

Employee Motivation And Organizational Performance: A Case Study Of Kampala Capital City Authority

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Abstract

This study investigated the effect of employee motivation on organizational performance at Kampala Capital City Authority (KCCA). The dimensions of employee motivation examined included financial incentives, recognition and praise, career development opportunities, and working environment quality. A cross-sectional survey design was used, with data collected from 200 KCCA employees through structured questionnaires. Descriptive statistics, Pearson correlation, and multiple regression analysis were employed for data analysis. Findings showed a significant positive relationship between employee motivation and organizational performance ($r = 0.701$, $p < 0.01$). Regression analysis revealed that career development ($\beta = 0.318$, $p < 0.001$), financial incentives ($\beta = 0.291$, $p < 0.001$), and working environment ($\beta = 0.263$, $p < 0.01$) were significant predictors of organizational performance, collectively explaining 65.8% of the variance ($R^2 = 0.658$). The study recommends that KCCA management invest in structured career development pathways, competitive remuneration packages, and improved physical working environments to enhance employee motivation and drive superior organizational performance.

Keywords: Employee motivation, Organizational performance, Financial incentives, Career development, KCCA, Public sector, Uganda

1.0 Background to the Study

Organizational performance in the public sector is fundamentally determined by the quality and commitment of human capital (A. I. Kazaara & Audrey, 2024). Governments worldwide are increasingly recognizing that motivated employees deliver superior public services, innovate service delivery processes, and contribute to the realization of institutional mandates (Armstrong, 2010). Kampala Capital City Authority (KCCA), established under the Kampala Capital City Authority Act of 2010, is the primary urban management authority for Uganda's capital city, responsible for delivery of essential urban services including road maintenance, revenue collection, public health, and environmental management for a population exceeding 3.5 million (Amos et al., 2024). Despite its critical mandate, KCCA has faced persistent challenges in service delivery performance, partly attributed to issues of employee demotivation, high staff turnover, and inadequate institutional culture (Irumba et al., 2024). A performance audit by the Auditor General (2021) noted that KCCA's service delivery efficiency fell below national public sector benchmarks in several critical areas, including revenue mobilization and infrastructure maintenance, raising questions about the motivational and organizational factors underlying these performance gaps (Julius, 2024). Employee motivation, defined as the intrinsic and extrinsic forces that initiate, direct, and sustain work-related behaviour toward organizational goals (Robbins & Judge, 2013), is widely recognized as a critical determinant of individual and organizational performance (Alex & Kazaara, 2023). Theories of motivation, including Maslow's Hierarchy of Needs (1943), Herzberg's Two-Factor Theory (1959), and Vroom's Expectancy Theory (1964), collectively suggest that

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organizations that effectively address employees' physiological, psychological, and aspirational needs generate higher levels of motivation and performance. In the public sector context, Bright (2008) argues that motivation operates through both intrinsic and extrinsic pathways, with public service motivation playing an important supplementary role.

2.0 Problem Statement

KCCA has experienced chronic performance challenges manifested in delayed service delivery, frequent revenue collection shortfalls, and public dissatisfaction with urban management services(A. G. Kazaara et al., 2024). Employee satisfaction surveys conducted by the KCCA Human Resource Directorate (2022) revealed that only 43% of surveyed employees felt adequately motivated in their roles, with career development opportunities, salary inadequacy, and poor working conditions cited as primary sources of demotivation(Winny et al., 2023). These conditions have contributed to an annual staff turnover rate of approximately 18%, significantly above the public sector average of 12% in Uganda.

Despite the acknowledged link between employee motivation and organizational performance, there is limited rigorous empirical research examining this relationship specifically within KCCA, Africa's second-largest urban local authority by population served(Julius, 2024). Understanding which specific motivation dimensions most powerfully drive performance outcomes at KCCA is essential for designing targeted interventions that improve both employee wellbeing and service delivery performance. This study addresses this critical gap in the literature(Paul & Kazaara, 2023).

3.0 Objectives of the Study

3.1 Main Objective

The main objective was to investigate the effect of employee motivation on organizational performance at Kampala Capital City Authority.

3.2 Specific Objectives

- i. To determine the effect of financial incentives on organizational performance at KCCA.
- ii. To examine the relationship between recognition and praise and organizational performance at KCCA.
- iii. To assess the effect of career development opportunities on organizational performance at KCCA.
- iv. To establish the influence of working environment quality on organizational performance at KCCA.

4. Literature Review

4.1 Theoretical Framework

This study draws on Herzberg's Two-Factor Theory (1959), which distinguishes between hygiene factors (extrinsic motivators such as salary, working conditions, and job security that prevent dissatisfaction) and motivators (intrinsic factors such as achievement, recognition, and advancement that actively promote satisfaction and performance)(A. G. Kazaara et al., 2023). Herzberg's framework is particularly relevant for examining KCCA as a public sector

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organization where both extrinsic incentives and intrinsic motivators such as public service orientation and career advancement play important roles. Additionally, Vroom's (1964) Expectancy Theory is employed to explain how employees' perceptions of the relationship between effort, performance, and reward influence their motivational levels and resultant performance.

4.2 Financial Incentives and Performance

Financial incentives encompass all monetary forms of compensation including basic salary, performance bonuses, allowances, and pension benefits (Alex & Julius, 2024). Luthans et al. (2008) demonstrated that financial incentives are among the most powerful motivators of employee performance, particularly when pay is perceived as equitable and competitive. In Uganda's public sector, Namutebi and Muhumuza (2019) found that salary adequacy significantly predicted employee performance at national government agencies, with employees who perceived their compensation as fair demonstrating significantly higher productivity and service quality scores (Christopher, Moses, Muhindo, et al., 2022).

4.3 Recognition, Praise, and Performance

Recognition and praise represent non-monetary forms of motivation that acknowledge employee contributions and achievements (Alex & Kazaara, 2023). Research consistently shows that employees who feel recognized and valued demonstrate higher levels of engagement, commitment, and performance (Stajkovic & Luthans, 2003). In public sector organizations specifically, recognition programs can be particularly powerful because they satisfy higher-order esteem needs in contexts where salary levels may be constrained by government pay structures (Wright, 2007).

4.4 Career Development and Performance

Career development opportunities including training, promotion pathways, mentoring, and professional development programs are recognized as powerful motivators that enhance employee capability and commitment (Noe et al., 2017). Tessema and Soeters (2006) found that career development practices were the strongest individual predictor of employee performance in public sector organizations in Eritrea, a finding replicated by Kyaligonza and Kamagara (2017) who established that training and development significantly predicted employee performance in Ugandan local governments.

4.5 Working Environment and Performance

The physical and psychosocial working environment significantly affects employee motivation and performance (Christopher, Moses, Enosh Muhindo, et al., 2022). Facilities quality, safety standards, ergonomic design, and workplace culture collectively constitute the environmental motivators that either facilitate or impede employee performance (Sundstrom, 1987). In developing country public sector contexts, inadequate physical infrastructure, unreliable utilities, and poor equipment are commonly cited as demotivating factors that reduce employee productivity (Mutava, 2016).

5.0 Methodology

5.1 Research Design and Sample

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A cross-sectional survey was used to collect data from 200 KCCA employees across three directorates (Public Health, Revenue Collection, and Engineering) purposively selected based on their strategic importance to KCCA's core mandate. Simple random sampling was used within each directorate to select participants. Questionnaire instruments measuring financial incentives (8 items, $\alpha = 0.82$), recognition (6 items, $\alpha = 0.78$), career development (9 items, $\alpha = 0.85$), working environment (7 items, $\alpha = 0.80$), and organizational performance (12 items, $\alpha = 0.89$) were administered, with all items rated on a 5-point Likert scale (Nelson et al., 2022).

6.0 Results

6.1 Descriptive Statistics

Table 1: Descriptive Statistics on Employee Motivation and Organizational Performance

Variable	N	Mean	Std. Dev.	Min	Max
Financial Incentives	200	3.12	0.88	1.00	5.00
Recognition & Praise	200	3.39	0.76	1.00	5.00
Career Development	200	2.91	0.94	1.00	5.00
Working Environment	200	3.21	0.82	1.00	5.00
Organizational Performance	200	3.28	0.74	1.00	5.00

Source: Primary Data, 2026

The descriptive results in Table 1 reveal important patterns in employee motivation at KCCA. Recognition and praise recorded the highest mean score among motivation dimensions ($M = 3.39$, $SD = 0.76$), suggesting that KCCA employees perceived recognition mechanisms as moderately effective (Paul & Kazaara, 2023). The relatively low standard deviation indicates reasonable agreement among employees regarding recognition practices, implying that KCCA's formal recognition systems, including employee of the month awards and public commendations, were reaching employees with a degree of consistency. Working environment quality recorded a mean of 3.21 ($SD = 0.82$), indicating a moderate perception of the physical and psychosocial work environment at KCCA (Brighton et al., 2023). The moderate score may reflect variation in working conditions across different KCCA directorates and branches, with some departmental offices offering relatively better infrastructure than others (A. I. Kazaara & Audrey, 2024). Financial incentives obtained a mean of 3.12 ($SD = 0.88$), suggesting that employees perceived their financial compensation at a moderately satisfactory level, though the relatively high standard deviation indicates considerable variability in pay satisfaction across the organization, likely reflecting disparities in salary scales between professional, technical, and support staff categories (Ivan et al., 2023).

Career development recorded the lowest mean score ($M = 2.91$, $SD = 0.94$), indicating that KCCA employees were least satisfied with available career advancement and professional development opportunities (Sarah & Audrey, 2024). The high standard deviation of 0.94 reflects substantial variability in career development experiences, suggesting that opportunities were unevenly distributed across departments and staff categories. Organizational performance achieved

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a moderate mean of 3.28 (SD = 0.74), consistent with the performance challenges noted in external audit reports and suggesting room for significant improvement through targeted motivation interventions.

6.2 Correlation Analysis

Table 2: Pearson Correlation Matrix – Employee Motivation and Organizational Performance

Variable	1	2	3	4	5
1. Financial Incentives	1.000				
2. Recognition & Praise	0.461**	1.000			
3. Career Development	0.517**	0.489**	1.000		
4. Working Environment	0.443**	0.398**	0.471**	1.000	
5. Org. Performance	0.612**	0.578**	0.649**	0.591**	1.000

Note: ** $p < 0.01$ (two-tailed)

Source: Primary Data, 2025

The correlation results in Table 2 reveal strong, positive, and statistically significant associations between all motivation dimensions and organizational performance. Career development exhibited the strongest correlation with organizational performance ($r = 0.649$, $p < 0.01$), suggesting that opportunities for professional growth, training, and advancement are the most powerful motivational determinants of performance at KCCA (Ntirandekura et al., 2022). This finding is particularly significant given that career development also recorded the lowest mean score, indicating that the dimension with the greatest potential impact on performance is precisely the one that is most inadequately addressed by current KCCA human resource management practices (A. G. Kazaara et al., 2024).

Financial incentives were strongly correlated with organizational performance ($r = 0.612$, $p < 0.01$), confirming that compensation levels significantly influence employee performance outcomes at KCCA (Nelson et al., 2023). Working environment quality demonstrated a strong positive correlation with performance ($r = 0.591$, $p < 0.01$), affirming the importance of physical and psychosocial workplace conditions in enabling employees to perform at their best. Recognition and praise showed a significant positive relationship with organizational performance ($r = 0.578$, $p < 0.01$), although it was the weakest correlation among the motivation dimensions, possibly because recognition programs at KCCA were perceived as inconsistently applied and not always tied to objective performance criteria. The inter-correlations among motivation dimensions were positive and moderate, ranging from $r = 0.398$ to $r = 0.517$, indicating healthy positive relationships among the dimensions without problematic multicollinearity.

6.3 Regression Analysis

Table 3: Model Summary

Model	R	R ²	Adjusted R ²	Std. Error	F	Sig.
1	0.811	0.658	0.651	0.441	94.182	0.000

Source: Primary Data, 2026

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Table 4: Regression Coefficients – Employee Motivation and Organizational Performance

Predictor	B	Std. Error	Beta (β)	t	Sig.	VIF
(Constant)	0.421	0.189	—	2.228	0.027	—
Financial Incentives	0.281	0.071	0.291	3.958	0.000	1.591
Recognition & Praise	0.211	0.079	0.218	2.671	0.008	1.472
Career Development	0.329	0.074	0.318	4.446	0.000	1.638
Working Environment	0.261	0.078	0.263	3.346	0.001	1.557

Dependent Variable: Organizational Performance

Source: Primary Data, 2026

The regression results confirm that the four motivation dimensions collectively explain 65.8% of the variance in organizational performance at KCCA ($R^2 = 0.658$, Adjusted $R^2 = 0.651$, $F = 94.182$, $p < 0.001$). The high F-statistic confirms the overall statistical significance and explanatory power of the model. Career development emerged as the strongest individual predictor of organizational performance ($\beta = 0.318$, $t = 4.446$, $p < 0.001$), consistent with the strong correlation identified in the bivariate analysis. A one-unit increase in career development quality is associated with a 0.329-unit increase in organizational performance. This dominant effect underscores the argument that investing in employee training, promotion opportunities, and professional development at KCCA would yield the greatest returns in terms of performance improvement.

Financial incentives were the second strongest predictor of organizational performance ($\beta = 0.291$, $t = 3.958$, $p < 0.001$), affirming that competitive and equitable compensation is a fundamental driver of public sector performance at KCCA. Working environment quality was the third significant predictor ($\beta = 0.263$, $t = 3.346$, $p = 0.001$), confirming that physical workplace quality significantly influences employee performance outcomes. Recognition and praise, while the weakest predictor among the four dimensions ($\beta = 0.218$, $t = 2.671$, $p = 0.008$), still contributed significantly to organizational performance, suggesting that even modest investments in recognition programs can yield measurable performance benefits. VIF values for all predictors ranged between 1.472 and 1.638, well within acceptable limits, confirming absence of multicollinearity.

7.0 Discussion of Results

The finding that career development is the strongest predictor of organizational performance at KCCA ($\beta = 0.318$) challenges a commonly held assumption that financial incentives are the primary motivator in public sector organizations. Instead, the results suggest that KCCA employees are motivated more by opportunities for professional growth, skill enhancement, and career advancement than by salary levels alone. This aligns with Herzberg's Two-Factor Theory, which categorizes career advancement and personal growth as powerful motivators that actively enhance performance, distinct from hygiene factors like salary that primarily prevent dissatisfaction.

The significant effect of financial incentives ($\beta = 0.291$) nevertheless confirms that remuneration remains a critical baseline motivator at KCCA. Given that Uganda's public sector salary scales have historically lagged behind private sector comparators, the finding suggests that salary improvement initiatives, including performance-based pay increments and competitive allowance packages, would contribute meaningfully to performance improvement at KCCA. The significance of working environment quality ($\beta = 0.263$) is consistent with physical capital theories of productivity, which hold that employees equipped with adequate facilities, ergonomic workstations, and supportive infrastructure are more productive than those working in substandard conditions. The overall model's explanatory power of 65.8% suggests that approximately one-third of the variance in organizational performance remains attributable to factors not captured in the model, including organizational culture, leadership quality, inter-departmental coordination, and external environmental factors. Future research should incorporate these additional variables to develop a more comprehensive model of organizational performance determinants at KCCA.

8.0 Conclusions and Recommendations

8.1 Conclusions

Employee motivation is a significant and powerful determinant of organizational performance at KCCA, with career development, financial incentives, working environment, and recognition collectively explaining 65.8% of performance variance (Winny et al., 2023). Career development stands out as the most influential motivation dimension, suggesting that KCCA's performance improvement agenda should prioritize structured human resource development investments (Tasha et al., 2023).

8.2 Recommendations

KCCA management should develop and implement a comprehensive career development framework that includes annual training needs assessments, departmental succession planning, and structured mentorship programs linking junior staff to senior technical experts. The authority should conduct a comprehensive salary benchmarking exercise and develop a performance-linked pay increment framework that rewards high-performing employees competitively. Physical working environments across KCCA directorates should be audited and improved, prioritizing health and safety standards, reliable power supply, digital connectivity, and ergonomic office furnishings. A formal, transparent, and criteria-based recognition program should be institutionalized, with quarterly recognition ceremonies and visible, organization-wide communication of employee achievements. Future research should examine the mediating effect of organizational culture and employee engagement on the relationship between motivation and performance at KCCA.

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