

THE NIGERIAN JOURNAL OF SOCIOLOGY AND ANTHROPOLOGY

ISSN: 0331-4111

E-ISSN: 2736-075X

Volume 20, No. 2 (November, 2022)

DOI: 10.36108/NJSA/2202.02.0230

The Effect of Employee Motivation on Job Performance in the Banking Sector in Rwanda: Case of Bank of Kigali Headquarters

Regina Nnadozie and Snarayan N. Singh

MSCHRM-Human Resources Management, School of Post Graduate Studies
of the University of Kigali

Abstract

The Bank of Kigali was chosen as the case study to examine the effect of employee motivation on job performance. Findings showed that Intrinsic motivation has greatly enhanced job performance by a mean=3.5 and SD=1.219, and Style of management motivation had a positive effect on the degree of employee motivation by mean=3.5 and SD=1.289 while Extrinsic has a mean=3.39 and SD=1.267. Organizations make every effort to inspire their finest employees because they understand their crucial function and how it affects organizational success. Studies on motivation show that there are a number of ways to motivate employees. This study aims to offer explanations of why the employee of Bank of Kigali Rwanda do what they do, and examine to what level their activities affect job performance. Intrinsic motivation is a sort of internal incentive gained from the circumstance that propels workers to accomplish. This form of motivation develops because of the individual's external effects received from environmental elements. These include good income, fringe benefits, empowering policies, and various types of supervision. Employers need to borrow a leaf from BK on what to do in extreme cases to sustain high productivity.

Introduction

Periodically organizations motivate their workers, in order to increase productivity and reduce employee turnover. The management team should motivate the workforce by offering various incentives for a job well done.

Businesses make every effort to inspire their finest employees because they understand their crucial function and how it affects organizational success, (Dobre, 2013). However, only a small portion of businesses perceives their most valuable asset—the ability to assist them to achieve their goals—as

human capital (Knapp & Mujtaba, 2010; Albeiti, 2015). Studies on motivation show that there are a number of ways to motivate employees. This search aims to offer explanations of why the employee of Bank of Kigali Rwanda do what they do, and examine to what level their activities affect job performance. Employees of the Bank of Kigali (BK) are highly motivated by intrinsic and extrinsic forms of motivation. Intrinsic motivation is a direct connection between an employee and the assigned task.

Financial incentives, job security, and working conditions play vital roles in boosting the performance of the organization. Bank of Kigali was established on December 22, 1966, located in Rwanda. It remains the one to beat other banks, even as Kenya Commercial Bank completes its acquisition of Banque Populaire du Rwanda – the country's second-largest bank – from Atlas Mara, which retains about a third of the Rwandan banking market. The Bank of Kigali's deposit and loan book grew above the market average in 2020, serving 350,000 retail customers and 26,000 businesses. Its net profit grew slightly RF38billion (\$37.8million), despite a high cost of risk. This impressive bank performance shows that the staff has been committed to achieving the organization's goals.

A brief theoretical review

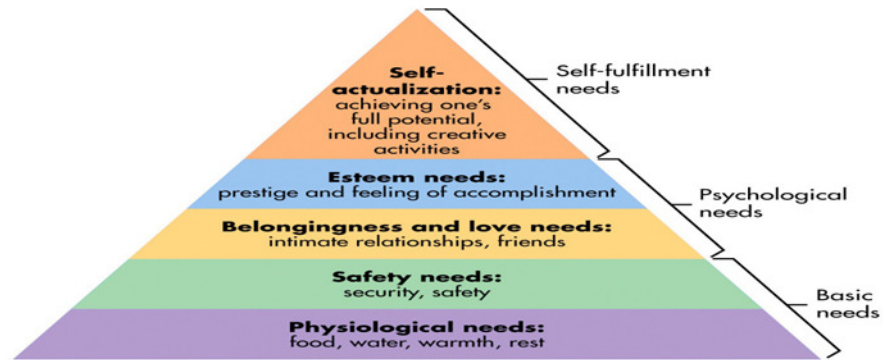
The key to getting astounding achievements is motivation (Valencia, 2011). n. Enhancing an employee's morale in order to motivate them to voluntarily offer their best effort is called motivation. The term "employee motivation" relates to the vigor, dedication, and innovation that a company's workforce brings to their work. Organizational performance refers to an organization's capacity to carry out its mission through effective management, solid governance, and a steadfast commitment to archiving results (Kamery, 2014).

Hierarchy of needs theory and motivation

Maslow's hierarchy of needs is a five-tiered model of human desire. Once that level has been reached, the United States of America is motivated to move up (Onah, 2015). The main idea is that workers want to engage with people and work in a setting where the company accepts them. An opportunity to finish further education, acquire freedom from supervision/autonomy, and design his own procedures for achieving organizational goals. Employee interest in personal improvement is influenced by self-actualization. Managers must offer rewards to their employees that work within the organization and rewards on the job done.

Maslow's theory works

Human needs are constantly changing, which is the underlying justification for Maslow's Hierarchy of Demands' existence. The challenging task that was started five years ago won't have the same effect now. Last year, a performance award was awarded, but that won't satisfy the need for acclaim indefinitely.



Source: <https://www.theschooloflife.com/article/the-importance-of-maslows-pyramid-of-needs/>

Herzberg's theory of motivation and hygiene theory (Herzberg, 1968)

According to Herzberg's motivation-hygiene hypothesis, some workplace situations stimulate employees while others demotivate them. These are referred to as motivating and sanitary considerations. The dual-factor theory, which is this principle, is a well-liked explanation of employee motivation.

Motivators

Motivators are the elements that make or break an employee's ability to succeed in a job - they can be recognized, acknowledgment for a job well done, or a sense of accomplishment. Employees are motivated and are able to work harder than before because of these variables.

Hygiene factors

When hygiene issues might cause employee dissatisfaction or demotivation to work more. Security, interpersonal relationships, pay, and working circumstances are some examples of hygiene factors. If employees work in a place of business without security or air conditioning, or if their coworkers are unkind, would they stay on as employees there?

Goal setting theory

The motivational theory by Locke and Latham (Greenberg, 2011; Newstrom, 2011) provides a well-developed goal setting that place a strong emphasis on the connection between performance and goals. Moderators like; ability and self-efficacy may influence the motivational impact of objectives. Setting deadlines will make goals more effective. Focusing on learning goals rather than merely performance goals yields better results.

Equity theory

The equity idea was put forth by Adams (1963, 1965), who noticed that how employees felt about fairness and injustice affected how well they performed. If an employee perceives any type of injustice, he or she will respond to the

unfair circumstance by reducing productivity or by diminishing the quality of their work. Adams (1965). predicted that raising the outcomes of workers who feel inequitably underpaid may be a solution. In equity theory, motivation is affected by the personal views of being treated justly. As a result, equity theory will be useful to employers in perceiving what motivates employees to improve job performance.

In summary, the need hierarchy model provides a useful base for the evaluation of the motivation of employees at the workplace. It is drawn from the theory that both extrinsic and intrinsic motivation corresponds with Maslow's Hierarchy of Needs. Extrinsic motivation coincides with the safety needs in the hierarchy, while intrinsic motivation concurs with esteem and self-actualization needs. Maslow is indicating that we cannot say that one form of motivation is better than others. An improved form of motivation is the management style and responds to the display of Equity in management policy and Goal setting theory encouraged by the management function.

Herzberg identified two primary components (motivation factors and hygiene factors) for elucidating worker motivation. This idea makes it clear that "Motivator factors" are internal elements that are all directly tied to work-related aspects and job satisfaction and can lead to good performance. On the other hand, hygiene variables are primarily (Extrinsic) external aspects that are unrelated to the actual work yet have an impact on employees' discontent (Herzberg *et al.*, 1959; Herzberg, 1966). Motivation factors include achievement, recognition, work itself, responsibility, advancement, and growth. Hygiene factors are company policy and administration, supervision, relationship with supervisor, working conditions, salary, relationship with peers, personal relationship, relationship with subordinates, status, and security.

Materials and method

The researcher used a descriptive research design. The term descriptive research refers to research questions, the design of the study, and data analysis conducted on the topic. According to Donald and Pamela (2006), a descriptive study compacted with the what, how and who of a phenomenon. The descriptive research uses certain elements such as questionnaire copies, which were administered to the staff of the Bank of Kigali. The primary focuses of this investigation were Qualitative and Quantitative. The study analyzed the outcome of employee motivation on job performance at BK.

Study population

The target population for the study of 150 persons: these, are employees of Bank of Kigali's headquarters branch in Rwanda. Distributed in the five departmental details in the table below:

Area of Operation	Population
Credit Department	49
Divisions Management	31
HR Department	11
Operation	36
Retail Staff	23
Total	150

Source: Field data collected (2022)

Sample techniques

Kothari (2007) defines sampling design/technique as a definite plan for obtaining a sample from the sample frame. The researcher used the whole population to get more reliable findings. In this study, simple random sampling was employed to choose the respondents who are employees of the bank.

Data collection method and tools

All questions in the questionnaire were constructed by giving the respondent options from which to choose the response. A unique code number was created for each response category, for example, 1= Very Unsatisfied, 2= Unsatisfied, 3= Neutral, 4= Satisfied, and 5= Very Satisfied. For, narrative data was used to complement the questionnaire. This process applied helped the researcher to insert the data in the SPSS, then interpret of data and lead to conclusions based on that interpretation.

Findings

This section focuses on the findings of the effect of employee motivation on job performance in the Banking sector in Rwanda: Case of Bank of Kigali Head Quarter.

The effect of Intrinsic motivation on Job Performance in the Bank of Kigali

Table 1: Intrinsic motivation

Descriptive Statistics on Intrinsic Motivation			
	Mean	SD	Variance
Appreciation is a factor for employee motivation at BK	3.24	1.310	1.717
In the Bank of Kigali, employees are appreciated for their achievement	3.38	1.433	2.054
Recognition is a factor employees find motivating in the Bank of Kigali	3.48	1.330	1.768
The availability of spare time for personal growth at the workplace has a motivating impact on employees of the Bank of Kigali	3.91	1.065	1.133
Bank of Kigali staff are easily motivated by social gathering events	3.96	1.075	1.157
Valid N (listwise)			

Source: Field data collected (2022)

Intrinsic stimulation refers to the self-motivated to be innovative and take on new tasks, to look into possibilities, to observe, and to learn, (Ryan & Deci, 2000a). This happens within and is unrelated to external rewards; it is sparked by personal concern or professional fulfillment, the researcher sought to investigate the effect of intrinsic employees' motivation on job performance in the Bank of Kigali. The study considered also the participant's competence in the understanding organization's mission statement as a unit of analysis. Table 1. Showed that appreciation with (Mean= 3.24, SD= 1.30), achievement (Mean=3.39, SD=1.306), recognition (Mean=3.48, SD= 1.330), personal growth (Mean=3.91, SD=1.065 and social gathering (Mean=3.96, SD=1.075), were supported by respondents as intrinsic motivation factor that affect the job performance. The study revealed that there is average agreement among the respondents as the means were less than four and there was no multicollinearity in their responses as all the standard deviations were above 0.5, therefore, the intrinsic factors under this study affect the employee job performance in Bank of Kigali. Employees at the Bank of Kigali were satisfied with their contribution to the organization on the grounds that they had something positive to offer to the establishment. This satisfaction motivated them, that they are being useful and then appreciated and celebrated. They admitted that social gathering was being organized, to recognize their effort, which makes them feel a sense of belonging and accomplishment.

The effect of Extrinsic motivation on Job Performance in the Bank of Kigali
Table 2: Extrinsic motivation

Descriptive Statistics on Extrinsic Motivation			
	Mean	SD	Variance
Bank of Kigali is motivating employees financially in case of difficulties	3.50	1.385	1.919
Bank of Kigali provides adequate equipment to their employees in order to improve their performance at work	3.54	1.252	1.567
Bank of Kigali provides constant employee training	3.89	1.047	1.097
Continuous organizational consideration of job security by BK has an effect on my motivation	3.93	1.089	1.186
The monetary salary structure and benefits have an impact on my level of motivation	3.98	1.147	1.316
Valid N (listwise)			

Source: *Field data collected (2022)*

Showed the perception of the respondent's rate of the factors as follows: Financial support (Mean=3.50, SD=1.385), adequate equipment (Mean=3.54, SD=1.252), constant employee training (Mean=3.89, SD=1.047) job security

(Mean=3.93, SD= 1.089), and salary structure and beneficial impact (Mean=3.98, SD= 1.147).

The effect of extrinsic motivation on employee job performance at the Bank of Kigali was supported by respondents. Results indicate that extra benefits are given to the best job performers, working with the bank improves staff image in the community and that there is cultural tolerance in the organization.

The relationship between management motivation and Job Performance in Bank of Kigali

Table 3: Management motivation

Descriptive Statistics on Management Motivation			
	Mean	SD	Variance
Efficient communication has improved the level of efficiency in the Bank of Kigali	3.47	1.243	1.546
Bank of Kigali management policy and administration is important to employee performance	3.57	1.242	1.542
The Bank of Kigali management provides conflict resolution for their employees	3.66	1.338	1.790
Bank of Kigali focuses on international relationships, humans leadership, and management commitment to staff(HR Functions)	3.81	1.225	1.501
The work environment in the Bank of Kigali helps the employee to increase their productivity	3.82	1.214	1.473
Valid N (listwise)			

Source: Field data collected (2022)

The study analyzes the relationship between management motivations on employee job performance. Table 3. Shows that the perception of the respondents rating the statement about management motivation: Efficient communication (Mean= 3.47, SD= 1.243), management policy and administration (Mean= 3.57, SD=1.242), conflict resolution (Mean= 3.66, SD=1.338), and HR function (Mean=3.81, SD= 1.225), and work environment (Mean= 3.82, SD= 1.214).

Employees at the Bank of Kigali in Rwanda find management motivation positive enough to enhance job performance. HR function benefits are given to the best job performers but some employees are vulnerable to being employed, without being promoted until the termination of their appointment contracts. The reported lack of job classification in the BANK OF KIGALI is an indication that some employees may be vulnerable to losing their jobs.

Table 4: Employee motivation on job performance

Descriptive Statistics on Employee Motivation on Job Performance			
	Mean	SD	Variance
Extrinsic motivation has played a key role in job performance	3.39	1.267	1.606
Management motivation has improved my level of job performance	3.50	1.305	1.702
Intrinsic motivation has greatly enhanced the job performance	3.50	1.219	1.485
Valid N (list wise)			

Source: Field data collected (2022)

Motivation is critically important for workers because it puts staff into action, improves the level of efficiency of employees, and leads to the achievement of organizational goals (Katzell & Thompson, 1990). The study sought to investigate what actually motivates the employees of the Bank of Kigali most, and, Table 4. shows the perception of the respondent's rating of employee motivation on job performance: Extrinsic motivation (Mean=3.39, SD=1.267), management motivation (Mean=3.50, SD=1.305), and intrinsic motivation (Mean=3.50, SD=1.219) Employees at the Bank of Kigali were polled about the origins that influence how well they perform at work. While intrinsic motivation is important for job performance and extrinsic motivation describes the bed as playing a key role, the management motivation used inside the company had a favorable impact on the volume of work completed. Motivation is vital for prosperous companies because it talks about inspired conduct that is characterized by disposition and choice. Intrinsic motivation is enthusiasm by personal pleasure, interest, or job contentment (Guay *et al.*, 2010).

ANOVA

Table 5. Shows the result from using ANOVA showing the model fit. When your p-value is less than the significant level, which is 5%. This means that the overall regression model is significant at the 0.000 level with an F distribution of 1168.044. At this point, we conclude that there is a significant positive effect between employee motivation and job performance since the p-value is less than the significance level which is 0.05 (p-value=0.000). Therefore, the model fit was verified.

Table 5: ANOVA Test

		ANOVA				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	80.594	3	26.865	1168.044	.000 ^b
	Residual	2.674	116.044	.023		
	Total	83.268	119			

a. Dependent Variable: EMJPR (JOB PERFORMANCE)
 b. Predictors: (Constant), MM, EM, IM

Source: Field data collected (2022)

Multilinear regression coefficients

The result from using ANOVA, the coefficient of determination R² is 29.9%, which implies that independent variables (intrinsic motivation, extrinsic motivation, and management motivation) explain nearly 96.8% of the variation of the dependent variable (employees’ job performance). Moreover, a significant level of 5% is greater than the p-value; this indicates the overall regression model is significant at the 0.000 level with an F distribution of 1168.044. Then, the conclusion is the effect of employee motivation and employee job performance is significantly positive as:

Intrinsic motivation (B=.483, t=19.362, p=.000), extrinsic motivation (B=.243, t=9.346, p=.000), and management motivation (B=.273, t=17.062, p=.000). From details you will observe that t- value is greater than t- statics 1.96 and p-value is less than the significance level of 0.05 (p-value=0.000).

Employees in the Rwandan banking sector were thinking of intrinsic motivation rather than extrinsic and management motivations. There is an indication that the level of motivation incentive in the Bank of Kigali is adequately provided to employees. This result conflicts with Elumah Lucas *et al.* (2016) who argued that material motives have a significant negative impact on employee performance. Based on the unstandardized coefficient below, the regression model can be estimated.

$$\text{Job Performance} = -0.032 + 0.483 (\text{Intrinsic Motivation}) + 0.243 (\text{Extrinsic Motivation}) + 0.273 (\text{Management Motivation}).$$

Table 7: Multilinear regression coefficients

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.032	.069		-.468	.641	
	IM	.483	.025	.535	19.32	.000	.354 2.827
	EM	.243	.026	.232	9.346	.000	.432 2.315
	MM	.273	.016	.360	17.062	.000	.637 1.571

a. Dependent Variable: EMJPR

Source: Field data collected (2022)

The table above indicates that; the intrinsic, extrinsic, and management motivations are positive and have a significant effect on job performance as shown in the multiple regression model. This implies that the motivations in banks enhance the employee's job performance in work. Thus, this study argues that good motivation is essential to achieve bank goals and retain employees even during a toxic situation (like what the global pandemic in 2019-2021). The operational motivational programs backed by management intervention in the bank helped to achieve moral spirituality (pure) amongst employees' work and Obeidat and AL-Dwairi (2015) attest to this.

Conclusion

The study was conducted on the effect of employee motivation and job performance in the Bank of Kigali. Based on a sample of 121 employees respondents received and reviewed secondary data (reports from 2019-2021). The researcher has concluded that there is a positive and significant effect of intrinsic motivation, extrinsic motivation, and management motivation. Therefore, the conclusion drawn from this study is that management policy backing the effect of employee motivation on job performance in terms of equity and goal-getting application using the motivator and hygiene factors is adequate in the Bank of Kigali but management should build strategic ideas to improve and sustain these policies.

Recommendations

Intrinsic motivation refers to excitement fueled by personal enjoyment, passion, or job satisfaction (Guay *et al.*, 2010). However, the alleged absence of job classification in the BANK OF KIGALI is a sign that certain personnel risk remaining on the job without advancement, Management should look into this and proffer a quick solution to avoid a move of BK's best employee.

References

- Adams, J. S. (1965). Inequity in social exchange. In Al-Zawahreh, A. & Al-Madi, F. (2010) The Utility of Equity Theory in Enhancing Organizational Effectiveness. *European Journal of Economics, Finance, and Administrative Sciences*.
- Afful-Broni, A. (2012). Relationship between Motivation and Job Performance at the University of Mines and Technology, Tarkwa, Ghana: 314.doi:10.4236/ce.2012.33049 Effectiveness. *European Journal of Economics, Finance, and Administrative Sciences*.
- Afful-Broni, A. (2012). Relationship between Motivation and Job Performance at the University of Mines and Technology, Tarkwa, Ghana: Leadership Lessons. Albeiti, M. (2015). The Role of Motivation on Employees' Performance: The Case of Victoria Commercial Bank of Kenya. Unpublished MBA, Thesis. United States International University – Africa.
- Anyim, C., Chidi, O. and Badejo, A. (2012). Motivation and Employees' Performance in the. Public and Private Sectors in Nigeria: *International Journal of Department and Economic*.
- Arnolds, C. A. and Boshoff, C. (2002b). Compensation, esteem valence and job performance: an empirical assessment of Alderfer's ERG theory. *International Journal of Human Resource Management*, June 2002, 13(4), 697-719.
- Ayobami, K. P. (2012). Influence of extrinsic and intrinsic motivation on employees' performance.
- Bennell, P. and Akyeampong, K. (2007). Teacher Motivation in Sub-Saharan Africa and South Asia. Educational Papers Department for International Development: London.
- Dobre, O. I. (2013) Employee Motivation and organizational performance: Review of Applied Social–Economic Research. 5(1), 53-60.
- Donald, R., Cooper, Pamela, S. Schindler, McGraw-Hill, Irwin (2006). Business - Business Research Methods.
- Emeka et al. (2015), Manzoor (2012), and Singh (2015). A highly motivated employee will lead to organizational effectiveness. Employee Motivation Dwibedi (2017).
- Greenberg's (1990). Organizational Justice: Yesterday, Today, and Tomorrow. (Greenberg, 2011; https://www.researchgate.net/publication/284739971_Organizational_justice_The_dynamics_of_fairness_in_the_workplace).
- Guay et al. (2010). describes it simply as “reasons underlying behavior”. Ryan and Deci in their original research (1985), pp. 712.
- Heneman, H. G. (1985). Pay satisfaction. Research in Personnel and Human Resources Management. In Al-Zawahreh, A. & Al-Madi, F. (2010) the Utility of Equity Theory in Enhancing Organizational Effectiveness. *European Journal of Economics, Finance, and Administrative Sciences*.
- Hong, J. C., Yang, S. D., Wang, L. G., Chiou, E. F., Sun, F. Y. and Huang, T. L. (1995). Impact of Employee Benefits on Work Motivation and Productivity. *International Journal of Career Management*, 7(6), 10-14.

- Jibowo, A. A. (1977). Effect of motivators and hygiene factors on job performance among extension workers in the former Western State of Nigeria. *The Quarterly Journal of Administration*, 12(1), 45-54.
- John B. Miner (1980). Edition 2. Publisher: Dryden Press. ISBN: 0030547210, 9780030547218.
- Katzell, R. A. and Thompson, D. E. (1990). Work motivation: Theory and practice. *American Psychologist*, 45, 144-153. doi:10.1037/0003-066X.45.2.144.
- Keijzers, B. (2010). Employee Motivation and Performance: Organization and Strategy. Bachelor Thesis, Spring Semester 2010 Kenya Commercial Bank (2012). Annual Report and Financial Statements.
- Newstrom (2011). John W. Newstrom. Edition, 13, illustrated. Publisher: McGraw-Hill/Irwin. ISBN: 0071289488, 9780071289481.
- Obeidat and Al-Dwairi (2015) investigated the role of moral and material incentives on employee performance.
- Onah (2015). Abraham-Maslow's-Hierarchy-of-Needs-and-Assessment-of <https://www.eajournals.org/wp-content/uploads>.
- Onah (2015). asserts that when people achieve their social needs they focus attention on such matters as reputation, recognition, self-esteem, and prestige. *International Journal of Development and Economic Sustainability*, December 2017, 5(7), 15-27.
- P. Bennell, K. and Akyeampong (2007). Education. This book is based on research, which explored teacher motivation and incentive issues in 12 countries.
- Ryan, R. M. and Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being.
- Sofat, S. (2012). Effect of Motivation on employee performance and Organizational. *Journal of Applied Management & Computer Science*, 1, 1-11.
- Tella, A., Ayeni, C. and Popoola, S. O. (2007). Work motivation, Job satisfaction, and Organizational commitment of library personnel in academic and research libraries in Oyo state, Nigeria. *Library Philosophy and Practice*. doi: 10.4236/jssm.2010.32025.
- Tyson, S. (2006). Essentials of human resource management. Burle Publications Africa: Nairobi.
- Thomas, K. (2009). The Four Intrinsic Rewards that drive Employee Engagement. November/December. 2009 features.
- Valencia, S. (2011). Motivation and productivity in the work place. Lucca: Italy.