees	4.37	0.72	87.4%	High
12	The confidence among the employees increases their efforts and pushes them towards better work	4.34	0.77	86.8%	High
16	The Bank always upgrade its system and that drives me to work harder.	4.27	0.85	85.3%	High
2	The manager always seeks to develop the team spirit and looks for building an integrated excited teamwork.	4.17	0.91	83.5%	High
3	I feel that the manager appreciates my efforts and hard work in the Bank.	4.13	0.86	82.7%	High
17	I think the Bank attaches training programs to its employees	4.13	0.95	82.6%	High
5	I think that the Bank development and progress depend on involving the employee in the decision making	4.11	0.85	82.1%	High
4	The Bank offers me adequate support and instructions so I can work with good performance	4.07	0.81	81.4%	High
8	job security is the most important incentives that can be provided by the manager to improve the performance levels	4.07	0.83	81.3%	High
6	The manager seeks to identify employees desires and satisfy it.	4.04	0.90	80.7%	High
14	The Banks offers me adequate support and instructions so I can work with a good performance	3.97	0.95	79.4%	High
10	The Bank gives the best employee award in every year for one of its employees each year.	3.83	1.06	76.5%	High
9	The Bank always gives gratitude cards and souvenirs to the employee.	3.78	1.04	75.6%	High
15	The Bank allows the employees to exercise Trade Union action to preserve their rights and possessions	3.59	1.09	71.7%	High
11	The Bank allows the employee to share in making decisions	3.52	1.23	70.5%	High
	Total	4.07	0.60	81.5%	High

As shown in table (4), all items for Moral Motivations dimension had a high level, that's mean that there is a high level of Moral Motivation in Palestinian banking industry as the means value of (4.07) and deviated by (0.60). Whereas, the mean value for all of them between (3.52) and (4.46) except the "The Bank allows the employee to share in making decision" which came in the lowest level of this dimension with mean value (3.52) with (70.5%) importance percent that

means most of the respondents believed this item had no much importance to be in this dimension ,and researcher attributed the reason is the employees was not get the basic moral need as complements and confidence. Whereas, most respondents believed item “My work increases when the manager compliments my work”. It was the most important item in moral motivation dimension due to its greater mean value (4.46) with (89.3%) importance percentage since the employee find it as the basic moral needs which has to fill to get to the next need, while the item “I think that choosing an employee and putting him/her in the right place is considered an incentive that increases employee's confidence in the Bank.” comes in the second stage of importance since its mean value was (4.39) with (87.9%) importance percentage since its consider as the researcher point of view as the second mora need. Also, Material Motivation dimension mean value was (4.07) with high level and (81.5%) of importance percentage for the respondents. Which mean that the employee satisfied with the banks Moral Motivation, and that made them more active.

As the result, this table indicates that the employees will give their best when they get moral motivation which the researcher attributed the reason as the moral motivation meet the employees psychological needs and give him the sense of importance which is he want to keep that by doing a great job.

Table (5): Material Motivation

No.	Item	Mean	St. Dev.	%	Degree
1	The Bank is committed to paying wages regularly and on time.	4.52	0.68	90.3%	High
2	I think that the wages and salaries have a direct impact on the employee behavior and performance	4.49	0.61	89.8%	High
9	I think that the quality of the production and performance in the Bank are directly linked to the increase in wages and financial rewards	4.08	0.91	81.7%	High
5	The Bank provides advances system to its employees and motivates me to work harder.	4.00	1.00	80.0%	High
3	The Bank permanently seeks to adjust wage scale according to the economic conditions and to the employee standard of living.	3.96	0.91	79.1%	High
7	The Bank applies the standard of living according to the law and this makes me feel more satisfied in my work.	3.95	0.96	79.0%	High
4	I'm satisfied with the wages offered by the Bank and its fit to my qualifications and job title.	3.90	1.00	78.0%	High
8	The Bank has a clear policy regarding to the financial reward and that is fairly applied to all employees in the Bank.	3.88	1.05	77.6%	High
6	The Bank is committed to limited working hours and pays a fair financial reward on overtime work.	3.83	1.05	76.5%	High
10	I think that the Bank should give the material reward only to innovated employees and who have a special efforts.	3.64	1.07	72.9%	High
	Total	4.02	0.60	80.5%	High

Table (5) shows that all items for material motivation dimensions have a high level. This implies that overall material motivation in the Palestinian commercial bank had a mean value of (4.02) deviated by (0.60). However, the item " The Bank is committed to paying wages regularly and on time" got the highest score of (4.52) out of (5) and standard deviation by (0.68). But, the second score was the item" I think that the wages and salaries have a direct impact on the employee behavior and performance" .As the researcher attributed the reason is that wages is the priority in the material motivation since its help him in meet his daily duties . While, the item " I think that the Bank should give the material reward only to innovated employees and who have a special

effort." has the lowest score among all of the items with a mean value of (3.64) out of five. As the researcher attributed the reason is that most of employee doesn't find themselves as innovators but they also feel that they need to get material motivation for their effort.

In general, the "Material Motivation" dimension classified as a " High " degree within all its items with mean value equal (4.02) and (80.5%) of importance percentage for the respondents. As a result, this table indicates the employees are satisfied with the marital motivation that is given by the banks and the researcher attributed the reason is that banks ,in general, give a good wages and fill the employees material needs.

Table (6): Social Motive

No.	Item	Mean	St. Dev.	%	Degree
2	The Bank has a health insurance system for its employees	4.37	0.63	87.4%	High
1	The Bank has a compensation system for accidents or injuries	4.28	0.71	85.6%	High
5	The Bank provides indemnity for its employees	4.18	0.96	83.6%	High
3	The Bank provides Living necessities to the employee	3.61	1.17	72.1%	High
4	The Bank helps the new employees and their family in finding accommodation.	3.31	1.21	66.1%	High
	Total	3.95	0.61	79.0%	High

Table (6) shows that all the items in social motivation dimension have a high level, this means that there is a high level of social motivation in the Palestinian commercial banks as the mean value is (3.95) deviated by (0.61). Whereas, the mean value for all of them between (3.31) and (4.37). Most of the respondents believed that item “The Bank has a health insurance system for its employees” is the most important item in social motive dimension due to its greatest mean value (4.37) with (87.4%) estimated level. While, the item “The Bank has a compensation system for accidents or injuries” comes in the second stage of importance since its mean value was 4.28 with (71%) estimated level. But, the lowest items of social motive dimension were “The Bank helps the new employees and their family in finding accommodation.” as its mean value was (3.31)

with (79.0%). In general, social motive dimension mean value was approximately (3.95) with high estimated level and (79%) of importance percentage for the .

As a result, this table indicates that the employees are satisfied with the social service that provided by the banks and the researcher attributed the reason as that banks give enough services to the employee which meet the employees needs and a good health insurance.

Table (7): Moral Punishment

No.	Item	Mean	St. Dev.	%	Degree
3	The acceptance of written warning increases my attention in work	2.16	0.99	43.2%	Low
1	I think oral warning for a mistake, gives me the motive to work harder and be careful not to mistake again.	2.15	1.13	42.9%	Low
4	Delaying my promotion for a mistake I made, increases my ability to work.	1.84	0.86	36.8%	Low
6	Transfer me from my place to another due to a mistake I did makes me more active.	1.84	0.90	36.8%	Low
2	The written warning makes me work harder.	1.84	0.87	36.8%	Low
5	I think it is possible for me to accept any punishment whether the size of punishment was proportional the mistake that I did or not	1.81	0.77	36.3%	Low
	Total	1.94	0.57	38.8%	Low

Table (7) shows that all items in moral punishment have a low level, which means that most respondents refused any punishment since the mean value is (1.94) deviated by (0.57). Whereas, the mean value for all of them between (1.81) and (2.16). Moreover, the item “I think it is possible for me to accept any punishment whether the size of punishment was proportion the mistake that I did or not” is the least important item in moral punishment dimension due to its lowest mean value which is (1.81) with (36.3%) importance percentage. But the highest items of moral punishment dimension were “The acceptance of written warning increases my attention in work” as its mean value was (2.16) with (43.2 %).

In general, moral punishment dimension mean value was approximately 1.94 with low estimated level and 38.8% of importance percentage. It indicates that the employees will not give their best when they get punished for a mistake they did .As the researcher attributed the reason is the punishment decrease their attention and make them hesitate their decisions.

Table (8): Material Punishment

No.	Item	Mean	St. Dev.	%	Degree
4	The delayed salary increase my ability to work.	2.15	1.04	22.9%	Low
3	Material punishment decreases the chance of repeating the same mistakes.	1.91	0.93	18.3%	Low
1	The punishment through deduction from my salary makes me focus more on work.	1.85	0.86	17.0%	Low
2	Poor ergonomics (like cold water, high hygiene level, adaptation and other) increases my attention to work.	1.71	0.64	14.3%	Low
5	Denying the employee of the annual increase his passion to work	1.66	0.81	13.2%	Low
	Total	1.86	0.62	17.1%	Low

Table (8) shows all items of material punishment dimension which has a low-level in acceptance, as the mean value is (1.86), deviated by (0.62). Whereas, the mean value for all of them between (1.66) and (2.15). Furthermore, the item “Denying the employee of the annual increase his passion to work” has the lowest importance item in material punishment dimension due to its lowest mean value (1.66) with (13.2%) importance percentage. Moreover, the item “The delayed salary increases my ability to work” has a mean value (2.15) with (22.9%) which is also low level.

In general, material punishment dimension classified as “low degree” in all its items which mean that the respondents refused all kind of material punishment. As the researcher attributed the reason is material punishment makes them focuses on how they will pay their bills instead of thinking of doing their best.

Table (9): Replacing Punishment with Motivation

No.	item	Mean	St. Dev.	%	Degree
3	The managers' confidence makes responsible in my work and that's makes always not full into mistakes	4.39	0.72	87.8%	High
4	Forgiven my mistakes prevents me from repeating them and makes me an innovative	4.33	0.75	86.5%	High
2	Giving me a second chance to correct my mistakes increases my accuracy and makes me more confidence to work.	4.30	0.73	86.0%	High
1	The forgiveness in mistakes gives me the motivation to work and enhance my achievements.	4.23	0.92	84.6%	High
5	I think the punishment has a negative impact rather than a positive on the employee performance	4.00	1.05	80.1%	High
	Total	4.25	0.59	85.0%	High

Table (9) shows that the value of each item in the " replacing punishment with motivation" dimension which is has a high mean value (4.25) deviated by (0.59). The highest item score was "The managers' confidence makes me responsible in my work and that makes it always not full into mistakes" with a mean value of (4.39) out of five which is (87.8%), and the standard deviation is (0.72). The second score was "Forgive my mistakes prevents me from repeating them and makes me an innovative "with mean value (4.33) which is (86.5%) of participants. By contrast, the item " I think the punishment has a negative impact rather than a positive on the employee performance." has the lowest score among the items with a mean value of (4.00) out of five. which as the researcher contribution, the reason is that employees performance affects more by the motivation rather than avoiding punishment which also leads the researcher for other contribution which is that the employee didn't get a moral motivation.

In general, the " replacing punishment with motivation" dimension classified as a " High " degree within all its items. It means that Palestinian commercial banks' employees prefer to replace the punishment with a motivation and the researcher attributes that as punishment put more pressure on the employee and positive motivation will encourage him and increase his loyalty.

Table (10): Employee Performance

No.	Item	Mean	St. Dev.	%	Degree
5	I feel that motivation boost my work to the maximum performance.	4.37	0.74	87.40%	High
1	I think loyalty to the bank improves my work performance	4.35	0.82	87.00%	High
7	Feel confidence in the work makes me performed very well	4.32	0.77	86.40%	High
4	I feel comfortable in my work and that makes me performed very well	4.32	0.69	86.30%	High
2	I think the efficiency of work depends on the manager clarification of bank objectives.	4.29	0.76	85.80%	High
9	The bank production is linked to the quality of performance and the effort for production	4.26	0.83	85.20%	High
8	Having a retirement fund makes me fearless of the future and not looking for other sources of income	4.25	0.95	84.90%	High
3	I think the collaboration between Bank staff improves the employees performance	4.25	0.79	85.00%	High
6	I think that the increases of my performance level depends on the job satisfaction.	4.17	0.81	83.50%	High
	Total	4.29	0.54	85.7%	High

Table (10) shows employee performance dimension, which has the high score with the mean value of (4.29) deviates by (0.54). The item: " I feel that motivation boost my work to the maximum performance" has the highest score among the items, with the mean value of 4.37 out of five, and standard deviations is (0.74) which is (87.4%), and the second score for the item "I think loyalty to the bank improves my work performance "with mean value of (4.35) which is (87%). By contrast, the item " I think that the increase of my performance level depends on the job satisfaction " has the lowest score among the items with a mean value of (3.52) out of five which is (83.5%) of participants.

In general, the employee performance dimension classified as a " High " degree within all its items. It means there is a high level of performance that is provided by the employees at Palestinian Bank commercial banks(Gaza and West Bank).

4.4 Correlation Coefficients:

Table (14) shows the correlation matrix obtained between the Indicators of the dimensions for (the policy of motivation and punishment on the performance of the employee).

Table (14): Correlation Coefficients Matrix Among the Research Variables

		Motivation	punishment	Performance	Replacement	Moral_Motv	Matrial_Motv	Social_Motv	Moral_punishment	Matrial_punishment
Motivation	Pearson Correlation	1								
	Sig. (2-tailed)									
Punishment	Pearson Correlation	-.417**	1							
	Sig. (2-tailed)	.000								
Employee performance	Pearson Correlation	.502**	-.661**	1						
	Sig. (2-tailed)	.000	.000							
Replacement	Pearson Correlation	.412**	-.857**	.682**	1					
	Sig. (2-tailed)	.000	.000	.000						
Moral Motiv.	Pearson Correlation	.925**	-.467**	.538**	.482**	1				
	Sig. (2-tailed)	.000	.000	.000	.000					
Material Motiv.	Pearson Correlation	.866**	-.238**	.327**	.217**	.643**	1			
	Sig. (2-tailed)	.000	.000	.000	.001	.000				
Social Motiv.	Pearson Correlation	.712**	-.271**	.325**	.234**	.491**	.648**	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000			
Moral Punishment	Pearson Correlation	-.420**	.291**	-.256**	-.327**	-.430**	-.379**	-.131*	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.037		
Material Punishment	Pearson Correlation	-.313**	.873**	-.468**	-.497**	-.330**	-.195**	-.235**	.181**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.002	.000	.004	

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

Table (14) concludes that correlation coefficient between research variables are significant at level of (1%). Furthermore, its relevant that there is a positive and a negative association among

explanatory variables. Furthermore, there a positive relationship between replacing punishment with motivation and employee performance at the level of significance (0.01) which is (68.2%).

Moreover, there is a positive relationship between employee performance and moral motivation at the level of significance (0.01) which is (53.8%). Also, there is a positive relationship between employee performance and material motivation at the level of significance (0.01) which is (32.7%). As a positive relationship between employee performance and social service motivation at the level of significance (0.01) which is (32.5%).

On the other hand, here is a negative relationship between employee performance and moral motivation at the level of significance (0.01) as (-25.6%). Also, there is a negative relationship between employee performance and material motivation at the level of significance (0.01) which is (-46.8%)

4.5 Testing The Research Hypotheses:

The Main Hypothesis (H01):

H0: There is no relationship between motivation and employee performance at the level ≤ 0.05 .

Table (15) : The result of Multiple Regression (Dependent Variable :Employee Performance)

Constant and variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.198	.229		9.578	.000
Motivation	.517	.056	.502	9.174	.000
R =.0502, R-Square=0.252. Adjusted R Square= 0.249 Sig. =0.000					

Table (15) shows that the regression model is significant at the (0.000) level with F-value of (84.168). This means that the Motivation explains the variation in the employee performance. Also, the value of R-square of (0.252) indicates that the Motivation explains nearly (25.2%) of the employee performance. Moreover, the positive coefficient signs for motivation means, that motivation has a positive impact on the employee performance. In other words, the increases in the level of needs, leads to increase in employee performance.

The result: we reject H0, and accept the alternative hypotheses that stated "there is a relationship between motivation and employee performance at the level ≤ 0.05 ".

Sub Hypotheses (1):

H011: there is no relationship between moral motivation and employee’s performance.

H012: there is no relationship between martial motivation and employee’s performance.

H013: there is no relationship between social services and employee’s performance.

Table (16) : The result of Regression Model (Dependent Variable :Employee Performance)

Constant and variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.226	.226		9.832	.000
Moral Motv.	.491	.063	.543	7.749	.000
Matrial Motv.	-.093-	.072	-.103-	-1.287-	.199
Social Motv.	.110	.062	.125	1.779	.076
R=0. 546, R-Square=0. 299. Adjusted R Square= 0. 290 Sig. =0.000					

Table (16) shows that the overall regression model is significant at the (0.000) level is less than α =(5%). This means that the model with the variables (moral motivation, martial motivation, and social motivation) explains the variation in employee performance. The value of R-square of (0.299) indicates that the model explains nearly (29.9%) of employee performance. The result finds that there is a significant impact of the variables (moral motive and material punishment) on the model of (performance of the employees in Palestinian commercial banks). However, other variables haven’t a significant impact on employee performance.

The results of sub-hypotheses (H01) are as follows:

1. Reject H011 which is “ there is no relationship between moral motivation and employee’s performance” and accept the alternative hypothesis.

2. Accept H012 which is “there is no relationship between martial motivation and employee’s performance”.
3. Accept H013 which is “there is no relationship between social services and employee’s performance”.

Main Hypothesis (H02):

H021: There is no significant impact of the punishments on the employee performance at the level ≤ 0.05 .

Table (17) : The result of Regression Model (Dependent Variable :Employee Performance)

Constant and variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.507	.091		60.365	.000
punishment	-.677	.049	-.661	-13.938	.000
R =0.661, R-Square=0.437. Adjusted R Square= 0.435. Sig. =0.000					

Table (17) shows that the overall regression model is significant at the (0.000) level. This means that the punishment explains the variation in performance. The value of R-square of (0.437) indicates that the punishment explains nearly (43.7%) of their performance.

As the result, the punishment variable has a negative impact on the employee performance in Palestinian commercial banks. In other words, punishment increase, the employees' performance will decrease.

The result: we reject H0, and accept the alternative hypotheses that stated: "There is a significant impact of the punishments on the employee performance at the level ≤ 0.05 ".

Sub Hypotheses (2):

H021: there is no relationship between moral punishment and employee’s performance

H022: there is no relationship between material punishment and employee’s performance

Table (18) : The result of Regression Model (Dependent Variable :Employee Performance)

Constant and variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.311	.127		41.822	.000
Moral_punishment	-.169-	.053	-.177-	-3.176-	.002
Matrial_punishment	-.376-	.048	-.436-	-7.809-	.000
R=0.500, R-Square=0.250. Adjusted R Square= 0.243. Sig. =0.000					

Table (18) shows that the overall regression model is significant at the (0.000) level. This means that the punishment explains the variation in performance. The value of R-square of (0.250) indicates that the model explains nearly (25.0%) of the employees' performance. The result concludes that there is a significant impact of both variables (moral punishment and material punishment) on employees performance in Palestinian commercial banks), and the sign of their coefficients was (negative), which means that the moral and material punishment has a negative impact on the employees performance.

The results of sub-hypotheses (2) are as follows:

1. Reject H021 which is “there is no relationship between moral punishment and employee’s performance” and accept the alternative hypothesis.
2. Reject H022 which is ” there is no relationship between material punishment and employee’s performance” and accept the alternative hypothesis.

Main Hypothesis (H03):

H03: There is no significant impact of replacing punishment with motivation on the employees performance at the level ≤ 0.05 .

Table (19) : The Result of Simple Regression Model (Dependent Variable :Employee Performance)

Constant and variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.647	.181		9.113	.000
Replacement	.621	.042	.682	14.746	.000
R = 0.682, R-Square=0.465. Adjusted R Square= 0.463 . Sig. =0.000					

Table (19) shows that the overall regression model is significant at the (0.000) level. This means that the replacing punishment with motivation explains the variation in performance. The value of R-square of (0.465) indicates that the replacing punishment with motivation explains nearly (46.5%) of the performance.

The positive coefficient signs for Beta means that these replacing punishment with motivation has a positive impact on their performance. In other words, as the level of satisfaction on replacing punishment with motivation increase, employees performance is increased too.

The result: we reject H0 “There is no significant impact of replacing punishment with motivation on the employees performance”, and accept the alternative hypotheses .

Main Hypothesis (4):

There is no significant difference between the employees' answers to the motivation dimension due to the demographic variables at the level $\alpha \leq 0.05$.

Since there are two groups (male and female) for the variable "gender", also two groups (single and married) for the variable "marital status" and the level of dimension is measured by an interval scale. So, the independent sample t-test is the appropriate test for those variables. In the other hand, since there is a variance between the respondents' answers on the dimensions (Punishment, Motivation, and Performance) so one-way ANOVA is a suitable test for the variables: (Gender, Age group, Marital status, Educational Level, Years in the work, No. of getting rewards and Appraisal Level).

Table (11): The Statistical Difference in Means Among Research Variables

Personal Variables		Number of cases	Mean of Respondents' Answers		
			Motivation	punishment	Performance
Sex	Male	165	4.04	1.84	4.29
	Female	87	4.03	1.73	4.28
Marital Status:	Single	164	4.03	1.79	4.33
	Married	88	4.05	1.83	4.21
Age Group	18-25	67	4.09	1.86	4.34
	26-35	147	4.05	1.70	4.33
	36-45	20	4.08	1.99	4.13
	46+	18	3.70	2.20	3.85
Qualification	Secondary	10	3.65	2.37	3.63
	Diploma	29	4.09	1.65	4.18
	Bachelor	192	4.04	1.80	4.32
	Master or Higher	21	4.13	1.80	4.39
Years of experience	<2	61	4.09	1.87	4.32
	2-5	87	4.15	1.70	4.32
	>6	104	3.92	1.85	4.24
Position:	Manager	21	4.10	1.90	4.20
	Deputy	14	3.99	2.17	4.28

	Head of Division	80	4.01	1.73	4.30
	Employee	127	4.04	1.81	4.27
	Secretary	8	4.18	1.63	4.58
	Others	2	4.25	1.75	4.44
No. of Rewards	Never	53	3.94	1.95	4.14
	once	88	4.03	1.77	4.31
	2	50	4.08	1.82	4.30
	3	46	4.14	1.66	4.42
	>3	15	3.98	1.89	4.21
Appraisal	<60	13	3.69	2.26	3.68
	60-69	41	4.07	1.78	4.34
	70-79	48	4.11	1.71	4.18
	80-89	94	3.98	1.85	4.26
	90-100	56	4.13	1.71	4.53

The result: we reject H0 which is "There is no significant difference between the employees' answers to the motivation dimension due to the demographic variables" and accept the alternative hypothesis.

Sub Hypotheses (H04):

H041: There is no significant difference between the employees' answers to the motivation dimension due to gender .

H043: There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to marital status .

Table (12): Independent Samples T-Test for Gender and Material Status

Personal Information's	Dimension					
	Punishment		Motivation		Performance	
	t	Sig.	t	Sig.	t	Sig.
Gender	1.568	.114	.150	.881	.220	.826
Marital status	1.744	.550	-1.77	.006	1.744	.702

H042: There is no significant difference between the employees' answers to the motivation dimension due to age .

H044: There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to qualification .

H045: There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to experience .

H046: There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to position .

H047: There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to rewards .

H048: There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to appraisal .

Table (13): Main results of One-Way ANOVA for Demographic Variables

Personal Information's	Dimension		
	Punishment	Motivation	Performance
	Sig.	Sig.	Sig.
Age group	.036	.000	.000
Educational Level	.000	.001	.000
Years in the work	.065	.024	.012
Job title	.033	.001	.013
No. of getting rewards	.006	.000	.061
Appraisal Level	.001	.021	.000

Based on table (12) and table (13), this study can conclude the following results:

- In punishment dimension, there is a significant difference in the mean of the respondents' answers according to age group, educational level, job title, number of rewards, and appraisal level
- In motivation dimension, there is a significant difference in the mean of the respondents' answers according to age group, marital status, educational level, years in the work, job title, number of rewards, and appraisal level.
- In the employee performance dimension, there is a significant difference in the mean of the respondents' answers according to age group, educational level, years in the work, job title and appraisal level.

It is observed, there is a statistical difference in respondents' answers at $\alpha = 0.05$ according to the variables (age group, educational level, job title, and appraisal level) on all dimensions. Whereas, there is no statistical difference in means for the respondents' answers according to gender and marital status variables, which shows that it doesn't matter if the respondent male or female, married or single, the answers are different according to their age, experiences, qualifications, and positions.

The results of sub-hypotheses (04) will be as follows:

1. Accept H041 which is “ There is no significant difference between the employees' answers to the motivation dimension due to gender” .
2. Reject H042 which is “There is no significant difference between the employees' answers to the motivation dimension due to age” and accept the alternative hypothesis .

3. Accept H043 which is "There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to marital status" .
4. Reject H044 which is "There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to qualification" and accept the alternative hypothesis.
5. Reject H045 which is "There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to experience" and accept the alternative hypothesis .
6. Reject H046 which is "There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to position" and accept the alternative hypothesis .
7. Reject H047 which is "There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to rewards" and accept the alternative hypothesis.
8. Reject H048 which is "There is no significant difference between the employees' answers to the motivation, punishment, and performance dimension due to appraisal" and accept the alternative hypothesis.

4.6 Result Summary:

Table (20): The Result of Testing Research Hypothesis

Alternative	Variable	Directional	The result	Significant of level 5%
H11	Moral Motivation	+	Yes	.001
H12	Material Motivation	+	No	0.199
H13	Social Services Motivation	+	No	0.076
H21	Moral Punishment	-	Yes	.002
H22	Material Punishment	-	Yes	.000
H3	Replacing Punishment with motivation	+	Yes	.000
H4	Demographic Variables Excluding (gender and marital)		Yes	

Table (20) shows that there is a positive relation between moral motivation and employee performance, but there is no relation between material motivation and employee performance. Also, there is no relation between social services motivation and employee performance. Moreover, there is a negative significant impact of moral and material punishment on employee's performance. While there is a positive relation between replacing punishment with motivation and employee performance.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study argued the impact of motivation and punishment on employee performance in Palestinian commercial banks. Also, the study used a sample of (252) through distributing a questionnaire on the employees of Palestinian commercial banks. As the study used multiple regression analysis in order to test the questions and the study hypotheses. Therefore, this study concludes the following results:

- First hypothesis: There's an association between moral motivation and employee performance; Which means giving the employee a moral motive as a compliment, souvenirs, trust, and appreciation will increase the employee performance. This argument is consistent with Al-Nsour (2012), Yousif (2011), Sharkh (2012), Al-Fares (2011), Moktara&Zozo (2014), and Al-Harithi (1999).
- The second hypothesis: There's no association between material motivation and employee performance; it means that the material motivation as bonuses, high salary, and material rewards have no direct effect on the employee performance. Furthermore, the researcher believes it because the banks gives the employee better salary than other sectors and the employees are satisfied with their material issue and not considering the financial issue as a matter. It seems to be agreed by Al-Nsour (2012) who argued that the material motivation is not enough without other kinds of motivations.

- The third hypothesis: There is no association between social services motivation and employee performance. As shown in the result there is no relation between banks giving its employee's a social service motivation as a health insurance and employee performance.
- The fourth hypothesis: there is an association between moral punishment and employee performance. The result shows that there is a negative relation between moral punishment like giving a warning letter, delaying a promotion, and moral punishment will affect the employee's performance. This makes the researcher believes that even words can affect the employee mood and performance.
- The fifth hypothesis: There is an association between material punishment and employee performance. The result shows that there is a negative relation between material punishment and performance this makes the researcher believes that the causes of this is the material punishment is a serious and huge punishment since, it's not just an oral words but it's gives the employee the feeling of doing a damage to the bank, which makes the employees dissatisfied or disappointed and reduces his performance, which argued by (Yousif ,2011) who believes that punishment makes individual afraid of repeating mistakes and (AlHarithi, 1999) who argued that the material punishment would make the employee unconfident with his work unlike, (Liao ,2009) who argued that material punishment is the good solution to prevent a mistake or at least to reduce it .
- The sixth hypothesis: There is a significant impact on replacing punishment with motivation on the employee's performance. The result found that there is a positive relation between replacing punishment with motivation and employee performance, which means that replacing punishment with other motivation tools will help in giving the best of the employee performance

- The seventh hypothesis: There is a significant difference between the employees' answers to the motivation dimension due to the demographic variables. The result found that there is a statistical difference in respondents' answers according to the variables (age group, educational level, job title, and appraisal level) on all dimensions. Whereas, there is no statistical difference in the respondents' answers according to the gender and material status variables, which shows that it doesn't matter if the respondent male or female, married or single, the answers are different according to their age, experiences, qualifications, and positions.

5.2 Recommendation

Based on the results, the researcher recommends giving a great attention to moral motivation, in order to increase the employee's performance. In first place giving a compliment to the employee and appreciating his efforts and hard work. As giving him gratitude cards and souvenirs and gives the best employee award in every year. Furthermore, butting the employee in the right place and involving him in the decision making. Also, trust the employee, training him, give him the job security, support him, and use all kind of moral motivation.

The manager should start seeking to develop the team spirit and building an integrated excited teamwork as a kind of motivation. Moreover, the manager should allow the employees to exercise trade union action to preserve their rights and possessions. Also, the manager should start seeking the employee desires and satisfy it.

The banks should start looking for good ways to replace the punishment with motivation as give forgiveness to the employee's mistakes and enhance their achievements and giving them a second chance to correct their mistakes.

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الملخص باللغة العربية:

عنوان الأطروحة هو "أثر التحفيز على أداء الموظفين: حالة دراسية من البنوك التجارية الفلسطينية"، حيث هدفت هذه الدراسة إلى معرفة تأثير الحوافز والعقاب على أداء الموظفين في المصارف التجارية الفلسطينية. وتكمن أهمية الدراسة من ضرورة فهم العلاقة الطبيعية للدافع والعقوبة مع أداء الموظف، من حيث القدرة على إيجاد بديل للعقوبة التي قد تؤثر بشكل أكبر على أداء الموظف. كما وقد توصلت هذه الدراسة إلى استنتاجات وتوصيات من شأنها أن تؤدي إلى تحسين أداء الموظفين وتحسين كفاءة العمل فقد استخدمت الدراسة عينة عشوائية مكونة من 252 موظفا يعملون في المصارف التجارية الفلسطينية (الضفة الغربية وقطاع غزة) واستخدمت استبانة لجمع المعلومات من الموظفين. حيث اتبعت الدراسة ثلاث فرضيات أساسية وست فرضيات فرعية وكانت المتغيرات المستقلة هي: العقوبة، والدافع، واستبدال العقوبة بالتحفيز. غير ذلك، فقد استخدمت هذه الدراسة الطرق التالية: الإحصاء الوصفي، تحليل الموثوقية، معاملات الارتباط، الانحدار المتعدد، واختبار الفروقات المتوسطة.

كما أن أهم نتائج هذه الدراسة تمثلت في: يؤثر التحفيز المعنوي على أداء الموظف بينما لا يؤثر التحفيز المادي، كما أن العقوبة المادية والمعنوية تؤثران سلباً على أداء الموظف، كما وضحت الدراسة بأن استبدال العقاب بالتحفيز يؤثر إيجاباً على أداء الموظف.

وعليه، فقد أوصت الدراسة بإعطاء اهتمام كبير للدافع المعنوي، من أجل زيادة وتحسين الأداء من حيث الإطار على للموظف ووضعه في مكان يتناسب مع مؤهله وأيضاً التأكيد على ثقة الإدارة بالموظف واستبدال العقاب بالتحفيز.

Appendix:



The Arab American University of Jenin

Graduate Studies

The researcher is conducting a study entitled " The Impact of the Motivation and the Punishment Policy on the Employee's Performance: A Case Study from Palestinian Commercial Banks". The study is part of the requirements for obtaining Master Degree in Strategic planning and Fund Raising. You are kindly requested to answer the questionnaire's questions objectively as your contribution is crucial to achieve the study objectives and completion. The provided information is confidential and will only be used for scientific research purposes.

Thank you for your cooperation

Hanan H.Nazzal
0598226932

Part two: Motivating

Moral motivation

	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
.1	My work increases, when the manager compliments my work.					
.2	The manager always seeks to develop the team spirit and looks for building an integrated excited teamwork.					
.3	I feel that the manager appreciates my efforts and hard work in the Bank.					
.4	The bank offers me adequate support and instructions so I can work with good performance					
.5	I think that the Bank development and progress depend on involving the employee in the decision making					
.6	The manager seeks to identify employees desires and satisfy it.					
.7	I think that choosing an employee and putting him/her in the right place is considered an incentive that increases employee's confidence in the Bank.					
.8	job security is the most important incentives that can be provided by the manager to improve the performance levels					
.9	The bank always gives gratitude cards and souvenirs to the employee.					
10	The bank gives the best employee award in every year for one of its employees each year.					
11	The bank allows the employee to share in making decision					
12	The confidence among the employees increases their efforts and pushes them towards better work					
13	Moral incentives increase the sense of competitive spirit among employees					
14	The banks offers me adequate support and instructions so I can work with a good performance					
15	The bank allows the employees to exercise Trade Union action to preserve their rights and possessions					

16	The bank always upgrade its system and that drives me to work harder.					
17	I think the bank attaches training programs to its employees					

2. **Material Motive**

	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
18	The bank is committed to paying wages regularly and on time.					
19	I think that the wages and salaries have a direct impact on the employee behavior and performance.					
20	The bank permanently seeks to adjust wage scale according to the economic conditions and to the employee standard of living.					
21	I'm satisfied with the wages offered by the bank and it fit to my qualifications and job title.					
22	The bank provides advances system to its employees and motivates me to work harder.					
23	The bank is committed to limited working hours and pays a fair financial reward on overtime work.					
24	The bank applies the standard of living according to the law and this makes me feel more satisfied in my work.					
25	The bank has a clear policy regarding to the financial reward that is fairly applied to all employees in the bank.					
26	I think that the quality of the production and performance in the Bank are directly linked to the increase in wages and financial rewards					
27	I think that the bank should give the material reward only to innovated employees and who have a special efforts.					

1- **Social Service Motive**

	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
.28	The bank has a compensation system for accidents or injuries					
.29	The bank has a health insurance system for its employees					

.30	The bank provides Living necessities to the employee					
.31	The bank helps the new employees and their family in finding accommodation.					
.32	The bank provides indemnity for its employees					

Part Three: Punishment

1- Moral Punishment

	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
3	I think oral warning for a mistake, gives me a motive to work hard and makes me be careful not to mistake again.					
4	The written warning makes me work harder.					
5	The acceptance of written warning increases my attention in work.					
6	Delaying my promotion for a mistake I made, increases my ability to work.					
7	I think it is possible for me to accept any punishment whether the size of punishment was proportional the mistake that I did or not					
8	Transfer me from my place to another due to a mistake I did makes me more active.					

2- Material Punishment

	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
.39	The punishment through deduction from my salary makes me focus more on work.					
.40	Poor ergonomics (like cold water, high hygiene level, adaptation and other) increases my attention to work.					
.41	Material punishment increases the chance of repeating the same mistakes.					
.42	The delayed salary increase my ability to work.					
.43	Denying the employee of the annual increase his passion to work					

Part four: replacing punishment with motivation

	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
.44	The forgiveness in mistakes gives me the motivation to work and enhance my achievements.					
.45	Giving me a second chance to correct my mistakes increases my accuracy and makes me more confidence to work.					
.43	The managers' confidence makes responsible in my work and that's makes always not full into mistakes					
.44	Forgiven my mistakes prevents me from repeating them and makes me an innovative					
.45	I feel the punishment has a negative impact rather than a positive on the employee performance					

Part five: Employees Performance

	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
46	I think loyalty to the bank improves my work performance					
47	I think the efficiency of work depends on the manager clarification of bank objectives.					
48	I think the collaboration between Bank staff improves the employees performance					
49	I feel comfortable in my work and that makes me performed very well					
50	I feel that motivation boost my work to the maximum performance.					
51	I think that the increases of my performance level depends on the job satisfaction					
52	Feel confidence in the work makes me performed very well					
53	Having a retirement fund makes me fearless of the future and not looking for other sources of income					
54	The bank production is linked to the quality of performance and the effort for production					