

**CREATIVITY AND INNOVATION ON FINANCIAL PERFORMANCE IN BANKING  
INDUSTRY  
A CASE STUDY OF KCB BANK RWANDA LTD**

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**ABSTRACT**

Creativity has always been at the heart of human endeavor. Every type of business in the market today is subjected to competition. The study aimed to assess the effects of creativity and innovation on financial performance of the banking industry. The specific objectives of the study aims to identify the drivers of creativity and innovation, to find out ways which the banks promotes creativity and innovation, to determine the implications of creativity and innovation on banks financial performance and also to point out the challenges of the banks' creativity and innovation knowledge on its overall financial performance. The study employed a case study research design whereby both qualitative and quantitative research techniques were used. Qualitative research method was used in determining the attitude of the respondents on matters pertaining creativity and innovation in their institution. Quantitative methods was used to observe a number of tangible issues ranging from numbers of participants in data collection exercise, number of products developed within the bank during an accountable period of time, ways used to tap new talents and how often it is done plus any other accountable event that have to be quantified. Quantitative data was presented in tables, charts, graphs and narratives. Qualitative data were entered into a compilation sheet from which themes were identified. Each theme was transferred into a master sheet from which the analysis was done in relation to objectives of this study. Qualitative data was presented in form of narratives with verbatim reporting so that some strong feelings of respondents can be reported as they are. It was found that in banks, there are four major drivers of creativity and innovation namely the technology, products, services and leadership and management. Banks need a creative and adaptable game-plan to enter tomorrow from a position of strength. Financial institutions must be willing to visit basics and rewrite the script where customer service is concerned. However, KCB Bank Rwanda ltd have managed to come out forcefully to demonstrate that creativity and innovation is a tool to influence financial performance in banking institutions and therefore there is a need for other banks in Rwanda to do the same. In doing that, they need to create a design team, consistently acknowledge those who contribute ideas, knowledge, and time. Senior management may recognize innovative design teams and champions, whereas peers typically nominate and recognize teammates for their contributions to the overall effort. Banks also need to provide special recognition to volunteers, change agents, and model innovators. Keep names associated with contributions. Disseminate success stories concerning invention of a successful new product or approach. Make innovation self-rewarding, link innovation to the core cultural values of the organization. Explain the justification behind rewards and how meeting goals will affect overall and individual outcomes and finally compile a committee of human resources, knowledge management, research and development, and representatives from business units to develop guidelines and suggestions to encourage innovation.