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The Influence of Corporate Social Responsibility on Employee Job Satisfaction and Organisation Performance: A Case Study of National Water and Sewerage Corporation, Uganda

Corporate Social Responsibility (CSR) has become a big issue in the business world due to stakeholder expectations of the business operations. Corporations are now embracing CSR as a strategic tool for increasing stakeholders' participation and enhancing long-term business sustainability. This is because employees are vital stakeholders capable of increasing productivity and overall performance of any organisation. Therefore, employees' satisfaction and motivation studies have taken central role particularly in the service industry because of the benefits corporations derive out of having a well motivated and satisfied workforce. This study employed a mix of methods i.e. cross-sectional and longitudinal designs to examine the influence of perceived CSR practices and organisational justice on employee job satisfaction and organisation performance with a focus on National Water and Sewerage Cooperation (NWSC) in Uganda. Standard survey questionnaires were used to collect primary data on employee job satisfaction factors, employee perception of CSR practices and organisational justice. Secondary data on CSR expenditures were collected by analysing the contents of annual financial statements of NWSC from 2005/2006 to 2010/2011. The relationships between the independent variables and dependent variable were examined and results presented in form of tables. Results indicate that employees at NWSC expressed satisfaction with compensation, moral values, working conditions and the performance evaluation mechanisms. However, opportunities for advancement (promotion) and social service emerged as major sources of dissatisfaction from the MSQ job satisfaction questionnaire. Only training, economic and environmental CSR dimensions had significant positive influence on employee job satisfaction with all the different job satisfaction facets. CSR expenditures had a significant positive relationship with returns on assets and it increases the returns on equity although it decreased with increase in gross profit over sales. Organisational justice moderated the influence of CSR practices on employee job satisfaction. Conclusively, management needs to note that CSR is one of the numerous factors affecting employee satisfaction and organisation performance. Therefore, there is need for more training to be offered to the employees in order to equip them with skills and knowledge about their jobs. More still, CSR disclosures in terms of budget and activity schedules should be promoted at all levels using the best accounting practices and communication strategies in order to attract other stakeholders and enhance the corporation's reputation.

Key words: Responsibility, Social, Corporate, Satisfaction, Employee, Performance