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EMPLOYEE PERFORMANCE AS AFFECTED BY INCENTIVES IN PUBLIC AND PRIVATE UNIVERSITIES

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Abstract: **The study mainly aims to pursue the impact of incentives, on employee performance in public and private universities in in order to improve the employee performance.**

Simple random sampling was used because this sampling frame was homogeneous. The Principal component analysis was used to establish the number of major components. Mean indices was used in order to attain the average of the respondents' opinions. The Spearman Correlation analysis was done to investigate the strength and direction of the relationship between the study variables, and this analysis was done for demographics (gender-education-experience).

The mean incentives indices values were below average, this showed that the employees are not satisfied with the given incentives and this does not enhance and affect the performance positively.

Keywords: **employee performance, public and private universities, performance positively.**

1. INTRODUCTION

1.1 Study background

Public sector employees are generally assumed to favor people-oriented leadership style more than do private employees Buelens &Van den Broeck,(2007, p.66). They are also seen to believe their colleagues and managers significantly more influential (ibid.) In addition, Jurkiewicz et al. (1998) found that public employees are primarily stirred by job security and stability, while private employees' number one motivational factor was high salary. In (2007) a study, Buelens & Van den Broeck reconfirmed these reports and concluded "public sector workers [are] more strongly motivated by the desire to work in a supportive working environment".

Statement of the problem

The main problem the study has aimed to trace is that Public sector has obviously suffered the poor employee's performance, compared to that of private sector. Actually, the public sector performance acts more importantly, compared to the private sector, because it focuses on customer based service.

In a recent literature review, Andrews; Boyne & Walker (2011) do not find many studies that directly compare public and private effects on performance, and many of those that do. Against that backdrop they conclude:

A"The consequence of these substantive and methodological problems is that it is impossible to conclude with any confidence that publicness makes a positive or negative difference to

organizational performance or to judge which of the three dimensions of publicness is most important and for which aspects of organizational performance."

1.2 The objective of the study.

This study sets an objective of how incentives affect employee's performance in public and private sectors in Egypt

1.3 Hypotheses

Is there a firm relation between the incentives and the employee performance in public and private organizations?

1.4 Specific objectives

1- To determine the relation between the employee performance and incentives in public and private organizations.

1.5 Significance of the study

The ultimate target for any organization is to achieve high levels of its employee performance. Managers have to search for the tools, which assist them to attain this goal. This study clarifies how incentives can motivate or demotivate them to perform actively.

2. LITERATURE REVIEW

2.1 Theoretical Framework

The Agency Theory

Lotta, (2012) consented that financial incentives are really effective in motivating employees. In addition, Ojokuku & Sajuyigbe (2009), found that financial incentives (pay satisfaction) dimensions have a significant impact on staff performance. But (Perry et al., 2006) found that compensation is not the motivating factor and financial incentives have negative impact on employees Srivastava, (2001);Nelson (2004) suggested that the praise and appreciation are the most effective self-reward that will improve the performance of staff. Also, Jensen et al. (2007) agreed intrinsic reward as a tool to motivate employees to perform as expected. This study tried to study the effect of reward dimensions on the employees' performance, with particular reference to selected manufacturing companies in Abidjan, Oyo State, Nigeria.

Employees who are efficient and effective, are possible to be limited if you were not motivated to do it. Mendonca, (2002) believed that the bonus system, compensation is based on the expectancy theory, which proposes that workers are more likely to be motivated to perform when they see that there is a strong relationship between performance and reward they receive. Guest, (2002) believed that the bonus is one of the major factors that drive employees to perform as expected. Markova & Ford (2011) saw that the actual companies success come from the willingness of employees to utilize their creativity, skills and knowledge to start the company. The task of the organization is to encourage and foster positive employee inputs by effective reward system.

2.2 Related Literature on the Study Variables.

The Relationship between Incentives and Employees Performance.

Markova & Ford, (2011) mentioned that workers' readiness to use their creativity, abilities and know-how in favor of the company is the key factor for the real success of the firm and organization's task is to inspire and nourish these positive employee inputs by applying effective reward system in place.

Lotta (2012) agreed that financial incentives are certainly effective in stirring employees. Also, Ojokuku & Sajuyigbe, (2009) detected that financial rewards (pay satisfactions dimensions) have important influence on employee's performance. But perry et al, (2006) discovered that monetary reward is not the most motivating factor and financial incentives act as a de-motivating impact among employees Srivastava, (2001). (Nelson, 2004) noted that praise and recognition are the highest effective intrinsic rewards that enhance employee's performance. And also, Jensen et al (2007) see intrinsic incentive as an instrument that motivates employees to act as anticipated.

Cash, recognition and praise or a combination of both are forms of reward. Group Performance-related schemes reward refers to a group or team of workers with a cash payment for attaining an accepted goal. These structures are all designed to boost company performance by aligning the employee's interests with the financial performance of their firms Chin-Ju, (2010); Huselid, (1995) perceived incentive as a system (e.g. profit sharing) that contributes to performance by associating the interests of workers to those of the team and the organization, thus enhancing effort and performance. La Motta, (1995) is of the view that performance at job is the result of ability and motivation.

Osterloh & Frey, (2000) as cited in Lotta, (2012) described an employee to have extrinsic motivation when his interests are indirectly met through the usage of financial rewards. Pay for performance was described as the ideal incentive for the extrinsically driven employees but accused it to lack the long-term outcomes. Money was defined to be an objective that offers satisfaction independent of the actual activity itself. Kanfer, (1990) declared that employees are constantly involved in a social exchange process wherein they contribute efforts in exchange for rewards. They also compare the effort or contribution that they put in towards accomplishing a certain task and acquiring rewards in exchange for the former.

Entwistle, (1987) is of the view that if an employee performs successfully, it leads to organizational rewards and as a result motivational factor of employees lies in their performance. Freedman, (1978) as cited in Rizwan & Ali, (2010) is of the view that when the organization apply and implement effective rewards and recognition, encouraging working environment is created which stirs workers to master and excel in their performance. Taking recognition raises the employee's feelings of value and appreciation and consequently it improves morale of employee, which ultimately improves productivity of organizations. Rewards have a key role in determining the significant performance in job and it is definitely linked with the process of motivation Rizwan & Ali, (2010).

The Agency theory affirms that a relationship exists between incentives and employee performance Bainman, (1990) in Smith & Hitt, (2007). This agrees with other researchers who emphasize that incentives are rewards for a certain behavior, and they are supposed to encourage and support good efforts Banda, (2007); Armstrong, (2006) Ivancevich, (2004). Similarly, Adams & Hicks, (2000) sighted incentives as inducements or supplement rewards that serve as motivational devices for a desired action or behavior. Ivancevich,(2004) contended that motivating employees through incentives is important for morale boosting since this enhances the workers to perform the seemingly challenging tasks and solve problems thus accomplishing organizational goals. Beardwell & Holden, (2001) explained that incentives are two forms direct and extrinsic in nature or indirect and intrinsic. the two scholars stated examples of direct incentives are monetary benefits such as pay, salaries, salary top ups, subsidies, commissions and bonuses, pension, illness/health/life insurance; over-time, clothing and housing allowances. Ivancevich, (2004 ; Banda, (2007) observed that gain sharing is another direct incentive that can induce the commitment of employees to perform. Indirect incentives (intrinsic in nature) may comprise such benefits as subsidized meals, clothing, accommodation, transport, gifts, travel, scholarships for workers and their children and tax breaks.

An empirical study by Harold, (2003) ascertained that incentives increase the value people relate to work objectives. When rewarding people for achieving objectives, they are motivated to spend more time on the rewarded tasks, which result to increased interest and satisfaction. It also reinforces self-confidence and loyalty of employee. Employee motivation, commitment, cost effectiveness and congruence are improved by Well-designed and implemented incentive systems Harold, (2003). In agreement with the above conclusions, empirical evidence adduced by Werikhe, (2002), confirmed that 95% of the workers who participated in his study confirmed that adequate rewards can induce employees to attain the desired results. In contrast, Verbeeten, (2007), found that incentives only improve quantity but not quality performance. Burgess & Ratto, (2003) in their study recognized four key categories of incentive systems. In order to boost and sustain employee effectiveness and efficiency, the suitable incentives are: quota-based (performance goals); piece rate-based (produce more units); tournament-based (competition); fixed-rate based (specified amount for specified work). Similarly, other empirical studies on pay for performance (performance goals) as an incentive.

Sprinkle, (2000); Li, 200 ; Locke (2004), contended that sustaining administration of acceptable inducements to individuals as their effort is measured with immediate feedback, increases worker's effort. the experience attained through learning rising out of increased effort on a certain responsibility improves employee performance in the long run .

Sprinkle, (2000), implemented a repeated measurement experiment between two samples (one group with incentives and the other was a control group) over different duration on a cognitive duty. The results recommended that performance is expected to be more incentive sensitive over time. With incentives in place, effort of the employees is possible to increase particularly on tasks relating to reasoning in order to find ideal solutions. Through task repetitions and feedback by management regarding the outcome of an employee's efforts, experience is gained and this helps employees to eliminate many reasoning errors. Similarly, Namutebi, (2000) in her empirical study, found that with respect to timeframe and effectiveness of incentive systems, long-term incentive programs had the strongest effect (44% performance gain) compared to intermediate term (30% increase in performance) and short-term incentives (20% performance gain) respectively.

In support with Namutebi, (2000), Kyewalabye, (2008) noted when employees have incentive-based contracts; there will always be advancement in their performance. Definitely, individual on an incentive-based contract constantly exert more effort than employees taking the flat-wage contract. Thus Sprinkle, (2000); Kyewalabye (2008) conclude that employees spend more time on a task when receiving the incentive-based contract that leads to better performance than employees who receive the flat-wage contract. Sprinkle, (2000) further argued that performance in terms of effort refers to the amount of taken time along with the incentives stick to the achievement of a specific task. Taking a cognitive example used by Sprinkle, (2000), as time goes on, an individual with incentives should consume less time on a particular task than the counterparts without incentives. Sprinkle, (2002) gave conditions necessary for individuals receiving incentive-based contract to perform better compared to individuals receiving a flat-wage contract: the form of the incentive contract should motivate effort maximization.

The primary objective of work motivation has been the pragmatic one of learning the way to empower workers to perform their tasks and responsibilities within an organization. Review of the literature Conway & Biner, (2002); Coyle- Shapiro, (2002) indicated that five dimensions are prevailing in many operationalizations of the job contents. First, financial incentives describe the provision of just and suitable rewards. Second, Job Content means the provision of right job i.e. the employee has the best job ability and attitude and challenging, various and exciting work. Third, career progress chances refer to opportunities for promotion and development within the organization or field of work. Fourth, supportive & social atmosphere refers to the congenial and cooperative working environment and, fifth, respect for private life refers to the manager‗s respect and considerate for the employee‗s personal affairs. Some researchers have examined differences between public and private sector employees‗ , using these content areas since they are narrowly associated to the dimensions of work motivations for which differences between private and public sector employees are found De Vos, Buyens & Schalk, (2003).

There is proof that financial rewards have less effect on public servant performance than private sector employees (Khojasteh, (1993). This means that people who seek working in private organization favor monetary rewards, which is generally supposed to pay more than the public or para-public sectors for comparable jobs Lewis & Frank (2002). Burgess & Ratto (2003) showed that there are various motivating factors besides money for public servants because civil servants are motivated by other benefits and incentives than private sector workers. This is also proved in a study carried out on public sector workers of Italy Borzaga & Tortia,(2006).

The motivation of public sector workers are less affected by Financial rewards pay-for performance or bonuses than private sector employees. Rewards and benefits that people receive from their employer/organization are supposed to differ greatly between public and private organizations Boyne, (2002). Previous study has discovered that private sector employee, definitely prefer high salaries significantly more than the public sector employees Frank & Lewis, (2004). Public organizations are habitually perceived as giving lower pays and fewer pay increases than the private sector Hansen, et al., (2003). Jurkiewicz et al. (1998) found that public sector people prioritize a constant and secure future, while private sector people put high salary on the top of the rank order in terms of motivational factors.

Hypothesis H1: Compared to private sector employees, public sector employees are less motivated by financial rewards.

There is work on relative performance feedback and recognition as well as on other non-pecuniary motivators, including mission motivation. Fehrler & Kosfeld (2014), Carpenter & Gong (2016). Motivation by job/work contents describe what a individual does at work that is, the design of job or the group of responsibilities that comprise the job Perry& Porter, (1982) and are the primary factors of employee motivation at workplace. It concluded that

higher internal work motivation and satisfaction is achieved; when a worker is busy with a diversity of activities that challenges his/her skills and abilities Ellis & Bernhardt, (1992). Work contents of public sector are essentially unlike organizations in the private sector Baldwin & Farley, (1991). The literature on motivational differences between private and public sector employees should accept that public sector workers are stirred by accountability, development, feedback or recognition and opportunities to perform higher and better than simply earning a good salary Nel et al., (2001).

Lyons et al. (2006) recent study showed that public employees show a high respect to challenging work more than private sector employees. In contrast, the study of Khojasteh, (1993); Ayree, (1992) reported that quality of work contents of the public sector employees is not satisfactory and thus less motivating. Public sectors employee lacks job autonomy and independence, whereas private sector employees have great autonomy and freedom because of lower degree of restriction. Public organizations are famous of deficiency in job independence, involvement and participation in decision-making, interesting and variety of work, task significance and quality social relations Graham & Hays, (1993). Government organization fascinates employees who prefer secured jobs and lack innovation and challenging work Norris,(2004).

Hypothesis H2: Compared to private sector employees, public sector employees are less motivated by Work/Job contents.

Development opportunity is a key factor to create for employees in that organization. A study by Crewson, (1997) report that private sector is characterized by high potentiality of promotion regarding employees. Based on the past studies and literature, Houston, (2000) predicted that private employees focus more on job stature, eminence, prestige and advancement opportunities. Jurkiewics et al. (1998) concluded that public sector workforces disregard prestige and social status and somewhat less importance to opportunity for advancement in their jobs, compared to private sector workers, but status, prestige and advancement opportunities from their employer is the dissatisfaction meeting point for both public and private organizations. Literature reviewed suggested that career development opportunities is the interest of the public sector employees are less than their private sector counterparts; however, there is a lack of pragmatic proof to agree on whether or not this is true. Herzberg ,(1966) suggested that a chance for job development is a strategic motivator, and different levels of government indicate that advancement opportunities are certainly associated with job satisfaction Wright & Kim,(2004). When employees do not realize advancement opportunities, they never solicit work involvement and eventually this influence will vanish with passage of time. However the fact that Organizations in both sectors are worried about the career development of workforces, the policies that support career development will be more predominant in the private sector than in the public sector Moore, (1979).

Hypothesis H3: Compared to private sector employees, public sector employees are less motivated by career development opportunities.'

Van Der Westhuizen, (1991) regarded strong and positive interrelationship as strengthening motivation. Both private and public sector workers are interested in good environment, friendly colleagues, and task rotation Wright, (2001). Jurkiewicz et al. (1998) reported results suggesting that the relation between public sector employees and supervisors seem to be friendly and congenial companions than the private sector employees. However, Lyons et al.(2006) could not prove the difference in their study and Gabris & Simo(1995) proved that public sector and private sector employees are the same in the need for affiliation. Public Sector jobs are also recognizable of poor quality of friendship, and helpfulness and concern among subordinates, co-workers and bureaucratic superiors Smith & Nock, (1980). Rawls, Ullrich & Nelson ,(1975) established that both public sector employees set greater prominence on social and personal relations than did private sector employees. In a study of Khojasteh, (1993) found that public sector employees and private sector employees appear similar with respect to the importance they have on interpersonal relationship.

3. METHODOLOGY

3.1 Research Design

The study was descriptive and correlation survey Amin, (2005) that investigated the relationship between performance management practices and employee performance in public and private organizations in Egypt. The purpose of achieving the study objectives, the researcher used an analytical cross sectional survey design to capture the categorical description of attitudes of the study population Sekaran,(2003). A mixture of methodology was employed using quantitative and qualitative design which is basic in the Social Sciences literature Sekaran,(2003); Ahuja, (2005). To collect data a combination of methods was used in order to facilitate triangulation of the results so that the study phenomenon was richly and deeply appreciated as well as giving validity to the research findings.

Target Population.

The study population was constituted by two group-samples from one public sector (El Menoufia university) and one private sector namely (6^{th} October university) : El Menoufia university main campus with a population of estimated 300 employees in the main campus to serve 3160 faculty members and 38973 students. 6^{th} university is estimated to have a total workforce of 289 employees for 14085. El Menoufia University and 6^{th} university population were chosen to participate in the study because the two organizations were representing two different sectors public and private sectors. El Menoufia University was founded in 1976, Currently, the university includes only 13 colleges (medicine, nursing, engineering, electronic engineering, agriculture, science, and Home Economics, and quality education, arts, education, commerce, and laws, and Information technology) in addition to the National Liver Institute. The university grants in the first phase (bachelor degree), and graduate degrees (Diploma / Master / PhD) in various specialties of humanity and applied sciences.

Sample size determination

In order to determine a representative sample from the general population, according to Ruane(2005: p 109) if the population size is below 1000. The sample should be 50%of the total target population size. When the total target population size for El Menoufia public university was estimated 300 employees and 6th October University has 289 employees. The researcher used Simple random sampling because this sampling frame was homogeneous, that we thought there were no different opinions. The sample had sub-groups (managers, supervisors, and operatives) thus affirming a fair representation of these sub-groups in the sample size Ahuja, (2005).

Pre-testing the Instruments

A pilot study was conducted to pre-test the research instruments. According to Amin, (2005), a pilot study is conducted for testing the psychometric properties of the instruments; recognize any obscurities, confusions or inadequacies so that they can be improved.

Validity

Validity investigates the degree to which an instrument measures what it requires to measure Arya, et al(2002) or the concern to whether the variable is the basic cause of item co variation Devillis, (2003). Respondents are less possible to fill in and return questionnaires supposed to be inappropriate. Thus the instrument should apply face validity wording, clarity, ease of filling out and whole time to finish the content validity – how specific set items reflect content domain Devillis, (2003).Preceding to the start of the study, four experts were asked to screen and investigate the instrument for its content validity. The process of selecting the experts based on their academic and practical managerial expertise in performance management. The experts included two Doctors of Management studies, one Senior Lecturer of Public Administration and Management and a Human Resource Management Consultant. All items were found relevant apart from 3 which were deleted Amin, (2005). The average Content Validity Index (CVI) formula was used to capture adequate and representative sets of items which were used to tap the content.

Content Validity Index (CVI) = Number of items declared valid/ Total number of items

In the content validity test, the validity of each item was evaluated on a scale for which 1 = relevant, 2 = quite relevant 3 = somehow relevant and 4 = not relevant.

Four experts evaluated the questionnaire and the findings are shown in table 3.1

Table 3.1: Showing Content Validity Index (CVI)

Expert	**Content Validity Index**
Exper1	**0.895**
Exper2	**0.877**
Exper3	**0.854**
Exper4	**0.986**
Average	**0.886**

As indicated in table 3.1, all CVI were above 0.80 indicating that the questions were relevant to the study variable. On average, the content validity index was 0.886 which is in agreement with Sekaran& Mugenda, (2003) who recommended that for an instrument to be valid, its content validity index has to be 0.8 and above.

Reliability of the Questionnaire

The researcher selected randomly 16 participants to administer the instrument from public universities and private universities. 8 respondents were from El Menoufia university composed of 2 Managers, 2 Supervisors and 4 Operatives and the other 8 were from 6th October university also composed of 2 Managers, 2 Supervisors and 4 Operatives. Participants answered the questions as if they were answering them in the main study. The reliability of the instrument was calculated using a Cronbach Alpha test of reliability. This test defines the consistency of the items used to measure variables in the questionnaire.

The data was sent to the computer and analyzed using the Statistical Package for Social Scientist (SPSS). The variables with an Alpha Correlation Coefficient of least 0.7 were taken to be reliable Ahuja,(2005). Table indicates that all the alpha coefficients were above 0.7.

Table 3.2: Reliability Test Findings

Variables	Alpha coefficient
Incentives	0.9434
Performance	0.8413

Findings revealed that the alpha coefficient for incentives" section was high with an alpha coefficient of 0.9434. The alpha coefficient for performance was 0.8413. All Cronbach alpha coefficients were above 0.80, which indicated that the questionnaire was reliable enough to be used as a research instrument Sekaran, (2003).

Data Analysis

The researcher favored The Principal component analysis with Varimax rotation method to factor analysis because it is a variable reduction technique, which is used when variables are assumed to be very correlated Field, (2007). The procedure lessens the number of observed items to a smaller number of principal components, which account for most of the variance within the observed variables Bryant & Yarnold, (1994). Therefore the principal components identified, accounted for most of the variance within the variable and they are (the identified principal components) uncorrelated. In contrast, Factor analysis is a variable reduction method that is responsible of the identification of latent constructs and the underlying factor structure of a number of variables. Factor analysis hypothesizes an underlying construct (a variable not measured directly), estimates factors that impact responses on observed variables and error due to unreliability in measurement Ledesma& Valero Mora, (2007).

In order to investigate the correlation and relation strength between the incentives and employee's performance, the researcher used spearman correlation after transforming the data (categorical) to be (numerical) in order to use spearman test. In addition, the researcher preferred spearman test to examine the association between performance management practices and employee's performance according to demographics.

4. MEASURING THE PERFORMANCE MANAGEMENT PRACTICES.

Table (4.1) shows the performance management practices in the public and private universities.

Based on the indices of the five measured factors in the public sector. The indices were constructed for averaging employee's responses. The responses were based on a 5-point likert scale from 1 to 5, thus the average is 3.0.

Table 4.1 measuring performance practices based on employee's opinion in the public sector.

	Public sector			Private sector		
	N	Mean	Std. Deviation	N	Mean	Std. Deviation
Incentives index	150	2.4305	.89314	150	2.4162	1.00307

The mean value in the public university for incentive index was 2.4305, it was below average, the employees are not satisfied with the given incentives and it does not enhance the performance as well as the mean value in the private sector for incentive index was 2.4162, it was below average, the employees are not satisfied with the given incentives.

Relationship between incentives and employee's performance in the public and private universities.

To measure the relationship between the performance management practices and employee's performance, spearman correlation coefficient was used.

Table 4.2 relationship between incentives and employee's performance in the public and private university.

	Employee's performance					
	Public sector			Private sector		
	N	Spearman correlation	P	N	Spearman correlation	P
Incentives(index)	150	.136	.097	150	.094	.253

*. Correlation is significant at the 0.05 level (2- tailed).

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

The relation between incentives and employee's performance was positive but not statistically significant p > .05 in the public university. The relation between incentives and employee's performance was positive but not statistically significant, p > .05 in the private sector as well.

Demographics analysis in the public and private sectors.

The relationship between incentives and employee performance in the public and private sectors by different demographics variables.

To measure the relationship between incentives and employee's performance by different demographics variables (gender- education- experience) in public and private sectors, thus spearman correlation coefficient was used.

Table 4.3 the relation between incentives and employee's performance by demographics variable.

Factor	Demographics	Public sector		Private sector	
		Spearman correlation	P	Spearman correlation	P
incentives	Male	.336*	.012	.635**	.000
	Female	.377**	.000	.465**	.000
	Diploma	.488**	.010	.158	.735
	Bachelor	.348**	.000	.513**	.000
	Master	.447	.227	.743**	.000
	PhD	.196	.642		
	Less than 5	.450*	.016	.483**	.000
	6-15 years	.163	.290	.613**	.000
	16 and above	.448**	.000	.718	.069

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

*. Correlation is significant at the 0.05 level (2-tailed).

For gender, according to the result of spearman correlation coefficient, the relations were positive and significant between incentives and employee's performance , p < .05 in the public sector , for education level, all relations were positive, while they were statistically significant for diploma and bachelor since p < .05, for master and PhD degree, the relations were not statistically significant p > .05. for experience, the relations were not statistically significant p >.05. The biggest spearman value were for diploma, master, less than 5 years and 16 and above .488**, .447, .450and .448**.

For gender, the spearman-correlating coefficient showed positive significant relation between the incentives and employee's performance in the private sector. Males had bigger spearman value than that of females, this meant the relation stronger for males, all relations were positive and significant according to results of spearman results except diploma holding respondent, because p >.05. The value of spearman was the biggest, thus the relation was the strongest for master degree holders. The value of P > .05, so the relation between the incentives and employee's performance was positive but not statistically significant, while other relations were positive and significant with p <.05, value of spearman were big .483** and .613**. Master, PhD and 6-15 years in public university, diploma and 16and above in private university had statistically insignificant relation, since P > .05.

5. DISCUSSION OF THE FINDING

Relationship between Incentives and Employee Performance.

The insignificant relationship between incentives and employee performance had by this study partial agreement with Verbeeten‟s, (2007) study that recognized that use of incentives is only positively connected with quantity performance but not with quality performance. When employees have acquired a strong capacity, skills and knowledge, these are not always converted into enhanced quality of work performance. According to Kamoche, (1997, p2) "the problem is not communicated to the lack of skills, but the lack of strong rewards to use these skills optimally".

The partial attribution to incentive injustice interprets the observed insignificant relationship between incentives and employee performance in public organizations, which is due to interdependence of employee activities and hence results. Generally, the activities of an employee's department in public organizations rely upon the activities of other departments.

With this kind of interdependence, a problem arises when it comes to rewarding the achievements. Top officials in public organizations have strong rewards compared to lower officials yet operatives implement much of the work. It is common in public organizations to find top officials given nice cars and many incentives like good pay and attractive allowance packages while the lower cadre employees are suffering from small salaries. This kind of situation (incentive injustice) only deteriorates performance amidst increasing incentives. Similarly other studies De-Bruijn, (2002); Van-Thiel & Leeuw, (2002); Burgess & Ratto, (2003), have also observed that due to interdependence of employee activities especially in public organizations, unfair incentive of performance may in turn have undesired defects on the overall performance.

Employees will do their best when they feel trust that their efforts will be rewarded by the management. Many factors affect employee performance like working conditions, worker and employer relationship, training and development opportunities, job security, and company's overall policies and procedures for rewarding employees, etc. one of the factors to affect employee performance, rewards for motivation is of utmost importance. Motivation is an accumulation of different processes which impact and direct our behavior to achieve some specific goals Baron, (1983);Folger & Cropanzano, (1998) described procedural justice as a situation that relates to the perceived fairness of the means, rules and/or procedures used to distribute outcomes, such as assigning jobs, allocating rewards, using performance evaluation criteria, promoting employees, and downsizing workforce. The concern on how employee achievements and subsequent incentives are determined, defines procedural justice. Tilaye, (2007), has similarly discovered that procedural justice has a key role in determining employees' attitude to their management and their commitment to their organization.

According to the mean index of incentives of the public and private universities. It was 2.4305 and 2.4162, the values were below average, the employees were not satisfied with the given incentives and this doesn't enhance the performance positively . And also according to spearman correlation $p > .05$. in the two sectors.

Houston, (2000) compared public and private organizations with regard to the incentives that they valued most in the workplace. Respondents were asked to rank the following job related characteristics: high income, short working hours and much free flexible time, job security and stability, opportunity for development and advancement, work that is significant and offers more feeling of achievement. The result of this research established that public workers are more possible to be stirred by the intrinsic reward of the work whereas private employees have more likelihood to highly value extrinsic reward motivators such as high income and short work hours. In addition to this, public employees seem to favor job security and job stability compared to private employees. The study seemed to indicate that people in the public sector give more value to monetary wealth to a lesser degree than those who are entrants to the private organizations. In the public sector, employees feel secured, because they are protected by the law against firing or terminating their contract, these outcomes not to generate more effort to increase their performance, however, in private there are commissions, which are bonded to performance and profit.

As workers in public organizations are ranked from lower positions to upper ones, the supervision degree on them tends to decrease. The low supervision lets them freely their own goals conflicting from those of public organizations. Less time is spent on the common good and hence low performance amidst satisfactory incentives. There is argument with the agency theory, which states that in order for attaining performance, it should be agreement between the interests of the principal (the public organization) and the interests of the agent (the employees). In reality, the interests of the agent however, will at a certain point in time conflict with the interests of the principal. The question of keeping the interests of the employee to be in line with those of the managers all the time is relative close supervision. Thus, a reduction in this supervision will result in opportunity for the worker to follow own-interests than those of the principal. This describes the situation of top officials in public organizations who exploit power and time following individual interests at the expense of public interests. In their study, Meyer & Allen, (1997), similarly detected that absence of close supervision in organizations leads to reduced performance especially among the top ranking organizational employees.

In conclusion, findings of this study did not agree research findings by Wericke‟s(2002) & Namutebi, (2000), which recognized that rewards seem positively related with employee performance in public organizations. (amutebi, (2000), too concurs with and Wericke, (2002), when she detected those incentives prompt better performance because when they are equitably administered, they empower employees to increase their effort and commitment to work. The two scholars continue to observe that administration of equitable incentives results in increased work efficiency and effectiveness over time. When employees are motivated, they become rigorous in finding out what it takes to do their jobs well. In this process, new knowledge is discovered.

According to the spearman correlating coefficient showed positive relation between the incentives and employee's performance in the public and private sector, but not statistically significant for all demographics P > .05, in many of the developed countries, younger workers get satisfied from extrinsic rewards more than intrinsic ones Oshagbemi, (1996); Ronen, (1978); Siassi et al., (1975) and in underdeveloped nationalities, older employees gain more satisfaction from both intrinsic and extrinsic rewards in an equal form Ssesanga & Garrett, (2005). In addition, the women's satisfaction on salary and promotion are more than men's in developing countries Alam et al.,(2005); Santhapparaj & Alam, (2005).

6. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

In the public sector, the incentives had an insignificant relationship with the employee's performance in contrast with all other variables. In the public sector, incentives are fixed regardless the employee's performance; this makes them ineffective and unrealistic. Thus, they are not able to encourage workers to perform optimally. In the private sector, the employees are motivated when incentives are communicated with the achieved profit in a form of bonus or commission.

Recommendations

The system of rewarding and giving incentives in the public sector is not challenging, since the employees feel it is sufficient and fixed to the employees rank. Incentives are not communicated to performance. The top managers take the lion's portion, whereas the low employees are complaining of procedural injustice. The best way to induce employee's performance, the managers connect the incentives with the productivity, this implies that all public employees should be rewarded according to their output. The employees withhold effort, when they distinguish injustice in allocating the incentives.

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