

Effect of Employee Work Motivation on Organizational Performance: The Mediating Role of Job Satisfaction

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ASBTRACT

Purpose/Objectives:

This study investigates the effect of employee work motivation on organizational performance, with job satisfaction as a mediating variable. Conducted in Karnali Province, the research aims to explore how intrinsic and extrinsic motivation, along with job satisfaction, contribute to enhance organizational performance in the insurance sector.

Methodology:

A quantitative research approach was employed, using a structured questionnaire. The study collected data from a sample of 220 employees, selected through stratified random sampling from a total population of 400. Structural equation modeling (SEM) was used to analyze the direct and indirect relationships between work motivation, job satisfaction, and organizational performance.

Findings:

The findings reveal that employee work motivation has a significant positive impact on organizational performance. Furthermore, job satisfaction partially mediated this relationship, underscoring its critical role in translating motivation into improved organizational outcomes. Employees with higher levels of motivation and job satisfaction demonstrated greater productivity and efficiency, which positively influenced overall organizational performance.

Conclusions:

The study concludes that organizations aiming to enhance organizational performance should prioritize fostering a motivating work environment and improving job satisfaction. Strategies such as participative decision-making, recognition programs, and professional development opportunities can further amplify these positive effects.

Implications:

The implications of this research suggest that policymakers and organizational leaders in Karnali Province should focus on implementing workplace policies that enhance employee motivation and job satisfaction to achieve sustainable performance improvements. Future research could expand the scope to different regions and industries to validate and generalize the findings.

Keywords: Work Motivation, job satisfaction, and employee performance

INTRODUCTION

Human resources, or employees, are the most vital component of any organization. As such, they need to be motivated and guided to effectively fulfil their tasks and contribute to the organization's success.

Organizational performance involves assessing an employee's behavior and effectiveness in completing specific tasks or assignments within an organization (Vuong & Nguyen, 2022). It is closely tied to evaluating how well or poorly an individual has executed their responsibilities. Among the various factors that impact job performance, motivation plays a critical role, as it directly influences an employee's ability to perform effectively, thereby affecting overall organizational performance (Kalogiannidis, 2021).

Workforces, or personnel, are individuals who apply their skills and knowledge to support the organization in achieving its objectives. Managers or directors within companies play a crucial role in ensuring that tasks and jobs are carried out effectively and correctly by employees (MuseAliGeelmaale, 2019). High-performance work practices, including incentive pay, training programs, information sharing, participative management, selective recruitment and hiring, an egalitarian culture, and teamwork, are key contributors to enhancing organizational performance (Arokiasamy et al., 2023; Fahriana & Sopiah, 2022).

Work motivation, in the context of management, is a multifaceted process that inspires employees to fulfill their responsibilities in ways that not only meet their supervisors' expectations but also yield significant benefits for the organization (Grzesiak et al., 2024).

Organizational performance is a critical measure of success, and employee motivation and job satisfaction are key factors that influence it. However, there is limited understanding of how these factors interact, particularly in the insurance sector of Karnali Province. While intrinsic and extrinsic motivation are known to drive employee performance, the mediating role of job satisfaction in translating motivation into organizational performance remains underexplored. So, this study focuses on the effect of employee motivation (WM) on organizational performance (OP), with job satisfaction (JS) as a mediating variable.

Human factors should be emphasized to improve organizational performance, and leadership support plays a vital role in satisfying and motivating employees (Sokolic et al., 2024). Job satisfaction is a key to successful performance and aligns with the organization's priorities (Bhandari, 2022). Motivation is a key factor shaping employee behavior and performance. It refers to the internal needs and desires that drive individuals to take action to fulfill those needs. When employees are motivated, organizations benefit from higher productivity, better morale, and improved overall performance (Achim et al., 2013). While work motivation is crucial for boosting job satisfaction, its direct effect on organizational performance can vary. The relationship between motivation, job satisfaction, and performance is intricate and shaped by factors such as organizational culture and individual competencies (Sari et al., 2022). Employee motivation is crucial for organizational performance, especially in the service sector. High levels of motivation lead to increased productivity, reduced turnover, and enhanced customer satisfaction, all of which are vital to success in service-based industries (Budi Santoso et al., 2023).

Job satisfaction reflects the extent to which employees feel fulfilled and content in their roles, a factor that can greatly impact their performance and efficiency in the workplace. A satisfied employee tends to be more productive, fostering a positive work environment that enhances the organization's overall success (Latif et al., 2013). Similarly, non-material incentive motivation, job satisfaction, and organizational performance are essential factors for the success of institutions such as Diskominfo Aceh Selatan. Prioritizing these aspects enables organizations to cultivate a more driven and engaged workforce, ultimately enhancing overall performance and achieving better results (Razak et al., 2022). It highlights that job satisfaction not only impacts organizational performance but that organizational performance, in turn, can also shape job satisfaction. This reciprocal relationship is vital for gaining a holistic understanding of the dynamics within workplace environments (Bakotić, 2016). So, performance is an essential attribute that a company or organization must strive to achieve and maintain.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Social Exchange Theory (SET)

Social exchange theory, pioneered by Blau (1964), posits that the norm of reciprocity governs workplace relationships. Employees engage in a cost-benefit analysis; when they perceive that the organization provides

valuable resources such as fair treatment, recognition, or motivational support, they develop a sense of obligation to reciprocate positively. In this research model, job satisfaction serves as the attitudinal indicator of a high-quality exchange relationship. When employees are motivated, they interpret this as an organizational investment, which leads to satisfaction and, in turn, compels them to enhance their performance as a reciprocal gesture (Cropanzano & Mitchell, 2005). Motivation initiatives signal organizational support, fostering trust and satisfaction. Satisfied employees reciprocate through increased discretionary effort and productivity, thereby improving organizational performance. This theoretical framework explains why job satisfaction functions as a mediator rather than merely an outcome variable.

Self-Determination Theory (SDT)

Self-Determination Theory, developed by Deci & Ryan (1985), distinguishes between intrinsic motivation, driven by inherent interest, and extrinsic motivation, driven by external rewards. The theory argues that when an organization supports employees' three basic psychological needs, namely autonomy, competence, and relatedness, intrinsic motivation flourishes. Autonomy refers to the need to feel in control of one's actions; competence refers to the need to master tasks and achieve effectiveness; and relatedness refers to the need to feel connected with others (Ryan & Deci, 2017). This autonomous form of motivation directly enhances psychological well-being, which manifests as job satisfaction.

Herzberg's Two-Factor Theory

Herzberg (1959) proposed that workplace factors are not unidimensional but rather consist of two distinct categories. Hygiene factors, including salary, job security, working conditions, and organizational policies, prevent dissatisfaction but do not actively create satisfaction. In contrast, motivators, such as recognition, achievement, responsibility, advancement, and the work itself, are intrinsic to the job and are the true drivers of job satisfaction and performance (Herzberg, 1966). This theory justifies treating Job Satisfaction as a mediator rather than simply an outcome. It suggests that work motivation, particularly intrinsic motivators, must first generate satisfaction before it can translate into enhanced organizational performance. Without this mediating state, motivation may lead to only short-term compliance rather than sustained performance improvements.

Work motivation and organizational performance

Osabiya (2015) highlights that a motivated workforce is crucial for achieving high organizational performance. By prioritizing employee satisfaction, development, and recognition, organizations can foster a more productive and engaged workforce. The study by Deressa and Zeru (2019) highlights the positive impact of motivation on performance and patient care, emphasizing the need for healthcare organizations to address motivational factors to improve overall organizational performance. Higher motivation among nurses was associated with several beneficial outcomes. Pang and Lu (2018) stress that a motivated and dedicated workforce is vital for delivering exceptional services and sustaining a competitive advantage in the shipping industry. The study underscores the importance of focusing on motivational factors to improve job satisfaction and enhance organizational performance. Akerele (2023) emphasizes that both intrinsic (internal satisfaction) and extrinsic (external rewards) motivations are vital for driving performance. Organizations that effectively recognize and leverage these factors can cultivate a more motivated workforce, thereby improving outcomes. In light of the literature discussed, the hypothesis is proposed as follows:

H_{A1}: A significant relationship exists between work motivation (WM) and organizational performance (OP).

Work motivation and job satisfaction

The findings underscore the importance of fostering employee motivation to boost job satisfaction and thereby enhance organizational performance, especially in public-sector banks in India. The study highlights the need to retain motivated employees to build a dedicated workforce, driving improved performance and productivity. Employee motivation was also found to directly and positively influence organizational performance (Bakr, 2019). The study revealed that job satisfaction can drive employees to work harder, even in the face of bullying. This suggests that while bullying negatively impacts the workplace, the pursuit of job satisfaction can

motivate employees to overcome such challenges (Wolor et al., 2023). The researcher found that the reward variable had a positive and significant effect on job satisfaction when evaluated independently. This underscores the importance of rewards in boosting job satisfaction among Gojek drivers, suggesting that financial incentives and recognition are key factors in enhancing their overall satisfaction (Erviyani et al., 2023). The study concludes that work motivation significantly boosts job satisfaction, suggesting that enhancing motivation can increase satisfaction among lecturers. This aligns with prior research highlighting the key role of financial motivation in driving effective job performance (Basalamah & As'ad, 2021). Based on the preceding literature, the hypothesis is suggested as follows:

H_{A2}: A significant relationship exists between work motivation and job satisfaction.

Job satisfaction and organizational performance

They conducted a study to explore the effects of employee motivation on organizational performance among part-time lecturers in selected private universities in Kisumu County. The findings revealed that employee job satisfaction significantly impacts organizational performance. This implies that when part-time lecturers are satisfied with their jobs, their performance improves and the organization's success is enhanced (Sokolic et al., 2024). The study explored the relationships between work motivation, job satisfaction, and employee performance, analyzing data from 63 employees at PT. Fajar Agung Bengabing, North Sumatra Province. The findings emphasize that both work motivation and job satisfaction significantly influence performance, underscoring the need to create a motivating work environment to boost job satisfaction and enhance overall performance (Prayogi & Trya, 2024). Similarly, the scholar found that job satisfaction is a significant predictor of organizational performance, especially in Pakistan's banking sector. The study suggests that understanding and improving job satisfaction can drive greater efficiency and contribute to organizations' overall success (Ismail et al., 2021). Therefore, based on the literature reviewed, the following hypothesis is proposed:

H_{A3}: A significant relationship exists between job satisfaction and organizational performance.

Work motivation, Job satisfaction, and organizational performance

They conducted research on an employee performance model through job satisfaction in a health office in North Sumatra, examining relationships among factors influencing performance. The findings revealed a positive indirect effect of distributive justice on employee performance, mediated by job satisfaction (Dalimunthe et al., 2024). Similarly, the researcher conducted an empirical study on organizational motivation, employee job satisfaction, and organizational performance within container shipping companies in Taiwan. The findings underscore that organizational motivation significantly affects job satisfaction, which, in turn, plays a critical role in enhancing organizational performance (Pang & Lu, 2018). The study argues that job satisfaction mediates the relationship between transformational leadership and organizational performance, emphasizing its critical role in enhancing employee effectiveness and positive organizational contributions (Ricardianto et al., 2021). The research identifies key factors driving work motivation and job satisfaction. It argues that job satisfaction mediates the link between transformational leadership and organizational performance, highlighting its vital role in boosting employee effectiveness and organizational success (Tiwari et al., 2023). Drawing from the literature, the hypothesis is presented as:

H_{A4}: Job satisfaction significantly mediates the relationship between work motivation and organizational performance.

Conceptual Framework

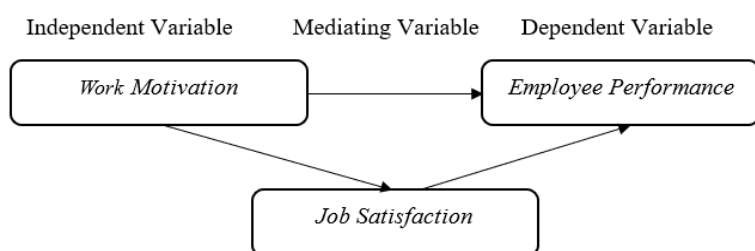


Figure 1: Conceptual framework of the study

RESEARCH METHODOLOGY

This study employs a quantitative research design with a descriptive approach to examine the relationships and effects of work motivation (the independent variable) on organizational performance (the dependent variable), while accounting for job satisfaction as a mediating variable. To analyze these relationships, Structural Equation Modeling (SEM) is employed with Smart PLS 4.1. SEM is a powerful statistical technique that allows for the evaluation of both direct and indirect effects within complex models. Additionally, descriptive statistical analysis is conducted using IBM SPSS Statistics version 26, which provides tools for summarizing and interpreting data to gain insights into the characteristics of the study variables.

Data collection is carried out using a Likert-scale questionnaire designed to measure employees' perceptions of work motivation, job satisfaction, and their impact on organizational performance. The target population for this study includes all employees working in the insurance sector in Karnali Province. Stratified random sampling ensures adequate representation across the population's strata. Given the known number of employees, the limited population formula is used to calculate the sample size. Based on Yamane (1967), the sample size determination formula was applied to the target population of 400 insurance company employees. The calculation yielded a minimum requirement of 200 respondents; however, a sample of 220 employees was selected to ensure adequacy and mitigate the impact of incomplete responses.

RESULTS AND FINDINGS

Table 1: Characteristics of respondents

Categories		Frequency	Percent
Age	Up to 25	39	17.73
	26-40	145	65.91
	41 and above	36	16.36
Gender	Male	172	78.18
	Female	48	21.82
Cast	Brahmin	118	53.64
	Chhetri	46	20.91
	Janajati	29	13.18
	Others	27	12.27
Marital Status	Married	184	83.64
	Unmarried	36	16.36
Educational Status	Up to +2 or PCL	76	34.55
	Bachelor	126	57.27
	Master Above	18	8.18
Insurance Sector	Life	156	70.91

	Non-life	64	29.09
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The demographic profile of the respondents reveals that the majority (65.71%) fall within the 26-40 age group, with equal proportions (17.14%) in the under-25 and over-41 categories. Males constitute 66.53% of the sample, while females make up 33.47%. In terms of caste, Brahmins represent the largest group (49.80%), followed by Chhetri and Janajati (17.14% each), and others (15.92%). Most respondents are married (82.86%), with 17.14% unmarried. Educationally, over half (53.88%) hold a bachelor's degree, 36.73% have completed up to +2 or PCL, and 9.39% possess a master's degree or higher. Regarding sector affiliation, the majority (69.80%) work in life insurance, while 30.20% are employed in non-life insurance.

MEASUREMENT TEST MODEL

The measurement model in structural equation modeling (SEM) specifies the relationships between observed variables (indicators) and their underlying latent constructs. It assesses how well the observed variables represent the constructs they are intended to measure. Key aspects include evaluating reliability, convergent validity, and discriminant validity. Reliability ensures that the indicators consistently measure the construct, while convergent validity confirms that indicators of the same construct are highly correlated. Discriminant validity ensures that constructs are distinct from one another. The measurement model is validated through statistical tests, such as factor loadings, average variance extracted (AVE), and composite reliability (CR). A well-fitting measurement model is crucial for ensuring that the constructs are accurately measured before examining their structural relationships in the full SEM.

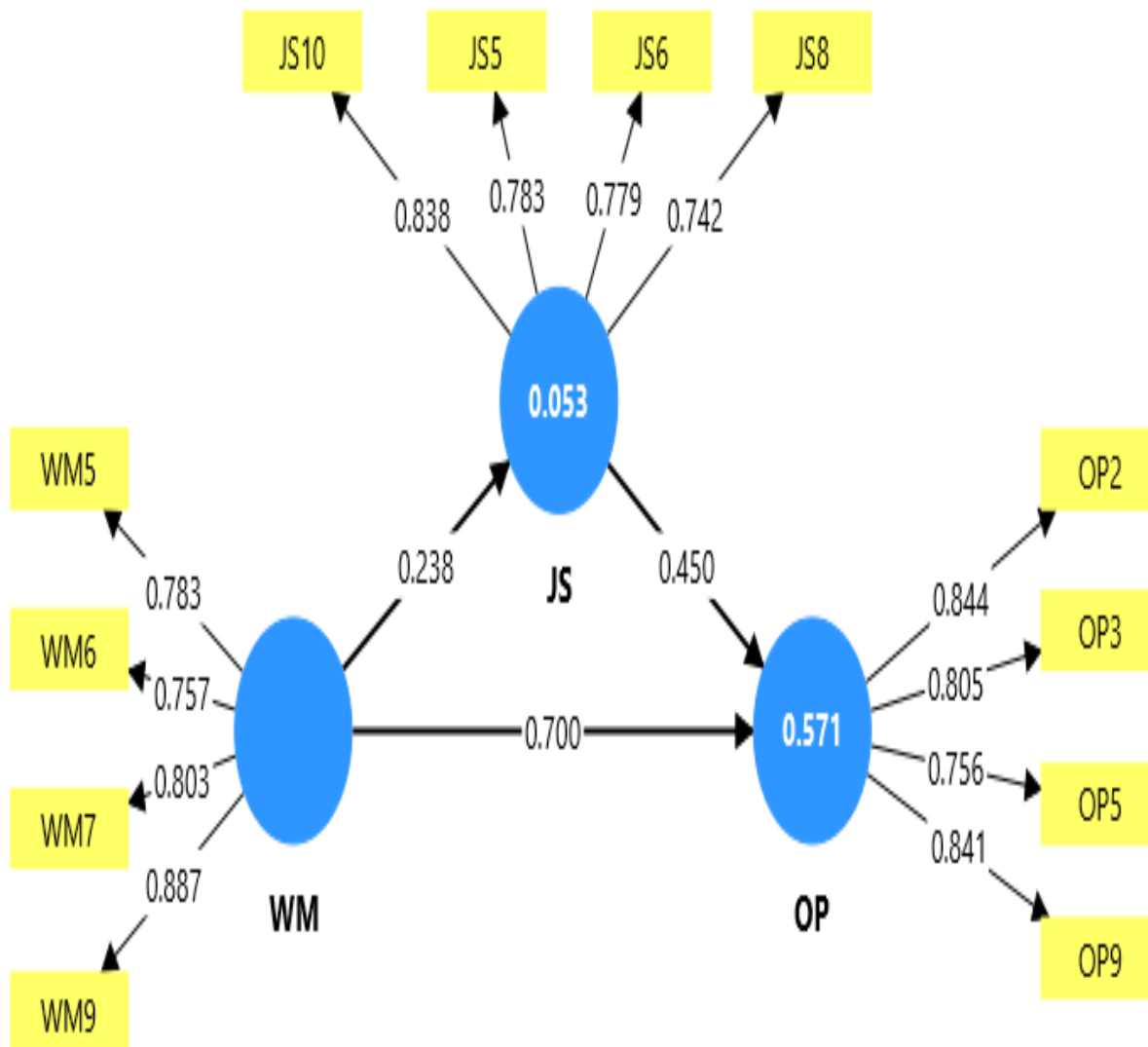


Figure 2: The result of the measurement model by using the PLS Algorithm technique

Table 2. Cronbach's Alpha, Composite Reliabilities, and Average Variance Extracted

	Cronbach's alpha	Composite reliability (rho a)	Composite reliability (rho c)	Average variance extracted (AVE)
JS	0.795	0.810	0.866	0.618
OP	0.827	0.828	0.886	0.660
WM	0.823	0.829	0.883	0.655

Table 2 presents key statistical metrics for assessing the measurement model of three latent constructs: Job satisfaction (JS), organizational performance (OP), and work motivation (WM). The table includes Cronbach's alpha, composite reliability (rho_a and rho_c), and average variance extracted (AVE). These metrics are essential for evaluating the reliability and convergent validity of the constructs.

Cronbach's Alpha and Composite Reliability (rho_a and rho_c) are used to assess the internal consistency of the constructs. Cronbach's Alpha values above 0.7 indicate good reliability. In this model, JS has a Cronbach's Alpha of 0.795, OP has 0.827, and WM has 0.823, all exceeding the recommended threshold. Composite Reliability values, which should also be above 0.7, further confirm the reliability of the constructs, with rho_c values ranging from 0.866 for JS to 0.886 for OP.

The average variance extracted (AVE) measures the amount of variance captured by the construct relative to the variance due to measurement error. AVE values above 0.5 are considered acceptable. In this table, JS has an AVE of 0.618, OP has an AVE of 0.660, and WM has an AVE of 0.655, all meeting the threshold for convergent validity. This indicates that the items collectively explain a significant portion of the variance in their respective constructs.

Table 3. Discriminant validity (Fornell-Lacker criterion)

	JS	OP	WM
JS	0.786		
OP	0.450	0.812	
WM	0.238	0.700	0.809

Table 3 presents discriminant validity using the Fornell-Larcker criterion for three constructs: Job satisfaction (JS), organizational performance (OP), and work motivation (WM). The diagonal values (0.786 for JS, 0.812 for OP, and 0.809 for WM) represent the square roots of the average variance extracted (AVE), indicating the constructs' internal consistency. The off-diagonal values indicate correlations among the constructs: JS and OP (0.450), JS and WM (0.238), and OP and WM (0.700). For discriminant validity, the square root of the AVE for each construct should exceed its highest correlation with any other construct. In this case, all diagonal values exceed the corresponding correlations, confirming that JS, OP, and WM are distinct constructs. This supports the validity of the measurement model, indicating that each construct measures a unique aspect of the study.

Structural Model Test

The structural model test in structural equation modeling (SEM) examines the hypothesized relationships between latent constructs by analyzing their significance and strength. This is done through path coefficients, which show the direction and magnitude of the relationships, along with T statistics (usually above 1.96) and P values (typically below 0.05) to determine their statistical significance. A well-fitting structural model confirms that the theoretical relationships between constructs are empirically supported, offering valuable insights into the causal mechanisms underlying the data (Hair et al., 2017).

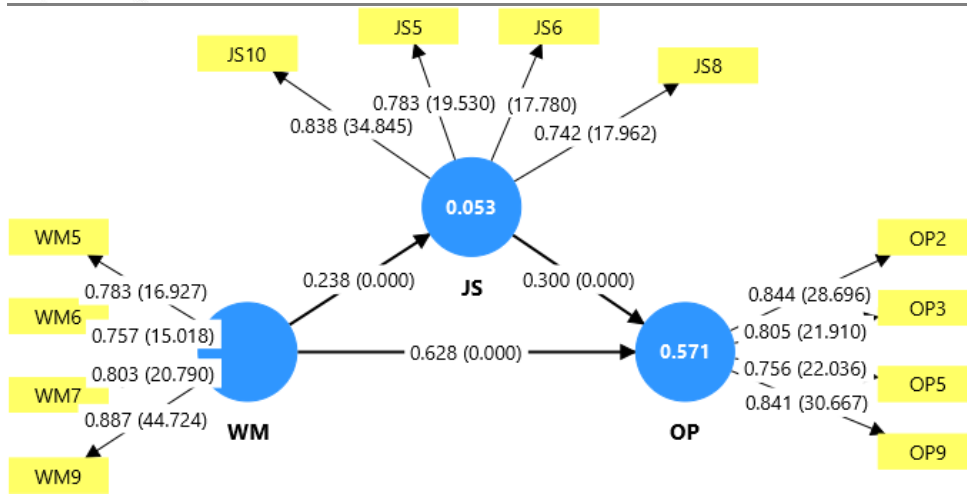


Figure 3: Image of the results of the inner model test using SmartPLS

Table 4. R-square

	R-square	R-square adjusted
JS	0.057	0.053
OP	0.575	0.571

Table 4 presents the R-square and adjusted R-square values, which indicate the proportion of variance in the dependent variables explained by the model's predictors. The R-square value for job satisfaction (JS) is 0.057, meaning that 5.7% of the variance in JS is explained by the predictors, while the adjusted R-square of 0.053 accounts for model complexity. For organizational performance (OP), the R-square value is 0.575, indicating that 57.5% of the variance in OP is explained, with an adjusted R-square of 0.571. These values suggest that the predictors have a weak explanatory power for JS, whereas for OP, the model demonstrates substantial explanatory power, with a notably higher explained variance (Hair et al., 2017).

Table 5. Path coefficient (Direct effect)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Decision
JS -> OP	0.300	0.298	0.062	4.834	0.000	Supported
WM -> JS	0.238	0.247	0.066	3.626	0.000	Supported
WM -> OP	0.628	0.635	0.060	10.388	0.000	Supported

Table 5 presents the results of the hypothesis testing, including path coefficients (original sample), sample mean, standard deviation, t-statistics, p-values, and the resulting decision for each hypothesized relationship. The analysis reveals that all three proposed relationships are statistically significant. Specifically, Job Satisfaction (JS) has a significant positive effect on Organizational Performance (OP) ($\beta = 0.300, t = 4.834, p < 0.001$), supporting this hypothesis. Similarly, Work Motivation (WM) demonstrates a significant positive influence on Job Satisfaction (JS) ($\beta = 0.238, t = 3.626, p < 0.001$), providing support for this direct path. Furthermore, the relationship between Work Motivation (WM) and Organizational Performance (OP) is also positive and significant ($\beta = 0.628, t = 10.388, p < 0.001$), confirming the hypothesized effect. Collectively, these findings indicate that all hypothesized direct effects are supported at the 0.001 significance level.

Table 6: Specific Indirect Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Decision
WM -> JS -> OP	0.072	0.073	0.023	3.106	0.002	Supported

As shown in table 6, the specific indirect effect is statistically significant ($\beta = 0.072$, $M = 0.073$, $SD = 0.023$, $t = 3.106$, $p = 0.002$), indicating that job satisfaction (JS) partially mediates the relationship between work motivation (WM) and organizational performance (OP). Supporting this interpretation, the direct effect of WM on OP remains significant and is substantially larger than the indirect effect (Table 5: $\beta = 0.628$, $p < 0.000$). Thus, while higher WM enhances OP partly through increased JS, the majority of WM's influence on OP operates through other pathways not captured by this mediation model (Hair et al., 2017)

DISCUSSIONS

The present study investigated four hypotheses regarding the effect of work motivation on organizational performance, with job satisfaction as a mediating variable in the insurance sector of Karnali Province. The findings from the structural equation model, presented in Tables 5 and 6, provide empirical support for all four hypotheses and offer valuable insights into the dynamics of employee motivation and satisfaction in this context.

The first hypothesis (HA1), which proposed that work motivation has a significant influence on organizational performance, was supported by the data. As shown in Table 5, the relationship between work motivation (WM) and organizational performance (OP) was positive and significant ($\beta = 0.628$, $t = 10.388$, $p < 0.001$). This finding aligns with previous research emphasizing the critical role of a motivated workforce in achieving high organizational outcomes. Osabiya (2015) highlighted that prioritizing employee satisfaction, development, and recognition fosters a more productive and engaged workforce. Similarly, Deressa and Zeru (2019) demonstrated the positive impact of motivation on performance in healthcare settings, while Pang and Lu (2018) stressed that a motivated workforce is vital for sustaining competitive advantage in the service industry. Akerele (2023) further reinforced this by noting that both intrinsic and extrinsic motivations are essential for driving performance. The strong coefficient observed in this study suggests that work motivation is a particularly potent driver of organizational performance within the insurance sector of Karnali Province.

The second hypothesis (HA2), that work motivation (WM) significantly influences job satisfaction, was also supported. Table 5 reveals a significant positive effect of WM on job satisfaction (JS) ($\beta = 0.238$, $t = 3.626$, $p < 0.001$). This result corroborates the existing literature, which underscores the importance of fostering motivation to enhance satisfaction. Bakr (2019) found that employee motivation directly and positively influences job satisfaction, while Erviani et al. (2023) highlighted the positive and significant effect of rewards, a key motivational factor, on job satisfaction. Wolor et al. (2023) suggested that pursuing job satisfaction can drive employees to overcome workplace challenges, and Basalamah and As'ad (2021) concluded that work motivation significantly boosts job satisfaction among lecturers. The present study extends these findings to the insurance sector, confirming that motivated employees are more likely to experience greater job satisfaction.

The third hypothesis (HA3), which proposed that job satisfaction has a significant influence on organizational performance, was supported by the results. Table 5 indicates a significant positive effect of JS on OP ($\beta = 0.300$, $t = 4.834$, $p < 0.001$). This finding is consistent with prior research demonstrating the performance-enhancing effects of job satisfaction. Sokolic et al. (2024) found that job satisfaction significantly impacts organizational performance among part-time lecturers, while Prayogi and Trya (2024) emphasized that both work motivation and job satisfaction significantly influence performance. Ismail et al. (2021) similarly identified job satisfaction as a significant predictor of organizational performance within the banking sector.

The current study reinforces these findings, suggesting that satisfied employees in the insurance industry contribute meaningfully to their organizations' overall performance.

The fourth hypothesis (HA4) examined the mediating role of job satisfaction in the relationship between work motivation and organizational performance. As presented in Table 6, the specific indirect effect of WM on OP through JS was positive and significant (indirect effect = 0.072, $t = 3.106$, $p = 0.002$). This finding indicates that job satisfaction serves as a partial mediator, meaning that work motivation enhances organizational performance both directly and indirectly by first improving job satisfaction. This result aligns with previous studies that have identified similar mediating pathways. Dalimunthe et al. (2024) found a positive indirect effect on employee performance, mediated by job satisfaction, while Pang and Lu (2018) demonstrated that organizational motivation significantly impacts job satisfaction, which, in turn, enhances organizational performance in the shipping industry. Ricardianto et al. (2021) and Tiwari et al. (2023) similarly argued that job satisfaction mediates the relationship between leadership and organizational performance, underscoring its critical role in translating motivational factors into tangible organizational outcomes.

In conclusion, the study demonstrates that work motivation significantly enhances organizational performance, both directly and indirectly through the mediating role of job satisfaction, in Karnali Province's insurance sector. These findings align with prior global research, reinforcing the universal relevance of fostering work motivation and job satisfaction in optimizing organizational outcomes. The validation of all four hypotheses underscores the critical interplay between work motivation, job satisfaction, and organizational performance. Organizations aiming to improve performance should prioritize strategies that enhance employee motivation and satisfaction, recognizing their combined impact on achieving organizational goals.

CONCLUSIONS AND IMPLICATIONS

In conclusion, this study empirically confirms that work motivation is a critical driver of organizational performance in the insurance sector of Karnali Province, exerting both direct and indirect effects through the mediating role of job satisfaction. The measurement model demonstrated strong reliability and validity, with all constructs meeting established thresholds for Cronbach's Alpha, composite reliability, and average variance extracted. The structural model supported all four hypotheses, revealing that work motivation significantly enhances organizational performance ($\beta = 0.628$) and job satisfaction ($\beta = 0.238$), while job satisfaction itself positively impacts organizational performance ($\beta = 0.300$). Furthermore, the significant indirect effect ($\beta = 0.072$) confirms that job satisfaction partially mediates, underscoring the interconnected nature of these constructs in shaping organizational outcomes.

The findings carry important theoretical and practical implications. Theoretically, the study extends established organizational behavior frameworks to the under-researched context of Karnali Province's insurance sector, demonstrating that the mediating role of job satisfaction in the motivation-performance relationship holds consistently even in developing regional economies. This confirms the generalizability of these foundational relationships beyond urban and industrialized settings.

Practically, the results compel organizational leaders to treat work motivation as a strategic imperative, given its exceptionally strong direct effect on organizational performance ($\beta = 0.628$). For insurance firms in Karnali Province, this translates into tangible actions. Leaders should implement performance-based incentive systems, such as commission structures and quarterly bonus programs, that directly reward agents and staff for achieving sales targets and service excellence. Additionally, career development pathways, including sponsored training programs and promotion tracks, signal to employees that their growth is valued.

The significant mediating role of job satisfaction (indirect effect = 0.072, $p = 0.002$) demonstrates that work motivation in isolation is insufficient to drive organizational performance; rather, satisfaction-enhancing initiatives must accompany motivational efforts. Practically, managers should implement regular satisfaction assessments, including anonymous surveys and exit interviews, to identify specific employee pain points. Within the insurance sector, common concerns such as workload intensity, supervisory support, and work-life balance require proactive managerial attention. Establishing mentorship programs and ensuring equitable

supervisory practices can cultivate a supportive workplace culture in which motivated employees experience genuine satisfaction.

For insurance firms operating in competitive markets like Karnali Province, leveraging both monetary incentives, such as performance bonuses and commission enhancements, alongside non-monetary factors, including professional development opportunities, leadership support, and positive workplace culture, represents a cost-effective pathway to achieving sustainable competitive advantage. Organizations that strategically align motivation and satisfaction initiatives are better positioned to enhance employee engagement, reduce turnover, and deliver superior results in an increasingly competitive insurance landscape.

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