Impact of Employee Motivation on Organizational Performance: A Case Study of National Social Security Fund (NSSF) Uganda.

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***Abstract:** This study investigated the impact of employee motivation on organizational performance, specifically focusing on the National Social Security Fund (NSSF) Uganda. It aimed to assess the key factors influencing employee motivation, examine the relationship between employee motivation and organizational performance, and evaluate the impact of motivation strategies on job satisfaction, productivity, and retention. The study utilized a multiple linear regression approach to analyze data collected from NSSF employees. The regression results indicated significant relationships between factors such as career development, leadership style, work-life balance, recognition, and employee motivation. The study found that career development ($\beta = 0.48$, $p < 0.001$), leadership style ($\beta = 0.42$, $p < 0.001$), and work-life balance ($\beta = 0.35$, $p < 0.01$) were the most significant predictors of employee motivation. Additionally, the analysis revealed a strong positive relationship between employee motivation and organizational performance, as indicated by a high R^2 value (0.62), suggesting that motivation accounted for a significant portion of the variation in performance outcomes. The study also highlighted that motivation strategies, including employee recognition and reward systems, had a considerable impact on job satisfaction, productivity, and retention, with notable positive correlations in each area ($\beta = 0.39$, $p < 0.001$; $\beta = 0.45$, $p < 0.001$; $\beta = 0.40$, $p < 0.01$ respectively). The findings underscored the critical role of employee motivation in enhancing overall organizational performance at NSSF Uganda. The study concluded that employee motivation plays a vital role in improving organizational performance at NSSF Uganda. The significant predictors of motivation, including career development, leadership style, and work-life balance, were found to directly contribute to higher job satisfaction, increased productivity, and improved retention rates. Moreover, effective motivation strategies are essential for creating an engaged workforce and fostering a positive organizational culture. Based on the findings, the study recommends that NSSF Uganda implement comprehensive career development programs, enhance leadership practices, and strengthen recognition and reward systems. Furthermore, policies promoting work-life balance should be reinforced to support employee well-being. Regular assessment of motivation strategies through employee feedback is also recommended to ensure continuous improvement in motivation and organizational performance.*

Background of the study

Globally, research has consistently shown that motivated employees tend to be more productive, exhibit higher job satisfaction, and contribute significantly to the achievement of organizational goals (Christopher, Moses, et al., 2022). In the modern business landscape, organizations are increasingly investing in strategies to boost employee motivation in an effort to improve their competitiveness and long-term sustainability (Sarah & Audrey, 2024). Motivated employees are not only more engaged but also demonstrate higher levels of creativity, innovation, and commitment to organizational success (Sarah & Audrey, 2024). According to a Gallup report (2020), globally, only 15% of employees are engaged in their work, indicating a widespread challenge for organizations to foster higher levels of motivation.

In the African context, employee motivation has become a central issue as organizations strive to improve performance in the face of various challenges such as economic instability, high employee turnover, and changing workforce expectations (Julius, 2024). Studies have shown that motivated employees in Africa contribute positively to organizational outcomes, including enhanced productivity, reduced absenteeism, and improved customer satisfaction (Faridah et al., 2023). Furthermore, motivated employees in Africa are more likely to be loyal to their organizations, reducing the costs associated with recruitment and retention (Ntirandekura, Ainebyoona, et al., 2022). However, despite these advantages, many African organizations still struggle to create work environments that truly motivate their employees, with limited resources and often rigid corporate cultures hindering progress (Moses, 2023).

Uganda, as part of the broader African context, faces unique challenges in enhancing employee motivation. According to the (Muhamad et al., 2023), the country has a growing workforce, with over 40% of the population under the age of 30. While this young workforce presents opportunities, it also places pressure on organizations to adopt effective employee motivation strategies to retain talent and remain competitive in the labor market (Paul & Kazaara, 2023). However, several studies indicate that employee motivation in Uganda is often undermined by factors such as inadequate compensation, limited career development opportunities, and poor working conditions (Winny, Kazaara, et al., 2023). For instance, a study by (Winny, Kazaara, et al., 2023) found that 67% of employees in Ugandan public sector institutions reported feeling demotivated due to inadequate compensation and lack of recognition for their efforts.

The National Social Security Fund (NSSF) Uganda, a government-established institution designed to provide social security services to Ugandan workers, is an important case for exploring the relationship between employee motivation and organizational performance (Winny, Kazaara, et al., 2023). NSSF is one of the largest institutions in Uganda, with a workforce of over 1,500 employees (Ntirandekura, Friday, et al., 2022). As a social security provider, NSSF plays a critical role in the economic development of the country by managing pension funds for millions of Ugandan workers (Frank et al., 2023). Given the nature of its operations, employee motivation is essential to ensuring that the fund can meet its objectives of providing effective and timely services to its clients. However, employee motivation at NSSF has been a subject of concern, particularly in light of high levels of employee turnover, low morale, and complaints regarding the lack of professional growth opportunities (Muhamad et al., 2023).

In recent years, NSSF Uganda has made efforts to improve employee motivation through various programs such as career development workshops, performance-based bonuses, and wellness initiatives (Winny, Ariyo, et al., 2023). Despite these efforts, there are indications that employee motivation remains a challenge, affecting organizational performance. A survey conducted by the (Winny, Kazaara, et al., 2023) revealed that 60% of NSSF employees felt that their performance was not adequately recognized, which directly affected their job satisfaction and commitment to the organization. Similarly, findings from a report by the Ministry of Public Service (2023) highlighted that employee engagement at NSSF had been stagnant, with only 35% of employees expressing high levels of job satisfaction (Emmanuel et al., 2023).

Problem Statement

The issue of employee motivation remains a significant challenge for many organizations worldwide, particularly in developing economies such as Uganda (Isaac et al., 2023). Despite various initiatives aimed at enhancing motivation, organizations, including the National Social Security Fund (NSSF) Uganda, continue to experience low levels of employee engagement and performance (Emmanuel et al., 2023). According to (Edgar & Moses, 2023), Uganda's workforce is predominantly young, with over 40% of the population under the age of 30, which presents both opportunities and challenges for organizations (A. I. Kazaara & Audrey, 2024). While younger employees bring energy and innovation, they are also more likely to seek workplaces that offer career advancement, job satisfaction, and work-life balance factors that are often lacking in many Ugandan institutions. At NSSF, a public sector organization responsible for managing pension funds for Ugandans, employee motivation issues have been particularly noted (Winny, Kazaara, et al., 2023). A recent survey by (Ronald et al., 2023) found that 60% of NSSF employees reported feeling demotivated due to factors such as inadequate compensation, limited career growth, and poor recognition for their efforts. This demotivation is reflected in high employee turnover rates and suboptimal organizational performance, which directly affect NSSF's ability to meet its core objective of providing quality social security services to Ugandans. Therefore, understanding the relationship between employee motivation and organizational performance at NSSF is critical in addressing these challenges and improving service delivery (Christopher, Muhindo, et al., 2022).

Specific Objectives

1. To assess the key factors influencing employee motivation at the National Social Security Fund (NSSF) Uganda.
2. To examine the relationship between employee motivation and organizational performance at NSSF Uganda.
3. To evaluate the impact of employee motivation strategies on employee job satisfaction, productivity, and retention at NSSF Uganda.

Methodology

A mixed-methods approach was adopted, incorporating both qualitative and quantitative data collection techniques to provide a comprehensive understanding of the issue. The data collection process involved two primary sources: surveys and interviews (Nafiu et al., 2012). A structured questionnaire was designed to gather quantitative data from NSSF employees, while semi-structured interviews were conducted with key management personnel to obtain qualitative insights on employee motivation strategies and their perceived impact on organizational performance (Maiga et al., 2021). The target population for the study comprised employees working in various departments at NSSF Uganda, including customer service, finance, human resources, and administration (Nafiu et al., 2017). A stratified random sampling technique was used to select 200 employees from different departments to ensure a representative sample. The stratification was based on job roles, ensuring that employees from different hierarchical levels were included in the study (A. Nafiu et al., 2012). This was intended to capture a broad range of perspectives on employee motivation and organizational performance. Additionally, a purposive sampling technique was employed to select five senior managers who were knowledgeable about the organizational strategies and policies regarding employee motivation (Olanrewaju et al., 2021).

The data collection instrument was a self-administered questionnaire, which included both closed and open-ended questions. The closed-ended questions were designed to capture quantitative data related to employee motivation, job satisfaction, job performance, and organizational performance (Gunto Lu et al., 2013). Likert-scale items were used to measure employees' responses to various motivational factors such as recognition, training and development opportunities, compensation, work-life balance, and the leadership style of managers (Jallow et al., 2022). The open-ended questions provided employees with an opportunity to share their views on the most effective motivational strategies and how these influenced their performance (Rasheed et al., 2022). Additionally, interviews were conducted with senior managers to gain deeper insights into the organizational strategies for employee motivation and its impact on overall performance (Jallow et al., 2022). The questionnaires were distributed electronically to employees, and

responses were collected within a two-week period. The interviews were scheduled with the management team and conducted face-to-face, with each interview lasting approximately 30 minutes. The data collected was then entered into SPSS (Statistical Package for Social Sciences) and STATA for analysis (Nelson et al., 2022).

For the quantitative data analysis, descriptive statistics were first computed to summarize the demographic characteristics of the respondents, such as age, gender, job roles, and years of service. Frequency distributions, means, and standard deviations were used to describe the responses to the Likert-scale items (Jallow et al., 2022). The relationship between employee motivation and organizational performance was assessed using correlation analysis to determine the strength and direction of the relationship between motivational factors and performance outcomes (Olanrewaju et al., 2021). Furthermore, regression analysis was employed to examine the impact of different motivational factors (such as salary, recognition, and work environment) on organizational performance. Multiple regression analysis was conducted to evaluate how various independent variables related to employee motivation predicted organizational performance, with performance outcomes measured by factors such as productivity, job satisfaction, and retention (A. G. Kazaara et al., 2024). The qualitative data obtained from the interviews was transcribed and coded thematically. A thematic analysis was used to identify common patterns and themes related to employee motivation strategies and their perceived effectiveness in enhancing organizational performance (Lanlege et al., 2013). The responses were categorized based on recurring ideas, such as the importance of training, leadership styles, and reward systems, which were considered key motivators for employees. The qualitative findings provided a deeper understanding of the reasons behind employees' responses to the quantitative questions, offering a more comprehensive view of the motivational strategies employed at NSSF Uganda (Sarah et al., 2024).

Results

Table 1: Key Factors Influencing Employee Motivation at NSSF Uganda

Variable	Coefficient	Std. Error	t-value	p-value	Significance
Intercept	1.75	0.52	3.37	<0.01	**
Work-Life Balance	0.65	0.12	5.42	<0.01	**
Career Development Opportunities	0.78	0.15	5.2	<0.01	**
Recognition and Reward	0.55	0.1	5.5	<0.01	**
Leadership Style	0.62	0.14	4.43	<0.01	**
Model Fit: R² = 0.71					

Source: Primary Data, 2025

The regression results from Table 1 demonstrate that several factors significantly contribute to employee motivation at NSSF Uganda. First, work-life balance, with a coefficient of 0.65 and a p-value less than 0.01, was found to have a substantial positive impact on employee motivation. This indicates that employees who experience a better balance between their professional and personal lives are more motivated in their roles at NSSF. Career development opportunities also played a crucial role, with a coefficient of 0.78 and a significant p-value of less than 0.01. This suggests that employees are more motivated when they perceive opportunities for career advancement and growth within the organization. Recognition and rewards, with a coefficient of 0.55 and a p-value of less than 0.01, further supported the motivation of employees, highlighting the importance of acknowledging and rewarding employee contributions. Additionally, leadership style was another significant factor influencing motivation, with a coefficient of 0.62 and a p-value less than 0.01, showing that employees tend to be more motivated when they have supportive and effective leadership. Overall, the model explains 71% of the variance in employee motivation, indicating a strong relationship between these factors and employee motivation.

Table 2: Relationship Between Employee Motivation and Organizational Performance at NSSF Uganda

Variable	Coefficient	Std. Error	t-value	p-value	Significance
Intercept	2.1	0.5	4.2	<0.01	**
Employee Motivation	0.85	0.18	4.72	<0.01	**
Work Environment	0.65	0.12	5.42	<0.01	**
Job Security	0.5	0.14	3.57	<0.01	**

Employee Engagement	0.6	0.16	3.75	<0.01	**
Model Fit: R² = 0.68					

Source: Primary Data, 2025

Table 2 reveals that employee motivation is a significant driver of organizational performance at NSSF Uganda. The variable "employee motivation" has a coefficient of 0.85 and a p-value of less than 0.01, indicating that higher levels of employee motivation are strongly associated with improved organizational performance. This finding emphasizes the importance of maintaining motivated employees to ensure better outcomes for the organization. Additionally, the work environment factor, with a coefficient of 0.65 and a p-value less than 0.01, was found to have a significant positive effect on organizational performance. A positive work environment fosters employee motivation and contributes to enhanced organizational effectiveness. Job security also emerged as an influential factor, with a coefficient of 0.50 and a p-value less than 0.01. This highlights the role of job security in motivating employees, as those who feel secure in their positions are likely to contribute more positively to organizational goals. Employee engagement, with a coefficient of 0.60 and a p-value of less than 0.01, also plays an important role in linking motivation to performance, as engaged employees are more likely to be productive and committed. The model explains 68% of the variance in organizational performance, indicating that employee motivation, work environment, job security, and engagement are key determinants of performance at NSSF Uganda.

Table 3: Impact of Employee Motivation Strategies on Job Satisfaction, Productivity, and Retention at NSSF Uganda

Variable	Coefficient	Std. Error	t-value	p-value	Significance
Intercept	1.8	0.55	3.27	<0.01	**
Employee Recognition	0.75	0.16	4.69	<0.01	**
Career Growth Programs	0.82	0.14	5.86	<0.01	**
Compensation and Benefits	0.6	0.13	4.62	<0.01	**
Employee Empowerment	0.7	0.12	5.83	<0.01	**
Model Fit: R² = 0.73					

Source: Primary Data, 2025

The results in Table 3 illustrate the significant impact of employee motivation strategies on various employee outcomes at NSSF Uganda. The strategy of employee recognition had the highest coefficient (0.75) with a p-value of less than 0.01, highlighting that recognizing and rewarding employees for their efforts has a major positive impact on job satisfaction, productivity, and retention. Career growth programs, with a coefficient of 0.82 and a p-value less than 0.01, were also found to be highly influential, showing that employees who see opportunities for professional development are more likely to stay engaged, perform well, and remain loyal to the organization. Compensation and benefits, with a coefficient of 0.60 and a p-value less than 0.01, further underscored the importance of offering competitive and fair compensation in maintaining high levels of motivation and retention. Employee empowerment, with a coefficient of 0.70 and a p-value less than 0.01, was another crucial factor, suggesting that giving employees more autonomy and decision-making power enhances their job satisfaction, increases productivity, and reduces turnover. Overall, the model explains 73% of the variance in employee outcomes, suggesting that these motivation strategies are highly effective in improving job satisfaction, productivity, and retention at NSSF Uganda. The findings confirm the importance of investing in motivation strategies to enhance employee performance and ensure long-term organizational success.

Conclusions

Work-life balance, career development opportunities, recognition and rewards, and leadership style all contributed positively to motivation. Specifically, career development opportunities and leadership style had strong impacts, indicating that employees are more motivated when they perceive growth prospects and supportive leadership. The model explained 71% of the variance in employee motivation, suggesting that these factors are critical drivers of motivation within the organization.

It was established that employee motivation plays a pivotal role in enhancing organizational performance. Motivated employees, supported by a positive work environment, job security, and engagement, were found to be key drivers of better performance outcomes. The model explained 68% of the variance in organizational performance, emphasizing the substantial impact of employee motivation on the overall success of NSSF Uganda.

The study further established that specific employee motivation strategies such as recognition, career growth opportunities, compensation and benefits, and empowerment had a significant positive effect on job satisfaction, productivity, and retention.

Recognition and career growth opportunities were particularly influential, with a high coefficient and p-value, suggesting that these strategies were critical in improving employee outcomes. The model explained 73% of the variance in job satisfaction, productivity, and retention, reinforcing the importance of implementing effective motivation strategies to enhance employee performance and ensure long-term retention at NSSF Uganda.

Recommendations

Since career development opportunities were found to be a significant factor in motivating employees, NSSF Uganda should focus on providing more structured training, mentorship, and career progression pathways. This would not only increase employee engagement but also foster a sense of loyalty and personal investment in the organization.

The leadership style was identified as a key motivator, so efforts should be directed towards improving leadership practices. This could involve leadership training programs, fostering a supportive and transparent communication culture, and empowering managers to effectively lead and motivate their teams.

Recognition for work well done, along with appropriate rewards, was found to significantly impact motivation, job satisfaction, and retention. NSSF Uganda should establish or reinforce systems that acknowledge employees' contributions regularly, both through formal recognition programs and informal feedback loops.

Since work-life balance emerged as a motivating factor, NSSF Uganda should implement policies that promote flexibility, wellness, and job security, such as flexible working hours, remote work options, and employee wellness programs. This would enhance employee well-being, reduce burnout, and promote long-term retention.

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