

**EFFECTS OF INTERNAL CORPORATE SOCIAL RESPONSIBILITY PRACTICES ON  
EMPLOYEE JOB SATISFACTION: EVIDENCE  
FROM COMMERCIAL BANKS IN KENYA**

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**ABSTRACT:** *The importance of Internal corporate social responsibility (CSR) has become an important issue for banks to address, however, these issues have been neglected and do not appear to have the desired impact on all employees as expected by the management. Therefore this study intended to determine the effects of internal CSR practices on employee job satisfaction among the commercial Banks in Kenya. The study was to ascertain the effect of workplace health and safety conditions, work life balance, pay and benefits, and equality and diversity, on employee job satisfaction. The study was guided by Social exchange theory, the theory of planned behavior and Stakeholder theory. Explanatory research design was used. The study targeted 283 employees from 17 Commercial Banks in Uasin-Gishu (Kenya Commercial Bank data base, 2013). Stratified and random sampling technique was used to obtain sample size of 165 employees. The study used questionnaires as a tool for data collection. In order to test the reliability of the instrument, Crobach alpha test was used. The study adopted both descriptive statistics and inferential statistics such as Pearson correlation and multiple regression analysis to estimate the causal relationships between internal CSR and employee job satisfaction, and other chosen variables. Study findings indicate that workplace health and safety, pay and benefit, equality and diversity, and work-life balance has a positive and significant effect on employee job satisfaction. Thus, the study concluded that pay and benefits are motivating factor to employees' job satisfaction, fair treatment of workers in accordance with their individual needs and circumstances in the workplace contributes to employee job satisfaction. Therefore the study recommends that organizations should include the development of health management policies to implement health practices as a way of improving employee health. There should be diversity training programs with compulsory participation for all employees and offer equal opportunities for employees in terms of promotion and also education scholarships. There is also need for the organization to provide allowances for employees on participation of social responsibility.*

**KEYWORDS:** Employee job satisfaction, Workplace health and safety, Work life balance, pay and benefit, and Equality and diversity.

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## INTRODUCTION

Following the many scandals unearthed in the banking sector since the beginning of the new millennium (Albdour and Altarawneh, 2012), it has become very important for the banking sector to address the issue of internal Corporate Social Responsibility (CSR) and employee job satisfaction. These scandals have resulted in a loss of trust that banks had with stakeholders such as customers, employees, the public, governments and investors. Banks, now more than ever, recognize that profitability and growth which is the core purpose of the business must be coupled with actions that appear to further some social good, beyond the interests of the firm and that which is required by law (McWilliams, *et al.*, 2006 as cited in Albdour and Altarawneh, 2012).

Internal CSR involves social responsibility practices for employees especially in the area of their safety, health and well-being, training and participation in the business, equality of opportunities and work life balance (Vives, A. 2006). Internal CSR practices refer to CSR practices which are directly related with the physical and psychological working environment of employees (Peterson, D. K. 2004). Internal CSR has been conceptualized as activities, decisions, or policies that “organizations” engage in to effect positive social change and environment sustainability (Aguilera *et al* 2007). Internal CSR has been receiving lots of attention from various backgrounds of researchers worldwide (Ismail 2011), it has attracted a great deal of attention (Zu & Song 2008) and according to some researchers, has gathered great momentum over the past number of years and is now regarded to be at its most prevalent (Sweeney 2007). Therefore business leaders, government officials, and academics are focusing more and more attention on the concept of “internal corporate social responsibility” (Reinhardt *et al* 2008).

Internal Corporate social responsibility is becoming more important in the business world with the more successful companies attracting and retaining the best work force. By creating a good working environment and developing the internal marketing strategies, companies can stimulate productivity and job satisfaction among employees. Engaged and satisfied employees are more likely to speak well of their employer (Bhattacharya *et al*, 2008). However, according to Matten *et al.*, (2003) most of the empirical studies have only tended to focus on limited aspects of CSR such as cause-related issues or philanthropy. Thus, providing less attention paid to internal CSR aspects as noted by Cornelius *et al.* (2008) who submitted that the focus of attention among scholars on the area of CSR is largely the social impact of social enterprises on the communities they serve, plus external stakeholder responsibilities; there is less emphasis on internal social responsibility. Hence, initiating a study on internal CSR practices that firms are expected to go beyond, economical, ethical, legal, and discretionary to fill such a void (Albdour and Altarawneh, 2012). This clearly distinguishes internal CSR as initiatives that institutions or companies offer employees as their main internal stakeholders as opposed to the much more known corporate social responsibility that covers initiatives carried out to benefit external stakeholders such as communities.

Recent research on the subject of motivation showed that one of the incentives used to motivate employees is internal CSR, activities undertaken by companies (Skudiene and Auraskeviciene, 2010). Some studies by Heslin and Ochoa, (2008); Aguilera *et al.*, (2007) have shown that internal CSR positively impacts employee turnover, recruitment, satisfaction, retention, loyalty and

commitment and, therefore, employers may be able to use the firm's internal CSR profile as a device to enhance employee motivation.

According to Hoskins (2005), it is a basic assumption that for companies to motivate and retain employees they have to treat them properly. Research findings from the USA and the UK show that internal CSR reflects in employees' satisfaction and commitment levels therefore impacting employee productivity and company profitability. Employers may engage employee representatives or focus groups to establish the areas of interest. Thereafter, employee surveys may be used to evaluate internal CSR impact. Internal CSR issues that employees may perceive as relevant are working hours, working conditions, flexibility, training, remuneration and employment terms (Hoskins, 2005).

### **Statement of the Problem**

The findings of an earlier work of Gavin and Maynard (1975) have indicated significant associations between the degrees to which an organization fulfills its societal obligations by improving on its goal of ensuring a greater extent to which employees are satisfied with their job. In the classical approach, many banks considered that the client is ultimately interested in the final product and not necessarily the production or delivery of the product. Currently, however, stakeholders have become aware and sensitive to the actions of bank employees at all levels. The quality of products or services of a company depends largely on the actions of its employees across the value chain. It is therefore important for banks to be conscious of the relevance of the stakeholder theory in relation to their employees. Marketing science developed the concept of internal marketing, which involves targeting the marketing efforts within the company to its employees. In this context, promoting internal corporate social responsibility inside banks and encouraging employees to participate in these activities, allows the companies to develop a strong relation with its internal stakeholders (Harwood *et. al*, 2008). An improvement in the quality of relationship between a bank and employees leads to improved service delivery and synergies that realizes improved profit margins (Schlesinger and Heskett, 1991). In addition, Internal CSR in Kenya, particularly responsible practices to employees has remained a peripheral and neglected issue (Cheruiyot and Maru, 2012).

Commercial banks in Kenya have been in the forefront in providing internal corporate social responsibility to its employees thereby exhibiting efforts by the management to ensure that employees operate in a conducive environment, are empowered and motivated to carry out their duties. Some of the policies in place cover training, work life balance, health and safety, pay and benefits and equality and diversity. The management offers these internal CSR initiatives with no definite strings attached.

These initiatives, however, do not appear to have the desired impact on all employees as expected by the management. Despite offering competitive pay and benefits, continuous training, a robust wellness program and affirmative action initiatives that promote gender, ethnic and religious diversity, there are indications that not all employees consistently deliver optimum performance. There have been rising cases of dishonesty, theft, fraud, non-compliance and insider trading by bankers and investment bankers all over the world. Most banks in Kenya have had to incur its fair

share of losses due to actions of employees including errors, non-compliance, theft, fraud and dishonesty (Ali and Ikhlas 2012).

## LITERATURE REVIEW

### The Concept of employee job satisfaction

Employee job satisfaction is an important variable that is able to give an opinion about general emotion and thinking forms of employees about their job and workplace. Thus, employee satisfaction refers to expectations of the employee about the workplace and his attitudes forward his job. As a result, job satisfaction is a function of the extent to which one's needs are satisfied in a job (Togiaet *al.*, 2004). Weiss (2002) described it as a positive (or negative) evaluative opinion on one's job or work situation. Job satisfaction is a viewpoint employees have about their work and their organization and is important with respect to hiring and maintaining the appropriate employees for the organization. Organizations with satisfied employees tend to have a low employee turnover rate as dissatisfied employees are more likely to leave their jobs for other jobs or be absent more often than employees who are satisfied (Kohler *et al* 1993). A number of studies have shown a positive relationship between job satisfaction and job performance (Judge *et al.* 2001). Additionally, the existence of job satisfaction has a positive relationship with the level of efficiency and quality of work. According to this approach although job satisfaction is under the influence of many internal factors, it remains something internal that has to do with the way how the employee feels. That is job satisfaction presents a set of factors that cause a feeling of satisfaction (Koh& Boo, 2001).

Multiple theories related to definition of employee job satisfaction have been proposed in the literature. For example, Herzberg's motivation-hygiene theory factors involved in creating job satisfaction were separate and distinct from factors that led to job dissatisfaction. Factors that led to job satisfaction are called motivators and include achievement, recognition, work itself, responsibility and advancement. Factors that prevent job satisfaction and lead to job dissatisfaction are called hygiene factors and include administrative policies, supervision, salary, interpersonal relations and working conditions (Petty *et al.*, 2005).

### The Concept of internal corporate social responsibility practices

Vives, A. (2006) Defines internal corporate responsibility as socially and environmentally responsible behavior, Internal CSR involves social responsibility practices for employees especially in the area of their safety, health and well-being, training and participation in the business, equality of opportunities and work-family relationship. Internal CSR activities are related to all the internal operations of the company (Brammer *et al.*, 2007). This type of CSR is more elaborated in the European Commission (2001) Green Paper "Promoting a European framework for corporate social responsibility". Employees are considered very important internal stakeholder group and academic literature provides a range of CSR practices for meeting employees' expectations and needs.

According to Longo *et al.* (2005), employee-related CSR practices are classified into four groups, named "value classes" which create the value for the company's stakeholders and thus, satisfy

their various expectations. Employee “value classes” relate to development of workers’ skills, social equity, health and safety at work, well-being and satisfaction of the workers, and quality of work (cited in Skudiene and VilteAuruskeviciene, 2012). Internal CSR helps employees to satisfy their psychological need of belongingness because it encourages the social relationships both within the organization and between the organizations (Aguilera et al., 2007). According to Aguilera et al. (2007), socially responsible organizations are usually perceived as fair organizations. As a consequence employees are more likely to trust their company, feel the support, perceive high quality exchange relationships with the company and its management, feel proud and affiliation, and, thus, behave in a similar way which is beneficial for the company.

### **Workplace Health and Safety and Employee Job Satisfaction**

According to HSG65 "The safety culture of an organization is the product of individual and group values, attitudes, perceptions, competencies and patterns of behavior that determine the commitment to, and the style and proficiency of, an organization's health and safety management. The explanation for the proposed link between job satisfaction and organizational safety relates to the fact that the degree of an employee’s job satisfaction derives from meaningful organizational and social organizational values, norms, beliefs, practices and procedures operational at the workplace. In effect, the perceived level of support provided by an organization will turn out to be closely associated with safety and other organizational and social factors which are important for safety. If workers perceive that their organizations are supportive and are satisfied with the organizational structures in place, they are more likely to recognize that the organizations value their safety and general well-being as well.

This assessment in turn reflects positively on their perceptions of the prevailing safety and influences organizational behavior. Thus, it is on record that when workers’ basic needs are met consistently and the workers express job satisfaction, they display greater emotional attachment, involvement and express stronger feelings of allegiance and loyalty to their organizations (Schulte et al, (2010)), In line with this, a number of studies have consistently found strong and positive relationships between job satisfaction and productive organizational behaviors such as perceived organizational support (Setton RP 1996), organizational citizenship behaviors (J Manag 2000) and fairness perception (J ApplPsychol 2003). Additionally, research reports on the job satisfaction-safety link have indicated that satisfied workers, more than their dissatisfied counterparts, are motivated into safe work behaviors (Probst T 2001) and register relatively lower accident rates (Berg P, 199).

The central theories used in explaining the motivational basis behind job satisfaction and these positive organizational behaviors are the Social Exchange Theory (Blau P, 1964) and Reciprocity Theory (Gouldner AW, 1960). Basically, according to these theories, expressions of positive affect and concern for others create a feeling of indebtedness and a corresponding sense of obligation to respond positively in return. Workers who perceive a high level of organizational concern and support, and are satisfied with workplace conditions, feel a sense of indebtedness and a need to reciprocate in terms that will benefit their organizations/management (J Retal 1997)

The emerging internal CSR literature suggests that employees expect and firms can thus demonstrate their social responsibility towards them by guaranteeing considerable rewards and

recognition, offering personal development opportunities and work-life balance, ensuring occupational health and safety, involvement and empowerment as well as good retirement benefits (Maignan *et al*, 2005). Hence, arising from the given theoretical foundations, the following aspects of job satisfaction turn out to be the most significant.

Ho<sub>1</sub>: There is no significant effect of workplace health and safety conditions on employee job satisfaction.

### **Work-life balance and Employee job satisfaction**

Work-life balance is the general term used to describe organizational initiatives aimed at enhancing employee experience of work and non-work domains. Cascio (2000: p166) defines work-life balance programs as “any employer sponsored benefits or working conditions that help employees balance work and non-work demands”. Work-life balance (WLB) is an important area of human resource management which is receiving increasing attention from policy makers, organizations, management, employees and their representatives globally. In the US, recent studies highlight the phenomenon of “extreme jobs” characterized by grueling working hours, unpredictable workflows, fast work pace with tight deadlines, work-related events outside business hours, and 24/7 availability to clients (Hewlett *et al*, 2006).

Work-life balance arrangements and practices refer to initiatives voluntarily introduced by firms which facilitate the reconciliation of employees' work and personal lives. Such initiatives include: temporal arrangements that allow employees to reduce the number of hours they work (e.g. job sharing where two employees share one job, part-time working where an employee works less than a full-time equivalent); flexible working arrangements such as flexi-time where employees choose a start and finish time which matches their personal needs but work certain core hours, tele-working/home-working/e-working where employees have location flexibility in completing their work; work-life balance supports such as employee counseling, employee assistance programs, time management training, stress management training; and childcare facilities on-site or financial support for childcare off-site (e.g. through subsidized childcare). Essentially, work-life balance initiatives are offered by organizations to assist staffs manage the demands of work and personal life (Grady, *et al*, 2008).

Work-life balance is a factor which has the potential to affect important workplace issues such as employee turnover, stress, job satisfaction, and productivity (Bloom *et al*, 2006). The implications of sometimes conflicting work and personal life responsibilities for people management and work structures are wide ranging (Fisher, 2000). De Cieri, Holmes *et al* (2005) argue that the current highly competitive labor market, where the attraction and retention of highly valued employees is difficult, calls for greater awareness of employee work-life balance concerns. As a result, many organizations are exploring how they can help employees achieve more balance by offering a range of family or work-life balance policies and programs.

Organizations that managers are more supportive to WLB needs tend to be more satisfied with their jobs, experience less work-personal life conflict, and report lower turnover intentions. An organization's ability to develop and implement effective WLB policies helps employees achieve a satisfactory.

Ho<sub>2</sub>: There is no significant effect of work life balance and employee job satisfaction.

### **Pay, benefits and Employee job satisfaction**

Establishing the determinants of job satisfaction remains at the forefront of empirical testing in using measures of on-the-job utility. At first consideration, desirable job attributes such as fringe benefits should increase job satisfaction. However, the past evidence is mixed at best and contradictory at worst. While a valuable form of compensation, employer provided benefits may lower earnings or reduce job mobility (Riley *et al.*, 2008). The employee pay and rewards patterns changed and focus became on performance and targets rather than experience and loyalty. Hence, pay and job satisfaction became a key factor for the banking professionals which needed attention so as to achieve the long term goals of the organization. Studies have tested the hypothesis that income is an important determinant of job satisfaction. (Taylor, *et al* 2003), Factors such as pay, the work itself, supervision, relationships with co-workers and opportunities for promotions have been found to contribute to job satisfaction (Opkara, 2002).

There is a significant difference in the job satisfaction levels of employees based on their income. Employees earning the lowest income report significantly lower levels of job satisfaction relative to the other income groups. Pay and satisfaction with pay is of great importance to employees (Society for Human Resource Management (SHRM, 2007) and to organizations (Opkara, 2002) Pay satisfaction is a multidimensional construct. Perceptions of pay unfairness have been related to a range of negative effects for organizations and individuals including job dissatisfaction, reduced organizational commitment, loss of trust in the organization, depression and somatic complaints (Shaw and Gupta, 2001).

In a recent study (Carragher, 2011) it has been found out that attitudes towards benefits were significant predictors of turnover for employees and entrepreneurs over a four-year time period while satisfaction with pay was typically significant for employees but not for entrepreneurs. It was also found that for the employees both equity and expectancy considerations were able to explain differences in turnover rates while for entrepreneurs expectancy theory considerations were more powerful than equity theory explanations. One Indian study reveals that people from private and public sector differ in their pay satisfaction which acts as a catalyst for job satisfaction (Sharma *et al*, 2011).

Creating a compensation structure that supports an employee development program is a distinct challenge for companies. Many organizations claim to base pay raises on performance, but that is not actually the case but going beyond that. Some companies try to emphasize a team environment, but continue to reward people for individual achievement; these inconsistencies can cause frustration and cynicism by employees. It is especially difficult when employees are not seeing significant pay raises, yet company leaders are richly rewarded (Feldman, 2000).

Ho<sub>3</sub>: There is no significant effect of pay and benefits on employee job satisfaction.

### **Equality, Diversity and Employee Job Satisfaction**

Employee equity is ensuring that everyone is treated in a fair manner, according to their individual needs and circumstances in the workplace and includes the concept of equal employment opportunity (EEO). Equity is about creating a work environment where employees are recruited, promoted and treated on the basis of their individual skills and abilities. Equity requires fairness and impartiality but not necessarily treating everyone the same way. There are occasions when equity involves a decision made in good conscience to treat a person differently according to their circumstances. In organizations today considerable emphasis is placed on facilitating diversity and encouraging equality, assuming that, if properly embraced, diversity and equality management can lead to improved job satisfaction (Erhardt, 2003).

Employee workplace diversity is about recognizing the value of individual differences and integrating these into the workplace. Diversity can include gender, language, ethnicity, cultural background, age, sexual orientation, religious belief and family responsibilities. Diversity also refers to other ways in which people are different, such as educational level, life experience, work experience, socio-economic background, personality, marital status and abilities/disabilities. The United Kingdom, Dex and Smith (2002) found that employers in large organizations, in the public sector and with recognized unions were more likely to offer flexible working arrangements to their employees. Dex and Smith (2001) also found that flexible working arrangements tend to co-exist with high commitment management practices and with being a 'good employer': these included stronger implementation of equal opportunities policies, and practices aimed at producing high levels of job satisfaction.

Rutherford and Ollerearnshaw (2002) argue that equality and diversity are becoming increasingly important in the global business environment, particularly for attracting talent globally through business outsourcing; this is attained through encouraging creativity and improving service delivery. Dex *et al* (2001) provide a useful review of the literature on the effects of equality and diversity. They found that the establishment of equality and diversity policies relating to employee work environment, when other relevant variables were controlled for in a multivariate analysis of data from the 1998 workplace, employee equality and diversity Survey in Britain. Smith (2002) found that 90% of establishments lead to improved job satisfaction.

Similarly for flexibility, business case arguments are that flexible working arrangements can increase employee well-being, improve productivity, reduce staff turnover and allow recruitment from a wider pool of applicants. Monks (2007), in her review of the international evidence that links equality and diversity measures to employee and organizational performance, devised a model called the 'equality-diversity value chain'. Equality policies are embedded into a firm's organizational strategy and values, which eventually gives rise to improved employee relations, increased innovation and job satisfaction, and an enhanced corporate image, which in turn will be attractive to talented applicants. (Cheruiyot and Maru, 2012) argued that equality can be achieved by rewarding each employee equally so long as he/she participated in social responsible actions. Previous empirical cross-sectional research in Ireland indicated that the presence of a formal equality policy in the workplace was strongly associated with higher levels of job satisfaction and organizational commitment, even when all other relevant variables were taken into account (O'Connell and Russell, 2005). According to Siegel *et al.*, employees' belief that the firm treats

them fairly can influence a number of attitudes and behaviors of organizational relevance, such as commitment and trust. In addition, the greater the degree to which employees perceive that their firm is providing them with a working environment where social benefits and a sense of fairness are important values, the more motivated they will be to reward their firm with discretionary effort (Lambert, 2000).

Ho4. There is no significant effect of equality and diversity on employee job satisfaction.

## MATERIALS AND METHODS

Explanatory research design was used in this study. The total population was 283 employees drawn from 17 commercial banks. Stratified sampling was used to select 165 employees. A stratified random sample was a useful blend of randomization and categorization, which enabled both a quantitative and qualitative process of study to be undertaken (Cohen, 2003). The study used a questionnaire in data collection. The Cronbach's coefficient alpha was applied on the results obtained to determine how items correlate among them in the same instrument. Cronbach's coefficient Alpha of more than 0.7 was taken as the cut off value for being acceptable which enhanced the identification of the dispensable variables and deleted variables.

### Data Analysis

The study conducted initial data analysis using simple descriptive statistical measures such as, mean, standard deviation and variance to give glimpse of the general trend. However, correlation analysis was used to determine the nature of the relationship between variables at a generally accepted conventional significant level of  $P=0.05$  (Sekaran, 2003). In addition, multiple regression analysis was employed to test the hypotheses. Multiple regression analysis is applied to analyze the relationship between a single dependent variable and several independent variables (Hair *et al.*, 2005). The study also utilize variable inflation factor (VIF) to handle the issue of Multi-collinearity.

The beta ( $\beta$ ) coefficients for each independent variable generated from the model, was subjected to a t-test, in order to test each of the hypotheses under study. The regression model used to test is shown below:

$$y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon$$

Where, Y = employee satisfaction

$\alpha$  = Constant

$\beta_1 \dots \beta_4$  = the slope representing degree of change in independent variable by one unit variable.

$X_1$  = workplace health and safety

$X_2$  = work life balance

$X_3$  = pay and benefits

$X_4$  = Equality and diversity

$\varepsilon$  = error term

All the above statistical tests were analyzed using the Statistical Package for Social Sciences (SPSS), version 20. All tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at  $p < 0.05$

## RESULTS AND DISCUSSION

### Correlation Statistics for Linear Relationship between Variables

Pearson's measures the strength and direction of the linear relationship between variables. Pearson Correlations results in table 1.0 showed that work place health was positively and significantly correlated to employee satisfaction ( $r=0.217$ ,  $p<0.01$ ). Thus work place health and safety accounted for 21.7% positive relationship with employee satisfaction. Pay and benefit was the second component to be positively related with employee satisfaction ( $r=0.619$ ,  $p<0.01$ ) an indication that pay and benefit had 61.9% significant positive relationship with employee satisfaction. Equality and diversity was also positively and significantly associated with employee satisfaction as shown by ( $r=0.498$ ,  $p<0.01$ ) implying that equality and diversity had 49.8% positive relationship with employee satisfaction. Work life balance was also positively correlated with employee satisfaction ( $r=0.297$ ,  $p<0.01$ ). Work life balance had 29.7% significant positive relationship with employee satisfaction. Findings provided enough evidence to suggest that there was linear and positive relationship between work place health, pay and benefit, equality and diversity and work life balance with employee satisfaction. This paves way for multiple regression analysis.

Table 1.0 Correlation Statistics for Linear Relationship between Variables

	Employee satisfaction	Work Place Health	Pay And Benefit	Equality And Diversity	Work Life Balance
Employee satisfaction	1				
Work place health	.217**	1			
Pay and benefit	.619**	-0.031	1		
Equality and diversity	.498**	.237**	.345**	1	
Work life balance	.297**	.508**	0.058	.265**	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

## Multiple Regression Analysis and Hypothesis Testing

### Model Summary

The study intends to assess of contribution of the independent variables on dependent variable. The study findings in table 1.2 illustrates the results of direct effect of workplace health, pay and benefit, equality and diversity, work life balance, training and development on employee job satisfaction. Findings indicate that 55.2 percent of employee job satisfaction can be predicted/explained by joint contribution of workplace health, pay and benefit, equality and diversity, work life balance, training and development (adjusted  $R^2 = 0.552$ ). The findings are supported by ANOVA(F test) results that the model was fit or none of the parameters was equal to zero hence significance adjusted R square (F = 40.938,  $p < 0.05$ ). In addition, Durbin Watson test had value less than two indicating minimal autocorrelation with no effect on the study output (Watson value = 1.842). The rule of thumb was applied in the interpretation of the variance inflation factor which states that a principle with broad application that is not intended to be strictly accurate or reliable for every situation. From table 1.2, the VIF for all the estimated parameters was found to be less than 4 which indicate the absence of multi-Collinearity among the independent factors. This implies that the variation contributed by each of the independent factors was significant independently and all the factors should be included in the prediction model.

### Hypothesis Testing

Hypothesis 1 ( $H_{01}$ ) revealed that work place health and safety has no significant effect on employee satisfaction. Findings showed that work place health had coefficients of estimate which was significant basing on  $\beta_1 = 0.201$  (p-value = 0.003 which is less than  $\alpha = 0.05$ ) implying that we reject the null hypothesis and conclude that work place health and safety has positive and significant effect on employee satisfaction. This indicates that increase in work place health leads to an increase in employee satisfaction, i.e an increase in a given unit of workplace health and safety may contribute 20% of employee job satisfaction.

Hypothesis 2 ( $H_{02}$ ) stated that work life balance has no significant effect on employee satisfaction. Findings showed that work life balance had coefficients of estimate which was significant basing on  $\beta_2 = 0.14$  (p-value = 0.025 which is less than  $\alpha = 0.05$ ) which implies that we reject the null hypothesis and argue work life balance had positive and significant effect on employee satisfaction that is in increase in a unit of work life balance may contribute 14% of job satisfaction. This implies that to increase employee satisfaction there should be an increase in work life balance. The effect of work life balance is more than the effect attributed to the error; this is indicated by the t-test value = 2.262.

Hypothesis 3 ( $H_{03}$ ) stated that pay and benefit has no significant effect on employee satisfaction. Findings showed that pay and benefit had coefficients of estimate which was significant basing on  $\beta_3 = 0.412$  (p-value = 0.000 which is less than  $\alpha = 0.05$ ) which indicates that we reject the null hypothesis and infer that pay and benefit has positive and significant effect on employee satisfaction. This implies that the higher the pay and benefit the higher the employee satisfaction that is in presence of pay and benefit can contribute 41% of job satisfaction. Also the effect of pay and benefit is shown by the t-test value of 6.55 which implies that the effect of pay and benefit suppresses that of the error.

Hypothesis 4 ( $H_{04}$ ) postulated that equality and diversity has no significant effect on employee satisfaction. Findings showed that equality and diversity had coefficients of estimate which was significant basing on  $\beta_4 = 0.152$  (p-value = 0.018 which is less than  $\alpha = 0.05$ ) implying that we reject the null hypothesis and conclude that increase in equality and diversity, leads to an increase in employee satisfaction i.e an increase in a given unit of equality in banking sector can contribute 15% of employee job satisfaction. The effect of equality and diversity is stated by the t-test value=2.383 which indicates that the effect of equality and diversity surpasses that of the error.

Table 1.2 multiple regression model

Items	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
(Constant)	0.481	0.253		1.902	0.059		
Workplace Health	0.166	0.055	0.201	3.007	0.003	0.620	1.614
Work Life Balance	0.105	0.047	0.14	2.262	0.025	0.718	1.392
Pay And Benefit	0.317	0.048	0.412	6.55	0.000	0.700	1.429
Equality And Diversity	0.116	0.049	0.152	2.383	0.018	0.680	1.470
R Square	0.566						
Adjusted R Square	0.552						
Durbin-Watson	1.842						
F	40.938						
Sig.	0.000						

Dependent Variable: employee satisfaction

Source; (Survey data, 2014)

Significance 0.05

## CONCLUSION

In light of the research findings, work place health and safety conditions have a significant effect on employee job satisfaction. Therefore, health of workers is an important factor influencing the job satisfaction level of employees. If workers perceive that their organizations value their workplace health, they become supportive and are satisfied with the organizational structures in place, they are more likely to recognize that the organizations value their safety and general well-being as well.

Additionally, pay and benefits was also found to have a significant effect on employee job satisfaction. For instance, fringe benefits have been found to be a motivating factor to employees and also enhance employee job satisfaction. Pay differentials also contributes to job satisfaction, employees earning the lowest income report significantly lower levels of job

satisfaction compared to those that have a higher pay and opportunities for promotion in the organization.

Further, work-life balance contributes significantly to employee job satisfaction. Work-life balance initiatives offered by organizations assist the staff to manage the demands of work and personal life. Also, in order to attract a wide pull of talented human resources there is need for work-life balance initiatives to assist managing the demands of work and personal life. Moreover, equality and diversity significantly affects employee job satisfaction. Fair treatment of a worker in accordance with their individual needs and circumstances in the workplace contributes to employee job satisfaction. If diversity and encouraging equality are embraced in an organization it can lead to improved firm performance.

## **RECOMMENDATIONS**

From the study findings, it was conceived that workplace health and safety impacts positively on employee job satisfaction. Therefore, organizations should include the development of stress management policies to identify and eradicate work practices that cause most job dissatisfaction as a way of improving employee health. Further, organizations should aim at ensuring that there is a work-life balance for all the employees at the organization. This can be achieved through job sharing where two employees share one job, part-time working and through flexible working arrangements. Also, pay and benefits was found to contribute to employee job satisfaction. There is therefore need for the organization to provide allowances for employees, paid leaves, compensation pay on participation of social responsibility like planting trees and overtime payment in order to enhance employee job satisfaction. Finally, research findings revealed that equality and diversity significantly affects employee job satisfaction. It is therefore necessary for the organization to offer equal opportunities for employees in terms of promotion and also education scholarships. Further, there should be diversity training programs with compulsory participation for all employees.

## **RECOMMENDATION FOR FUTURE RESEARCH**

The major focus of this study was to determine the effects of internal CSR practices on employee job satisfaction, when moderated with employee orientation in banking sector. This study recommends that another study should be done to augment finding in this study; it therefore recommends a study be done to determine the effect of different C.S.R measures on overall financial performance. Furthermore, conducting a replication study in other sectors is also needed; for example in the hotel service, telecommunication service, post office service and so on.

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