

# The Role of the Incentives and Reward System in Enhancing Employee's Performance "A Case of Jordanian Travel and Tourism Institutions"

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**ABSTRACT**--*The purpose of this study is to investigate the role of incentives on employee performance for the employees of the Jordanian tourism and travel institutions. Statistical packages for social sciences (SPSS) program were used for descriptive analysis. for the purpose of this study, the sample was chosen randomly and it consisted of 28 institutions found in Amman. As for the respondents of the sample, they were 44 employees who received 44 questionnaires. 41 questionnaires were returned, which forms 93% of the sample. The main findings indicate that there is an adequate level of incentives provided to employees. Moral incentives, rewards, efficiency of reward system and promotions are four factors found to have significant impacts on employee performance in Jordanian travel and tourism institution . However, rewards ranked in the first place of its impact on the employee performance while promotion ranked in the last place. Finally, this study has verified further research opportunities that could enrich the understanding of incentives and employee performance at the Jordanian travel and tourism institutions.*

**Keywords**--Incentives, Employee Performance, Reward System, Travel, Tourism, Jordan.

## 1. INTRODUCTION

Incentives are considered one of the most important factors that encourage workers to put forth great efforts and work more efficiently. It is because incentives and reward system direct workers capabilities into more efficiency in their work in an attempt to achieve the institution's goals (Gana and Bababe, 2011). In addition, the absence of the suitable incentives may negatively affect the hardworking employee's performance; it may also weaken their productivity at work which decreases the chances of attaining the promising goals of the institution (Palmer, 2012). Being a major element in tourism industry, it is necessary for travel and tourism organizations to provide incentives to motivate their employees. Such incentives are a significant factor in encouraging employees and increasing their enthusiasm at work

which results in improving the general performance and increasing the productivity. Incentives, also, help in attaining job satisfaction which increases the interaction between the employee and the organization. However, in many companies incentives and reward system are designed by human resource department while the evaluation of employees and organization performance are done by the finance department. As such, there is an integration issue as both department tend to isolate with each other. Furthermore, usually the incentives and the reward system are designed by the top management based on their perceptions without consulting the employee at the lower level. In this case, the incentives and the reward system may not be able to achieve the employees satisfaction and such system will not be able to change their attitude and behavior toward the organization as they feel that their contribution to the organization are not well recognized. Therefore, the present study tends to overcome this issue and provides insight and recommendations for the Jordanian travel and tourism organizations by determining how incentives and the rewards system influencing the employee's performance.

## **2. OBJECTIVES OF THE STUDY**

1. Identifying the types of concrete incentives given to workers at travel and tourism institutions in Jordan.
2. Identifying the types of moral incentives given to workers at travel and tourism institutions in Jordan.
3. Showing the role of the given incentives in improving the workers' performance at travel and tourism.
4. Identifying the efficiency of the incentive system implemented at travel and tourism institutions in Jordan and its role in enhancing these institutions' employees.

## **3. LIMITATIONS OF THE STUDY**

This study is limited to investigating the concrete and moral incentives and their role in influencing the employees' performance at travel and tourism institutions in Jordan from the perspective of the chairmen of these institutions in addition to the employees. More specifically, this study dealt with travel and tourism institutions in the capital city of Jordan, Amman, because most of the tourism institutions are found there. As for the period of the study, it is noteworthy that the study was conducted in 2013.

## **4. HYPOTHESES OF THE STUDY**

The study aims to test the following three zero hypotheses:

**(H01):** There is no statistical effect of the promotions given by travel and tourism institutions on enhancing the employees' performance.

**(H02):** There is no statistical effect of the rewards, implemented in travel and tourism institutions, on enhancing the employees' performance.

**(H03):** There is no statistical effect of the moral incentives employed at travel and tourism institutions on enhancing the employees' performance.

**(H04):** There is no statistical effect of the incentive system efficiency employed at travel and tourism institutions, regarding enhancing the employees' performance.

## **5. LITERATURE REVIEW**

A study was conducted by Abbas and Hammadi (2009) entitled as "The Incentives and their Effect on the Performance" aimed at identifying the incentive system and its role in enhancing the performance of employees at the Yemeni Oil Exploration Commission. The study showed a poor participation by the employees in decision making; in addition to this, the majority of employees complained about the lack of concrete incentives, such as rewards and rate.

Closely related to the previously mentioned studies, Hammam and Al-Maqableh (2005) discussed the factors that help in attaining job satisfaction for employees in Jordanian hotels. The study showed that job satisfaction for the employees was intermediate and that the management style is the first factor in improving job satisfaction, then it is the work environment that plays a role in this improvement; whereas the least effective factor was the compensation system at hotels.

Muhsen (2004) investigated the level of job satisfaction for employees at the UNRWA in Amman; the study attempted to identify the most effective factors that help attaining job satisfaction and effective performance. The study found that the percentage of job satisfaction was relatively low since it reached 58.82%. The study also showed that there are differences, with statistical evidence, in job satisfaction due to variables such as salary, age, and years of experience, marital status and place of residence. Finally, the researcher recommended that there must be a unification of the contractual regulations in addition to reconsidering the incentive system implemented in the UNRWA.

Al-Fares (2011), on the other hand, attempted to clarify the relationship between the incentives methods employed in four public institutions. He found that there is a strong relation between the incentives and loyalty towards the organization which, as a result, affects the performance at work. The study recommended that there should be more attention devoted to developing the incentives given to the employees as to enlist the employees to become activists in the institution.

Odeh's and Awad's study tried to identify the quality and role of incentives, given to the employees at Nables hospital in Palestine, in enhancing the employees' performance. The results showed that the majority of employees agree that there are very few moral and concrete incentives; however, the results showed that there is no direct relationship between the incentives and the employees' performance.

Al-Nsour (2012) conducted a study aimed to investigate the impact of financial and moral incentives on organizational performance for the employees of the Jordanian Universities. This study aims at identifying the role of the Jordanian universities in meeting the employees' societal needs, knowing the implemented incentives approach and knowing the level of performance in the Jordanian universities. The study found that there is an adequate level of incentives provided to employees. Financial incentives ranked in 1st place while moral incentives ranked in the 2nd place. In addition, it was found that there is a high level of organizational performance. Customer satisfaction ranked in the 1st place, internal business process in the 2nd place followed by learning and growth. There is relationship between financial & moral incentives and organizational

performance as well as between financial and moral incentives and internal business process and customer satisfaction.

## **6. INCENTIVES**

By definition, incentives are an external persuading factor that encourages the motive which positively directs the individual into working harder, matching the required performance in the institution, as to get the incentive. Incentives are also defined both as methods used by institutions to encourage employees to work with high spirits and also as concrete and moral methods of satisfying the individuals' moral and material desires. Palmer (2012) defines incentives as the external temptations and encouraging factors that lead the individual to work harder; they are given due to the individual's excellent performance since he will work harder and produce more effectively when he feels satisfied in the institution. In addition to this, incentives can also be defined as the consideration of the excellent performance, assuming that the salary is enough to make the worker appreciate the value of the job that also satisfies his basic needs in life (Palmer, 2012).

Practically, incentives refer to all of the concrete and moral methods that Jordanian travel and tourism institutions give in order to positively encourage the employees in a way that increase the production rate and enhance the employees' performance, which has its importance in satisfying the employees' desires and guarantee a loyal attitude towards the institution.

### **6. 1 The Importance of Incentives**

The idea of incentives triggers much consideration especially from the beginning of looking for qualified employees who are able to efficiently achieve the institution's goals; it is because incentives play a major role in the employees' productivity. The importance of incentives originates from the need for the employee to be recognized and appreciated for his or her efforts. Actually, appreciating people for their efforts by giving them incentives is a very significant factor in satisfying the internal desires of an individual. The individuals' own skills are not enough to let them work with high productivity unless there is an incentive system that encourages their internal motives and then leads very hardworking efforts (Locke and Braver, 2008).

A successful organization is the one which can efficiently exploit its employees' skills and qualifications. Therefore, scholars have worked hard as to come up with a comprehensive description of how to enhance the professionalism of the employees and how the administration chooses active individuals, and also how to connect the institutions' goals to the personal objectives of the individuals which will improve their performance. It is plausible to say that successful organizations set an active incentive system capable of affecting the employees' performance in a way that pushes them into working harder and maintaining the goals of the institution. In addition, it is noticeable that motivating employees may help them to overcome a lot of their obstacles at work (Palmer, 2012). On the other hand, for the administrator to be incentivizing, he must try to create confidence and an environment of tranquility, security and respect in an honest and actual manner. One must know that appreciating or people's work and praising their achievements do not affect one's own success, so one must do this directly to who

deserves it or just in front of a group of people by praising their accomplishment (Locke and Braver, 2008).

## **6. 2 Types of Incentives**

Incentive is concept of material and moral values and they are also a central point for different activities in the modern institutions and work environments. Concrete incentives are what called direct compensation systems such as salaries, rates and bonuses. On the other hand, moral incentives are called indirect compensation systems such as the stability of the work, participating in decision-making, commitment, pertinence, promotion and appreciating the employees' performance by thanking them. This shows that incentives are the consideration of excellent performance, which could be in the quality, quantity or abundance in the work's time or even in the costs (Palmer, 2012).

Incentives have been classified into different types, and they tend to interfere. They have been classified by searchers into different ways and techniques that can be used by the administration to get the highest amount of qualification from the human performance. Some have classified them depending on their effect on each individual, while some based them on the way they are given out, or on their goals and other ways of classifications which after a long way of research can be put under two main types of incentives which are: incentives based on the purpose and incentives based on the kind of the incentive itself (Robbins and Judge, 2007).

Firstly: incentives based on the purpose of the incentive, classified into two types: the first one is the positive Incentives which is the ways that positively affect people's behavior through satisfying their needs such as promising the employees of cash bonuses when they reach a stage of highly qualified performance. Such incentives are helpful for both the needs and sake of the employees and that of the institution; it is because rise in the production, improving the quality, working according to high standards, coming up with inventories along with high responsibilities are all positive consequences for the institution, which, in return, rewards its employees with concrete, moral or social incentives. (Robbins and Judge, 2007). The second classification of incentives based on purpose is the negative incentives which is the ways of affecting people's behavior by threatening employees of depriving them of some privileges such as truncating part of their salary if they violated any of the work's principles. These ways are methods used by the administration in order to reduce negative behaviors and unacceptable manners among employees such as following orders, lack of responsibility and laziness. This kind of methods of includes ways of cautions and warning, preventing the employee of some privileges for a specific time, delaying promotion or even lowering the job position and transfer to other departments. These methods are used according to the degree of violation; such negative incentives are called deterrent incentives. However, the use of negative incentives is sometimes necessary for increasing efficiency in production especially when dealing with lazy employees (Palmer, 2012).

Secondly: incentives based on the type of the incentive itself; are classified into two types: A- Concrete incentives including classified into three types: 1-The concrete incentive which is the most important one since it is considered the only source of living in addition to its being the base on which people depend in order to satisfy their basic needs and security. This kind of incentives includes rates, encouraging cash bonuses, commissions, periodical promotions, motivational promotions and sharing in some of the institutions' profits along with gifts for extra work. 2- Security and stability at work which is achieved through real

guarantees that prevent abuse towards the employee if he commits a violation. Such guarantees create an atmosphere of security and stability and it also softens the morale of the employees which enhances productivity. Therefore, the institution must make a connection between the stability of the employee and his role in increasing production in the institution. This stability is given only to successful employees who work hard (Robbins and Judge, 2007). 3-Enrolling the employees in training sessions help in increasing the morale of these employees; it also provides them with suitable work conditions and persuades them to work harder. This is due to the features of service that positively improve manners performances in the institution (Abu Shaikhah 2000).

In general, concrete incentives could be considered one of the most effective factors in encouraging the employees into working honestly when there are suitable rates that satisfy the individual's needs. On the contrary, low and unfair rates are a major factor in neglecting the required work and low productivity, when the given rates do not satisfy the needs of the individual (Robbins and Judge, 2007). In addition, it is noteworthy that concrete incentives are one of the old incentives that are both fast and immediate and it appreciates immediately the individual's efforts. Also, concrete incentives might be positive such as bonuses, aids, promotions and exceptional extra cash over the salary, or they might be negative such as depriving the employees from the bonuses and promotions, or even lowering their salaries (Helal 2009).

B-Moral incentives which include:  
 1- Delegating part of the chief's powers to his subordinates is a great incentive for them which appreciates their capabilities and creates an atmosphere of confidence in their performance. Delegating some powers helps easing the burdens and provides flexibility but it should have legal and physical controls as to achieve the desired success.  
 2- Knowing the results of the individual's efforts gives the individual a feeling of pride and excellence and it is considered an important incentive for the employee to improve his performance when he feels satisfied and appreciated in his position.

3-Appreciative promotions  
 4- Honors and medals to appreciate the achievements and innovations accomplished by the employee.  
 5- Appreciation and thanking speeches directed to the employee.  
 6- Honor boards in order to list the hardworking employees. (Robbins and Judge, 2007).

It is worth mentioning that moral incentives in the work environment that satisfies the individual's needs are the reasons for attracting the individuals into work, since such incentives satisfy a specific need for the individual. Therefore, the administrations should not stick only to cash incentives, which satisfy only one need for the individual and somehow neglect other social and psychological needs. So it is the moral incentives that encourage the individual and satisfy the other social and psychological needs, which consequently creates a feeling of devotion towards work and motivates cooperation among colleagues. In short, moral incentives are as important as concrete ones regarding their role in improving human relations increasing the individuals' productivity inside the organization, because, as mentioned earlier, some concrete incentives may not work unless they are accompanied with moral ones (Abu Shaikhah 2000).

### **6. 3 The Performance of the Employees**

In general, the concept of performance means the goals that institutions seek to achieve through their employees. It connects activities and goals via employees' duties inside institutions. In other words, it's the individuals' responsibilities, activities and duties, that their work consists of, which should be done in the right way with taking into consideration the qualified employees' abilities to do them. Employee's performance can be defined as doing different activities and duties that their work consists of (Al-Rabayah 2003). Most individuals spend big parts of their lives searching for job satisfaction due to its positive efforts on their personal and professional lives. It also leads to increase institutions and employees productivity and benefit. Therefore, it's so hard to achieve high levels of the long term productivity unless the job satisfaction is there. However, many studies indicate the strong relationship between motivations given to employees and their satisfaction. As a result, that helps improve their performance which expresses individual's efforts' results that start from their abilities and realizing their duties. In conclusion, the concept of performance indicates the percentage of achieving and completing individuals' duties their jobs consist of.

#### **6.3.1 Ways of Measuring the Performance of the Employees**

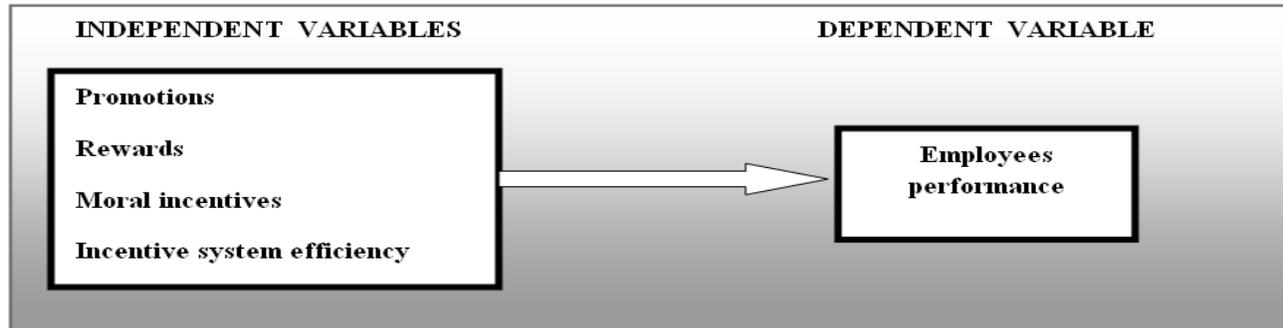
- 1-The Amount of the Effort : It refers to the amount of the physical or mental energy that the individual spends in a specific period of time in the work, in addition to the speed in performance.
- 2- The Quality of the Effort: It refers to the level of the quality of the done work and the degree of matching between the done work and some specific standards. Some kinds of work are not measured by the amount or the speed of performance; but rather by the degree of error-free performance and matching between the production and the required standards.
- 3- Manner of Performance: It is the way in which the work duties are done. For example, performance can be measured through the manner of performance, measuring problem-solving strategies or in problem detecting.
- 4-Rates of Performance: It refers to the process in which the evaluator increases the employee's productivity in order to determine the efficiency, the quality and the amount of the employee's work in a specific period of time. Then, he compares the employee's done work with the specified rate. (Al-Rabayah 2003).

#### **6.3.2 Objectives of Performance Evaluation**

Several objectives can be achieved though applying incentive evaluation systems. One of the most important evaluation systems is choosing qualified individuals whose abilities and qualifications suite the required work. Therefore, it is possible to say that evaluating performance can offer standard and scientific bases used to promote individuals such as giving bonuses and incentives in order to increase the production and improve its quality. In addition to this, evaluating performance can also show the personal qualities of the employees that need training; also, such evaluation may suggest some steps to improve this performance (Al-Rabayah 2003). Finally, performance evaluation program raises the morale of the employees by appreciating their efforts, which results in improving their salaries (Abbas and Hamadi 2009).

## 7. THEORETICAL FRAMEWORK

This study investigates the role of incentives on employee performance. Promotion, rewards, moral incentives and efficacy of rewards system are the independent variables and the employee's performance is the dependent variables as the figure below shows.



**Figure 1:** Research Framework on the relationship incentives toward employee's performance.

## 8. METHODOLOGY

### 8.1 Data Collection

In order to cover the theoretical part of the study, several books, publications and other theoretical references relevant to the topic were reviewed. Descriptive analytical approach of data analysis was used through field survey of the statistics community which is the employees at travel and tourism institutions in Jordan, and then analyzing the collected data by using statistical analysis program (SPSS), depending on a questionnaire as a major tool in collecting the needed data for the topic of the study.

### 8.2 Validity Test of the tool of the study

The superficial validity of the measurement method was proved through presenting the questionnaire to some experienced instructors at Irbid National University who are specialized in order to benefit from their experiences. The instructors' comments were helpful for enriching the study by making modifications to some paragraphs related to the language structure, the clarity and the harmony of the study field. Gronbach Alpha test was used to test the validity of the study's method; the score ranged between 78% and 71% for all of the questionnaire's paragraphs, which are good compared to the acceptable percentage which is (60%) (Hair et al., 2007; Balsley and Vernon, 1988).

### 8.3 Measurement Methods

Five points Likert scale was used in this study in order to present the questions of the questionnaire. The scales were divided as (1) strongly disagree, (2) disagree, (3) neutral, (4) agree, (5) strongly agree. Based on these scales, the sum of these scales was 15 and therefore the average is  $15/3= 3$ .

### 9. CHARACTERISTICS OF THE SAMPLE OF THE STUDY

The population of the study consists of travel and tourism institutions. The sample was chosen randomly and it consisted of 28 institutions found in Amman. As for the respondents of the sample, they were 44 employees who received questionnaires. 41 questionnaires were returned, which forms 93% of the sample. Repetitions and percentages related to the personal information of the sample were extracted as shown in the following table.

**Table 1:** Personal Information of the Study sample

<b>Gender</b>	<b>Repetition</b>	<b>Percentage</b>
Male	28	68%
Female	13	32%
Total	41	100%
<b>Qualification</b>	<b>Repetition</b>	<b>Percentage</b>
Diploma or less	17	41%
Bachelor	22	53%
Graduate Studied	2	6%
Total	41	100%
<b>Years of experience</b>	<b>Repetition</b>	<b>Percentage</b>
Less than 5 years	24	59%
5-10 years	10	24%
10-15 years	4	10%
15 – more	3	7%
Total	41	100%
<b>Job Description</b>	<b>Repetition</b>	<b>Percentage</b>
Manager	3	7%
Chairman	14	34%
Executive	24	59%
Total	41	100%

We can assimilate from the table above that the highest percentage was the male sample

reaching 68% which is higher than that of females reaching 32%. This might be attributed to declining a huge ratio of females from working at tourism sector in Jordan. We as well deduce that the higher ratio is for those males having BA degree reaching 53% followed by Diploma degree (less than 41%). The least is for those receiving higher educational degrees reaching 6%. This may be attributed to the reason that industry sector is considered an applicable sector that requires experience rather than do higher degrees. The higher ratio is for the sample individuals who have a less than 5 year experience reaching 59% followed by those individuals having from 5 to 10 year experience reach 24% and those who have a more than 15 year experience reaching 0%. It is obvious that working at such firms does not require a long experience whereby most of their workers having a less than 10 year experience reach 83%. As for position title job, most of the ratio is for executives whose ratio reaches 59% followed by Chairman 34 % and finally managers 7%.

### 10. ANALYZING THE RESULTS OF THE STUDY

The following table explains the results of the descriptive statistical test of the variables of the study.

**Table 2**

Efficiency of the Incentive System		Mean	Standard Deviation
1	The bonuses and extras added yearly to my salary make me feel satisfied.	3.3	.813
2	In my opinion, the salaries system and the extra advantages are somehow fair	3.2	.713
3	The salary that matches my efforts encourages my performance.	2.6	1.030
4	I feel safe and ensured in my job	2.6	1.045
5	The retirement system makes me feel safe and ensured	3.8	.794
6	The health insurance offers suitable services for the employees.	3.7	.792
7	I get a percent of the profits as part of the incentives that the company offers.	2.5	1.039
The overall efficiency of the incentive system		3.1	

The table above shows the attitudes of the study sample towards the efficiency of the incentive system employed in Jordanian travel and tourism institutions. The arithmetic means ranges between (2.5) in their least range for the part “I get a percent of the profits as part of the

incentives that the company offers" and (3.8) in their highest range for the part "The retirement system makes me feel safe and ensured". The general arithmetic mean was close to the neutral level with an arithmetic mean reaching (3.1); this shows a weak level of the efficiency of the incentive system employed in Jordanian travel and tourism institutions.

**Table 3**

Promotion		Mean	Standard Deviation
1	I think that promotion mechanisms are appropriate	4.0	.768
2	I notice that job promotions affected my performance positively	4.3	.767
3	The majority of the exceptional promotions were based on the Performance	4.4	.792
4	There is a relative match between my qualification and experience, and my job	4.0	.794
5	I think that the majority of managers and supervisors were promoted fairly	4.4	.792
6	Most of the job promotions are given depending on seriousness and perseverance in work	4.3	.884
Promotions as a whole		4.2	

The arithmetic means of promotion paragraphs ranged from (4.0) in their least limit to (4.4) in their highest limit. The general arithmetic mean was (4.2) which shows a big percentage of satisfaction for the employees at Jordanian travel and tourism institutions regarding the promotion regulations employed in their institutions.

**Table 4**

Reward		Mean	Standard Deviation
1	I think that the reward regulations in the incentive system are fair	2.6	1.030
2	I notice that giving rewards affect the functionality positively	2.7	.956
3	I think that the majority of exceptional rewards were based on efficiency in performance	2.9	1.002
4	The majority of rewards at work are given according to seriousness and hard work	3.2	1.039

5	The manager usually recommends giving a rewards to the effective employee	2.7	1.030
Rewards as a whole		2.8	

The table above explains the attitudes of the sample towards the efficiency of the reward regulation employed at Jordanian travel and tourism institutions. The arithmetic means ranges from (2.6) in their least limit for the paragraph "I think that the rewards regulations in the incentive system are fair" to (3.2) in their highest limit for the paragraph "The majority of rewards at work are given according to seriousness and hard work ". The general arithmetic mean was close to the neutral level with an arithmetic mean reaching (2.8); however, it is low which shows a low percentage of satisfaction for the employees who think that the bonus and rewards regulation is not fair and does not improve functionality at work.

**Table 5**

Moral Incentives		Mean	Standard Deviation
1	My direct manager plays a major role in instructing me and improving my performance	4.2	.768
2	My direct manager appreciates my efforts and at work	4.3	.767
3	I'm always ready to do the best due to the good treatment from my colleagues at work	4.4	.792
4	The institution offers appreciation medals for those who deserve	2.9	.884
5	The institution offers appreciation certificates and honor promotions for those who deserve ( without increasing the salary)	2.8	.445
6	The cooperation between the administration and colleagues encourage me to improve my performance	4.4	.567
7	The institution offers participation in training sessions in order to improve the employees' performance	3.0	.723
Moral Incentives as a whole		3.7	

The arithmetic means of the promotion paragraphs ranged from (2.8) in their least limit to (4.4) in their highest limit. The general arithmetic mean was (3.7) which show a big percentage of satisfaction for the employees at Jordanian travel and tourism institutions regarding the moral incentives their institutions offer.

**Table 6**

Employee Performance		Mean	Standard Deviation
1	I care about the results of evaluating my performance because they are a chance to get bonuses	4.4	.792
2	I notice that the one whose performance is weak will be punished depending on the performance evaluation results	4.3	.884
3	The positive results of my performance evaluation motivate me to work harder	3.6	.771
4	I'm willing to work harder	3.5	1.023
5	I finish the required work even if it requires extra efforts.	3.6	.987
6	I do my job according to the required quality standards	3.6	.654
7	The employees have the ability to deal with troubles at work	3.9	.545
8	The performance is evaluated depending on some scientific and clear variables	3.3	.467
9	I have no disagreements with my boss	3.8	.771
10	I follow the instructions and regulations at work	3.7	1.023
11	I pay attention to the quality of the services given to the beneficiaries	3.6	.987
Employee performance as a whole		3.7	

The arithmetic means of Employee performance paragraphs ranged from (3.3) in their least limit to (4.4) in their highest limit. The general arithmetic mean was (3.7) which show a big percentage of Employee performance for the employees at Jordanian travel and tourism institutions.

## 11. HYPOTHESIS TESTING

**Table 7**

Independent Variable	B	SE B	<i>B</i>	Sig. P<.05	R square	F	Sig. F; p<0.01
					.278	13.60	.00**
Moral Incentives	.164	.052	.160	.002			
Rewards System Efficiency	.163	.060	.169	.007			
Promotions	.115	.058	.101	.049			
Rewards	.345	.058	.344	.000			

Dependent variable (employee performance) was regressed on all four independent variables. From the first run of the test, the casewise diagnostics indicates that observation number 4 and 17 found to be outliers and hence deleted in the next regression run. The Table above provides evident of the influence of promotions, rewards system efficiency, rewards and moral incentives on employee performance. The F-statistic ( $F = 13.54$ ,  $p < .01$ ) indicates that the relationship between independent and depend variables is significant. The R square obtained indicates that these factors account of 28 % of the variation in the employee performance. All four variables included in the regression equation emerged as significant predictors of employee performance. As being hypothesized, these variables are found to have positive influences on employee performance. Based on the result, all four null hypotheses were rejected and thus the alternatives hypotheses are accepted.

To investigate which factor has the most influence on employee performance, the beta values were used. Based on the size of beta values, the predictors variables exercising the most influence on employee performance was rewards ( $\beta = .35$ ), followed by efficiency of rewards system ( $\beta = .17$ ), moral incentives ( $\beta = .16$ ), and motivation ( $\beta = .11$ ). It is important to note that the tolerance and VIF values shown in the output indicates that no multicollinearity effect among the independent variables on dependent variables.

## 12. CONCLUSION

Counting upon the study results, we exhibit here the most important recommendations for Jordanian travel and tourism institutions that are still under study as follows: travel and tourism institutions shall commit to pay attention to incentive systems application and put it into force, for it has several advantages summarized in obtaining two factors having great abilities and skills in coping with beneficiaries and providing them with services of high level of quality. The institutions' success relies, in the first place, upon working individuals' performance. In this sight, Jordanian travel and tourism institutions should take care of workers as they do of beneficiaries and shall work on having them motivated in order for their abilities and skills to be elevated because achieving high level of quality depends upon those workers' behavior toward beneficiaries. Whereas not only does beneficiaries' viewpoint toward the organization count on dissatisfaction

with what such an organization provides but also it depends on treatment offered to beneficiaries by working individuals at the same organization. Thus, incentives and their systems perform a huge role in any organization failure or success by reaching this result.

### **13. RECOMMENDATIONS**

1. Giving incentives should be linked practically with the level of performance as to distinguish the excellent employees according to their performance; this will enhance the employees to do their best in order to improve their performance, and therefore incentives will be linked to improving the performance.
2. Keeping on giving incentives in the appropriate time and not delaying them in order not to lessen the goal of the incentives.
3. Supporting the concrete incentives in the primary bonus commission due to the role that such incentives play in finding many solutions to some social and financial problems that may face the employees.
4. Incentives are given according to the level of performance in order to persuade the employees into doing their best as to improve their performance; by doing so, incentives will be associated with improving the performance and vice versa, without having any vested interests.
5. The results of performance evaluation should necessarily be the base for both appreciation and punishment, especially when using either positive or negative incentives as to guarantee achieving the purposes of incentive and bonuses regulations.

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