

# **The impact of the Developed incentives system on the performance of the lending staff working in the Palestinian Company for Credit and Development**

## **Case Study - Faten Company**

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### **Abstract**

The study aimed to reveal the effect of the developing incentives system on the performance of the lending staff of the Palestinian Association for Credit and Development (FATEN) in its branches in the West Bank (Jenin, Attil, Tubas, Nablus, Ya'abd, A'skar, Badia and Qabatiya).

The data were processed using the appropriate statistical methods, using the (SPSS) program. The frequency distributions were calculated to illustrate the distribution of the sample members by demographic variables. The Pearson correlation coefficient was calculated to measure the correlation between developed incentives system and lending staff performance. T- test was used to examine the hypotheses according to the variables (gender and scientific qualification). One –Way Anova test was used to examine hypotheses by variables (years of experience, branch, specialization, and salary).

Results of the study showed significant differences between the recent incentive systems and the developed one to the favor of the developed incentives.

Also performance level of employees under the old incentives is weak. It is noted that the rate of loans issued monthly in all the branches applied in the study were about (289) loans, and the rate of loans Kiva (15) loan per month, while the level of performance of employees under The incentives system are very good. It is noted that the rate of loans issued monthly in all the branches applied by the study amounted to (364) loans, and the rate of loans Kiva (41) loans per month.

However as significant increase in the performance of employees after the development of the incentives system developed according to the standards adopted by the institution, where the percentage increase in the number of issues (19%), and the increase in the loans of Kiva (170%) than existed under the existing incentives, There has been a marked improvement in the value of total incentives system in favor of improved incentives system. The incentive rate for each employee rose from \$ 96.8 per month in the old incentive system to \$ 169.5 per month in the developed one, therefor the monthly increase 75 % per employee.

The results showed that there was a statistically significant positive effect on the developed incentives to improve performance. The coefficient was significantly increased from (0.002) under the recent incentives system to (0.034) under the developed one. Also there were significant correlation between developed incentives system and the level of performance of Lending staff after the development of the new incentives in the Palestinian development Lending company (FATEN), the pearson correlation coefficient was (0.183).

There were no differences in the level of performance of the lending staff after the development of the incentives system due to the demographic variables (gender, qualification, specialization, years of experience, salary). while there was significant difference to branch variable.

The study recommended to (FATEN) mangement to conduct continuous assessments of the employees performance level, because this helps to detect any gap or weakness in the incentives system used. It also recommended the importance of involving staff in expressing their views on any change or modification of the system, howeveer this let them feel that they are part of the decision makers and motivate them to innovate ideas.