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The impact of the incentive system on job satisfaction among individuals in Algerian economic institutions

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Abstract---This study aims to explore the implementation of incentive systems in Algerian economic institutions and their impact on fostering job satisfaction among employees. A field study was conducted involving four economic institutions: company Naftal, the Electricity and Gas Distribution Company, the subsidiary company Céréal de l'Ouest of the Agrodiv Group, and the National Company of Electronic Industries. Data was collected through a questionnaire, with a study sample comprising 80 individuals. The collected data were analyzed using SPSS version 23. The study yielded several findings, the most significant of which is the existence of a relationship between the implemented incentive system and the achievement of employee job satisfaction.

Keywords---incentive system; job satisfaction; monetary incentives; non-monetary incentives; employees.

Introduction:

An organization achieves its objectives through the effective management of its resources, especially human resources, given their dynamic, sensitive, complex, and often unpredictable nature, as well as the diversity of individual and group needs within organizations. In other words, needs are the primary drivers that motivate employees to act in particular ways. Understanding employee behavior is crucial for human resource managers, as it enables them to persuade employees to perform desired tasks through motivation, thereby supporting the organization's goals. Motivation shapes organizational behavior and contributes significantly to enhancing employee job satisfaction.

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The motivation process is a strategic approach designed to harness, direct, and maximize the human potential within an organization to achieve shared goals—goals that no individual could accomplish alone. When this process succeeds, employees develop relationships characterized by mutual trust, reliance, support, and respect. Even when each member is assigned a distinct task, all contribute meaningfully to the organization's success because each one bears responsibility for it (Maicibi, 2013: 206).

The incentive system within an organization is a multifaceted framework that significantly influences employee performance and organizational efficiency. Effective motivation strategies include both financial and non-financial incentives, tailored to meet the diverse needs of employees. Such a system is essential for boosting productivity, fostering a positive work environment, and retaining talent.

The topic of motivation has garnered considerable interest among behavioral scientists and managers alike due to the fundamental importance of human needs and the pursuit of job satisfaction. These needs—both tangible and intangible—vary from one individual to another, depending on personality, levels of organizational commitment, and loyalty. The effectiveness of the incentives provided by an organization directly impacts job satisfaction. Indeed, an individual's satisfaction with their job is the cornerstone of their psychological and social well-being and reflects their status within society. For this reason, leading organizations know how to leverage the efficiency and effectiveness of their workforce through the implementation of an effective incentive system.
Based on the above, the core research question emerges:

How does the incentive system influence the achievement of job satisfaction among individuals in Algerian economic institutions?
Sub-questions:
- How is an effective incentive system designed?
- What are the determinants of job satisfaction for employees?
- What is the nature of the relationship between incentives and job satisfaction?

Hypotheses:
- Hypothesis 1: Incentive systems are implemented in Algerian economic institutions.
- Hypothesis 2: Employees in Algerian economic institutions experience job satisfaction.
- Hypothesis 3: Incentives influence the achievement of job satisfaction among employees in Algerian economic institutions.

From the third hypothesis, two sub-hypotheses are derived:
- Non-monetary incentives influence the achievement of job satisfaction among employees in Algerian economic institutions.
- Monetary incentives influence the achievement of job satisfaction among employees in Algerian economic institutions.

Research Objectives:
- To define the concepts related to the independent variable (motivation) and the dependent variable (job satisfaction) through theoretical literature.
- To clarify the impact of motivation on job satisfaction from different work-related aspects.
- To examine the current state of incentive system implementation in Algerian economic institutions and its relationship to job satisfaction.
- To provide practical recommendations for designing an effective incentive system and enhancing job satisfaction within the work environment of Algerian economic institutions.

Conceptual Definitions

The Nature of Incentives: Organizations require high-performing individuals to achieve their objectives, deliver quality products and services, and maintain a competitive edge. Performance is also crucial on a personal level; accomplishing tasks at a high standard can be a source of satisfaction, evoking feelings of competence and pride. Conversely, poor performance and failure to meet goals may lead to dissatisfaction or even a sense of personal failure. Moreover, when performance is recognized within the organization, it is often rewarded through financial and other benefits. Performance is thus a key determinant of career advancement and success in the labor market. High performers tend to receive promotions more easily within the organization and generally enjoy better career opportunities than those with lower performance (VanScotter, Motowidlo, & Cross, 2000; Sonnentag & Frese, 2001).

Akpotohwo, Ogeibiri, and (George 2017) argue that motivating individuals today is far more complex than the simplistic "carrot and stick" approach previously used. While work in organizations is typically performed collectively rather than individually, this does not guarantee that all employees will engage, contribute, or work toward achieving these goals. In contrast, a motivated employee will diligently fulfill their duties and contribute to organizational objectives.

According to Anonymous (2010), from the managerial perspective, motivation means "making employees work better, more efficiently, and more effectively." From the employees' perspective, it means "empowering employees to perform their tasks in the best way possible while enjoying and desiring the work." Economic variables influence both motivation and job satisfaction. However, over-reliance on economic incentives without aligning them to employee needs does not appear to yield significant success. Therefore, effective planning requires the use of economic incentive tools in a manner that matches employee expectations.

In management research, incentives are defined as inputs that drive, direct, and sustain desirable behaviors among individuals at work. Motivation refers to the force that initiates, directs, and maintains individual (or group) efforts in the workplace (Campbell and Pritchard, 1976; Pinder, 1998, as cited in Brislin et al., 2005). It depends on contextual elements (such as social upbringing) alongside factors such as cultural and individual predispositions. Hence, it can also be defined as a willingness to exert high levels of effort toward organizational goals, conditioned by the ability to satisfy certain individual (or group) needs (Katzell and Thompson, 1990, as cited in Brislin et al., 2005).

According to(Ganta 2014), motivation results from the interaction of both conscious and unconscious factors, such as the intensity of a desire or need, the perceived value of the incentive or reward, and individual expectations. These are the reasons behind specific behaviors.

Most employees require motivation to feel satisfied in their jobs and to perform optimally. While some are driven by monetary rewards, others are more motivated by recognition and non-financial incentives. Workplace motivation levels have a direct impact on employee productivity. Motivated workers tend to fulfill their responsibilities with maximum effort and performance.

Types of Incentives: An incentive is an external stimulus designed to elicit behavior that leads to high-quality performance. Managers employ various types of incentives to increase productivity, such as paid leave, bonuses, and travel privileges.

There are also non-monetary ways to enhance employee motivation and satisfaction (as mentioned in Singh & Tiwari, 2010: 33).

Motivation within organizations can be achieved through the following processes:

- Providing a positive work environment aligned with organizational objectives;
- Rewarding and recognizing contributions within the organization;
- Increasing employee involvement in decision-making;
- Developing the overall skills and potential of the organization's workforce;
- Evaluating and measuring job satisfaction within the organization.

Supervisor recognition and acknowledgment of work well done contribute significantly to employee satisfaction and encourage continued excellence. Employers can show appreciation by tracking progress and providing feedback on areas of improvement over time, a process known as performance appraisal.

Some employees are motivated by a sense of achievement and the fulfillment of personal and professional goals. Many possess self-discipline and intrinsic motivation. For them, rewards and encouragement have limited impact because they have confidence in their abilities and understand the significance of their role within the organization. These individuals tend to perform productively, driven by the personal challenges their work presents (Ganta, 2014).

The Concept of Job Satisfaction:

The issue of job satisfaction is not a recent one; it has long played a fundamental role in organizational psychology research. Numerous scholars have offered definitions of job satisfaction, with most describing it as a pleasurable emotional state resulting from an individual's evaluation of their work role.

According to some authors, job satisfaction can be divided into two categories: *general satisfaction*, which reflects the employee's overall emotional experience regarding their job, and *specific satisfaction*, which pertains to various facets of the work environment—such as salary, relationships with colleagues and supervisors, and working conditions (Drummond & Stoddart, 1991).

Hoppock & Spielgler (Apud. Aziri, 1938, 2011) describe job satisfaction as a combination of psychological, physiological, and environmental factors that lead individuals to perceive themselves as content with their jobs. Another widely cited definition is by Vroom (1964, Apud. Aziri, 2011), who views job satisfaction as an emotional orientation an individual holds toward their job role. He also emphasizes that satisfaction, morale, and a positive attitude at work are equally important and relate directly to an employee's effectiveness across various roles and responsibilities.

Job satisfaction is closely linked to individual behavior within the organization. When hired, employees bring with them a set of desires, needs, expectations, and experiences. The extent to which these are fulfilled largely determines their level of satisfaction (Davis et al., 1985).

Clark (1997) argues that factors such as dissatisfaction with assigned tasks, lack of awareness of employee rights, unsafe working conditions, uncooperative colleagues, and disrespectful supervisors can significantly affect an employee's sense of connection to the organization. He stresses that companies today cannot afford dissatisfied employees, as they are unlikely to meet managerial expectations, leading to turnover and increased hiring costs. Clark underlines the combined importance of the work environment and the individual.

Petterson (1998) highlights the critical role of interpersonal interaction in achieving organizational goals. A lack of communication among employees often leads to dissatisfaction. A study by Castillo and Cano (2004) confirms that job satisfaction levels can improve when sufficient attention is paid to interpersonal relationships, recognition of work achievements, and supervisory practices.

Hoffman (2013) notes that it is beneficial for companies to provide employees with flexible work environments where their opinions are valued and they feel integrated into the organization. Employee morale should be as high as their performance.

Job satisfaction entails performing one's duties with enthusiasm and enjoyment, and being rewarded accordingly (Kaliski, 2007). Capotescu (2006) asserts that job satisfaction reflects the extent to which employee expectations—whether consciously recognized or not—are fulfilled through the rewards provided by the organization. An employee cannot reach a state of balance unless the organization's responses align with their individual needs.

In most cases, job satisfaction is understood as the sense of success or accomplishment felt by the employee, and is often regarded as a variable associated with personal well-being. Job satisfaction can foster a sense of achievement, as individuals seek to attain goals such as adequate compensation, a certain social status, and recognition from supervisors.

Armstrong (2003) distinguishes between satisfaction and dissatisfaction, suggesting that an individual with a positive and favorable attitude toward their profession is likely to be satisfied with their job, while one with a negative and unfavorable attitude tends to be dissatisfied. Job satisfaction is a concept of significant interest to researchers, as it plays a critical role in professional activity and affects the overall performance of the organization. A strong and positive relationship between employees and management fosters a high degree of job satisfaction. On one hand, job satisfaction can be seen as a dependent variable influenced by the quality of working conditions; on the other, it can serve as an independent variable that predicts outcomes such as productivity, absenteeism, or job performance (Avram & Cooper, 2008).

Determinants of Job Satisfaction:

Barnard (1968) posits that an individual's job satisfaction is influenced by specific motivational factors, including: material aspects such as salary; opportunities—recognition, prestige, and professional rank within the organizational hierarchy; desirable physical conditions—adequate equipment and safe working environments; ideal benefits—feelings of pride, professionalism, and satisfaction derived from dedication to one's work; social advantages—friendship, appreciation, and mutual respect; workplace conditions—the attitudes and processes shaping work; extensive employee involvement through opinion sharing; and group cohesion—cooperation and interpersonal relationships.

Cooper & Marshall (1976) assert that job satisfaction arises when certain employee needs are met by the employer, such as access to quality equipment, fair compensation, opportunities for promotion, appropriate working conditions, collaborative relationships with supervisors, and the fundamental need to feel understood.

Zamfir (1980) offers a classification of the determinants of job satisfaction that encompasses many of the aforementioned factors. He observes that, although society constantly evolves, the core needs of individuals in relation to job satisfaction remain relatively consistent, merely adapting to current circumstances. The dimensions he proposes are:

1. **Facilities** – These include the technological, social, and human conditions under which an employee performs their duties. Institutional facilities may encompass working hours, proximity of residence to the workplace and available transportation, medical insurance, a satisfactory retirement plan, salary, promotion opportunities, and insurance coverage. These contribute to the employee's sense of being valued, secure, and recognized.
2. **Working Conditions** – This refers to the physical characteristics of the workplace that can impact human health, such as job hazard levels and environmental features (lighting, temperature, humidity, and noise levels).
3. **Job Content** – This relates to the nature of the work itself and the tasks employees are expected to complete. It is crucial for employees to have clearly defined responsibilities, with no ambiguity in managerial communication, and for tasks to be well-matched to their capabilities—neither excessively difficult nor overly simplistic. Additionally, the absence of monotony—repetitive performance of the same tasks—contributes to satisfaction.
4. **Human Relations at Work** – This refers to interpersonal dynamics within the workplace, particularly the employee's relationships with colleagues and supervisors. The presence of

positive relations, a sense of belonging to a group, and a collaborative atmosphere are major sources of either satisfaction or dissatisfaction.

5. **Organizational Work Framework** – This involves how the institution is managed, including interdepartmental relationships, communication flows, decision-making processes, implementation of control mechanisms, and the provision of raw materials and supplies.

Methodological Procedures:

Study Population and Sample:

The population of this study comprises employees from the following Algerian economic institutions: Naftal, the Electricity and Gas Distribution Company, Agrodiv Cereal Company, and the National Company of Electronic Industries (ENIE).

A random sample was drawn from this population, encompassing various levels of human resource personnel, including department heads and staff members. The total sample size consisted of 80 respondents.

Table 1: Demographic Characteristics of the Sample

Demographic Characteristics		**Frequencies**	**Percentage**
	Under 25 years	4	5.0%
	25–34 years	17	21.3%
	35–44 years	25	31.3%
	45–54 years	25	31.3%
	55 years and over	9	11.3%
Gender	Male	52	65%
	Female	28	35%
Education Level	Secondary	14	17.5%
	University	54	67.5%
	Other types of training	7	8.8%
Professional Experience	1–4 years	17	21.3%
	5–9 years	14	17.5%
	10–14 years	15	18.8%
	15–19 years	17	21.3%
	Over 20 years	17	21.3%

Source: Prepared by the researchers based on the output of spss version23

Study Instruments:

To answer the research questions and test the study hypotheses, the primary data collection instrument used was a questionnaire. The questionnaire was divided into three main sections:

- **Section One: Demographic Characteristics** – including gender, age, education level, and professional experience.
- **Section Two: Independent Variables Related to the Study's Themes**, which is subdivided into two parts:
    - *Part One* focuses on both monetary and non-monetary incentives and includes 18 items, categorized as follows:
        - Non-monetary incentives: Items 1 to 9

- Monetary incentives: Items 10 to 18
  - *Part Two* addresses the dependent variable, job satisfaction, and includes 8 items.
- **Section Three: The Impact of Incentives on Job Satisfaction**, consisting of 10 items.

Responses were assessed using a five-point Likert scale. Each item was rated on the following agreement scale:

Table 2: Likert Scale Interpretation

Response	Agreement Level	Scale Range
Strongly Disagree	1	1.00 – 1.80
Disagree	2	1.81 – 2.60
Neutral	3	2.61 – 3.40
Agree	4	3.41 – 4.20
Strongly Agree	5	4.21 – 5.00

The study also employed both descriptive and inferential statistical analysis techniques. Descriptive methods included frequency distribution, mean, standard deviation, and coefficient of variation. Inferential methods included Cronbach's alpha coefficient, simple linear regression, and ANOVA.

A. Validity and Reliability of the Research Instrument:
To ensure the validity of the questionnaire items, the following procedures were adopted:
1. Internal Consistency Validity of the Incentive Scale:

Table 3: Internal Consistency Validity Results for the Incentive Scale

Item	Dimensions		Correlation with Total Score
	Non-monetary	Monetary	
The organization encourages and appreciates its employees	0.761**		0.707**
The organization provides promotion opportunities	0.756**		0.666**
Outstanding employees benefit from training programs	0.719**		0.647**
The organization allows employees to participate in decision-making	0.809**		0.794**
The organization allows employees to participate in decision-making	0.676**		0.667**
Your relationship with colleagues and supervisors is good	0.577**		0.526**
The organization provides a safe working environment	0.535**		0.421**
You benefit from exceptional leave and medical absences	0.676**		0.659**
There are breaks during work	0.578**		0.591**

Item	Dimensions		Correlation with Total Score
	Non-monetary	Monetary	
The organization offers good salaries to motivate employees		0.735**	0.682**
The organization provides health insurance		0.550**	0.567**
You benefit from periodic bonuses (performance-based)		0.578**	0.555**
The organization offers exceptional financial bonuses		0.836**	0.776**
You benefit from transportation services provided by the organization		0.499**	0.427**
The organization offers financial facilities such as loans		0.817**	0.759**
You receive financial rewards for overtime		0.842**	0.794**
The organization allocates a percentage of annual profits		0.632**	0.647**
Tools and equipment help you perform your tasks		0.516**	0.552**

Note: (0,01=)\(0,05=*)** *Source: Prepared by the researcher based on SPSS v23 output*

As shown in Table 3, the correlation coefficients between the items and the total scores of the incentive scale ranged from 0.42 to 0.84, all statistically significant at the 0.01 level. This indicates good internal consistency validity for the incentive scale.

2. Internal Consistency Validity of the Job Satisfaction Scale:

Table 4: Internal Consistency Validity Results for the Job Satisfaction Scale

Item	Correlation with Total Score
You are seeking to work in another organization	0.775**
The workload does not cause you stress	0.628**
Your job enables you to achieve your ambitions	0.640**
The job provides opportunities for career development	0.603**
You have frequent absences	0.892**
You often arrive late to work	0.861**
You feel bored at work	0.740**
You look forward to early retirement	0.489**

Note: (0,01=)\(0,05=*)** *Source: Prepared by the researchers based on SPSS v23 output*

As seen in Table 4, the correlation coefficients for the job satisfaction items ranged from 0.48 to 0.89, all statistically significant at the 0.01 level, confirming strong internal consistency validity.

B. Reliability of the Research Instrument:
Reliability refers to the stability and objectivity of the instrument—meaning an individual would obtain the same score and results even if the instrument were reapplied under the same conditions at a different time. To measure reliability, Cronbach's Alpha coefficient was employed.

Table 5: Cronbach's Alpha Reliability Results for the Incentive Scale

Variables	Number of Items	Cronbach's Alpha Coefficient
Non-monetary Incentives	09	0.859
Monetary Incentives	09	0.841
Total Incentive Scale	18	0.838

Source: Prepared by the researchers based on SPSS v23 output

As indicated in Table 5, the total Cronbach's Alpha for the incentive scale was 0.83, signifying good reliability. The sub-dimensions also showed strong reliability, with 0.85 for non-monetary incentives and 0.84 for monetary incentives.

Table 6: Cronbach's Alpha Reliability Results for the Job Satisfaction Scale

Variables	Number of Items	Cronbach's Alpha Coefficient
Total Job Satisfaction Scale	08	0.900

Source: Prepared by the researchers based on SPSS v23 output

As shown in Table 6, the Cronbach's Alpha for the job satisfaction scale was 0.90, indicating excellent reliability at the 0.01 level.

Statistical Analysis
1. Discussion and Interpretation of the First Hypothesis:
The first hypothesis posits that an incentive system is implemented within Algerian economic institutions. To verify the validity of this hypothesis, the mean and standard deviation were calculated. These statistical measures help assess whether such a system exists.

Table 7: Responses of the Study Sample on the Dimensions of Monetary and Non-Monetary Incentives

Variable	Sample Size	Mean (Likert Scale)	Standard Deviation	General Trend
Non-monetary Incentives	80	3.756	0.888	Agree
Monetary Incentives	80	3.601	1.003	Agree
Total Incentive Score	80	3.678	0.946	Agree

Source: Prepared by the researchers based on the output of spss version23

As indicated in Table 7, the calculated means for non-monetary and monetary incentives were 3.756 and 3.601, respectively. These fall within the range of 3.41–4.20 on the five-point Likert scale, confirming the presence of both types of incentive systems in the economic institutions under study. The general trend among respondents was "Agree," indicating their acknowledgment of such systems.

Non-monetary incentives recorded the highest mean among the three variables, suggesting a consensus among employees regarding the existence of non-financial rewards such as recognition, respect, promotions, and encouragement. The relatively low standard deviation of 0.888 indicates a high level of agreement among respondents on this dimension.

The mean for monetary incentives points to a relatively satisfactory application of financial incentives like salaries, bonuses, and grants. However, this mean is slightly lower than that of non-monetary incentives, indicating comparatively lower satisfaction and higher expectations among employees regarding financial rewards. The standard deviation for this variable, 1.003, is higher, suggesting greater variability in employee opinions—some may receive substantial financial incentives, while others may not.

The overall mean score for the incentive dimension was 3.678, reflecting a generally positive perception among employees regarding the incentive system. The standard deviation of 0.946 suggests a moderate level of variation in responses.

Interpretation:
The results indicate that the economic institutions studied show a relative concern for both types of incentives—monetary and non-monetary. This is a positive finding, as it aligns with contemporary human resource management theories that advocate for a combined use of both incentive types to enhance employee performance.

However, there is a slight predominance of non-monetary incentives, which can be interpreted as a reflection of the relative ease and lower cost of implementing such incentives. The field study revealed that most of the institutions maintain a positive working environment, characterized by mutual understanding and respect among employees.

The variation observed in the assessment of monetary incentives suggests that some employees may not be receiving adequate financial rewards. These rewards may also be perceived as unfair or inconsistent. This disparity can be attributed to differences in the administrative levels of the respondents surveyed.

2. Discussion and Interpretation of the Second Hypothesis:
This hypothesis suggests that employees in Algerian economic institutions experience job satisfaction.

Table 8: Responses of the Study Sample on the Job Satisfaction Dimension

Variable	Sample Size	Mean (Likert Scale)	Standard Deviation	General Trend
Job Satisfaction	80	2.933	1.126	Neutral

Source: Prepared by the researchers based on the output of spss version23

As shown in Table 8, the mean score for the job satisfaction dimension is 2.933, which falls within the range of 2.61–3.40 on the five-point Likert scale. This indicates that respondents tend to express a neutral stance in evaluating their job satisfaction. Although the mean is slightly below 3.0, suggesting a mild leaning toward dissatisfaction, the difference is not significant.

The recorded standard deviation of 1.126 indicates a moderate to high level of dispersion in the responses, meaning that employee opinions on job satisfaction vary considerably. A higher standard deviation reflects broader differences in individual experiences—some employees report satisfaction, while others do not.

Interpretation:
This outcome can be interpreted as a balance between motivating and demotivating factors within the workplace environment. Personal expectations vary—some employees prioritize stability, while others seek promotion or financial incentives. When these expectations are unmet, certain individuals may feel dissatisfied, while others may remain content under the same circumstances.

For instance, newer employees may exhibit higher enthusiasm or be less aware of institutional shortcomings. The study sample shows that 21.3% of respondents have 1–4 years of experience, while the largest percentage comprises those with 14 to over 20 years of experience—individuals who may have higher expectations or be more critical.

Additionally, working conditions vary across institutions. Workload disparities even within the same organization can influence satisfaction. Some employees may face more pressure—such as those at the Céréal de l'Ouest subsidiary of the Agrodiv Group—or work in less supportive environments like the National Company of Electronic Industries (ENIE), which negatively impacts their job satisfaction.

Conversely, some employees, such as those at Naftal or the Electricity and Gas Distribution Company, perceive growth opportunities within their organizations. Others, particularly at ENIE or Agrodiv, may not see a clear path for advancement, contributing to reduced satisfaction levels.

Discussion and Interpretation of the Third Hypothesis:
This hypothesis states that incentives influence the achievement of job satisfaction among individuals in the economic institutions studied. Two sub-hypotheses are derived from this main hypothesis:

- **Sub-Hypothesis 1:** Non-monetary incentives influence job satisfaction among individuals in the studied economic institutions.
- **Sub-Hypothesis 2:** Monetary incentives influence job satisfaction among individuals in the studied economic institutions.

To test this hypothesis, the relationship between the two variables—**incentives** and **job satisfaction**—was examined using the following table:

Table 10: Pearson Correlation Coefficient Between Incentives and Job Satisfaction

	Incentives	
Job Satisfaction	Pearson Correlation Coefficient **	0.654**
	Significance Level (SIG)	0,00
	Level of Significance	0,01

Source: Prepared by the researcher, based on SPSS v23 outputs

As shown in Table 10, there is a statistically significant correlation between incentives and job satisfaction. The Pearson correlation coefficient value of **0.654** indicates a **relatively strong positive relationship** between the implementation of incentive systems and the achievement of job satisfaction. This correlation is statistically significant at the **0.01** level, confirming the hypothesis that incentives play a significant role in influencing employee satisfaction within the institutions under study.

2. Examining the Effect of Incentives on Job Satisfaction

Testing the First Sub-Hypothesis: Non-monetary incentives influence job satisfaction in the studied economic institutions.

Table 11: Results of the Analysis of the Effect of Non-Monetary Incentives on Job Satisfaction

	Job Satisfaction						
Non-monetary Incentives	Pearson Correlation (R)	Coefficient of Determination (R^2)	Regression Coefficient (B)	F Value (ANOVA)	t Value	Significance Level (Sig.)	Significance Threshold
	0.515	0.265	0.678	28.088	5.300	0.00	0.01

Source: Prepared by the researchers based on the output of spss version23

Interpretation:

- The results in Table 11 indicate a statistically significant effect of non-monetary incentives on job satisfaction at the 0.01 level of significance. The Pearson correlation coefficient (R) is **0.515**, representing a **moderate and positive** correlation—suggesting that increases in non-monetary incentives are associated with higher levels of job satisfaction.
- The **coefficient of determination (R^2)** is **0.265**, which means that **26.5% of the variation in job satisfaction** can be explained by changes in non-monetary incentives. While this is not a dominant proportion, it is statistically significant and confirms that non-monetary incentives are a key influencing factor—though not the only one.
- The **regression coefficient (B)** is **0.678**, implying that for every one-unit increase in non-monetary incentives, job satisfaction increases by 0.678 units. This positive value indicates a direct and relatively strong impact.
- The **F-value (28.088)**, used to test the overall validity of the regression model, is relatively high, indicating that the model is statistically significant—confirming a real effect of non-monetary incentives on job satisfaction. Additionally, the **t-value (5.300)** is statistically significant, and the **significance level (Sig.) is 0.00**, which is below the 0.01 threshold, further affirming the validity of the model and the hypothesis.

This model demonstrates that non-monetary incentives are a statistically significant and influential factor in enhancing employee job satisfaction. Although the strength of the relationship is moderate, its statistical significance confirms the validity of the hypothesis: *Non-monetary incentives influence job satisfaction in Algerian economic institutions.*

Examining the Effect of Monetary Incentives on Job Satisfaction

Testing the Second Sub-Hypothesis: Monetary incentives influence job satisfaction among individuals in the studied economic institutions.

Table 12: Results of the Analysis of the Effect of Monetary Incentives on Job Satisfaction

	Job Satisfaction						
Non-monetary Incentives	Pearson Correlation (R)	Coefficient of Determination (R^2)	Regression Coefficient (B)	F Value (ANOVA)	t Value	Significance Level (Sig.)	Significance Threshold
	0,711	0,506	0,828	79,900	8,939	0,00	0,01

Source: Prepared by the researchers based on the output of spss version23

Interpretation:

- As shown in Table 12, there is a statistically significant effect of **monetary incentives** on job satisfaction at the 0.01 significance level. The Pearson correlation coefficient of **0.711** reflects a **strong positive relationship**, indicating that improvements in monetary incentives lead to a clear increase in employee satisfaction. This finding is consistent with major motivational theories (e.g., Maslow's Hierarchy of Needs, Herzberg's Two-Factor Theory), which emphasize the essential role of financial rewards.

The **coefficient of determination (R^2)** is **0.506**, meaning that **50.6% of the variation in job satisfaction** can be explained by changes in monetary incentives. This indicates that financial incentives play a significant role in influencing job satisfaction.

The **regression coefficient (B)** of **0.828** suggests that a one-unit increase in the level of monetary incentives results in a **0.828 unit increase in job satisfaction**. This high value indicates not only the presence of an effect but also its substantial strength.

The **F-value** of **79.900**—much higher than the critical F-value—demonstrates that the overall regression model is statistically significant, confirming differences among groups. Furthermore, the **t-value** of **8.939** is statistically significant, and the **significance level (Sig.)** of **0.00** confirms the reliability of the model at the 0.01 level.

These results confirm that monetary incentives have a strong and statistically significant impact on job satisfaction. The model is valid for testing the hypothesis, and thus, the hypothesis that *monetary incentives influence job satisfaction among employees in Algerian economic institutions* is supported.

Conclusion:

Although non-monetary incentives are more favorably perceived in terms of general sentiment (as reflected by a higher mean score), monetary incentives exert a greater causal and analytical impact on shaping job satisfaction. The findings of the study reveal a distinct difference in how each type of incentive—monetary and non-monetary—affects job satisfaction, both from a descriptive and a statistical standpoint.

Descriptive analysis showed that the mean score for non-monetary incentives was **3.756**, higher than that for monetary incentives (**3.601**), suggesting that employees feel relatively more satisfied with non-monetary rewards. However, the standard deviation for monetary incentives (**1.003**) was higher than for non-monetary ones (**0.888**), indicating greater variability in how monetary incentives are perceived by employees.

In terms of causal analysis, the results demonstrated that monetary incentives have a **stronger and more statistically significant impact** on job satisfaction compared to non-monetary incentives. The Pearson correlation between monetary incentives and job satisfaction was **0.711**, compared to **0.515** for non-monetary incentives—indicating a strong positive relationship in the former and a moderate one in the latter.

Furthermore, the coefficient of determination revealed that monetary incentives explain **50.6%** of the variation in job satisfaction, while non-monetary incentives account for only **26.5%**, underscoring the more substantial influence of financial factors. This finding is reinforced by the higher F and t values in the monetary incentive model (**F = 79.900**, **T = 8.939**) compared to the non-monetary model (**F = 28.088**, **T = 5.300**), with both models statistically significant at the **0.01** level.

Based on the above, it can be concluded that while employees tend to *emotionally appreciate* non-monetary incentives, it is *monetary incentives* that serve as the **stronger driver of tangible and measurable job**

satisfaction. Therefore, the optimal human resource strategy would involve a **balanced approach** that integrates non-monetary motivation as a tool for fostering loyalty and belonging, alongside monetary incentives as a core element in enhancing job stability and satisfaction.

Key Findings of the Study:

- **Monetary incentives** are among the most influential factors in job satisfaction, accounting for more than half of the variability in satisfaction levels.
- **Improving financial policies**—such as salaries, bonuses, and rewards—directly enhances employee satisfaction and productivity, especially in institutions like **Agrodiv** and **ENIE**.
- From a managerial and economic standpoint, organizations should pay **special attention to financial rewards** as part of an integrated employee motivation strategy.
- **Enhancing non-monetary incentives**, such as recognition, appreciation, and performance-based promotions.
- **Implementing continuous non-monetary development programs** within the studied economic institutions.
- **Aligning incentives with employee needs** to ensure relevance and effectiveness.
- **Fairly linking incentives to performance**, thereby fostering a merit-based culture.
- **Customizing incentives** according to job nature and employee level.

While incentives positively impact job satisfaction in economic institutions, their effect is **not optimal or comprehensive**. It is therefore recommended that incentive systems be reviewed and **adapted to the specific characteristics of each job category** to maximize satisfaction and performance.

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