

The role of performance management in motivating human resources - A field study at the Regional Exploitation Complex of the Agricultural and Rural Development Bank (BADR) – Batna

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Abstract:

Thru this study, which addressed the role of performance management in motivating human resources, the close relationship between the implementation of an effective performance management system and the motivation of employees in institutions was highlighted. The study aims to evaluate the extent to which performance management affects employee motivation and improves work quality in banking institutions.

A bank institution was chosen as a case study, where a field study was conducted relying on questionnaires that gathered employees' opinions on the performance management system and their level of motivation.

The study shows the importance of activating performance management mechanisms characterized by transparency and fairness in motivating human resources, which leads to improved overall performance and the achievement of organizational goals.

Keywords: Performance management; motivation; human resource; Employee motivation ; organizational performance.

JEL Classification Codes: M12, J53, M50 , J53, M10

1. INTRODUCTION

The business environment in the modern era is witnessing radical transformations and rapid challenges due to technological advancement, economic openness, and the intensification of competition at both local and global levels. In light of these changes, it is no longer possible for institutions to rely solely on traditional resources to achieve success. Instead, it has become essential to focus on human resources, which are the primary resource for any development and growth process within the institution. Human resources are the actual driving force behind production, creativity, and innovation processes, and they bear the responsibility for implementing organizational policies and strategies.

The performance management system is one of those systems that does not only measure work results, but goes beyond that to serve as a means of motivating employees, developing their capabilities, and achieving alignment between job requirements and individual aspirations.

Motivation is considered one of the most important goals that performance management seeks to achieve, as the presence of a clear and fair performance system enhances individuals' sense of fairness, increases their engagement in work, and motivates them to exert more effort to achieve job excellence. Moreover, outstanding performance cannot be achieved in an environment devoid of motivation, whether material or moral, which makes the relationship between performance management and motivation complementary and essential in efficiently and effectively managing human resources.

Research Problem:

"To what extent does performance management contribute to motivating human resources within the Agricultural and Rural Development Bank?"

For the sub-questions:

- 1-What are the most important performance management practices in the organization?
- 2-What is the level of human resource motivation in the organization?

3-Is there a statistically significant relationship between performance management and human resource motivation?

4-What is the impact of regular performance evaluation on motivation?

5-Does the impact of performance management on motivation vary according to demographic characteristics (age, years of experience, educational level, etc.)?

. Hypotheses

A. Main hypothesis

There is no statistically significant relationship between performance management and human resource motivation.

B. Sub-hypotheses

1-There is a statistically significant relationship between the clarity of performance objectives and the motivation of human resources.

2-There is a statistically significant relationship between continuous performance evaluation and human resource motivation.

3-There is a statistically significant relationship between the reward system and motivation.

4-There are statistically significant differences in the level of motivation identified by demographic characteristics.

The importance of the study

This study holds significant importance from several aspects, which can be summarized as follows:

1-Theoretical importance: It contributes to enriching the scientific literature related to performance management and human resource motivation by highlighting the relationship between the two concepts and analyzing the mechanisms of interaction between them.

2-Practical importance: It provides results and recommendations that can help organizations develop performance evaluation systems, contributing to employee motivation and increasing levels of job satisfaction and organizational commitment.

3-Importance in the context of current changes: This study comes at a time when institutions face significant challenges related to enhancing employee performance and maintaining their competencies, making its subject directly relevant to practical real-world issues.

Study Objectives

-Analyzing the concept of performance management and identifying its dimensions and stages within the organization.

-Identifying various motivation methods adopted in institutions and their role in boosting human resource morale.

-Study the relationship between performance management and human resource motivation and the extent to which each affects the other.

- Study methodology

To achieve the study's objectives and to answer the questions, the deductive method was used, which relies on Previous studies, which aim to derive the study's hypotheses, were also used, as well as the quantitative approach that relies on the survey research strategy and relies on the questionnaire tool, secondary data collected From Arabic and foreign references, articles, and scientific theses related to the study variables, as well as relying on

Primary data obtained thru the design of a questionnaire that includes a set of questions related to the subject.

The research and its distribution to project holders, and the selection of hypotheses were conducted using the SPSS statistical analysis program.

Previous studies

Many studies have addressed the topic of performance management and its relationship with motivating human resources, due to the importance of this aspect in enhancing efficiency and achieving organizational goals. Among the most prominent of these studies, we mention the following:

The study by Azawi Ahmed and Qassoum Zouheir (2022) titled "The Role of Material and Moral Incentives in Improving Human Resource Performance," conducted at the University of El Oued. The study concluded that both material and moral incentives have a direct and effective impact on enhancing employee efficiency, especially when linked to an objective performance evaluation system.

Study by Naqish Fatiha (2020) titled "The Role of Human Resource Management Strategy in Activating Performance within the

Institution," at Mohamed Boudiaf University in M'sila. Thru a field study, it was shown that the presence of a performance evaluation system supported by appropriate incentives increases employee motivation and effectiveness at work.

Analysis and comparison

Thru the analysis of these studies, it can be observed that the common point among them is the emphasis on the importance of motivation as a fundamental factor in improving human resource performance, and the necessity for it to be linked to an objective and fair performance evaluation system. Most of them also focused on the role of incentives.

2. Literature Review

2.1 The nature of performance

Performance is considered one of the concepts that has garnered attention from many researchers in business management. Given the importance of this concept at both the employee and organizational levels, we will attempt to understand it in the following. (Al-Hayti, 2005)

Performance is represented as the actual output of the effort exerted by the individual, and it is influenced by the extent to which the individual utilizes their energies and capabilities, as well as the individual's desire to perform.

2.1.2 Performance elements

a-Quality of Work

- The accuracy and proficiency of the employee in completing tasks
- The work is free from errors and defects.
- Adherence to the required standards and technical specifications.

B-Quantity of Work :

- The volume or number of tasks completed during a specific period.
- Speed of execution without compromising quality.

C-Punctuality & Discipline :

- Respecting work hours.
 - Commitment to punctuality in attendance and departure.
- Respect for rules and organizational instructions.

D-The ability to work in a team (Teamwork & Cooperation)

Collaboration with colleagues.

Contributing to team spirit and achieving the department's goals.

Avoid conflicts and motivate others. (Dessler, 2020)

E-Initiative & Creativity

Proposing new solutions to problems.

Creativity in improving work methods.

Take responsibility without always waiting for orders.

F-Knowledge & Job Competence

Familiarity with job tasks and the associated knowledge.

Using tools and techniques efficiently.

Self-development and keeping up with professional changes.

G-Work Behavior

Respect for colleagues and superiors.

Acting with professionalism and responsibility.

Maintaining the institution's reputation.)Jackson(2019 ‘

2.1.3 Definition of performance management

Performance management refers to activities that ensure the continuity of work until achieving goals effectively and efficiently. Performance management can focus on the overall performance of the organization, employee management, production processes, and many other areas. (Al-Karkhi ,2015)

2.1.4 Principles of Performance Management

The realization of the features and characteristics of the implemented performance management system requires effort and diligence in adhering to and considering a set of principles and foundations, which are as follows:

- The link between the performance management process and the main mission of the institution the connection between performance management and the main mission of the organization Commitment to and support for core values.

A. Human Performance Planning (Sayeh , 2020)

Employees must have a thorough understanding of the performance management system so that the supervisor can meet with the employee to discuss and agree on what needs to be done and how it should be done, including results and behaviors. Additionally, at this stage, the supervisor

should discuss the key competencies (knowledge, skills, etc.). Etc.)

B. Performance Execution (Performance Achievement)

At the end of the planning process and the beginning of the review cycle, the employee strives to produce results and engages in the behaviors previously agreed upon during the planning phase, making the employee responsible for performance achievement. However, the supervisor also has responsibilities at this stage, as they provide guidance, direction, adjustments, and follow-up on the employees' performance.

C. Human Performance Evaluation

At this stage, both employees and managers are responsible for the evaluation and determining whether the desired results have been achieved or not. Although many sources can be used to gather information about the employee, in most cases, the direct supervisor provides this information. This stage receives the utmost attention due to its significant importance in the performance management system.

D. Performance Development

At this stage, two-way communication is encouraged, meaning between the supervisor or manager and the workers during the implementation phase, to facilitate feedback and its sharing among the administrative levels.

2.2 The theoretical framework for human resource motivation

2.2.1 the concept of incentives :

Incentives are also defined as "any word or gesture that drives a person to better behavior and to continue it. It is originally a psychological process directly related to the spirit and body, and regardless of age or the passage of time, motivation does not cease." (Shehata, 2017)

2.2.2 Motivation elements

There are three essential elements in the process of motivation, which are: (Moussaoui, 2008)

A . Ability: A qualified and capable person can improve their performance thru motivation, unlike an incapable, untrained, or unqualified person.

B. Effort: It refers to the energy and time required to achieve a specific goal or behavior, as mere ability is not enough. The qualified person is one whose performance can be improved.

C. Desire: If there is no desire, the chances of achieving success in

performing the work decrease, even if it is actually performed.

2.2.3 Incentive theories

We will now attempt to explain the theories that addressed the process of motivation in individuals and focused on the study of incentives. (Al-Alami, 2016)

A. Maslow's Hierarchy of Needs Theory

It is one of the well-known theories in human needs, presented by Abraham Maslow, and is called the Hierarchy of Needs Theory. The main assumption of this theory is that if an individual grows up in an environment that does not meet their needs, they are likely to be less adaptable and functionally incorrect.

B. The Two-Factor Theory.

The theory of industrial psychologist Frederick Herzberg (1959), known as the Two-Factor Theory, is considered the result of a series of studies he conducted using interviews with a number of individuals at different levels to identify the variables or factors that achieve satisfaction. This study distinguished the existence of two factors responsible for an individual's levels of satisfaction.

C. Achievement Theory "McClelland"

The founder of this theory is David McClelland (1984), and it is rooted in educational psychology and personality theory. It was applied in the fields of management and economic development in 1968. McClelland and his group studied several cultures, including the United States, Italy, Poland, and India, using predictive methods to identify the traits of individuals with the three needs, which are as follows:

. The need for power: Individuals who often focus on exercising power over others, which means they seek leadership positions, are generally characterized by strong personality, fitness, determination, and the ability to impose their opinions.

2.3 Incentives and their relationship with human resource performance

Reasons for decreased productivity and its relationship with human resource motivation

In practical reality, we often hear managers complaining that their employees are no longer working at their full capacity as they did in the past. Based on research and studies in this field, four reasons can be identified, each of which directly or indirectly points to the type of incentives. These reasons are:

A. The lack of attractiveness of the incentives provided by the organization to its employees, while the truth is that some may desire material incentives such as promotion opportunities or training opportunities. Therefore, if the incentive is not desirable from the perspective of the job holder, its impact on performance approaches zero.

B. The weak relationship between incentives and performance, as despite the frequent discussions about linking individuals or other incentives to production or performance, this linkage rarely occurs in practical reality. The weak relationship between incentive and performance, as despite the frequent talk about linking individuals or another incentive to production or performance, this linkage rarely occurs in practical reality.

C. Lack of trust in management, which usually results from management not fulfilling their promises regarding obtaining certain incentives or benefits in case of good performance. Lack of trust in management. (Bruce A)

2.3.1 The most important ways to motivate employees and improve their work motivation.

There are differing opinions on the methods that should be followed to motivate employees and ensure their performance improvement. Among the most important methods used are the following:

Planning and goal setting: When an individual or employee participates in setting goals and outcomes for their work, it will increase their motivation, especially if these goals are clear, measurable, and of high value to the individual.

A.Participation in work: The individual's involvement in decisions and matters related to their work and the organizational unit they belong to increases their commitments.

B. Behavior modification: Employees' actions and behaviors are changed thru encouragement and activation of desired actions. Managers begin by identifying which actions are desirable and which need to be changed.

C.Providing incentives: Providing incentives is based on the premise that individuals will exert additional efforts when offered a symbolic reward or tangible encouragement for their good performance. (Assaf Abdel Muti)

3. The applied study

3.1 Introduction to the Agricultural and Rural Development Bank (BADR)

This study addresses the practical aspect of measuring the impact of performance management on motivating human resources within the Bank of Agriculture and Rural Development (BADR), focusing on the Batna branch as a practical model.

3.1.1 Introduction to the Bank of Agriculture and Rural Development

The establishment and definition of the Agricultural and Rural Development Bank

-Establishment and founding: The Agricultural and Rural Development Bank (BADR) is a public national financial institution. It was established on March 13, 1982, by Decree No. 82-106.

• **Primary mission:** Its mission is to develop the agricultural sector and promote rural workers.

- **Administrative and financial development:** The bank started with 140 branches transferred from the National Bank of Algeria and has developed to currently host 289 branches and 31 regional directorates. Its capital increased from 2.2 billion Algerian dinars at its inception to become a joint-stock company with a capital of 33 billion dinars currently. The Tasks and Objectives of the Agricultural and Rural Development Bank

• **Main tasks:**

- **Financing economic sectors:** Financing the agricultural sector, hydrocarbons, and fishing.

- **Supporting agricultural activities:** Providing financial support to private institutions aimed at rural development.

- **Financial planning:** striving to implement agricultural projects outlined in development plans.

- **General banking tasks:** consolidating loan and treasury operations, opening accounts, participating in savings mobilization, ensuring payment continuity, and facilitating exchange and foreign trade operations.
- **Strategic objectives:** The bank seeks to play a more dynamic and effective role in financing the national economy and strengthening its competitive position. Its budget amounts to approximately 5.8 billion dollars, and it operates 30% of Algeria's foreign trade.

3.1.2 The Regional Exploitation Group in Batna (BADR)

- **Definition:** The Regional Exploitation Group in Batna Province is one of 39 regional groups.
- **Tasks:** Administrative and technical supervision of agencies, implementation of banking policies, coordination with local bodies, and provision of financial services.
- **Objectives:** Achieving administrative flexibility, improving specialized banking services, and supporting local development thru financing agricultural and developmental projects.

3.2 The applied study method

This section addresses the study methodology and the tools used at the level of the Agricultural and Rural Development Bank (BADR) in Batna.

3.2.1 Methodology and Tools of the Study

- **Methodology:** The study relied on the deductive approach, in addition to the applied approach thru a field study to analyze the role of performance management in motivating human resources.
- **Data collection:** A questionnaire was directed to a sample of employees, in addition to direct interviews with some executives and the analysis of internal documents and reports.
 - Study population and sample:
- **The population:** All employees of the Agricultural and Rural Development Bank (BADR).
- **Sample:** The focus was on the Batna branch as an applied model. The sample was random, consisting of employees and executives.
- **Questionnaires:** (40) questionnaires were distributed, and (40) valid questionnaires for analysis were retrieved at a rate of 100%.

- **Statistical methods:** The Statistical Package for the Social Sciences (SPSS) was used.

- **Descriptive methods:** frequency and percentages, arithmetic means and standard deviations.

3.2.2 Inferential methods:

- **Cronbach's alpha reliability coefficient:** to measure the reliability of the data collection tool.

- **Pearson correlation coefficient:** to determine the relationship and correlation between the study variables

- **One-Way ANOVA test:** to compare means between three or more groups.

- **T-Test:** To compare means between two groups (such as gender).

Rating scale: Five-point Likert scale (from 5 for "Strongly Agree" to 1 for "Strongly Disagree").

-Survey reliability

The Cronbach's alpha reliability coefficient was calculated, which was 0.684 for all the questionnaire items (17 items).

Since the value (0.684) is greater than the acceptable threshold (0.60), this indicates high stability and reliability of the study tool and its suitability for analysis.

3.2.3 Analysis of the study sample characteristics (demographic data)

The sample consisted of 40 employees and was characterized by the the following traits:

Table 1. Demographic data of the sample

The property	The largest category (percentage).	Interpretation
Gender	Females (52.50%) and males (47.50%)	reflect that the bank serves all segments of society.
age	From 25 to 34 years (35.00%), followed by 35 to 44 years (30.00%), totaling (65%).	Most of the workers belong to the middle-aged group, reflecting the nature of the active and effective segment.

experience	From 5 to 10 years (40.00%),..	most employes have moderate professional experience, which contributes to enhancing efficiency and stability
Educational qualification	University graduates (72.5%), followed by postgraduate studies (25%)..	Most employes have high educational levels, reflecting the institution's focus on hiring competencies
Position	Loans (22.5%), followed by the treasury (20%),	reflect the sample's focus on the main functional departments in banking.

Source: Prepared by the researcher based on SPSS outputs.

3.2.4 Presentation and analysis of the study's axis (variables)

1. Analysis of the performance management dimension (high) Analysis of the Performance Management Dimension (High)

The overall evaluation of this axis generally came in a positive direction, with the overall arithmetic mean reaching 4.2625, which falls within the "Very High" level (according to the incomplete information in the analysis), or 3.410, which falls within the "High" level (according to the summary in the table), highlighting a positive trend toward performance management.

Table 2. The results of the sample individuals on performance management statements

Ranking	Trend	Average	Performance management phrase
1	High	3.7500	Setting clear performance goals by management
2	High	3.7250	Using evaluation results in professional development
3	Average	3.1750	Performance evaluation on a regular basis

4	Average	2.9500	Rewarding good performance fairly
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Source: Prepared by the researcher based on SPSS outputs.

Summary of the results: Employees perceive clarity in goals and a connection between evaluation and professional development (high), but there is a deficiency in the regularity of evaluations and the fairness of the reward system (medium).

3.2.5. Analysis of motivation dimensions

This axis is divided into three dimensions: material motivation, moral motivation, and professional/developmental motivation.

A. Material motivation (Average)

The overall average reached 2.6313, which falls within the "average" level, but it is close to the lower limit of this range.

Table 3. The results of the sample individuals on the statements of material motivation

Ranking	Trend	Average	Phrase of material motivation
1	Average	2.700	The financial incentive system is clear and fair.
2	Average	2.650	I receive financial incentives for my good
3	Weak	2.550	I feel that material incentives reflect my efforts.

Source: Prepared by the researcher based on SPSS outputs

Summary of the results: This dimension reflects relatively negative perceptions among employees, as the results showed an unstable feeling regarding the relationship between performance and financial reward, and a clear gap between effort and material appreciation.

B. Moral motivation (high)

The overall arithmetic mean reached 3.4875, which falls within the "high" level, reflecting a good overall satisfaction.

Table 3. The results of the sample individuals on the statements of moral encouragement

Ranking	Trend	Average	Phrase of moral encouragement
1	High	4.0250	A supportive work environment motivates me to give my best..
2	Average	3.3500	My efforts are recognized by the management
3	Average	3.2750	I receive words of appreciation and encouragement when I achieve a milestone.

Source: Prepared by the researcher based on SPSS outputs

Summary of the results: The bank shows a positive trend toward moral motivation, especially by providing an encouraging and motivating work environment (high). But the level of appreciation and recognition (average) indicates the need to intensify verbal appreciation practices and individual recognition of efforts and achievements.

3.2.5. Professional/Developmental Motivation (High)

The overall arithmetic mean reached 3.4313, which falls within the "high" level, reflecting relatively good satisfaction with professional motivation policies.

Table 4. The results of the sample individuals on the statements of Professional/Developmental Motivation

Ranking	Trend	Average	Phrase of Professional/Developmental Motivation
1	High	3.8750	The institution encourages me to develop my skills.
2	High	3.7750	The institution provides me with training and professional development opportunities.

			.
3	Average	2.6500	I am informed about promotion opportunities within the organization.

Source: Prepared by the researcher based on SPSS outputs

Summary of results: Employees believe that the organization provides clear support for skill development and offers training and professional development opportunities (high). Conversely, there is a relative lack of communication regarding promotion opportunities (average).

3.3 Answering the hypotheses (results of correlation and difference tests)

1. The main hypothesis: the relationship between performance management and human resource motivation
Main hypothesis: The relationship between performance management and human resource motivation

3.3.1 Hypothesis: H1: There is a statistically significant relationship between performance management and human resource motivation.

- Result (Pearson test): Achieved.
- Justification: Positive and statistically significant correlations appeared between performance management elements and motivation, with the correlation coefficient (r) between monetary motivation and performance management being 0.680 ($p < 0.01$).

A strong and statistically significant relationship was also found between regular evaluation and material motivation ($r=0.482$, $p=0.002$).

It was found that there is a strong relationship between incentives (salaries, system clarity) and motivation.

3.3.2. Sub-hypotheses: Differences based on demographic characteristics
Sub-hypotheses: Differences by demographic characteristics

- **Hypothesis: H1.:** There are statistically significant differences in the level of human resource motivation attributed to demographic characteristics (such as age, gender, years of experience...)
- Result: The alternative hypothesis was not met/rejected.

• **Justification:** The results of the T-Test and ANOVA indicated that there are no statistically significant differences in the dimensions of motivation (material, moral, professional) attributed to any of the studied demographic characteristics.

o Gender (T-Test): The p-value ($p = 0.423$) is greater than 0.05, indicating no significant differences in motivation levels between males and females.

o Experience (ANOVA): All p-values are greater than 0.05 ($p = 0.616$ for physical motivation).

o Age (ANOVA): All p-values are greater than 0.05 ($p = 0.130$ for physical stimulation).

o Educational qualification (ANOVA): All p-values are greater than 0.05 ($p = 0.131$ for physical stimulation).

4. CONCLUSION

The applied study conducted on the Agricultural and Rural Development Bank (BADR) in Batna Province confirmed the existence of a strong and statistically significant positive correlation between performance management and human resource motivation (supporting the main hypothesis).

The main points reached by the study:

1. Performance management positivity: The bank shows a positive approach in implementing performance management practices, especially in setting goals and linking evaluation results to professional development (high average).

2. Priority of moral and professional motivation: Moral and professional /developmental motivation recorded high levels of satisfaction, thanks to the encouraging work environment and support for skill development and training opportunities. Priority of moral and professional motivation: Moral and professional/developmental motivation recorded high levels of satisfaction, thanks to the encouraging work environment and support for skill development and training opportunities.

3. Weakness of material incentives: Material incentives represent a major weakness, as their evaluation was at a medium to weak level, indicating a

gap between effort and material appreciation and a lack of fairness in the reward system. Weakness of material incentives: The material incentives represent a major weakness, as their evaluation was at a medium level leaning toward weak, indicating a gap between effort and material appreciation and a lack of fairness in the reward system.

4. Absence of demographic differences: Demographic characteristics (gender, age, experience, educational qualification) do not significantly affect the overall motivation level of employees. Absence of demographic differences: Demographic characteristics (gender, age, experience, educational qualification) do not significantly affect the overall motivation level of employees.

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