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Effect of Extrinsic Motivation on Employee Performance in Medium Class Hotels in Kisumu City, Kenya

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Abstract
The purpose of the study was to determine the effects of extrinsic motivation on employee performance in medium class hotels in Kisumu city, Kenya. The specific objectives of the study were to examine the effects of working conditions, incentives and interpersonal relations on employee performance. The study adopted survey research design. The target population was the employees in medium class hotels. Simple random sampling and stratified sampling were used. Questionnaires were the research instruments used. Descriptive and inferential statistics (Pearson product moment and multiple regression) were used to analyze data. Results revealed that there is no single set of extrinsic motivation that leads to effective performance and, therefore, combinations of extrinsic motivation are required to ensure effective performance. It may also be concluded that improved extrinsic motivation significantly (P=0.05) improves employee performance at work especially in medium class hotels. This implies that managers should increase extrinsic motivation to increase employee performance.
Keywords: Extrinsic Motivation, Employee Performance, Medium Class Hotels

1.0 Introduction

The hotel industry is a significant part of the tourism industry world wide and its employees play a key role in delivering the service to customers. The motivation of employees, whether professional, skilled or unskilled, is a major issue in all service organizations. For the hotel industry, employee motivation is a major issue. It is a challenge for the hotel industry to motivate employees, to stay on the job, and to offer the efficient, good service which customers expect. The purpose of this study was to determine the effect of employee extrinsic motivation on employee performance in medium class hotels. There has been little emphasis to determine the effects of extrinsic motivation practices on employee performance in the hotel industry within Kisumu city in Kenya. Inadequate motivation in medium class hotels in Kisumu city is not fully addressed; opportunities for profitable investment, success or high productivity may not be met by the hotels at the end of a set period without adequately addressing employee motivation. In Kenya, the hotel industry is one of the major industries that play an important role the country's socioeconomic development.

Whereas the performance of hotels is hinged on provision of quality service to customers, the challenge is to create motivated employees who can facilitate that endeavour. Therefore, job satisfaction plays a key role in the hotel industry (Dalton, 2003). Hence there is need for this study to determine the effect of extrinsic motivation on employee performance in medium class hotels. Satisfied employee can provide good service for customers, thus increasing their loyalty to the hotel; as the customer is the most important key to organizational performance in the hotel industry.

The hotel industry depends on employees to achieve their goals, implying that managers must consider employee job satisfaction because employee job satisfaction is related to service quality and work performance. Therefore, hotels must attract, develop, motivate and retain satisfied employees. This requires managers' deeper understanding regarding the employee needs, aspirations, attitudes and concerns. Hence need to study on the appropriate extrinsic motivation that enhances employee performance in medium class hotels.

2.0 Theory

Having an efficient performance management process and tools is essential for employee motivation for high performance. Yet this is not an adequate condition for effective performance management. The most vital issue with any performance management system is how seriously it is taken and how devotedly it is used by managers and employees (Pulakos, 2009). It is therefore of great concern to hotel management to develop cheap yet effective extrinsic motivation to improve help in enhancing employee performance hence increasing profitability and productivity. Hence there is need to determine the effect of working conditions on employee performance. Performance management is all about perfection, synchronizing, upgrading to create value for and from customer with the result of economic value creation to stockholders and owners. The extent of performance management is apparently very broad, which is why performance management must be viewed within an enterprise as a tool to improve on employee motivation for high performance (Cokins, 2009). Once you have an adequate mastery of what the job requires, you have the basis for assessing and improving performance. When

this is lacking it results to a missing link in evaluating employee performance and the possibility of improving on the employee performance within the company or organization. Furthermore, there is also the missing link in assessing employee's performance in relation to other colleagues within the same job description (Robert, 2003).

Motivation is thusly manifested by attention, effort, and persistence. The ability to measure factors that energize, channel, and sustain work behaviour over time (Steers et al., 2004), is essential for capturing employee motivation and for developing interventions aimed at enhancing motivation, and in turn, job satisfaction and performance. To date, most research on the influence of individual factors in work motivation has investigated differences that can be captured through self-report measures of personality, affect, interests, and values (Kanfer et al., 2008). Motivation distinguishes between two types of individual motivation these are intrinsic and extrinsic (Husted, Michailova, & Minbaeva, 2005). Motivation "refers to intrinsic factors that impel action and to extrinsic factors that can act as inducements to action" (Locke & Latham, 2004; Shih, 2006). Accordingly extrinsic motivation is defined when a person is engaged in a task for instrumental reasons that is, for a reward, to avoid a punishment, to increase self-worth, or to achieve a meaningful goal. Examples of extrinsic factors are programs and inducements such as rewards, compensation, remuneration schemes, career systems, public and peers recognition (Galia, 2007). Extrinsic motivation can be explained by expectancy (Shih, 2006).

Once extrinsic motivation is introduced, it becomes associated with the activity as a reason for pursuing that activity (Bajaj, 2003). The work environment is a major determinant in employee engagement or disengagement. A study by Roelofsen (2002) indicates that improving the working environment reduces complaints and absenteeism while increasing productivity. There is adequate empirical evidence linking workplace conditions to job satisfaction (Wells, 2000). Hence this study focuses on the relationship between working conditions and employee performance in hotels. In recent years, employees comfort on the job, determined by workplace conditions and environment has been recognized as an important factor for measuring their productivity. The current economic development witnessed in Kenya has triggered rapid development of the hotel industry. The rapid expansion has also generated a lot of internal management problems with consequent effects on employee job satisfaction. Employee job satisfaction affects the quality of service in the hotel industry with a consequent effect on the degree of customer satisfaction. Therefore, efforts to improve employee job satisfaction can create satisfied employees with a positive effect on customer satisfaction. The hotel industry in Kenya experiences a number of employee related challenges including high rate of absenteeism, low morale and turnover among others; all reminiscent of low employee satisfaction levels. Studies on employee job satisfaction are particularly useful. Organizations must know how to manage a diverse group of workers because as this will aid in recruitment and retention of talented employees and ensure high levels of job satisfaction.

Heartfield (2012) argues that in order to create an environment for employee satisfaction, it is vitally important to know which factors most affect their satisfaction. Therefore there is need to determine the effect of various extrinsic factors (incentives, working conditions and interpersonal relations among others) on employee performance. Employee motivation in the restaurant industry is vital to the future success of restaurant organizations because if recognized correctly, managers can avoid the high costs associated with turnover (Dermody, Young, & Taylor, 2004). While competition is steady with other industries to attract and retain workers to meet the demand of consumers, restaurant employers need to gain a better understanding of what motivates their workers in order to prevent the high costs associated with turnover; managers must attempt to understand what motivates their hourly employees (Dermody, Young, & Taylor, 2004). Enz (2001) suggests that the number one problem in the hospitality industry is the care and motivation of human capital. Unfortunately, service industry jobs are generally high stress and low pay; these are facts that work against employee motivation (Stamper & Van Dyne, 2003).

An employee reward system comprises of an organization's incorporated policies, processes and practices for rewarding its employees in harmony with their contribution, skills and competence, and their market worth. It emerges within the framework of the organization's reward philosophy, strategies and policies. The reward systems of employees has arrangements in the form of processes, practices, structures and procedures which will provide and maintain appropriate types and levels of pay, benefits and other forms of reward. The reward system consists of financial rewards (fixed and variable pay) and employee benefits, which together comprise total compensation. The system also incorporates non-financial rewards (recognition, praise, achievement, responsibility and personal growth) and in many cases, performance management processes (Armstrong, 2006).

An organization's reward system is the way by which it encourages and discourages certain characteristics of the employees. The most important machinery of the reward system includes salaries, bonuses and privileges. The reward system as a means to support innovation by employees is a fairly mechanical but nevertheless effective

management technique. Once the members of an organization understand that they will be rewarded for such activities, they are more likely to work creatively. The initiative to provide financial and non-financial rewards to people and groups who develop innovative ideas is important for organizations. But it is equally vital to avoid punishing creativity when it does not result in highly successful innovation (Griffin, 2006). Reward systems are necessary because they give preference to service over self-interest. It also means there need to be an equitable distribution of wealth. One test of equity is how well to affirm the fact that the success of the institution is in the hands of people at each level. An institution's wealth and value, in the broadest sense, is then a community creation (Block, 2005). Money is the most obvious extrinsic reward. Money acquires significant motivating power because it comes to symbolize so many intangible goals. It acts as a symbol in different ways for different people and for the same persons at different times. Money can provide positive motivation in the right circumstance, not only because people need and want money but also because it serves as a highly tangible means of recognition. Money can be considered as "scorecard" through which employees can evaluate how much an organization values them. Therefore there is need for medium class hotels to consider other non-financial incentives such as sick pay, staff holidays, staff transport, leave, free housing among others hence need to examine the effect of incentives on employee performance in Medium class hotels.

3. Materials and methods

3.1. Research design

Survey design was employed because it is perceived to be authoritative by people in general and is easily understood. It can therefore result in valuable findings if correct procedures are followed (Patton, 2002).

3.2. Sampling Procedure

The stratified random sampling was used to select subordinate employees in relation to their departments. Stratified random sampling ensured the inclusion in the sample of the subgroup, which would be otherwise entirely omitted by other sampling methods because of their small numbers in the population (Mugenda and Mugenda, 2003). Simple random sampling was used to select the subordinate employees to participate in the study.

3.3. Validity and Reliability of Research Instruments

According to Patton (2002) validity is the extent to which an instrument asks the right questions in terms of accuracy. Validity is the degree to which the results obtained from the analysis of the data actually represent the phenomenon under study (Mugenda and Mugenda, 2003). Pre-testing was done to test the validity of the research instruments. The questionnaire was pre-tested on 10 respondents in Golf Hotel in Kakamega town. The reliability of the research instruments was measured using the Cronbach Coefficient Alpha (α). A reliability coefficient of 0.7 or over was assumed to reflect the internal reliability of the instruments (Fraenkel and Wallen, 2000). This is because likert scale type of questions are best tested for reliability using Cronbach Coefficient Alpha which combines all items and advices on which items to discard if it does not capture what is intended to capture (Neuman, 2000).

3.4. Data analysis

The quantitative research method was used to analyze the data. The data was analyzed using descriptive statistics and inferential statistics. The descriptive statistics were presented in form of frequency distributions and percentages. Inferential statistics were used to test the hypotheses. Analysis, particularly in case of survey or experimental data, involves estimating the values of unknown parameters of the population and testing of hypotheses for drawing inferences (Kothari, 2008).

3.4.1. Factor analysis

Factor analysis was used to reduce attributes from a larger number of variables to a smaller and manageable number of factors/items, prior to using in them in other analysis (correlation and multiple regression). The derived factors scores were then applied in subsequent correlation and regression analysis. Factor analysis is a multivariate method of analysis that attempts to identify underlying variables or factors that explain the pattern of correlations within a set of observed variables. Kaiser-Meyer-Olkin was used to measure sampling adequacy and Bartlett's test of sphericity. A factor's eigenvalue was computed as the sum of its squared factor loadings for all the variables. The eigenvalue for the given factor was used to measure the variance in all the variables which was accounted for by the factors. In this study, only factors with an eigenvalue >=1 and a factor loading > 0.4 were retained. The factor analysis was done on employee performance and extrinsic motivation (working conditions, incentives and interpersonal relations). To test the reliability (internal consistency) of each factor, the Cronbach's Alpha coefficient of each factor was determined.

3.4.2. Correlation

Pearson product correlation coefficients (r) can take on value from -1 to +1. The sign of r indicates whether there

is a positive correlation (as one variable increase so too does the other) or a negative correlation (as one variable increases, the other decreases). Pearson product moment was used to test the following hypotheses: $H_0$1 there is no significant relation between working conditions and employee performance, $H_0$2 there is no significant relationship between incentives and employee performance and $H_0$3 there is no significant relationship between interpersonal relations and employee performance.

3.4.3. Multiple regression

According to Tabachnick and Fidell (2001) multiple regression tells how well a set of variables is able to predict a particular outcome. A linear regression analysis was conducted to determine whether a group of independent variables (working conditions, incentives and interpersonal relations) were the best predictors of dependent variable (employee performance). In the regression analysis all extrinsic variables were used as independent variables and 7 items for measuring employee performance were used as the dependent variable. The R and R^2 were got from running linear multiple regression. The R was run to gauge how well the model predicts the observed data. The R^2 was run to determine the amount of variation in the outcome variable that is accounted for by the model or it indicated how all the predictors in the model accounted for dependent variable (employee performance). The adjusted R^2 was run to give an idea of how well the model generalizes and ideally, its value would be the same or close to R^2 (0.539).

4. Results

4.1. Factor analysis results on employee performance

The KMO measure of sampling adequacy indicated a β value of KMO= .523 indicating that the sample size was adequate for the variables entered into analysis and Bartlett's Test of Sphericity indicated a Chi- Square value greater than the table values. The Bartlett's Test of Sphericity was significant X^2=480.983, df =21, P<0.000, implying that the factor analysis was appropriate for the study and there was a relationship among the variables.

INSERT TABLE 1 HERE

Although fourteen factors were computed, not all fourteen factors were useful in representing a list of fourteen variables. Using the criterion of retaining only factors with eigenvalues of 1 and above (Table.1), the first 3 factors were retained for rotation. These three factors account for 31.693%, 27.197%, and 16.255% of the total variance, respectively. That is almost 75.15% of the total variance attributable to these three factors. The remaining eleven factors together account for only 24.85% of the variance. Thus, a model with three factors may be adequate to represent the data. From the Scree plot, it again appears that a three factor model should be sufficient to represent the data set. The total variance results suggest that employee feedback is the principal component of employee performance hence medium class hotels should emphasize on employee feedback for higher performance.

INSERT TABLE 2 HERE

The rotated component matrix presents the three factors after varimax rotation. The clustering of the items in each factor and their wording offer the best clue as to the meaning of that factor (Table. 2). These three components solution explained a total of variables grouped into each of the three principal components (factors). Components: 1- employee feedback; 2- employee appreciation; and 3- timeliness. The results of this analysis support the use of positive effect items and the negative effect items as separate scales. The components were rotated using Varimax Criterion to reduce the multi- collinearity and hence account for 100% of the variance.

4.1.1. Factor analysis results on extrinsic motivation

The Kaiser- Meyer- Olkin was above the required value of 0.5 (KMO= 0.648) indicating that the sample size was appropriate for the variables entered into analysis and Bartlett's Test of Sphericity was significant X^2=3958.083, df=231, p<0.001, implying that principal component analysis was relevant for the study and there was a relationship between variables.

The Chi- Square value was greater than the table value, therefore rejecting the null hypothesis that the variable correlation matrix is an identity matrix. These two tests provide a minimum standard which should be passed before any principal component analysis or factor analysis is conducted (Kothari, 2008).

INSERT TABLE 3 HERE

Although twenty eight factors were computed, that not all twenty eight factors were useful in representing the list of twenty eight variables. Using the criterion of retaining only factors with eigenvalues > 1, the first 6 factors were retained for rotation.

These six factors (Table. 3) account for 29.957%, 21.455%, 9.663%, 8.067%, 6.611, and 4.574% of the total variance, respectively. That is almost 80.33% of the total variance attributable to these six factors. The remaining twenty two factors together accounts for only approximately 19.67% of the variance. Thus, a model with six factors may be adequate to represent the data. From the Scree plot, it again appears that a six factor model should be sufficient to represent the data set. The results suggest that interpersonal relations are the principal component hence it should be enhanced to increase employee performance.

INSERT TABLE 4 HERE

The rotated component matrix presents the six factors after varimax rotation. The clustering of the items in each factor and their wording offer the best clue as to the meaning of that factor. These six components solution (Table.4) explained a total of variables grouped into each of the six principal components (factors). Components: 1- employee interpersonal relations; 2- employee incentives; 3- employee better placement; 4- tangible recognition ; 5- intangible recognition 6- better environment. The results of this analysis support the use of positive effect items and the negative effect items as separate scales. The components were rotated using Varimax Criterion to reduce the multi- collinearity and hence account for 100% of the variance.

4.2. Pearson product moment Correlation coefficient (r)

INSERT TABLE 5 HERE

The Pearson correlation was used to test the relationship (Table. 5) between employee performance (Y) and extrinsic motivation (working conditions (X_1), incentives (X_2), and interpersonal relations (X3). The working conditions and employee performance is positive and statistically significant (r =.092, P= .010). The incentives are positive and statistically significant to the employee performance (r = .691, P= .000). The interpersonal relations are positive and statistically significant to the employee performance (r = .714, P= .000). This implies that as employee extrinsic motivation increases, so do their performance.

4.3. Multiple linear regression tests

The regression equation was found to have the best fit when the employee performance was regressed on the predictors which include extrinsic motivation (working conditions, incentives and interpersonal relations). From the model, R^2 = .539, an indication that all the predictors in the model account for 53.9% variation in enhancing employee performance. This shows that variation in employee's performance has been explained well by the predictors in the model.

The value of adjusted R^2 is .53.2, showing that, if the model was derived from the population rather than the sample it would account for approximately 53.2% less variance in employee performance. The change statistics were used to test whether the change in R^2 is significant using F- ratio. The model caused R^2 to change from zero to .539 and this change gave rise to an F- ratio of 71.463, which is significant ($P \leq .05$). The Durbin-Watson statistic was .560, meaning that the errors were independent.

The F- ratio was 45.694 which is likely to happen by chance and was significant ($P<0.05$). The model significantly improved the ability to predict the motivation factors enhancing employee performance. The study found a significant regression equation (F =45.746, p< 0.001). This shows that there was a linear relationship between the employee performance and the predictors (extrinsic motivation) in the population. Thus, the hypothesis that there is no linear relationship between the predictor and dependent variable is rejected. The model significantly improves the ability to predict the motivation factors enhancing employee performance. The study found a significant regression equation (F =45.746, p< 0.001). This means that there was a linear relationship between the employee performance and the predictors (extrinsic motivation) in the population. Thus, the hypothesis that there is no linear relationship between the predictor and dependent variable is rejected.

The analysis of variance was used to test whether the model could significantly fit in predicting the outcome than using the mean. The F- ratio represents the ratio of improvement in prediction that results from fitting the model, relative to the inaccuracy that exists in the model. The F- ratio was 45.694 which is likely to happen by chance and was significant ($P<0.05$). The model significantly improved the ability to predict the motivation factors enhancing employee performance. The study found a significant regression equation (F =45.746, p< 0.001). This shows that there was a linear relationship between the employee performance and the predictors (extrinsic motivation) in the population. Thus, the hypothesis that there is no linear relationship between the predictor and dependent variable is rejected.

INSERT TABLE 6 HERE

The coefficient table represents the standardized Beta coefficient between the predictor variable extrinsic motivation (working conditions, incentives and interpersonal relations) and dependent variable employee performance. The Beta coefficient (Table. 6) shows that there is positive and statistically significant at less than .001. Thus, the higher the extrinsic motivation the higher the employee performance, Beta (X_1) =-.064, t= -1.239, p = .000, Beta (X_2) = .321 t= 3.328, p = .001 and Beta (X_3) = .452, t= 4.740, p = .000. The constant and the ß coefficients were used to create the estimated prediction (regression) equation, which for this model is as follows: Y = .291+.174 + .1.014 + -.076* 2

INSERT A TABLE HERE

5. Discussion

This study supports Herzberg's two factor theory that states that the satisfaction of a need has one or two effects. It either causes employees to be satisfied with their jobs or it prevents employees from being dissatisfied with their jobs. Herzberg's hygiene needs (or maintenance factors) in the workplace are: policy, relationship with supervisor, working conditions, salary, company vehicles, status, security, relationship with subordinates, personal life (Breuning & Hoover,2000). Herzberg's research identified that true motivators were other completely different factors, notably: achievement, recognition, work itself, responsibility, advancement (Berman et al., 2006).

The first hypothesis, which states that working conditions, incentives and interpersonal relations have no effect on employee performance, was rejected. From the model, (R^2 = .539) an indication that all the predictors in the model account for 53.9% variation in enhancing employee performance. This shows that variation in employee's performance has been explained well by the predictors in the model.

The second hypothesis, which states that, working conditions have no effect on employee performance, was rejected. This shows that working conditions and employee performance is positively and significantly correlated (r =.092, P= .010) (2 - tailed) at 1% level of significance in medium class hotels in Kisumu City. This finding is inline with Roelofsen (2002) who indicates that improving the working environment reduces complaints and absenteeism while increasing productivity. The indoor environment has the biggest effect on productivity in relation to job stress and job dissatisfaction. This finding also agrees with Wells, 2000 who states that there is adequate empirical evidence linking workplace conditions to job satisfaction.

The third hypothesis, which states that, incentives have no effect on employee performance, was rejected. The incentives positively and significantly correlated to the employee performance (r = .691, P= .000) (2 - tailed) at 1% level of significance. These findings agree with Ian, Jim and Will (2004) who concurred that incentives should be incorporated to organization strategies a s seen as a technique which organization can apply in order to achieve higher productivity in accordance with goals.

The fourth hypothesis, which states that, interpersonal relations have no effect on employee performance, was rejected. This shows that. Interpersonal relations positively and significantly correlated to the employee performance (r = .714, P= .000) (2 - tailed) at 1% level of significance. This finding is inline with Crabtree, 2004; Ellingwood, 2004; Song & Olshfski, 2008 who states that valued work relationships can influence organizational outcomes by increasing institutional participation, establishing supportive and innovative climates, increasing organizational productivity and indirectly reducing the intent to turnover.

5.1. Conclusions

From the findings there was significant relationship between working conditions and employee performance. Therefore working conditions had effects on employee performance. The correlation results indicated that there was positive and significant relationship between incentives and employee performance. There incentives had effects on employee performance. The results revealed that there was significant relationship between interpersonal relations and employee performance. Therefore interpersonal relations had effects on employee performance.

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Appendix

Appendix: Tables for the results

Table 1: Principal component analysis of employee performance total variance explained in medium class hotels Kisumu city

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1.Employee feedback	2.219	31.693	31.693	2.219	31.693	31.693
2.Employee appreciation	1.904	27.197	58.890	1.904	27.197	58.890
3.Timeliness	1.138	16.255	75.145	1.138	16.255	75.145

Extraction Method: Principal Component Analysis.
Source: Survey Data, 2010

Table 2: Varimax rotation method of employee performance of rotated component matrix from medium class hotels

	Component		
	1	2	3
There is no employees self appraisal	.860		
Gossip and rumors exists among staff	.839		
How often do customers give tips for good service?	-.683		
Employees given gifts by the management?		.919	
Employees performance certificates		.896	
How often do employees report to work late?			.897
Employees leaving the job without notice			.699

Cronbach Alpha .655
Extraction Method: Principal Component Analysis. Rotation Method: Varimax
Source: Survey Data, 2010

Table 3: Principal component analysis of employee extrinsic motivation total variance explained from employees in hotel

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1.Employee interpersonal relations	6.591	29.957	29.957	6.591	29.957	29.957
2.Employee incentives	4.720	21.455	51.413	4.720	21.455	51.413
3.Employee better placement	2.126	9.663	61.076	2.126	9.663	61.076
4. Tangible recognition	1.775	8.067	69.142	1.775	8.067	69.142
5. Intangible recognition	1.454	6.611	75.753	1.454	6.611	75.753
6. Better environment	1.006	4.574	80.328	1.006	4.574	80.328

Extraction Method: Principal Component Analysis.
Source: Survey Data, 2010

Table 4: Extraction method of Varimax with Kaiser Normalization of extrinsic motivation rotated component matrix from survey

	Component					
	1	2	3	4	5	6
Managers employee good sense of humor	.865					
Employee not free to ask for help	.852					
Managers not approachable	.820					
Meals provided to staff	.793					
Employees spend time with managers	.749					
No climate of trust and warmth	.706					
Employees paid salary or wages	.673					
Weekly offs are provided to staff	.652					
Equipment adequately spaced	.434					
Insurance cover is provided		.897				
Overtime allowances are given to employees		.741				
Service charge is provided		.658				
Accommodation is provided to staff			.854			
Staff transport to and from work is provided			.837			
The management ensures the right person for the right job			.679			
Employee safety management is ensured			.617			
Staff are given advances				.925		
Flexible working hours provided				.834		
Employees are free from harassment					.769	
Annual leave is provided to staff					.716	
Medical allowances are provided					.557	
Working surface are good						.823

Cronbach Alpha 0.8691
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 10 iterations.
Source: Survey Data, 2010

Table 5: A two tailed Pearson correlation analysis of medium class hotels in Kisumu city

		Y1	X1	X2	X3
Employee performance (Y1)	**Pearson Correlation**	**1**	**.092**	**.691****	**.714****
	Sig. (2-tailed)		**.210**	**.000**	**.000**
Working conditions (X1)	**Pearson Correlation**		**1**	**.233****	**.179***
	Sig. (2-tailed)			**.001**	**.014**
Incentives (X2)	**Pearson Correlation**				**.851****
	Sig. (2-tailed)				**.000**
Interpersonal relations (X3)	**Pearson Correlation**				**1**
	Sig. (2-tailed)				

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Survey Data, 2010

Table 6: Regression coefficients results for working conditions, incentives and interpersonal relations in medium class hotels

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	Constant	1.014	.138		7.342	.000	.741	1.286
	Working conditions	-.076	.062	-.064	-1.239	.217	-.198	.045
	Incentives	.291	.088	.321	3.328	.001	.119	.464
	Interpersonal relations	.174	.037	.452	4.740	.000	.102	.247

Dependent variable: Y
Source: Survey Data, 2010.

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