

Influence of Employees Motivation on Performance of Micro Finance Institutions in Rwanda. A case of LETSHEGO-RWANDA

MUGABEKAZI Elizabeth

Master of Science in Human Resources Management of the University Of Kigali

Abstract

Currently, Human Resource Management is becoming more important because employees and their knowledge are the most important aspect affecting performance of micro financial institutions in Rwanda. Motivation is one of the most important tools of Human Resource Management. Organizations are designing motivation systems in order to encourage employees to perform as well as to attract and retain potential candidates. The main purpose of this study was to assess the impact of employee motivation on performance of micro financial institutions in Rwanda. A qualitative case study methodology was used to interview key informants as well as questionnaires were distributed to the sample of 54 respondents from LETSHEGO-RWANDA headquarter and branches in Kigali. The general objective of this study was to assess the influence of employees' motivation on performance of micro financial institutions in Rwanda. Taking into consideration of Letshego Rwanda as the case of study. The specific objectives of this research study were to examine how salary increments influence the performance of employees in Letshego, to assess the roles of team work in enhancing performance of Letshego, to find out whether motivational packages has an impact in performance of Letshego, to assess the relationship between employee motivation strategies and micro financial institutions Performance. The study employed a descriptive cross-sectional design, and population of 54 persons was applied. Document review, questionnaire, interview, and observation methods were used to collect data, while descriptive statistics and content analysis were applied for data analysis. SPSS: Statistical Package for Social Sciences was used in this research study.

Key Words: *Employee's motivation and performance of micro financial institutions.*

Introduction

The microfinance sector in Rwanda is relatively young. Although small self-help peasant organizations (ibimina) have existed for some time, the sector growth accelerated with the creation of the Rwanda Banques Populaires or Union des Banques Populaires du Rwanda (UBPR) in 1975 whose network dominates the microfinance industry today. MFIs is better described through the following time lines:

In 1965 Probable date of appearance of the first ROSCA or IBIMINA; 1975: Establishment of the first Banque Populaire (BP), the Banque Populaire of NKAMBA, on August 4, 1975; 1986: Banques Populaires create a Union called Union of the Banques Populaires (UBPR), 1994: all MFIS stopped their activities and lost their assets during the 1994 war and genocide; 1995: Launching of the financial sector reform. After 1995, the Government started reforms of the financial sector aiming at creating an efficient financial system. The principal objectives of these reforms include the reinforcement of the Central Bank (BNR) legal powers of coordination and supervision of the banking structure, the introduction of new financial instruments, the liberalization of interest rates and the opening of the banking structure to foreign banks. These reforms had a considerable impact on the development of the Rwanda 's financial sector. 1996 : Reopening of the Banques Populaires; 1999: Promulgation of the banking law n° 08/99 dated June 18, 1999 assigning the responsibility for the MFIs' supervision to BNR ; 2002 : Creation within the Rwanda Development Bank (BRD) of the Fund for Refinancing and Development of Microfinance (FOREDEM); 2002/2003: Adoption by BNR of two instructions regulating the activities of microfinance in general (Instruction n° 06/2002) and the instruction specific to COOPECS (Instruction n° 05/2003); 2004 : First microfinance conference evaluating the level of achievement of the objectives of year 2005, declared international year of microcredit; 2005: a "microfinance

best practices sensitization tour” was organized around the country by the Secretary of State for Planning (in the Ministry of Finance) and the Governor of the National Bank of Rwanda explaining the risks of an illegal proliferation of Coopecs and other MFIs.

Today, the National Bank of Rwanda (BNR) remains the central body that monitors all the day to day operations of all Micro financial institutions in Rwanda.

Letshego Holdings Limited as the case study of this research was incorporated on 4 March 1998 as Micro Provident Botswana Limited a microfinance institution whose core function was to provide of unsecured loans clients, who had full-time employment (Ghaffari 2018). Between 2005 and 2007, the group expanded to Uganda, Eswatini, Tanzania and Zambia. These were all through Greenfield investments in these countries. In August 2008, the group made its first foreign acquisition when it acquired a majority stake in Eduloan, an MFI in Namibia (Abdul 2008) In the same year, the company adopted the Letshego brand as its official name. The expansion drive continued into 2009 with the setting up of a subsidiary in Mozambique. In 2011, the group commenced its operations in Lesotho. In the same year, the group announced its intention to acquire a 62.52% in Micro Africa Limited, a Kenya-based MFI with subsidiaries in Kenya, Uganda, Rwanda and South Sudan (A.S Kohli, 20018)..

Letshego Rwanda stands to be a world-class retail financial services organization meeting the needs of mass and middle income individuals & MSEs. Through Product Diversification, Digitalization, Geographic Rebalancing, Enterprise Agility & Corporate culture, Sustainable Shareholder Value (Armstrong .M (2008).

Letshego Rwanda like other Micro financial institutions is struggling to earn as large market share as possible, by providing excellent banking service to its customers to retain them despite of fierce competition of other micro financial institutions in Rwanda. Having good products alone is not enough to attract more customers to join and transact with the bank unless skilled and motivated human resource is available. (Avery, RD, & Mercy 2019). Therefore, Letshego Rwanda is committed to have skilled and motivated staff in order to attain its objectives.

Despite the progress that has been made in improving employees motivation by the government of Rwanda, there still stands a big gap to covers as far as increasing the performance of micro financial institutions in Rwanda is concerned. In a research conducted in September 2012 by Rwanda Governance Board (RGB), one of the findings that were brought out state that, one of the key issues is the need for a more motivational career path since the current situation and flat structure can be de-motivating the staff. High performing professionals in BNR and Micro Financial institutions, for example, do not have a clear career path at the moment. Motivation in Micro financial institutions seems not to be given much attention and yet there is a correlation between employees motivation towards the general performance of micro financial institutions in general. It is has been noted that in the year 2018, the Institution under study (Letshego Rwanda) earned 235,828,314 Frws, the following year in 2019 earned 46,347000 frws and in 2020 the earning continued to slow down to 19,899,153 Frws. This constant slowdown in earnings can be a picture of lack of employee’s commitment, innovation and poor performance which leads to such a decrease in annual earnings. Therefore, it is with this in mind that the current research is aims at establishing the relationship between employee motivation and performance of micro financial institutions in Rwanda.

The general objective of this study was to assess the influence of employees’ motivation on performance of micro financial institutions in Rwanda. Taking into consideration Letshego Rwanda as the case of study. The study was guided by the following specific objectives:

- 1) To assess the influence of compensation on employee performance at Letshego
- 2) To assess the roles of employee recognition in enhancing performance of Letshego.
- 3) To examine how employee promotions influence the performance of employees in Letshego.
- 4) To assess the relationship between employee motivation strategies and micro financial institutions Performance.

Literature

Motivation is the process that initiates, guides, and maintains goal-oriented behaviors. It is what causes you to act, whether it is getting a glass of water to reduce thirst or reading a book to gain knowledge. Motivation involves the biological, emotional, social, and cognitive forces that activate behavior. (Atambo, 2013). Employee motivation is defined as the enthusiasm, energy level, commitment and the amount of creativity that an employee brings to the organization on a daily basis. Employee motivation is all about how engaged an employee feels in tandem to the organization's goals and how empowered he/she feels. Motivation is of two types: Intrinsic motivation, extrinsic motivation.

Employee motivation is an intrinsic and internal drive to put forth the necessary effort and action towards work-related activities. It has been broadly defined as the "psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort and a person's level of persistence. Also, "Motivation can be thought of as the willingness to expend energy to achieve a goal or a reward. Motivation at work has been defined as 'the sum of the processes that influence the arousal, direction, and maintenance of behaviors relevant to work settings'." Motivated employees are essential to the success of an organization as motivated employees are generally more productive at the work place. (Atambo, 2013).

The vision of every group is to have high productivity, but not all companies enjoy the opportunity of high productivity. Therefore, employee productivity is a challenge to many organizations today (Atambo, 2013). According to Hoy and Miskel (1987), employees' motivation is the complex forces drives, needs, tension states or other mechanism that starts and maintains voluntary activity directed towards the achievement of personal goals.

Mullin (1996), refers motivation to the forces within a person that affect his or her direction, intensity and persistence of voluntary behavior. He added that motivated employees are willing to exert a particular level of effort (intensity), for a certain amount of time (persistence) toward a particular goal or direction. Motivation is a decision making process, through which the individual chooses the desired outcomes and sets in motion the behavior appropriate to them. Motivation can therefore be thought of as the degree to which an individual WANTS and CHOOSES to engage in certain behavior (Matoka, 2011).

Seth (2003) indicated that, motivation is an internal process that makes a person move toward a goal. He added that, motivation, like intelligence, can't be directly observed. Rockson (2005) also defined motivation as the inner drive that energizes an individual to do something. He added that, motivation elicits, controls, and sustains a goal-directed behavior. Bright (2000) defined motivation in the context of a business and indicated that, motivation can be said to be about "the will to work". It can come from the enjoyment of the work itself and/or from the desire to achieve certain goals e.g. earn more money or achieve promotion. It can also come from the sense of satisfaction that we gain from completing something, or achieving a successful outcome after a difficult project or problem solved.

From a general point of view, In Ghana, Maud Ibrahim found out that Motivation is one of the most important concepts of psychology and very vital for managers who direct the growth of their subordinates towards worthwhile goals. He ranks motivation of employees as the most serious problem that confronts them in the instruction of subordinates. In his research found out that, Micro financial institutions in Ghana perform according to the speed and tunes of employees. He further stated that, once employees are motivated both intrinsically and extrinsically lead to a geared performance of micro financial intuitions. Motives according to Horge (2004) are key to human behavior, they play an important role in employee performance and other activities and as such managers should know what motivation is and how employees are motivated towards performance. In spite of all apparent attendant problems of motivation and productivity, organizations seek means of ensuring continuous productivity, which would be geared towards the accomplishment of organizational goals.

In Nigeria, Sajuyigbe, Olaoye and Adeyemi (2013) carried out a research entitled "Impact of reward on employees' performance in selected manufacturing companies in Ibadan, Oya state, Nigeria". The main objective of this work was to examine the impact of reward on employee's performance with special reference to selected manufacturing companies in Ibadan. In their work entitled "the efforts of intrinsic and extrinsic rewards on the perceptions of middle level managers" Clive, George and Sergeja (2009) provide further empirical evidence. This street numbers how compensate frameworks are planned at various organizations,

situated in various EU nations, as observed through the eyes of rehearsing administrators. Specifically it takes a gander at whether center level supervisors show comparable prizes inclination; regardless of whether the motivational effect of reward frameworks on execution is comparative whether the precursors of the reward framework inserted in the administration control framework are seen distinctively by center administrators, in various organizations, in various EU areas.

In Malaysia, Ghaffari, Shah, Burgoyne, Nazri and Salle (2017) also did a study to determine the relationship between motivation and job performance, and also to identify the most dominant motivational factor that influences an employee's job performance. The researchers tried to explain the impact of motivation on job performance, through conducting the study in University Teknologi Malaysia. The analysis showed that the most significant motivational factor for job performance was responsibility, while fringe benefits are the second significant factor. It was also revealed that human capital management can use diverse plans or factors to simulate workers, although the different motivational factors had varied motivational influences on different employees. It was therefore concluded that human capital management should entail a comprehensive plan that considers employees values, needs, tasks, and satisfaction levels in terms of increasing job performance and productivity.

In Rwanda, Kantengwa Christine, in her work entitled "Financial cooperatives in Rwanda historical background and regulation". She concluded that in the light of her findings, public institutions should raise their employee motivation strategies. Moreover, employees should be exposed to more relevant training that can enhance their creativity and innovation. This in turn will increase organizational performance. There is also need to improve working conditions in public institutions to avoid high employee turnover into private sectors. She further suggested for more research to be carried about intrinsic employee motivation in private financial institutions.

Empirical Review

Okan, v. Safakli and Mustafa, E. (2012), conducted a study on Universality of Factors motivating employees in Banking Sector of Northern Cyprus. Their study revealed that the most important factors motivating employees are equitable wage and promotion, extended health benefits and working environment. Furthermore, when compared with a similar study in Finland, it is found out that the most important factor motivating employees in both countries is wage. This study shows the gap of place where it conducted in a developed country while a researcher study is focused in banking sector located in Rwanda as a less developing country.

Abdul Hakeem (2008) conducted a research focused on the relationship between motivation and job satisfaction on employee performance in University of Utera Malaysia. The Thesis found that job satisfaction has significance positively influence to the employee performance rather than motivation.

Karanja Silvana (2012) conducted a research on the Effects of reward system on employees performance in Cooperative bank headquarter in Nairobi, Kenya. The study adopted explanatory research design. The target population was employees of Cooperative. Bank of Kenya. The result from his study revealed that motivation, creativity, job satisfaction and team work had a positive and significant effect on employee performance. The gap of this study can be seen as it is focused on the effects of rewards system on employee performance in cooperative bank in Nairobi while a researcher study focused on the impact of employee motivation on job performance on Tanzania Postal Bank.

Insimire Patricia (2011) researched on the Motivations and Sales performance of employees the case of Niko Insurance Uganda. The objective of her research was to establish the relationship between employee motivation and sales performance. From her findings, it revealed that, there was various motivation techniques used by NIKO Insurance which include promotion, delegation of authority, participation in decision making, bonus and commission to good performers. It was also discovered that Niko sales performance was greatly affected by the quality of supervision, increased employee commitment, level of education, condition under which they perform their duties, the quality and management of operations and the number of hours worked. The above study shows that, there is industrial gap from the fact that it was conducted in Niko Insurance which provides insurance services, while the selected bank provides financial services. However, non-financial rewards like job security and recognition were not given attention.

Nchorbune Dominic Abonam (2011) conducted a research on the Roles of Motivation on employee performance in university for development Studies-WA Campus. He found that motivational packages available to employees in the university were largely inadequate. Hostile environment within the university were not promoting efficient work. Since workers were found to be poorly motivated, this resulted into poor attitude towards work, lateness to work, absenteeism and indiscipline hence poor job performance. There is a gap in this study conducted by Nchorbune because his research was of motivation and employee performance, but was done in University which is quite different to banking sector.

Opu Stella (2008) did a research focusing on motivation measures and improving workers performance in Kitgum district in Uganda. She found that, workers were not performing well in Kitgum district because salaries and allowances at the district were very inadequate and not able to meet people's basic needs. Team work was not there between managers and subordinates which also hindering good performance. However, intrinsic motivators such as achievement, advancement, responsibility and recognition were identified to be well expressed in the district. There is gap in this study because some incentives seem to be in place, but on the other hand some incentives were inadequate for the district to perform.

Kingazi (1986) conducted a study on the Understanding of the Impact of Incentives and Motivation on Productivity at Tanzania Sisal Industry in Morogoro and Tanga regions. He found that the problem of declining productivity has not only been caused by non-provision of incentives, but also by the nature, frequency and amount of incentives provided to workers. There is a gap in this study conducted by Kingazi because his research was of motivation, but was done in the sisal industry which is of agricultural sector of is quite different to banking sector.

Newaho E. Mkisi (2008) conducted a study focused on Application of Human Resource Management Initiative for Workers Motivation and Organization performance in Telecommunication sector in Tanzania. She used empirical evidence from three telecommunication companies Tanzania. Her study found that the gap between public and private has narrowed. That is to say, both public and private companies provide all the incentives such as job security, fringe benefits, and salaries benefits to motivate its workers. She also found that the difference in performance between public and private companies is not because of incentives structure but rather than the performance management system practices (strategic planning, clear organization mission, training sanction, workers job description clear compensation policy and mentoring and performance appraisal). There is an industrial gap conducted by Newaho because it focused on telecommunication services while the selected bank focusing on financial services

Christine Akimpaye (2014) in her research on the employee motivation strategies and public institutions performance in Rwanda, found that, the major reasons for poor performance of micro financial institutions in Rwanda were negligence on the part of the employees due to lack of motivation, among others. This means that in spite of all the interventions implemented before, nothing much has been achieved in terms of performance of micro financial institutions in Rwanda.

In a research conducted in September 2012 by Rwanda Governance Board (RGB), one of the findings that were brought out state that, one of the key issues is the need for a more motivational career path since the current situation and management of both public and private institutions can be de-motivating the staff.

According to MIFOTRA (2016), addressing both pays and retention issues are key to help the Government attain capable, competent and well-motivated civil and public service required to achieve its objectives under Vision 2050, the EDPRS and MDGs. However, there are no effective strategies to achieve this in public institutions as compared to their counterpart in private sectors. It is with this in mind that the current research is aiming at establishing the influence of employees' motivation on performance of micro financial institutions in Rwanda.

Research indicates that managers can change four dimensions of organizational contexts task, reward, social and physical - to improve employee well-being and satisfaction (Danna and Griffin, 1999; Grant, et al., 2007; Johns, 2006) if they are to promote employee motivation and performance of Micro financial institutions. However, much of the academic literature on staff motivation and performance (Cory, 2006; Conley and Odden, 1995; Chamberlin, et al., 2002; Al-Zawahreh and Al-Madi, 2010) has largely focused on financial

rewards thus giving little attention to non-financial rewards. Yet non-financial incentives are also important motivational drivers and are complementary to financial ones (Lipinge, et al., 2009). The current study therefore tries to fill this academic gap by analyzing how both financial and non-financial motivational drivers affect Micro financial institutions.

The research revealed various findings and some of the findings are contradicting because researchers have focused on different variables, organizations and even countries. However, the question remains, why do organizations still experience motivational problems which result in decreasing the degree of organizational performance. In addition, some of the incentives motivators seem to be in place while other incentives are missing thus the study establishes the research so as to fill the gap

Methodology

Research Design

According to Trochim and William (2006), a research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem. It is actually a blueprint for the collection, measurement, and analysis of data. This study adopted a descriptive cross-sectional study design. The study involved collection of data at a single point in time in the target population. Descriptive means that the study described a phenomenon as it is without doing any form of manipulation.

Population Study

According to Kothari (2011), a study population is a well-defined or specified set of people, group of things, households, firms, services, elements or events which are being investigated. Thus the population should fit a certain specification, which the researcher is studying and the population should be homogenous.

In this study, LETSHEGO-RWANDA was selected as the case study of this research. Respondents included senior management officials, supporting staffs and bank clients.

Purposive sampling procedure was used to cover senior management officials at LETSHEGO-RWANDA and simple random sampling procedure was employed to cover supporting staff and clients in the organizations. Purposive sampling refers to selection of only those elements of which are believed to be able to deliver required data and was used in the study because the study assumed that these people are knowledgeable and have skills necessary for giving information required whereas Simple random sampling is the probability sampling where all members in the population have an equal chance of being selected was applied in the study because everyone in the study is was expected to give required information as they are randomly selected both male and female respondents.

Sample size and Sampling Procedures

Sampling is the process of selecting a group of subjects for a study in such a way that the individuals represent a larger group from which they were selected (Gay, 2009). A sample of 54 respondents was used in the study.

Table 3.1: Population size

SN	CATEGORY	TARGET POPULATION	SAMPLE SIZE	TECHNIQUE TO BE USED	TOOL TO BE USED
01	Branch Managers	4	4	Purposive sampling	Interview
02	Tellers	4	4	Simple random sampling	Questionnaires
03	Branch Operations Officers	29	29	Simple random sampling	Questionnaires
04	Customer Care Officers	4	4	Simple random sampling	Questionnaires

05	Financial Accountants	5	5	Simple random sampling	Questionnaires
06	Credit Analysts	2	2	Simple random sampling	Questionnaires
07	Recovery Officers	6	6	Simple random sampling	Questionnaires
Total		54	54		

Source: Researcher 2022

Sources of data

The source of data was primary and secondary data. To get primary data, the researcher went to the field and collect raw data from respondents, in this study, questionnaires, interviews and observations were used to collect primary data. Secondary data were collected by way of document reviews.

Data collection methods

The researcher collected data through questionnaire, interviews, observation and document reviews.

Documentary review

Document reviews were used to obtain data that the respondents were not able to provide through other methods for various reasons such as forgetting or sensitivity reasons. These included project reports, budgets, and work plans, baseline surveys, and evaluations, books of accounts, registers and minutes of meetings of committees. Documentary review was used to collect secondary data.

Questionnaire

This study utilized a questionnaire with open and close ended items some of which was on the Likert scale. Likert scale is an interval scale that specifically uses five anchors of strongly disagrees, disagree, neutral, agree and strongly agree. The Likert scale measures the level of agreement or disagreement and is good in measuring perception, attitude, values and behavior. The Likert scale has scales that assist in converting the qualitative responses into quantitative values (Mugenda & Mugenda, 2003).

Interview

The semi-structured interview which is helpful to make a structure while having flexibility during the interview process was used. The face-to-face semi-structured interview has more flexibility and control than a detailed interview. Interviewees decided the date, time, and place for the interviews. A researcher used semi-structured interviews to explore and reconstruct events explained through the lived experience and perspectives of the participants.

Observation

While in the field, this method allowed the researcher to observe and take notes about various aspects of the project.

Data processing, analysis and presentation

The data was analyzed with a focus on the association between the independent variable (employees' motivation) and dependent variable (performance of Micro financial Institutions). The data collected from with the aid of questionnaires was coded, cleaned and analyzed using descriptive statistics in order to generate mean, frequency tables and percentages. The data was analyzed by using descriptive statistics such as frequencies, percentages, and means.

Presentation, Analysis and Interpretation of Findings

The first objective was to assess the influence of compensation on employee performance at Letshego. The study was interested in examining how compensation influences employee performance at Letshego because compensation is a great motivator for employees' performance as well as instrumental in satisfying a number of the most pressing needs. Compensation motivates employees to work harder, improves staffing and employee retention. Furthermore, compensation helps to inspire employees to push themselves to perform better.

When employees of Letshego-Rwanda were asked to comment if compensation influences them to performance the majority of them which is 91% agreed compensation influences job performance. Few respondents which are 9% did not agree that compensation influences job performance in Letshego. Therefore employees who did not agree suggested that compensation alone cannot have positive effects on employee's performance unless it comes along with other motivational packages like promotion, recognition and internal treatment of employee should be treated equally.

The second objective was to assess the roles of employee recognition in enhancing performance of Letshego. The study was intended to find out the role of employee recognition in enhancing performance of Letshego-Rwanda because recognition improves trust and communication among employees. Recognition helps employees see that their company values them and their contributions to the success of their team and the company overall. This is particularly key when organizations grow or change. It helps employees build a sense of security in their value to the company, motivating them to continue great work. This can contribute to a more open environment in which creativity is supported and encouraged. The study found that the majority of respondents which is 75% commented that the role of employee recognition in enhancing employee performance. 13% of respondents suggest that employee recognition leads to poor performance in the organization. 8% of respondents suggest that there is no employee recognition in Letshego-Rwanda. However, 4% of respondents specify the other means for enhancing employee's performance rather than employee recognition.

The third objective was to examine how employee promotions influence the performance of employees in Letshego. The study was interested to know the influence of employee promotions on the performance of employees at Letshego because promotions has influence on the performance of employee in a sense that once these promotions are provided to them, employees will be satisfied, committed, and be loyal to the bank. This will result in providing good services to customers and hence employees performance. The study showed that 89% of respondents said that employee promotions are a great motivator for employees and enhances employee's performance at Letshgo Bank. However, 11% of respondents said that promotion is not only a factor because employees' performance is also caused by other factors like fringe benefit including housing loan scheme. However, a researcher during an interview asked key informants "what are the existing motivating factors for improving employees' performance in Letshego" and their response were that, "there are various existing motivating factors for improving employees performance in Letshego which include salary and commercial loans given to employees of Letshego, good working conditions, quality human resources, good office environment salary increment and training.

The third objective was to assess the relationship between employee motivation strategies and micro financial institutions Performance. The study was interested to examine the relationship between employee motivation strategies and micro financial institutions Performance because it is this level of motivational strategies which determines the employee performance in Letshego. If the adequacy of these motivational strategies is enough to employees then the workers will be satisfied, committed to work, loyal to the bank and will provide good customer care services to bank clients. This will attract more customers and also to retain them and hence leading to enhanced employees' performance. The researcher asked the respondents and 84% confirmed that there a strong relationship between existing employee motivation strategies at Letshego and the Institution performance. 16% of the respondents stated that the existing employee motivation strategies at Letshego do not really enhance the Institution performance and therefore there is a need to redefine and amend the existing strategies.

The summary of the research findings.

The general objective of this study was to assess the influence of employees' motivation on performance of micro financial institutions in Rwanda taking into consideration Letshego Rwanda as the case of study. Majority of respondents argue that compensation is what they worked for. Since the reason why people do work is to secure income and gives them buying power and surpluses for savings. Majority of employees considered compensation to be the first motivational factor that motivates them to perform. Respondents show a very high level of loyalty to bank, customer services improved in the branches and there is improvement of public relations activities of which is good for the bank. The longer an employee remains in the employment of the bank, the more likely those customers to be familiar to such an employee and find it easy to divulge their service wishes or expectations from the bank. Both of these positively contribute to an increase in the profit of the bank.

Moreover, majority of the respondents, indicate that employee recognition ignites the morale of employees at Letshego. The performance of the bank as a financial institution bases on the satisfaction of employees for being recognized for every good work they don for the bank. The bank has renovated most of its office branches so as to attract customers to do business as well as to make employees to feel comfortable working with the bank. Modern office equipment and furniture also creates a good atmosphere to do business between a client and the bank. These attract more business and hence increase bank performance. Majority of employees indicate that without motivational packages in place for them, the desired result to be achieved at the branch would be difficult. The study observes that Letshego does not offer any type of housing loan scheme to its employees as well as customers since itself is a financial institution.

Implications of the Findings

The study has implication towards managers and supervisors that they should be fair and careful when measuring employees' performance. Employees' performance is measured by supervisory ratings and these ratings are subjective in nature. Any form of biasness and errors should be avoided by managers and make sure that employees are rewarded accordingly as well as checking the performance management and reward system for equity. Managers should always embark on continues incentives and rewards program to their staffs and this should include personal acknowledgement by letter or emails for staffs. This will encourage staffs to produce more and with efficiency and that will help managers to achieve their branches or department targets and hence bank performance. Management must take action to improve performance of employees by use of appropriate management styles to optimize motivation and a positive work climate, provide technology and resources needed to meet performance expectations, use of job rotations and trainings to employees. The finding also has implication to employers that they must know what motivates their employee. This is because the personality of employees reacts differently to motivational factors. Some employees are more intrinsically and others are more extrinsically motivated.

Conclusion

From the result obtained the study concluded that people use bank services to save their gain because they believe it is a secured place for keeping their money. The study also shows that compensation has an impact on employees' performance. Compensation has made employees to work hard and provide good services to its esteemed customers. It is further concluded that the presence of team work among employees of Letshego-Rwanda has an impact on employees' performance. Staff recognition has made a remarkable growth to Letshego-Rwanda in terms of loans especially for salaried employees and micro borrowers. Total income, assets and deposits of the bank has increased as well as profit.

The study further concluded that availability of motivational packages to employees of Letshego has caused the bank to perform well. Because of these packages high level of employees' loyalty in the bank is observed. Employees are delighted to customer as a result level of employee turnover is not high. Inner satisfaction is also observed which produces some moral for the core employees out their best in terms of service delivery. The study also concluded that management of Letshego usually facilitates the employees learning through training so that employees modified behavior contributes to the attainment of Letshego goals and objectives. Moreover the study concluded that managers and supervisors should be fair and careful when measuring employees 'performance because in many organizations employees performance is measured by supervisory ratings, and these ratings are highly subjective.

Based on the findings the researcher concludes that, motivation is an important factor in determining employee satisfaction and performance. What motivates employees is beyond monetary rewards and includes both intrinsic and extrinsic rewards. Additionally, motivation is on an individual basis as individual needs vary. Therefore motivation should be targeted at satisfying individual and group needs rather than generalizing the motivational packages across the organization.

Recommendations

Basing on the findings of the study and the opinion of the researcher, it is recommended that: Management should approve of new motivational packages which influence performance at the bank. Sales employees and credit officers can be given car loan to motivate them to stay longer in the office because their work involves a lot of visiting customers outside the office.

Motivation as a part of a reward can be promoted by exposing employees to challenges and giving employees more responsibility. However, when employees have done a good job, particularly when they have succeeded in a challenging assignment, nearly all want to be recognized for doing so. When this does not occur, the result often is de-motivating. But, when honestly and genuinely offered by supervisors and other management, praise for a job well done and recognition can be one of the greatest motivator.

Management should continue to brand image of the bank by renovating other branches in order to improve the working environment for their staffs and customers. The bank can do public relations through cooperate social activities as well as informing the public about Letshego and its products through media.

Promotion is another key area where the bank should focus in order to improve job performance. Currently promotion rate from one level to another is very low, and analysis indicates that promotion is likely to happen after 4-5 years after joining the company. Promotion raises the status of the employees who receive promotion within organization.

The study further recommends that the bank shall provide/offer a housing loan scheme to its employees as one of motivating factor to their job performance. Housing loan scheme is necessary to Letshego staffs so as to improve the life standard of its workers which in the end is the best reward to the employees. Indeed, housing loan has long repayment period thus it will help to retain employees as well as promoting morale to the work performance.

A researcher recommends that the management of Letshego should invest more on staff trainings. This should include equipping staff with the knowledge of the bank itself, the products offered, Standard operations procedures as well as staffs being competent. By doing this staffs will be emotionally motivated and can work confidently. Therefore this will help the bank to improve customer care services to its esteemed customers in order to be able to compete well at this time where there is high influx of many financial institutions in the country.

Moreover, the study recommends that in order to motivate and show consideration to its staffs the management should lower bank charges to its staff such as low interest to its entire loan products offered to Letshego employees, lower exchange rate as well as money transfer services.

The bank should adopt an updated performances measurement tools like Balance Score Card. This will enable fair and open rewarding programmes for staff that performs better than others. Adoption of these tools also helps in personal motivations by staff as in the process of scoring themselves they also increase personal morally to effectively perform and meet the Company set targets.

The study entreats management to make job security their top priority and there must be awareness of how secured workers are on the job to ensure the retention of hardworking and experienced employees. The researcher entreats the management to ensure that equity prevails in all facets of their activities especially when dealing with issues concerning the employees.

Management is also entreated to involve all the employees in all decisions especially ones concerning their lives. Respect and recognition should be accorded employees to promote cordial relationship amongst themselves as well as management to foster cooperation in achieving the organizational strategic goal.

Employees' development to enhance their performance as well as promoting self-fulfillment and self-actualization should be entreated as a matter of urgency. The study entreats the management to review its motivational packages in order to incorporate other packages that are also important to gain competitive advantage.

Letshego should raise their employee motivation strategies. Moreover, employees should be exposed to more relevant training that can enhance their creativity and innovation. This in turn will increase organizational performance. There is also need to improve working conditions in public institutions to avoid high employee turnover into private sectors.

Lesthego needs to ensure that employees are guaranteed job security in the organization such that they do not have to worry about any abrupt unemployment. Staff should be assured that they organization will continues to demand for their services or technical skills. This will encourage employee innovation and productivity to make the bank more profitable, since they will see themselves in the organization for several years to come.

Letshego management should endeavor to accommodate diversity of workforce need. Effective handling of workplace diversity means respecting and valuing the differing skills and experiences we all bring to the workplace, as well as being aware of the additional divergent needs of some groups. Recognizing the diversity of existing workforce be it on the basis of gender, age, culture, religion, language or personal circumstances - and being committed to building on the richness of the perspectives, experience, knowledge and skills that this diversity brings to the organization will help to promote performance.

Letshego management should fix their staff salaries in an incremental approach such that each year, an employee is guaranteed of a salary increment and accumulation. This will help to minimize the motivational challenge of staff turnover since employees are assured of salary increase with time.

Letshego managers should always endeavor to make personal communications with employees even when they happen to be busy. Being a positive communicator means offering recognition, support, feedback, praise, and encouragement. This is because respondents highlighted the ineffectiveness of communication between managers and staff, yet research shows that employees whose managers communicate in positive ways are more productive and feel more positive about their work.

The employee motivation is a fundamental element of high performance of many organizations. So the managers or head of Letshego have to motivate employees and attempt to increase techniques of motivation to the employees towards their tasks; the financial institutions should give the training opportunities to the employees for acquiring new information, skills, knowledge in relation to their works; managers of financial institutions should understand well various strategies and techniques of motivating their employees; Paying salary in time, employees' job training, employees' job satisfaction, wages, insurance, promotion and advancement, employees' job security, might be considered by employers when they are motivating their employees, the financial institutions must establish its working structure and regulations which govern its employees.

The Letshego management should ensure that its employees are working in good conditions without stressors, also if they have work equipment such as office equipment; it should also ensure if its employees involved in decision making; they are working in flexible hours with extra hours at work; It is very crucial to improve working environment where workers are well satisfied with their jobs and work as team, then the employees will perform their tasks accordingly; the study suggested that the team working spirit and commitment to achieve at organization objective and goals must keep in mind by manager of organizations, the recommendations were given to the head of institutions was to ensure if there was an effective communication among employers and employees.

There is a need for training and enlightening of the management of the Letshego personnel about the importance of the fair distribution of rewards among employees. Having trained them, issues to do with favoritism among the employees will completely be eradicated.

The persons assigned the management positions at the Letshego should be assigned these offices purely on merit and it is such persons who will be able to implement the strategies that are needful for employee

motivation which consequently results into improved productivity as revealed by the findings in the previous chapters.

There is also need for a formalized structure of rewarding the employees; as such employees will not again have to struggle with the idea of being rewarded less than others with whom they are at the same organizational level. Furthermore, outstanding performance of the employees should be fairly and justly rewarded so that the employees can perform better in seasons to come. In this case, awards such as „ Performer of the Month“ or „Employee of the Year“ become very handy.

The Letshego Management officials should ensure that there are free and open channels of communication which the employees can use to voice their grievances to the management officials. If the management is too rigid to listen to the complaints of the employees, it leads to a scenario whereby the employees complain silently and thus end up leaving without management realizing the actual cause of the employee departure.

Letshego Management should ensure that the employees are well facilitated and equipped for their work since research has shown that the task accomplishment also motivates the employees. With regard to this, the management should ensure that the employees for instance have the computers Software and other such facilitation that they need to accomplish their work well.

References

1. Abdul, H. (2008), *Relationship between Motivation and Job Satisfaction on Employee Performance in banking Sector of Northern Cyprus*. Turkey.
2. Adam, J. (2007), *Business Research Methodology*. A Background Material for Students and Other Readers.
3. Adams, J.S (1963), *Inequity in Social Exchange*. Adv. Exp. Soc. Psychol.
4. Armstrong, M. (1996), *A Handbook of Personnel Management Practice*, Kogan Page, London.
5. Armstrong, M. (2002), *A Handbook of Human Resources Management Practice*, Kogan Page, London.
6. Armstrong, M. (2006), *A Handbook of Human Resources Management Practice*. 10th edn, Kogan Page, London.
7. A.S. Kohli, (2008), *Performance Management*, Oxford University Press, India.
8. Arvery, R.D & Murphy, K. (1998), *Organizational Behavior*. Mc Graw Hill Company. B.F. Skinner Foundation Website:
<http://www.bf Skinner.org/BFSkinner/SurveyOperantBehavior.html>. Accessed on 21st March, 2013.
- 9 Charles, C.M. (1995), *Introduction to Educational Research*. 2nd ed. San Diego, Longman.
- 10 Campbell, J.P., McCloy, R.A., Opple, S.H, Sager, C.E. (1993), *A Theory of Performance*. In N. Schmitt & W.C. Borman (Eds.). *Personnel Selection in Organizations* (pp. 35-70). San Francisco, CA: Jossey- Bass.
11. Daniels, K. and Harris C. (2002), *Work, Psychological Well-Being and Performance*.
12. Sheffield University Management School, 50, 304-309. Deci, E.L. (1980), *The Psychology of self-determination*. M.A: Health.
13. Gupta, C.B. (2005), *Theory and Practices of Management*. New Delhi: Sultan Chand & Sons Publishers.
14. Gure, N. Abdullahi, (2010), *Impact of Motivation on Employee Performance at Nationlink Telecom*. Somalia.
15. Herzberg, F. (1959), *Motivation to Work*. New York. John Wiley & Sons.
16. Herzberg, F., Mausner, B, and Snyderman, B. (1957), *The Motivation to Work*. Wiley, New York.
17. Hoy, W.K, and Miskel, C.G. (1987), *Educational Administration: Theory, Research and Practice*. New York: Random House.
18. Insimire, P. (2011), *Motivation and Sales Performance in Niko insurance*. Uganda. John, C. & Campbell, R.J. (1988), *Productivity in Organizations: New Perspective from Industrial and Organizational Psychology*. San Francisco: Joss- Bass.
19. Karanja, S. (2012), *Effects of reward System on Employee Performance. Case studies of Cooperative Bank headquarter*. Nairobi, Kenya.
20. Muhimbili University of Allied Sciences, (2012), *Performance and Job satisfaction on primary*

21. Mullins, L.J. (1996), *Management and Organizations* 4th ed. London: Pitman. Nchorbune Dominic A. (2011), *Role of Motivation on Employee Performance in University for Development Studies- WA Campus*. Ghana.
22. Newaho, E.M. (2008), *Application of Human Resources Management Initiative for Workers Motivation in Telecommunication Sector in Tanzania*.
23. Okan, V. Safkali & Mustafa, E. (2012), *Universality of the Factors Motivating Employees*
24. Abadi, F. E., Jalilvand, M. R., Sharif, M., Salimi, G. A., & Khanzadeh, S. A. (2011). A Study of Influential Factors on Employees' Motivation for Participating in the In-Service Training Courses Based on Modified Expectancy Theory. *International Business and Management*, 2(1), 157-169.
25. Ali, R., & Ahmad, M. S., (2009). The Impact of Reward and Recognition Programs on Employee's Motivation and Satisfaction: An Empirical Study. *International Review of Business Research Papers*, 5 (4), 270-279.
26. Annamalai, T., Abdullah, A. G. K., & Alasidiyeen, N. J., (2010). The Mediating Effects of Perceived Organizational Support on the Relationships between Organizational Justice, Trust and Performance Appraisal in Malaysian Secondary Schools. *European Journal of Social Sciences*, 13 (4), 623-632.
27. Armstrong M 2000. *Understanding Training: Human Resource Management Practice*. 8th Edition. London: Kogan Page Limited.
28. Aydin, B., & Ceylan, A., (2009). Does Organizational learning capacity impact on organizational effectiveness? Research analysis of the metal industry. *Development and Learning in Organizations*, 23 (3), 21-23.
29. Baldoni, J., (2005). Motivation Secrets. Great Motivation Secrets of Great Leaders. [Online] Available: http://govleaders.org/motivation_secrets.htm
30. Beugré, Constant, D., & Offodile, O. F., (2001). Managing for organizational effectiveness in sub-Saharan Africa: a culture-fit model. *The International Journal of Human Resource Management*, 12 (4), 535-550.
31. Chowdhury, M. S., (2007). Enhancing Motivation and Work Performance of the Salespeople: The Impact of Supervisors' Behavior. *African Journal of Management*, 1 (9), 238-243.
32. Connolly, T., Conlon, E. J., & Deutsch, S. J., (1980). Organizational effectiveness: a multiple constituency approach. *Academy of Management Review*, 5, 211-17.
33. Danish, R. Q., & Usman, A., (2010). Impact of Reward and Recognition on job Satisfaction and Motivation: An Empirical Study from Pakistan. *International Journal of Business and Management*, 40 (2), 12-21.
34. Fard, H. D., Ghatari, A. R., & Hasiri, A., (2010). Employees Morale in Public Sector: Is Organizational Trust an Important Factor? *European Journal of scientific research*, 46 (3) 378-390.
35. Honold, L., (1997). A Review of the Literature on Employee Empowerment. *Empowerment in Organizations*, 5 (4), 202-212. doi:10.1108/14634449710195471,
36. <http://dx.doi.org/10.1108/14634449710195471>
37. Houran, J., & Kefgen, K., Money and Employee Motivation. [Online] Available: www.2020skills.com. IRCO, International Research Center on Organizations, Cross-cultural Management Network.
38. Hyun S 2009. Re-examination of Herzberg's Two-Factor Theory of Motivation in the Korean Army Foodservice Operation. MS Thesis. Iowa State University. United States.
39. Jan, K., Ramay, M. I., & Qureshi, T. M., (in Press). Motivation in Public Organization. Pakistan. [Online] Available: <http://www.scribd.com/doc/3104893/Motivation-In-Public-Organization>
40. Jun, M., Cai, S., & Shin, H. (2006). TQM practice in maquiladora: antecedents of employee satisfaction and loyalty. *Journal of Operations Management*, 24, 791-812. doi:10.1016/j.jom.2005.09.006, <http://dx.doi.org/10.1016/j.jom.2005.09.006>
41. Kamalian, A. R., Yaghoubi, N. M., & Moloudi, J., (2010). Survey of Relationship between Organizational Justice and Empowerment (A Case Study). *European Journal of Economics, Finance and Administrative Sciences*, 24, 165-171.
42. Khalid, S., & Irshad, M. Z., (2010). Job Satisfaction among Bank Employees in Punjab, Pakistan:

A Comparative Study. *European Journals of Social Sciences*, 17 (4), 570-577.

43. Khan, K. U., Farooq, S. U., & Ullah, M. I., (2010). The Relationship between Rewards and Employee Motivation in Commercial Banks of Pakistan. *Research Journal of International Studies*, 14, 37-52.
44. Latt, K. A., (2008). *Motivating People on the way towards Organizational Performance*. Victoria University (Australia), intern analyst, Covalence SA, Geneva.
45. Malik, M. E., Ghafoor, M. M., & Naseer, S., (2011). Organizational Effectiveness: A Case Study of Telecommunication and Banking Sector of Pakistan. *Far East Journal of Psychology and Business*, 2 (1), 37-48.
46. Mani, V., (2010). Development of Employee Satisfaction Index Scorecard. *European Journal of Social Sciences*, 15 (1), 129-139.
47. Matthew, J., Grawhich, & Barber, L. K., (2009). Are you focusing both Employees and Organizational Outcomes. Organizational Health Initiative at Saint Louis University (ohi.slu@edu), 1-5.
48. Ministry Of Public Service And Labour (Mifotra) (2012). *Rwanda Public Sector Pay and Retention Policy and Implementation Strategy*, Kigali, Rwanda.
49. Oluseyi, S., & Ayo, H. T., (2009). Influence of Work Motivation, Leadership Effectiveness and time Management on Employees' Performance in some Selected Industries in Ibadan, Oyo State, Nigeria. *European journal of Economics, Finance and Administrative Sciences*, 16, 7-17

