

**MODERATING EFFECT OF CSR ORIENTATION ON THE RELATIONSHIP  
BETWEEN INTERNAL CSR PRACTICES AND EMPLOYEE JOB  
SATISFACTION**

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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. These have resulted in a slide in the level of trust that banks used to enjoy with the stakeholders. Henceforth, banks have begun to realize that a successful business is not only concerned with the economic aspects of organizational activity that's profitability and growth but also, in the "actions that appear to further some social good, beyond the interests of the firm and that which is required by law Mc William et al., (2006). Therefore this study intended to determine moderating effect of CSR orientation on the relationship between internal CSR practices and employee job satisfaction. The study was to ascertain the effect of pay and benefits, equality and diversity, and training on employee job satisfaction. The study was guided by Social exchange theory, and the theory of planned behavior. 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, Crobanch alpha test was used. The study adopted both descriptive statistics and inferential statistics such as Pearson correlation and multiple regression analysis. Study findings indicate that all independent variables had a positive and significant effect on employee job satisfaction. More findings show that, the moderating effect of CSR orientation on pay and benefit reduces employee satisfaction, while equity and diversity, and training increases employee job satisfaction. Thus, the study conclude 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 . Training programs enhances employee job satisfaction. Therefore the study recommends that organizations should be diversity training programs with compulsory participation for all employees and offer equal opportunities for employees in terms of promotion and also*

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*education scholarships. There is also need for the organization to provide allowances for employees on participation of social responsibility.*

**KEYWORDS:** *Employee job satisfaction, pay and benefit, and Equality and diversity, training and CSR orientation*

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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. This has resulted to the focus of this study. There is very little empirical studies thus far which have been conducted to examine the impact of CSR on employees and their particular work, Lindgreen, (2009) mentioned that previous studies that examined the impact of CSR activities on stakeholders' attitudes and behaviors toward an organization, though it remains poorly developed. Without understanding the impact of CSR on employee's attitude and behavior, we might make faulty conclusions regarding the utility or impact of CSR. These arguments are supported by Leonard, (1997) statement that internal CSR activities may help to establish a bond between the organization and its employees.

Saks (2006) suggests that one way in which employees responds to their organization's support is through their levels of satisfaction. This is consistent with Statt, (2004) definition of job satisfaction. She defines job satisfaction as the obligation employees feel, as a result of their organization's support, which becomes their impetus to enhance their performance. Thus, one might expect that employees' who perceive their organizations committed to social responsibility employee practices including health and safety, human rights, training and education, work life balance and workplace diversity, may reciprocate with greater satisfaction.

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. A CSR researcher, Welford, (2005) conducted an extensive research to investigate 20 elements of CSR among 450 large listed companies operating in Europe, North America and Asia. The 20 selected elements were chosen with regard for international conventions, codes of conduct and industry best practice. This study discovered that the internal aspects of CSR are well developed in European companies and to a lesser extent, for those companies in North America. In his findings, Welford, (2005) maintains that a clear set of internal CSR

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includes non-discrimination, equal opportunities, and fair wages, vocational education, association, and human rights. 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. 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 *et al.*, (2010). Some studies by 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. It is believed that a firm that has a strong CSR orientation will invest in creating continual superior value for its customers (Porter and Kramer, 2006). For example, firms with a strong CSR orientation are expected to go beyond, economical, legal, ethical and philanthropic actions (Carroll model, 1979) for example, when employees are evaluated on social responsibility actions, and when employees feel winners in socially beneficial activities, (Cheruiyot and Maru, 2012). Hooley, Broderick, and Moller, (1998) contend that business orientations are fundamentally capabilities of the firm, as they set the firm's direction and activities to ensure resources are fully exploited and employees are rewarded for their social responsibility action.

### **Statement of the Problem**

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 practices 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

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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

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 toward his job. As a result, job satisfaction is a function of the extent to which one's needs are satisfied in a job (Togia *et al.*, 2004). 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). 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 for example motivation of employees by rewarding and recognizing them, it remains something internal that has to do with the way how the employee feels, internal CSR is one of the motivating factors. That is job satisfaction presents a set of factors that cause a feeling of satisfaction (Koh & Boo, 2001).

Internal CSR initiatives should also serve to strengthen the informal contract between employees and the firm by satisfying a company's obligation to provide a desirable employment situation for its employees. Previous research also indicates that organizational ethics yields increased job satisfaction (Deshpande *et al.*, 2001) and in the strong likelihood that a bridge exists between company ethics and internal CSR, suggests that social mindedness should also relate to such satisfaction. The study is being guided by social exchange theory, according to Blau (1964) he assume that when individuals receive economic and socio-emotional resources from their organization, they are likely to respond with positive attitude and behavior, this relates to hoe internal CSR practices might influence job satisfaction. 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.

### **Effects of Pay and benefits on Employee job satisfaction**

Previous studies have demonstrated that pay affects job satisfaction (Weiss,*et al.*, 2002). Employees expect a certain level of monetary rewards for their organizational contribution, and pay constitutes a quantitative measure of an employee's worth. In order to compete for the most talented workers, companies need to provide attractive and

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equitable pay. It has been argued that pay is a motivator for many employees initially, but it is not a powerful motivator over the long term. The role of pay in attracting and retaining people at work has been recognized for many decades and is increasingly important in today's competitive, economic environment where strategic compensation planning is needed (Jackson & Schuler, 2006).

Currently, especially in the developed world, employee benefits packages have become an important part of the total compensation or organizational expenses. Employee benefits average 40% of the total compensation package (DeCenzo & Robbins, 2010). Benefits have grown in size, importance and variety (DeCenzo & Robbins, 2010; Edgar & Geare, 2005; Milkovich & Newman, 2008), and the U.S. Chamber of commerce, concludes that employee benefits are one of the greatest challenges in business today in attracting and retaining quality employees and fulfilling employee job satisfaction (U.S. Chamber of Commerce, 2008). This growth suggests that employees increasingly value employee benefits as part of their overall job satisfaction.

Considerable research has been conducted to assess the impact of different types of rewards on job satisfaction. While pay and benefits are common financial incentives, that can be derived from both financial and nonfinancial rewards (DeCenzo & Robbins, 2010). Pay satisfaction is a much narrower construct than job satisfaction. However, pay satisfaction is also an important variable that was linked to some rather significant organizational outcomes. Some evidences suggest that dissatisfaction with pay may lead to decreased job satisfaction, decreased motivation and performance, increased absenteeism and turnover, and more pay-related grievances and lawsuits (Judge *et al.*, 1994)

In a recent study (Carraher, 2011) it was 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). As a result, the following hypothesis was formulated:

H<sub>01</sub>: There is significant effect of pay and benefits on employee job satisfaction.

### **Effects of Equality and Diversity on 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

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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.

While considerable research on diversity has been undertaken since the mid-1990s, relatively little hard data supports the claim that diversity and equality initiatives influence job satisfaction (Monks, 2007). Several qualitative studies have shown broadly positive results, but the ability to translate equality and diversity policies into improved satisfaction is highly context-specific (Jayne *et al.*, 2004). 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. 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). 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). Based on the previous studies, we propose the following hypothesis,

Ho<sub>2</sub>. There is significant effect of equality and diversity on employee job satisfaction.

### **Effects of Training on employee Job Satisfaction**

In the field of human resource management, training and development is the field concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. Studies by Cole (1997) showed defined training as a learning process which is aimed at impacting knowledge and skills to enable the employees execute their work task better. Trainings at work are normally task or job centered mostly aimed at improving job satisfaction (Bach and Sisson 2000). There are various reasons why training is accorded to employees such as efficiency enhancement, (Freudenberg 1998), work health and safety for machine operatives(Ciccotelli, 1999), maximization of product and service sales( Goldhar, 1983) and competency building (Lorraine (2007), this will eventually ensure that employees are aware of organizational changes through various training sessions thus making them have a feeling of ownership in organization's operation, this is an integral part of ensuring job satisfaction.

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Training bridges the gap of work performance versus the work goals attainment as argued in by (Sieber 2004). Dessler (1998) defined planned training as purposeful intervention that will impact knowledge for realizing better job satisfaction. Trevor (1991) concluded that basically training should improve the staff skills and change their attitudes towards trends at work. In addition, training can motivate the workforce to higher levels of productivity and satisfaction (Benson *et al.*, 2003). Organizations that prioritize training have been known to attain higher mission performance with considerable efficiency on time and monetary resource. This shows a positive signal effect on the level of job satisfaction.

An effective training program should have clear cut objectives so that the implementation of the learnt skills can benefit the organization and the employee simultaneously. This training and development program should be clear on what the organization wants to achieve in a defined periodic manner. Not forgetting training blueprints should have a progressive outline towards implementation (Hornik, 2004). Effective training program for employees should have the management input and participation; this can be a measure of employee job satisfaction. Based on the previous studies, we propose the following hypothesis

$H_03$ . There is significant effect of training on employee job satisfaction.

### **The moderating effect of CSR orientation on the relationship between CSR practices and employee job satisfaction**

Corporate social responsibility orientation is defined as the orientation of the manager towards economic, legal, ethical, and discretionary actions (Aupperle, 1982). CSR orientation can also be defined as the set of organizational activities designed to create and deliver an excellent service (Bowen *et al.*, 1990). Orientation translates into a set of relatively long-lasting organizational practices; Structural relationships these activities affect the attitude and behavior of employees (Bowen *et al.*, 1990). Management must internally commercialize “a service mentality” and manage such practices effectively so that their contact employees show attitudes and behaviors that provide a quality service, and can also enhance job satisfaction among employee (Bowen and Schneider, 1988).

When employees are oriented on CSR activities, there is a correlation with their job satisfaction for example, when employee are evaluated on their social responsible action, when employees feel winners in social beneficial activities, when rewarded for participating in socially beneficial action, when management always demonstrate devotion to social responsible activities, when they are encourage to offer voluntary services to the society, and when they are encourage to come up with new ideas to help the society (Cheruiyot and Maru, 2012). Stakeholder effects were recognized as a contributing factor of CSR and cannot be separated when discussing CSR and CSR orientation research. CSR orientation of banks may signal the possible linkages between key financial and business metrics of the banks with its potential role in exhibiting CSR orientation (Anton 1988). While on one hand, larger and more profitable banks may exhibit higher CSR orientation to signal better more customer and employee satisfaction, on the other hand, relatively less profitable or smaller banks may want to increase CSR

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orientation to build stronger relationships with its employees to improve on their level of job satisfaction (Singh and Agarwal, 2013).

Most studies on employee job satisfaction have been conducted in various parts of the world, few studies have been conducted on the relationship between internal CSR and employee job satisfaction. (Al-bdour *et al.*, 2010) and found a positive relationship with job satisfaction, the moderating effect is necessary to determine if the moderation have an effect on the relationship. As a result, the following hypothesis was formulated,  
 $H_0$  CSR orientation has a moderating effect on the relationship between internal corporate social responsibilities and 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.*, 2006). The study also utilized 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:

$$y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_1 x_1 * Z + \beta_2 x_2 * Z + \beta_3 x_3 * Z + \varepsilon$$

Where,  $Y$  = employee satisfaction

$\alpha$  = Constant

$\beta_1 \dots \beta_3$  = the slope representing degree of change in independent variable by one unit variable.

$X_1$  = pay and benefits

$X_2$  = Equality and diversity

$X_3$ = training

$X_1 * Z$  = Pay and benefit \* CSR orientation

$X_2 * Z$  = Equality and diversity \* CSR orientation

$X_3 * Z$  = Training \* CSR orientation

$Z$  = CSR orientation

$\epsilon$  = 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 OF THE STUDY

### 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 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 a 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 a 49.8% positive relationship with employee satisfaction. Hence training and development had a 51.3% significant positive relationship with employee satisfaction. Finally, perceived CSR orientation was positively correlated to employee satisfaction ( $r=0.461$ ,  $p<0.01$ ). Findings provided enough evidence to suggest that there was linear and positive relationship between pay and benefit, equality and diversity, training and development and perceived employer CSR orientation with employee satisfaction. This paved way for multiple regression analysis.

**Table 1.0 Correlation Statistics for Linear Relationship between Variables**

	Employee satisfaction	Pay And Benefit	Equality And Diversity	Training And Development	Perceived CSR orientation
Employee satisfaction	1				
Pay and benefit	.619**	1			
Equality and diversity	.498**	.345**	1		
Training and development	.513**	.525**	.410**	1	
Perceived CSR orientation	.461**	.595**	.490**	.691**	1

Source; Analysis of Survey Data, (2014)

### Multiple Regression Analysis and Hypothesis Testing

### **Model Summary**

The study intended 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 pay and benefit, equality and diversity, 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 a 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 ( $H_{01}$ ) postulated that equality and diversity has 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 increase in equality and diversity, leads to an increase in employee satisfaction that is 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. In concurrence to study findings, Erhardt, (2003) asserts that there is need to enhance diversity and encouraging equality in organizations since there is a possibility it can lead to improved employee job satisfaction

Hypothesis 2 ( $H_{02}$ ) stated that pay and benefit has 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 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. Cognate to study findings, Woodbury (1983) found out that workers view benefits and wages as substitutes and that they are willing to give up wages in exchange for more benefits leading to increased job satisfaction only if the worker's marginal income tax rate increases hence substitution of wages by benefits. Pay and benefits is a key factor for banking professional which needs to be looked at critically in order to achieve the long term goals of an organization.

Hypothesis 3 (H<sub>0</sub>3) postulated that training and development has significant effect on employee satisfaction. Findings showed that training and development had coefficients of estimate which was significant basing on  $\beta_5 = 0.292$  (p-value = 0.000 which is less than  $\alpha = 0.05$ ) implying that training and development has positive and significant effect on employee satisfaction. This indicates that increase in training and development leads to an increase in employee satisfaction by 29%. The effect of training and development is stated by the t-test value = 4.148 which indicates that the effect of training and development surpasses that of the error. Additionally, training can motivate the workforce to higher levels of productivity and efficiency (Benson et al 2003). Therefore; organizations that focus on training have a better chance of utilizing both monetary resource and time leading to increased organizational budget on work life balance hence increasing job satisfaction among the employees.

**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		
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
Training	0.179	0.043	0.292	4.148	0.000	0.557	1.796
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

### Moderating effect of CSR orientation on relationship between internal CSR and employee satisfaction

The results in Table 1.3, showed that there is a negative and significant moderating effect of CSR orientation on relationship between Pay and benefit and employee satisfaction( $\beta = -0.281$ ,  $p < 0.05$ ). Thus, the study rejected hypothesis 4 and conclude that under high CSR orientation, pay and benefit reduce employee satisfaction this is because employees will always be in need of it and demand more.

The findings in Table 1.3 revealed that there is a positive and significant moderating effect of CSR orientation on relationship between equity and diversity and employee satisfaction( $\beta = 0.234$ ,  $p < 0.05$ ), thus the hypothesis 4 was rejected and conclude that under high CSR orientation , equity and diversity increase employee satisfaction.

The findings in Table 1.3 showed that there is a positive and significant moderating effect of CSR orientation on relationship between training and development and employee satisfaction ( $\beta= 0.177$ ,  $p<0.05$ ), thus the study rejected the hypothesis 4 and conclude that under high CSR orientation, training and development increases employee satisfaction.

**Table 1.3 Moderating effect of CSR orientation on relationship between internal CSR and employee satisfaction**

Items	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	0.188	0.287		0.653	0.515		
Pay and benefit*CSR orientation	-0.031	0.015	-0.281	-2.088	0.038	0.149	6.693
Equity and diversity*CSR orientation	0.026	0.011	0.234	2.392	0.018	0.28	3.569
Training *CSR orientation	0.016	0.008	0.177	2.043	0.043	0.360	2.775
Items	R Square	Adjusted R Square	Durbin Watson	F	Sig.		
Pay and benefit*CSR orientation	0.578	0.561	1.808	35.572	.000		
Equity and diversity*CSR orientation	0.581	0.565	1.862	36.095	.000		
Training *CSR orientation	0.577	0.561	1.839	35.50	.000		

Dependent Variable: employee satisfaction

Source; Analysis of Survey Data, (2014)

## CONCLUSION

In light of the research findings, 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. 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.

Finally, training was found to positively and significantly affect employee job satisfaction. Training impacts knowledge and skills to enable the employees execute their work task better. Also, for the employees that view training as career advancement,

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training programs by the organization will satisfy this need hence enhancing employee job satisfaction.

## RECOMMENDATIONS

From the study findings, it was conceived that, 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. In relation to training and development there is need for organized seminars and workshops, training programs for women on leadership and offering support for employee learning and development through e-learning, coaching and mini training sessions. CSR orientation was found to be a factor that increase job satisfaction hence firms should encourage CSR orientation to improve employee job satisfaction and performance which may eventually improve organization firms in this competitive world.

### 6.1 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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