



Performance Appraisal Practices and Organizational Performance at Guaranty Trust Bank Kigali, Rwanda

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Abstract

This research aimed at examining the effect of performance appraisal practices on the organizational performance of commercial banks in Rwanda, taking the case of Guaranty Trust Bank, Rwanda. Specifically, the study was meant to investigate the effect of equitable on the organizational performance of Guaranty Trust Bank Rwanda; to assess the effect of recognition on the organizational performance of Guaranty Trust Bank Rwanda; and to determine the effect of promotion practices on the organizational performance of Guaranty Trust Bank Rwanda. The research used both descriptive and correlation research designs. The study's population was made up of 260 employees at Guaranty Trust Bank Rwanda whereas the sample size was 158 in which stratified random sampling technique was used. The researcher used structured questionnaire and interview guide to gather data. The data was analysed using Statistical Package for Social Sciences (SPSS) version 22. The study findings on the first objective showed that 58.2% of the respondents strongly agreed that there are effective performance appraisal in Guaranty Trust Bank. Further, regression analysis showed that regression model was significance with p-value of less than 5%. The results for correlation show that $R=0.762$, which is an indication that performance appraisal practices have a strong and positive effect on organization performance. Following the study's findings, the research recommends that organizations should establish strong organizational structures that promote performance appraisal practices and the welfare of the employees in general.

Key Words: Performance Appraisal Practices, Equitable, Recognition, Promotion, Rwanda

1. Introduction

Organizations are formed with specific goals to achieve. These goals are formulated at the strategic level of organization decision and are usually long-term in nature. These long-term goals are usually translated to short-term goals as well as departmental goals. However, all of these are not separate goals in themselves but are geared towards providing implementation strategies that can help the organizations achieve their overall strategic goals. In the midst of heightened competition, different organizational theories have come to embrace the knowledge of internal resources as an approach to create competitive edge and remain sustainable. This is what is proposed in the resource-based theory which holds that organizations have to look in to themselves.

In the modern-day organization, human resource has come to be recognized as one of the most significant resources that an organization have. It is the only active resources that can drive the other resources, usually passive in nature, to coordinate together for the betterment of the organization. Human Resource (HR) is that important in an organization because it can be shaped to acquire certain skills which can be used to create, use and coordinate other resources within an organization. Due to the rise in human behavioural sciences, the employees within an organization nowadays occupy a central place. The Human Resource Management (HRM) function is mandated as a special department to enhance the HR, work for the benefits of the employees and represent the employees at the top management levels.

For instance, in United States of America (USA), Vance (2006) points out that the development in the interest for human resource

management grew out in history of America with time. In early years of the 20th century, organizations were preoccupied with the scientific approach to organizations where employees operated as machines and were fixed to specific job routine. However, with the advent of human behavioural scientists the realization of the significant importance of the employees placed them at higher level which created a motivated workforce. In addition, Jehanzeb and Bashir (2013) profile that the America Society for Training and Development (ASTD) held survey which showed that USA companies that set aside funds for the training and development of its staff increased their performance owing to improved motivation among the employees.

In United Kingdom (UK), Bryson & White (2017) in their study found that employee management practices that ensure employee motivation in turn work for the good of the companies. The authors pointed that a motivated workforce increases productivity, reduce absenteeism and in totality helps organizations achieve their objectives. In addition, the authors pointed out that in UK, small firms in have a more motivated workforce compare to medium sized firms. Rehu, Lusk & Wolff (2005) evidenced that using different incentives work to motivate employees, but the results are usually at different levels depending on the country. For instance, in Germany, the incentives motivating employees may not have same effect for employees in USA. However, their findings indicated that practical use of incentives will have an effect on employees' performance.

In Asia, different studies have also been carried out in relation the employee motivation, employee satisfaction and how these have an effect on overall organizational performance. For instance, a study by Chan and Ma (2017) conducted in China, showed that motivation studies especially in creative industries are very scarce and rare. However, the authors found that the creative firms in China use a combination of practices to motivate their employees, which include tangible rewards, job appraisal and training and development aimed at growth and transformation for the workers. Baumann, *et al.*, (2016) conducted a comparative study of what drives performance at the individual employee's level across different regions. They compared the motivating forces that drive employees' performance in three country clusters, namely emerging economies in Asia (Indonesia and India), newly developed nations (China, Japan and Korea) and highly developed nations (the USA, UK and Germany). The findings revealed that differences exist on how employees react to different motivators across regions due to their cultural backgrounds. In Asia, it was found that employees are highly motivated within a society setting while in the highly developed nations the employees value motivation on individual levels.

In Africa, different studies have been carried out investigating the effect of employee motivation on the productivity of employees and the overall performance of organizations. For instance, a study by Ekundayo (2018) showed that employees are driven towards certain goals by motivational forces. This showed that organizational performance can be better achieved within an atmosphere where employee motivation is practiced. Moreover, another study by Elomien, *et al.* (2021) also conducted

in Nigeria has revealed the significant role that employees play towards the increased output of any organization. As such, the authors used monetary indicators of motivation and concluded that highly motivated employees tend to utilize their potential towards the organization endeavours and consequently influence the overall performance of the organization.

In their study, Alola & Alafeshat (2021) state that the role of the employees cannot be overemphasized. This is because the employees at the workplace are tasked with converting all the other factors of production from their passive nature to their usefulness. Through these transformations, the resources are directed towards the achievement of the organizational goals. Therefore, the authors opined that the management have to treasure their employees if they are to achieve the organizational goals. In addition, the place of the employees within the organization should be central place such that their productivity is achieved. Attaining the optimal productivity of the workforce directly translate to organizational performance in terms of increased output, customer service, financial performance among other performance metrics.

In South Africa, the report by the statistics show that the workforce is dominated by workers below thirty-four years of age. This imply that majority of the organization have to embrace the value and preferences of the new millennial in order to keep them motivated. Such young age which is a characteristic to many African countries require that the management embrace new ways of handling the employees if they are to keep them motivated them and achieve organizational goals. Similarly, the findings by Ngwenya, Aigbavboa & Thwala, (2018) in their research in South Africa revealed that a

motivated workforce perform better and can drive organizations towards their goals. In addition, they found that safe and conducive environment, performance appraisal practices, promotion opportunities and job security help to maintain a motivated workforce.

In Rwanda, the government has been at the forefront of ensuring employee performance in public institutions. According to Rukumba & Mukulira (2017), the performance of employees in public institutions in Rwanda is affected by high employee turnover. This challenge is also affecting private institutions and banks have been affected by high employee turnover. This has been attributed to high competition in the market as well as lack of job satisfaction. Many employees have left their jobs due to lack of motivation. However, putting in place motivational aspect for employees can enhance their performance in private institutions. The adoption of total reward systems to support the private institutions like Guaranty Trust Banks (GTB) are crucial to reach increased performance of its employees (Bryson & White (2017).

Statement of the Problem

The ultimate performance of organizations is pegged on the performance of its employees and the coordination of the workforce towards the objectives of the organizations. Employees are very important resources within any organization. They are responsible in implementing the strategic goals that the management within the organization formulate. This implies that no management of any organization can be able to thrive in achieving the organization goals without having a workforce. This is especially true for small enterprises, medium sized and large

organizations. All other resources that the organization have are considered to be passive and need the human input to make them active and coordinate them towards the same direction. Consequently, HR management has established the central role that employees play in steering organizations towards the organizational performance.

However, unlike other resources, human resource is active and can change according to their own feelings, the surrounding and the type of job they are given. It is therefore imperative for managers to know how to handle the human resource in order to avoid conflicts and wastage of the manpower during work. This can be achieved through incorporating different motivation practices that are geared towards raising the morale of individuals in order to improve their productivity. Many researches have been carried out in this area. However, researchers have not agreed on any motivation practice that works for all organization. This means the debate is still inconclusive. In addition, only few studies have been conducted in Rwanda on the same, especially for commercial banks. Moreover, commercial banks in Rwanda face challenges in terms of employee retention and satisfaction due to long working hours in the industry. This has increased the annual employee turnover in the banking industry. The banks also face stiff competition in the labour market from other private sectors (International Monetary Fund [IMF], 2020).

The commercial banks should therefore adopt strategies that should motivate its workforce in order to retain highly qualified workforce for organizational performance. Since there are few researches in Rwanda that have investigated the

effect of employee motivation on the organizational performance, this research sought to fill this gap by investigating the effect of performance appraisal practices on the performance of commercial banks in Rwanda, with a case of Guaranty Trust Bank Rwanda.

Specific Objectives

1. To investigate the effect of equitable payments on the organizational performance of Guaranty Trust Bank Rwanda;
2. To assess the effect of recognition on the organizational performance of Guaranty Trust Bank Rwanda;
3. To determine the effect of promotion practices on the organizational performance of Guaranty Trust Bank Rwanda.

Research Questions

In order to achieve the intended study objectives, the following research questions guided the study.

1. What is the effect of equitable payments on the organizational performance of Guaranty Trust Bank Rwanda?
2. What is the effect of recognition on the organizational performance of Guaranty Trust Bank Rwanda?
3. What is the effect of promotion practices on the organizational performance of Guaranty Trust Bank Rwanda?

2. Literature Review

Motivation studies have been carried out in various parts of the world and covering different industries. According to Chan and Ma (2017), these studies have divided the factors that motivate employees into two main categories, namely individual factors and social factors. They are considered as intrinsic motivators.

These include factors related to needs, wants or traits of an individual like autonomy, growth, competence and recognition. On the other hand, social influence refers to the extrinsic factors that motivate the worker at workplace. These include social relationship, job demands, equitable salary, interpersonal relationships with fellow workers and the seniors, social structures, among others. The current study concentrates on three main performance appraisal practices identified as basic motivating areas that can ensure all different type of employees within an organization are motivated as per their needs.

In recent years, Performance Management (PM) has gained ground in most organizations as they endeavor to gauge and reward employee based on their contribution to the growth and development of organizations. According to Cardy & Leonard (2014), PM is a strategic tool that aims to create and sustain performance of employees through monitoring and measuring their continuous efforts within an organization. Performance management encompasses various Performance Appraisal Practices (PAPs) whose objective is to measure the performance of the employees against the expected outcomes. The expected outcomes are usually attached to the assigned duties and obligations of the individual employee. The realization of the significance of PAPs is based on the need for the managers to align the employees' rewards systems on their performance within the expected framework. As such, managers are tasked to come up with strategies that can be used to measure the performance of the employees in a fair manner and attach rewards systems to the outcomes of such measurements.

PAPs help the management to focus on the development of employees' talents and skills

based on their performance. In addition, the practices help the company to align the individual's efforts and contribution towards the overall objectives of the organization. PAPs are also significant when it comes to creating work environment that supports both individual's efforts to the team efforts and eventually to the organizational performance. As noted by Pulakos (2009), there are many performance appraisal methods that management can adopt in their system. These include, management by objective (MBO), 360-degrees appraisal method, assessment center method, behavioral anchored rating scale, psychological appraisal methods and human-resource accounting method. All these methods have their own approach and therefore different outcomes and advantages. There is no one accepted method which can be said to work for all situations for all companies. It is the work of the managers to select the own that suit a given situation. This implies that more than one method can be used in one institution.

However, despite all these different appraisal methods, the objective is usually the same, that is, to fully engage the workforce within an organization in order to optimally use their potential toward achieving the organization goals. Performance appraisal therefore allows the management to provide feedback to the employees' contribution alongside the identification of areas. As discussed by Cardy & Leonard (2014), PAPs help the management to adequately give feedback to each employee on his/her performance based on given measurement metrics. The evaluation of the employees which is done in regular intervals will help the employee to know whether his/her performance is below, above or within the average expected outcome. Hence, the

appraisals help to give direct feedback to the employees' performance. Through the evaluations, an employee is in a position to get the level of his/her contribution towards the building of the organization. Therefore, if the appraisals are fairly conducted, they will keep the employees motivated to achieve higher grades during the exercise. This may help the employees to put all their efforts towards achieving high performance grades.

Ashdown (2018) further states that PAPs help the managers as well as the individuals been evaluated with the information as to where there is need for improvement. PAPs therefore can be used to provide a basis for changing behavior of the employees at the workplace. This is achieved through constructive evaluation of the performance of the employees and pointing out the strong areas in terms of performance as well as the weak areas that need improvement. The appraisal practices can be said to help employees in self-development since they provide the employees with feedback about their performance while indicating the areas that need improvement. With the use of PAPs, the management can be able to keep their employees motivated to improve their skills and career paths by corrective measures. This in turn serves to improve the performance of each and every employee who then can collectively influence the organizational performance (Grote & Grote, 2011).

PAPs are also significant in developing employee motivation at the workplace. Through the performance appraisal approaches, the management can establish systems that rewards the employees based on their performance. This creates a fair ground for identifying employees to be rewarded, to be promoted or those to be

reprimanded. If the employees perceive the PAPs to be equitable enough in an organization, they will be motivated to work extra hard knowing that their efforts are going to be recognized and rewarded accordingly. As such, they are motivated to put their efforts to constructive input that can help the organization to achieve the best outputs. Furthermore, performance-based rewards systems tend to provide cohesion within the workforce because the employees know that the system is not favoring anyone but that the best performers are rewarded according to their efforts. This keeps the employees highly motivated to work to their best if they are to achieve their dreams towards development of their career. In turn, the overall organization performance is improved (Abraham, 2014).

Shaw *et al.* (2018) opined that the management need to first establish the type of employee they are dealing with, find out what really motivates them and then put in to place strategies that will work towards this. In their argument, the best way to motivate employees is by first knowing the needs of the employees and what really motivate them. In this regards, employee motivation practices should be tailored towards the employees within the organization. As such, it is important to understand that different employees will be motivated differently by the same set of motivators. Some of the key determining factors of the differential motivation include gender, age and economic status of the employees. Further Muller (2011), note that the work of the HR manager in an organization includes learning and understanding the different categories of the employees within the organization. This can help in laying strong foundations about the best

practices to put in to place that are acceptable and really works for the organization.

As there are many different EMPs that organizations can use, it is imperative that an organization put sound organizational structures that will ensure the practices are well established. This also helps in removing arbitrary decisions that individuals can make where favouritism, nepotism and segregation can happen. In line with these, both intrinsic and extrinsic factors can be used concurrently in order to reap the best outcomes from them. The use of different approaches also helps the employees to get more satisfaction from the organization, and consequently becoming more committed. Committed staff are highly likely to put their concerted efforts towards the achievement of the organizational goals (Muller, 2011).

Alola and Alafeshat (2021), discuss the benefits of using EMPs within the human resource department. According to the authors, using different motivation practices ensures that the HR manager is able to approximate the needs of all employees and motivate them along those needs. It is also important to note that the use of motivation at work helps to create a team spirit and engage the employees fully at work. Full employee engagement is not achievable if not met by rewards and motivation schemes. Otherwise, the employees will continue working for the organization and eventually burnout at their workplace. A study by Onanda (2015), shows that a motivated workforce will be more productive than a demotivated one

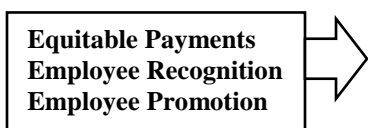
Conceptual Framework

The goal of a conceptual framework is to categorize and describe concepts relevant to the

study and map relationships among them. According to Howard et al, (2015), a conceptual framework is an analytical tool with several variations and contexts. It is used to make conceptual distinctions and organize ideas.

Independent Variable Dependent Variable

Performance Appraisal Performance

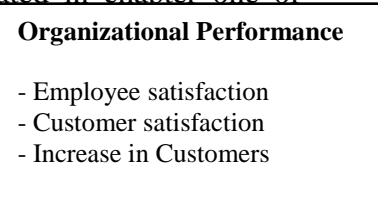


3. Methodology

In order to have a successful study in as far as achieving the set objectives is concerned, two research designs were embraced. The study applied both descriptive and correlational research designs. By gathering and analyzing the descriptive statistics, the researcher ably assessed the significance of the performance appraisal practices undertaken by GTB Bank evaluated the institution's performance levels; and established whether there has been a positive impact on performance levels in the institution. On the other hand, correlational design was used to find out the relationship between the performance appraisal practices and the organizational performance levels in GTB Bank with the help both correlation analysis and regression analysis.

This study was conducted at Guarantee Trust Bank. Thus, the target population used included the staff working in Guaranty Trust Bank, Rwanda. This are targeted population because they are believed to have much information as regards to the topic that is under the study. Therefore, the population of this study included

two-hundred sixty (260) Guarantee Trust Bank employees in the departments of Executive Office, Banking Department, IT and Communication, Credit Department, Risk & Compliance Department, HR & Administration Department, Transaction Service Group and Operations. These respondents provided the information data related to the objectives of the research study as stipulated in chapter one of this study.



A sample, according to (2015) is a set of e population with the characteristics of the population. Mugenda & Mugenda (2013) further define a sample size as the number of cases or entities in the sample studied. They suggested that the question of an appropriate sample size is a complex issue which depends on many factors. One significant factor is the researchers' expectations of the trend of responses. Thus, the study used Slovin's sample size formula to determine the sample size. Where n meant the sample size, N is the target population and e is the margin of error=5%. Therefore, the sample size in this research was 158 employees.

Sampling technique enables a researcher to select the sample elements from the population. In this research stratified random sampling technique was used. In this method the researcher first divides the population in to homogenous groups known as strata. Sample elements were then randomly selected from each of the stratum in such a way that the sample size for each group is proportion to the group it represents.

In order to ensure that the end results of this study were successful and more especially effective, the researcher applied reliability and

validity. In addition to a pilot study, the instrument was as well tested using Cronbach's Alpha coefficient. Cronbach's alpha results had to range from 0 to 1 and in case of negative number, the instrument was retested. This is because a negative number indicates that something is wrong with the data. In other words, the researcher went by a general rule of thumb that a Cronbach's alpha of 0.7 and above is good, 0.8 and above is better, and 0.9 and above is best. After data collection, the researcher used the Statistical Package for Social Sciences (SPSS) version 22.0 in coming up with the statistical analysis for the study.

4. Results and Findings

Findings were presented in form of correlation analysis and regression analysis. In particular, Spearman test was considered for correlation analysis whereas regression analysis considered model summary, ANOVA and correlation analyses.

Correlation Analysis

Table 1: Spearman test

Model	Variables	PAP	OPE
Spearman's rho	Correlation Coefficient	1.000	.775**
	Sig. (2-tailed)	.	.001
	N	158	158
OPE	Correlation Coefficient	.775**	1.000
	Sig. (2-tailed)	.001	.
	N	158	158

Table 1 presents results of the Spearman test results. Spearman Correlation Coefficient is also referred to as Spearman Rank Correlation or Spearman's rho. All correlation analyses express the strength of linkage or co-occurrence between two variables in a single value between -1 and +1. A positive correlation coefficient indicates a positive relationship between the two variables while negative correlation coefficients express a negative relationship.

As per the results discovered by the help of the SPSS spearman correlation analysis as indicated in the table above, the value of $r_s=0.775$ and $p=0.001$ which explains that there was a strong, positive monotonic correlation between performance appraisal and the organizational performance of the GTB Bank ($= .775, n = 210, p < .001$). Based on the spearman analysis, therefore, the researcher learnt that performance appraisal in terms of equitable payment, employee recognition and employee promotion has strong relationship on the organizational performance of commercial banks in Rwanda. In addition, a small p-value (typically ≤ 0.05) indicates strong evidence of significant relationship between performance appraisal in terms of equitable payment, employee recognition and employee promotion has strong relationship on the organizational performance of Guarantee Trust Bank, Rwanda.

Regression Analysis

The regression analysis presented results that were all about model summary, ANOVA and correlation findings.

Model Summary

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762 ^a	.581	.573	.18889

a. Predictor: (Constant), Equitable payment, Employee recognition and Employee promotion

The model summary findings presented in table 2 revealed the value of adjusted R squared was 0.436. The adjusted R squared is coefficient of determination, which tells us the variation in the dependent variable due to changes in the independent variable. From the findings in the above table, the value of adjusted R squared was 0.573, an indication that there was variation of 57.3% on organizational performance of GTB Bank due to changes in terms of equitable payment, employee recognition and employee promotion.

The study findings presented in table 2 show that 57.3% of changes in organizational performance could be accounted on by employee training due to changes in equitable payment, employee recognition and employee promotion. Hence, a significant and positive effect of the study variables marked the model summary table while 42.7% changes in organizational performance come from other dependent variables.

Analysis of Variance (ANOVA)

Table 3: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.620	3	2.540	71.18	.000 ^b
	Residual	5.495	154	.036		
	Total	13.115	157			

a. Dependent Variable: Performance
b. Predictors: (Constant), Equitable payment, Employee recognition and Employee promotion

As presented in table 3, the ANOVA findings revealed that independent variables are statistically significant to the dependent variable. In order to assess the study hypotheses, ANOVA test was considered. Following the test, the results showed a p-value of 0.000 less than alpha (5%), the significance level. This means the given data fit well with the multiple regression models which is an indication that performance appraisal due to changes in equitable payment, employee recognition and employee promotion have a contribution to the organizational performance of commercial banks in Rwanda.

Hence, the significance value which was also less than 0.05 is an indication that the model was statistically significant.

Coefficients

Table 4: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1 (Constant)	1.53	.199		7.68	.000	
	EQU	.230	.032	.384	7.171	.000
	REC	.188	.032	.314	5.878	.000
	PRO	.232	.025	.492	9.411	.000

a. Dependent Variable: Performance

From the study presented in table 4, the established regression equation was: Organizational performance (OPE) = $\alpha + \beta_1 \text{EQU}$ (Equitable payment) + $\beta_2 \text{REC}$ (Employee recognition) + $\beta_3 \text{ETR}$ (Employee promotion) + ϵ (Error)

Thus: $\text{OPE} = 1.530 + 0.384 (\text{EQI}) + 0.314 (\text{ETR}) + 0.492 (\text{PRO}) + 0.199$

Based on the regression equation and findings presented in table 4, Based on the regression equation and findings presented in table 4, it was revealed that holding equitable payment, employee recognition and employee promotion to a constant zero, organizational performance would be 1.530. Indeed, this constant called y-intercept is not realistic but it is a needed parameter in the model. As per the findings, there is positive and significant effect of performance appraisal on organizational performance of Guarantee Trust Bank, Rwanda. The results displayed in table 4 shows the outcome for regression coefficient analysis between the indicator variables for performance appraisal practices and organizational performance. The results show that equitable payment ($\beta_1 = 0.384$, $p = 0.000$); employee recognition ($\beta_2 = 0.314$, $p = 0.000$); while for performance-based promotion ($\beta_3 = 0.492$, $p = 0.000$); were all statistically significant since they had p-value less than 5%.

As per the findings, performance appraisal practices have significant effect on the organizational performance. The findings in this study are consistence with the findings from previous empirical studies. For instance, the results are in agreement with the findings from Kumar, Nirmala and Mekoth (2015) who found that the use of PAPs within organization have

positive effect on the employee satisfaction, thereby their productivity increased employee productivity translates to organizational performance. Similar results from Kagaari, Munene and Ntayi (2010), Idowu (2017) and Ekundayo (2018) are also confirmed in this research. From these presented regressions analysis results in which each component of performance appraisal would contribute significantly to organizational performance of Guarantee Trust Bank, Rwanda by a big range, this evidences that all study's null hypotheses were rejected.

5. Discussion of Findings

The general objective of this study was to examine the effect of performance appraisal practices on the organizational performance of commercial banks in Rwanda, taking the case of Guaranty Trust Bank, Rwanda. Based on the findings reached after the primary and secondary data, the study objective was achieved as indicated in previous section.

This study's findings are in line with findings of a study carried out by different authors, empirical studies have shown that performance appraisal practices if fairly carried out in an organization can have significant effects on the employees as well as the organization at large. A study by Peretz and Fried (2008), for instance, showed that the use PAPs increase the level of employee satisfaction at workplace, thereby reducing absenteeism and increasing productivity of the employees. This eventually translate to better output at the organization level. In another related research, Kumar, Nirmala and Mekoth (2015) investigated the relationship between performance management on organizational performance for manufacturing and service industry in India.

The authors used questionnaires to gather data which they analysed using SPSS. As per the findings, performance-based reward systems are positively ($r = 0.368, p < 0.05$) related to employee productivity while performance appraisal review was negatively related to productivity.

More so, the study's results supported findings of a research conducted Kagaari, Munene and Ntayi (2010) in Uganda whose purpose was to find out the relationship between performance management practices and managed performance. Using a sample of 900 respondents drawn from four public university, the authors highlighted the need for using performance-based systems in motivating employees for better organizational performance. The study therefore showed the importance of PAPs in regard to organizational performance. In similar tone, commercial banks in Rwanda that adopt and use effectively performance appraisal approach to motivate their employees can expect to leap the benefits in terms of organizational performance. Further, an empirical study by Idowu (2017) shows that performance appraisal has significant and positive effect on raising the motivation of employees at workplace. The researcher found that the use of PAPs helps to identify employees' strength and weaknesses thereby helps the HR manager to align the motivation according to the workforce available. This in turn improves the employees' productivity.

Furthermore, the study results are in line with the study results by Ekundayo (2018) in Nigeria who conducted an empirical study on the impact of motivation on employee performance in some selected companies. The author used sample of 100 people selected using stratified random

sampling among the management, senior and junior staff members within selected companies. The primary data was obtained using structured questionnaires. Both descriptive statistics and inferential statistics were used to draw conclusions on the research. According to the research results, employees are mainly driven to performance through motivational practices that management put into place. The chi-square test results ($\chi^2 = 102.401$) meant that the null hypothesis that there exists no strong relationship between employee performance and motivation. This implied that the null hypothesis was reject in favour of the alternative. The results therefore confirmed that there is strong and significant relationship between employee performance and motivation.

The findings of this study about performance appraisal are as well in line what was discovered by Ngwenya, *et al.* (2018) who conducted an empirical study investigating the employee motivation in construction industry in South Africa. The main objective was to identify the motivation factors. Fifteen staff members were purposively selected as the respondents and questionnaires used to gather primary data from the respondents. The findings showed that highly motivated workforce is a prerequisite of organizational performance. Among the key factors that motivated employees as identified in this research include conducive working conditions, fair performance appraisal systems, training and development, monetary incentives and equitable salary.

In the same way, Onanda (2015) submitted investigated the effect of employee motivation on organizational performance in Kenya Commercial Bank in Mombasa Kenya. The researcher used descriptive research design and

collected data through the use of questionnaire administered to 70 employees. The main factors identified as motivating factors that drive the performance of the employees in KCB included promotion, career development, bonuses and good salary. The findings also revealed that a motivated workforce ensures that there is high level of performance within the organization. In his study, Ochola (2018) used literature review approach to investigate the motivating factors discussed in literature and the effect on organizational performance. The author highlighted the need for human resource management to become results centred in order to motivate its workforce based on performance, training and development. These ensures that the employees are more productive and thereby improving the organizational performance.

6. Conclusion and Recommendation

This research's interest was to examine the effect of performance appraisal practices on the organizational performance of commercial banks in Rwanda, taking the case of Guaranty Trust Bank, Rwanda. Basing on a sample of 158 staff of the GTB Bank employees and review of reports, all specific objectives were achieved as indicated. Therefore, the study concluded that performance appraisal in terms of: equitable payment, employee recognition and employee promotion; strongly affects the organizational performance of commercial banks in Rwanda which according to the study respondents, it was mainly due to the weaknesses in the employee performance appraisal processes that caused the performance of commercial banks as highlighted by BNR report.

As witnessed, employees' behavior may arise due to failure of having effective employee performance appraisal. In addition, the

performance cannot be achieved if the employee performance appraisal is depressed since this would lead to poor service delivery, lack of trust and lack of integrity. The study found that the use of PAPs is essential to the employee satisfaction and overall organizational performance for commercial banks in Rwanda. Similarly, the results revealed that a positive and significant relationship exists between career development of employees and their productivity. Thereby, improving the productivity of the bank as a whole.

Basing on the study results, the following are the recommendation which if implemented will raise the organizational performance level of GTB Bank as regards to the performance appraisal such that it reaches the level of the other commercial banks in Rwanda:

The study recommends that organizations should establish strong organizational structures that promote the welfare of the employees. It is more practical for organizations to set up strong organization culture built that employee centered. This would ensure there is smooth employee welfare are maintained and consistence with the employee motivation. In addition, the researcher recommends the adoption of practical employee appraisal methods that are equitable and which the employees perceive to be fair. This would promote the staff based on their performance and would remove the problems of lobbying for positions. Having equitable appraisal methods would also reduce possibilities of employee conflicts, but build cohesion.

The researcher also recommends that policy makers, regulators and trade unions should make sure that they include the workforce during policy formulation. They should in their

practices make sure that employees have representation to ensure their issues are properly addressed.

In addition, it is important that the policy reflect the trends of the modern business and the new generation of youthful workforce. Further, the researcher recommends that other scholars interested in the human resource field should work to improve the scholarly work towards employee motivation especially in Rwanda

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