Job Satisfaction: Are Corporate Social Responsibility Initiatives Beneficial And Do Different Governance Structures Matter?

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ABSTRACT

The non-financial benefits of Corporate Social Responsibility (CSR) initiatives remain an understudied controversy in the literature. We draw on elements of stakeholder theory to investigate the effect of multiple CSR initiatives on job satisfaction for a widespread set of medium-sized Canadian companies. We explore this relationship further by focusing on the moderating effects of governance control structures. Data on these variables is captured through the lens of CFO/controller perceptions because of their intimate governance gatekeeping over firms' control structure/systems. In this respect, we assume that CFOs are among the instrumental drivers in advancing an organization's unfolding social consciousness. Research findings in this study reveal the criticality of examining this linkage within the context of the performance-based versus conformance-based dimensions of an organization's corporate governance control structure – two governance dimensions championed by the International Federation of Accountants (2009). Results for low/high levels of performance-based control structures manifest different interaction configurations of statistically significant CSR variables that heighten job satisfaction. However, significant interaction effects under low/high levels featuring compliance-based control structures are not forthcoming, despite the presence of significant main effects in the CSR/job satisfaction relationship. These findings offer firms a more comprehensive practical understanding of benefits associated with investments in particular CSR strategies while grooming specific control structures, as well as offering researchers new control variables to model in the CSR domain.

Keywords: Job Satisfactionl; Corporate Social Responsibility; CSR; Governance

INTRODUCTION

Corporate Social Responsibility (CSR) has emerged as a rising field of inquiry, deepening its presence in academic scholarship, blanketing the global business community, and promulgating keen interest among corporate leaders and regulators everywhere. From a stakeholder theory perspective (Donaldson & Preston, 1995; Freeman, 1999; Laplume, Sonpar, & Litz, 2008), CSR is thought to embrace social (citizens at large) and non-social stakeholders (various environmental dimensions), suppliers, current and prospective customers and employees, the extant community and government (Farooq, Payaud, Merunka, & Valette-Florence, 2014). A burgeoning research literature has examined whether promoting these stakeholder perspectives has been financially beneficial to corporations (Margolis & Walsh, 2003; Orlitzky, Schmidt, & Rynes, 2003; Roman, Hayibor, & Agle, 1999; Waddock & Graves, 1997). Concomitantly, an equally expansive corporate social initiatives/corporate citizenship literature (Glavas & Piderit, 2009; Matten & Crane, 2005) has drawn upon social identity theory (Ashforth & Mael, 1989) and social exchange theory (Emerson, 1976) to examine employee outcomes spanning organizational identification (Glavas & Godwin, 2013), employee turnover (Peterson, 2004), commitment (Farooq et al., 2014; H. R. Kim, M. Lee, H. T. Lee, & N. M. Kim, 2010), corporate citizenship (Glavas & Piderit, 2009; Waddock, 2004), reputation (Dutton et al., 1994), and corporate sustainability (van Marrewijk, 2003) that emanate from CSR initiatives.

Research has also uncovered evidence that an organization's social actions significantly impact employees' perceptions within the firm (Peterson, 2004; Turban & Greening 1997). This is relevant because positive perceptions by employees related to the firm's social behavior are potentially transferrable to better job attitudes, enhanced work

relationships, organization commitment, reduced turnover, and heightened citizenship views of the firm (Aiman-Smith, Bauer, & Cable, 2001; Albinger & Freeman, 2000; Glavas & Piderit, 2009, Trevino & Nelson, 2004). We posit that perceptions related to a company's involvement in CSR initiatives can be similarly channeled to performance outcomes involving job satisfaction (Glavas & Kelly, 2014).

Our focus on job satisfaction manifestly involves an individual level of analysis as opposed to the more common macro level studies centered on the organizational and institutional levels – a potentially rewarding direction but woefully understudied (Aguinis & Glavas, 2012). Not surprisingly then, the perspectives of employees who hold the office of CFOs/controllers have been completely bypassed in terms of how CSR initiatives might impact job satisfaction. This absence is striking since CFOs can be viewed as vigilant social auditors of the firm who are instrumental gatekeepers of corporate governance control systems, carry out social directives of the CEO and board of directors, offer compelling service to ethical leadership, and champion corporate reputation through their professional training – all directed towards creating a better social image of the firm for stakeholders and, we submit, enhancing job satisfaction in the process. We address this shortcoming by examining CSR determinants of CFOs job satisfaction based on their perceptions of multiple stakeholders in the CSR domain.

Other literature cautions that it is vital to distinguish between positive and negative CSR practices, or compliant versus non-compliant CSR behavior, in evaluating performance outcomes which then implicates administration of the appropriate governance or control mechanisms in the firm (Valentine & Fleischman, 2008; Zenisek, 1979; Arora & Dharwadkar, 2011; Mattingly & Berman, 2006). This duality describing possible CSR behavior happens to be the hallmark of theoretical literature on control systems developed by Simons (1995) and Tessier & Otley (2012) because it pervades all corporate organizations. In fact, it mirrors the normative framework for worldwide practice promulgated by the IFAC (2009) featuring the conformance and performance dimensions of control. Our suspicion is that these two control dimensions advocated by the IFAC (2009) moderate the CSR/job performance linkage; again, however, the literature has not studied these effects.

This paper has a two-fold purpose and it moves forward in two phases. First, we try to uncover whether or not there are interaction effects or only main effects in the CSR/job satisfaction relationship for low versus high levels of each control dimension (i.e., performance versus control systems), respectively. Conditional on significant relationships emerging in the initial analysis, the research issue then is to discover if different patterns of CSR initiatives emerge under low and high levels of each control dimension. So, step two deals with the following question: are certain CSR variables more critical than others in influencing job satisfaction, given the presence of a particular type of control system? Answering this question would advance CSR knowledge generally in terms of identifying important determinants of job satisfaction while offering firms unique insights related to the relevance and benefits of critically administering particular CSR actions.

We begin this paper with a summary of the relevant literature directed toward hypotheses development. Next are two sections which report the method and the research findings, respectively. The penultimate section overviews the implications of the study. Limitations are put forward in the concluding section together with suggested extended research.

BACKGROUND LITERATURE

The importance of pursuing and adopting socially responsible initiatives is anchored to more positive images of the firm which, in turn, is thought to yield a competitive advantage (Pfeffer, 1994; Wright, Ferris, Hiller, & Kroll, 1995) by attracting higher quality human resources (Davis, 1973; Fombrun & Shanley, 1990; Turban & Greening, 1997). Organizational conduct related to a firm's CSR may serve as a cue to all stakeholders – social investing according to Waddock (2001) – that there is a genuine effort to build what Fombrun et al. (2000) label social and reputational capital. According to social exchange theory, CSR endeavours that are aimed at external stakeholders lean toward supporting prestige-based perceptions. Some authorities illustrate this effect by considering the way consumers' attitudes are used to classify and rank the services and/or products of various companies (Luo & Bhattacharya, 2006; Marin, Ruiz, & Rubio, 2009). Parallel reasoning is often invoked to describe suppliers' attitudes pertaining to a particular firm. Interestingly, CSR undertakings that are directed at the individual level, such as employees, can generate respect-based perceptions (Farooq et al., 2014) that impact attitudes, thus creating micro as opposed to macro

level performance effects. In fact, the whole thrust of social identity theory (Tajfel & Turner, 1979) submits that processes based on group membership (i.e., those pertaining to CFOs for example) can impact a manager's self-image and corresponding work satisfaction (Tajfel & Turner, 1985; Aguilera, Rupp, Williams, & Ganapathi, 2007).

Research that refers to the effects of a CSR agenda on employees can be partitioned into two major categories (Glavas & Godwin, 2013), namely, prospective (Albinger & Freeman, 2000; Backhaus, Stone & Heiner, 2002; Greening & Turban, 2000; Turban & Greening, 1997) and contemporary (Brammer, Millington, & Rayton, 2005; Maignan, Ferrell & Hult, 1999; Peterson, 2004; Riordan, Gatewood, & Bill, 1997; Viswesvaran, Deshpande & Milman, 1998; Wood & Jones, 1995). In the former, CSR initiatives are thought to enhance a firm's image and attractiveness by increasing its perceived trustworthiness (Viswesvaran et al., 1998) and signalling its workplace desirability (Greening & Turban, 2000). Research involving the second category has largely centered on the connection between CSR initiatives and employees' work attitudes encompassing intended behaviors (Viswesvaran et al., 1998), corporate citizenship (Maignan et al., 1999), and organizational commitment (Brammer et al., 2005; Peterson, 2004).

The literature thus uses social identification theory (Mitchell, Agle, & Wood, 1997; Stoney & Winstanley, 2001) to explain the relationship between corporate social initiatives and the work attitudes of employees (Turker, 2009). A critical assumption in this explication is that individuals are inherently driven to achieve unequivocal uniqueness in a social context via multiple memberships in social classifications (Ashforth & Mael, 1989; Dutton, Dukerich & Harquail, 1994; Tajfel & Turner, 1985).   Hogg, Terry & White, (1995) maintain that each membership manifests a particular social identity. As a member of any given group, the emotional, cognitive and behavioural characteristics are distinctly outlined and prescribed. An important social category is the organization itself and it is well understood that employees ally themselves with their respective organization which then affects their self-descriptions. It is not uncommon, for instance, to find employees who internalize organizational success and cross-compare different organizations. In fact, Ashforth & Mael (1989) report that group prestige can affect members' self-descriptions.

Prestige can emerge in the form of organizations being perceived as socially responsible members of society, with two important consequences. First, these types of organizations are generally viewed as reputable and, secondly, given that employees are connected with this belongingness, their self-esteem and social identity are prone to enhancement (Brammer et al., 2005; Smith, Wokutch, Harrington & Dennis, 2001).   Thus, a firm's social responsibility initiatives, through the veil of reputation, can positively affect employees' work attitudes (Ashforth & Mael, 1989; Brammer et al., 2005; Dutton et al., 1994; Maignan & Ferrell, 2001; Peterson, 2004). As a result, job satisfaction is among the most prodigiously studied and broadly investigated job attitudes in the field of industrial/organizational psychology (Judge & Church, 2000; Judge et al., 2001) and it also appears to be a major consequence of CSR initiatives (Valentine & Fleischman, 2008).

Locke (1976, p. 1304) defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Berstein & Nash (2008) submit that job satisfaction displays components that are behavioural, cognitive, and emotional in nature. Feelings surrounding the job, such as excitement or peer recognition, constitute emotions whereas the cognitive component is exemplified by a belief that the job is challenging or demanding, which could include learning and applying new knowledge. The behavioural component deals with work-related actions and could include questioning the job or status quo (Berstein & Nash, 2008). As Turker (2009, p. 191) comments, virtually all individuals come to organizations with some expectations and corresponding skill sets. They "hope to work in an environment where they can use their abilities and satisfy their needs". According to Syptak et al. (2009), the social aspects of a job may increase satisfaction and may also benefit the organization as a whole. Morgeson and Humphrey (2006) indicated that they were surprised to find social factors to be more critical than the nature of the job, compensation, and knowledge, in advancing job satisfaction. Certainly, CSR and the social activities and initiatives that it represents, clearly fall within the domain of the CFO's work role and potentially contribute to job satisfaction.

Hypotheses Development

The number of CSR definitions in the literature is staggering (Dahlsrud, 2008) but with no unanimity to speak of. The choice of definition appears to depend in large part on mediating variables and situational contingencies (Lindgreen & Swaen, 2010) overarching the research model. Carroll & Shabana (2010) argue, for instance, that a business case

perspective of CSR is justifiable only when financial performance is linked to CSR initiatives. However, as argued above, other firm performance outcomes can emerge from CSR strategies that are directed at enhancing social welfare and stakeholder relations. Following definitions by Freeman (1984), Wheeler & Sillanpaa (1997), Turker (2009), and others, CSR initiatives portrayed in this paper are anchored in corporate behaviours that positively affect stakeholders beyond the purely financial realm (Decker, 2004). More specifically, and because CFO perceptions constitute this study's data set, we adopt Glavas & Godwin's (2013, p. 17) definition of perceived CSR initiatives derived from Waddock (2004): "The perception stakeholders of an organization hold of the impact of a company's strategies and operating practices on the well-being of all its key stakeholders ….".

As alluded to previously, social identity theory posits that members of society brand themselves and others into various divisions, including political affiliation, sports league, organizational membership, professional alliance, or gender (Tajfel & Turner, 1985). It further contends that a group's perceived identity impinges upon a member's self-concept which is driven by social issues. In the case of employees, their self-esteem could be impacted by the social values manifested by their work organization (Smith et al., 2001). The literature acknowledges that this consequence can be applied to any stakeholder group (Dutton et al., 1994). So, we submit that the linkage specifically at the CFO level flows from promoting social issues, in the form of more CSR initiatives, to the display of more job satisfaction.

If the social policies of an organization unambiguously perturb a particular stakeholder group, then it is reasonable to expect that outcome measures associated with that group should be positively influenced, generally speaking. Empirical documentation tends to support this interconnection. Correlations have been reported for consumer product preferences and perceptions of manufacturers' performance on social issues (Brown & Dacin, 1997), investment funds that are socially screened (Stone, 2001), and job seekers' preferences for attributes in firms that are socially valued (Albinger & Freeman, 2000; Greening & Turban, 2000). Hence, evidence exists to support a positive relationship between the image of a corporation and the perceptions of different stakeholders on the firm's social issues. Organizations consider this manifestation to be meaningful because a good portrait or picture of the firm is associated with other work attitudes, such as job satisfaction which, in turn, drive productivity, commitment, and lower turnover rates (Maignan & Ferrell, 2001; Wood & Jones, 1995). Valentine & Fleischman (2008) sanction this idea positively by appealing to dissonance theory (Clarkson, 1995; McWilliams & Siegal, 2001) which posits that employees experience greater satisfaction and lower conflict when socially responsible schemes are promoted by a firm to improve key stakeholders' demands. These endeavours embellish CSR initiatives and improve the congruence between the needs of employees and the firm (Tuzzolino & Armandi, 1981) regardless of societal demands.

Given the above discussion, several distinct groups of stakeholders can be considered in relation to their impact on job satisfaction and social image. To begin with, a cluster of CSR to society, future generations, and non-governmental organizations share a common perspective and, collectively, can be referred to as social and non-social stakeholders (CSR1) as described by Turker (2009) & Farooq et al. (2014). To the extent that organizations envelop environmental protection, strive for sustainability, and behave as good corporate citizens in the community, then the tenets of social identity theory postulate a resurgence of gratitude and pride among members of the organization. As a consequence, the organization is heralded in a positive light and job satisfaction should be enriched. CSR to employees (CSR2) constitutes another potential driver of performance outcomes. The internal environment of the organization can influence perceptions of employee working conditions, advancement opportunities, organizational justice, and organizational climate (Farooq et al., 2014). To the extent that CSR initiatives advance these factors, there is an increased likelihood of job satisfaction.

CSR to consumers (CSR3) represents another determinant of performance outcomes documented in the literature. Customers are considered to be crucial stakeholders since longer term sustainability and short-term success of the firm are clearly dependent on their patronage and support. It is not surprising, therefore, to find organizations devoting special attention to their indispensable clientele by appealing to the quality and safety of their products. Not only do these corporate social initiatives improve the corporate image (Turker, 2009), social identity theory suggests that they also embolden the perception of organization members in terms of knowing that they are associated with a socially caring and responsible firm.

Turning attention to another CSR dimension, views differ in the CSR literature on the compatibility of regulatory issues and social responsibility initiatives. Some include the regulatory and legal domain as a significant dimension

of CSR whereas others (Sims, 2003) eschew this reasoning given that such actions are not discretionary in nature. However, there is little doubt that painting a portrait of good corporate citizenship would engender a spirit of pride among employees, and external actors as well, leading to a sharpened social image and, simultaneously, positively influencing job satisfaction. Furthermore, including social initiatives to government (CSR4) as a stakeholder not only broadens the CSR perspective (Turker, 2009) but, additionally, is compatibility with social identity theory.

A final stakeholder perspective is couched in the European Commission's (2011, p. 6) new definition of CSR which states that "to fully meet their CSR, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders …." Morsing & Schultz (2006) note that this process involves frequent engagement with a host of stakeholders and revert to Grunig & Hunt's (1984) public relations models to describe how organizations strategically engage in CSR communications. Of relevance in the present study is the model of 'stakeholder information strategy' (Morsing & Schultz, 2006, p. 326) which focuses on one-way communication of a sensegiving nature that informs stakeholders about candid CSR decisions and actions. From this perspective, the company essentially gives sense (Weick, 1995) to all audiences in the form of objective information. The communications department's mission, according to Morsing & Schultz (2006, p. 327), "is to ensure that a coherent message is conveyed in an appealing way and … how the CSR initiatives demonstrate a generally shared concern, are linked to the core business and show organizational support (Scott & Lane, 2000)." Thus, the substance of these initiatives in practice is generally delivered through the corporate social reporting (CSR5) function.

From this trace of theory, the set of CSR initiatives representing various stakeholder groups should raise the moral capital of the firm and in the process simultaneously increase work satisfaction. These conditions point to the following hypothesis initially:

H1: Higher perceived levels of CSR1 to CSR5, respectively, positively influence job satisfaction.

The Moderating Role of Corporate Governance Control Systems

There is no extant literature which specifically describes the importance of different control system structures in moderating the CSR/performance relationship, either at the individual or the firm levels. Despite this void, however, there is evidence that good leadership practices, good manager relationships, recognition, feedback and support, and clear work/organization directions and objectives are instrumental in yielding increased job satisfaction (Field, 2008). Moreover, virtually all of these attributes are embedded in varying degrees in an organization's repertoire of standardized control system components (Simons, 1995; Tessier, & Otley, 2012) and they may well affect perceptions of various stakeholders and, consequently, the statistical correlation between CSR initiatives and performance outcomes. The subtlety of this potential moderating influence is not straightforward and hinges on literature cautioning that it is imperative to recognize that all social action can not necessarily be described on a single continuum (Aguilera, et al., 2007). Control systems that act as conduits for information pertaining to the firm's broad social spectrum of activities and, hence, which serve as pipelines supplying perceptions to various users mirror this constraint.

In elaborating how this caveat operates, Arora & Dharwadkar (2011) cite literature that challenges the combination of the positive and negative dimensions of CSR (Chiu & Sharfman, 2011; Godfrey, Merrill & Hansen, 2009; Kacperczyk, 2009; Mattingly & Berman, 2006; Strike, Gao & Bansal, 2006). The argument put forward is that CSR platforms which are positive, such as commitment-based employment methods, corporate philanthropy, sustainable services, and effective local community relationships, are fundamentally different than avoiding CSR initiatives which are negative. The latter could include violations of equal employment opportunities, environmental regulations, safety matters, or human rights issues. The major concern is that positive CSR initiatives involve the proactive management of stakeholder relationships whereas negative CSR strategies involve compliance, normally reactive, to minimum standards of conduct. Therefore, not only may better monitoring that accompanies good governance support the upside of performance-driven control mechanisms, such as value creation, it may also be linked with lower CSR schemes that are negative since the failure to comply with regulations can cause adverse publicity and sanctions (Arora & Dharwadkar, 2011; IFAC, 2004, 2009). The point is that, given the dissimilarity of compliance-based controls versus performance-based controls within the firm, each type of control mechanism potentially has a different impact

on CSR stakeholders and the effectiveness of any corresponding social enterprise (IFAC 2009). In short, similar CSR initiatives should be assessed separately under different control regimes to give a clear indication of their influence on performance outcomes including job satisfaction.

Emphasizing the value and compliance dimensions of control corresponds precisely to the dyadic framework found in the recommended practice literature (IFAC, 2009) and, for that matter, represents the hallmark of most de facto organizational control systems around the globe (e.g., Simons, 1995). The conformance dimension generally subsumes a more historic view and deals with accountability, assurance, and risk oversight – a set of standardized routines that is more compliance focused. The second dimension, labeled performance, is essentially more proactive and forward looking. Pertinent here are routines that include strategy, value creation, and resource utilization (IFAC, 2009, pp. 8-9). Thus, control processes with these features appear to match distinctively with the positive and negative CSR dimensions described by Arora & Dharwadkar (2011). More importantly, there is the possibility that the influence of various CSR components on job satisfaction in particular may be subject to the interaction effects emanating from the two different compliance and performance dimensions of an organization's control structure. The following two research hypotheses are therefore tested:

H2: The linkage of CSR and job satisfaction is moderated by performance-constituted control systems.

H3: The linkage of CSR and job satisfaction is moderated by conformance-constituted control systems.

The conceptual framework underpinning this research is delineated in Figure 1.

Figure 1. Governance Structures that Moderate the CSR Initiatives/Job Satisfaction Relationship
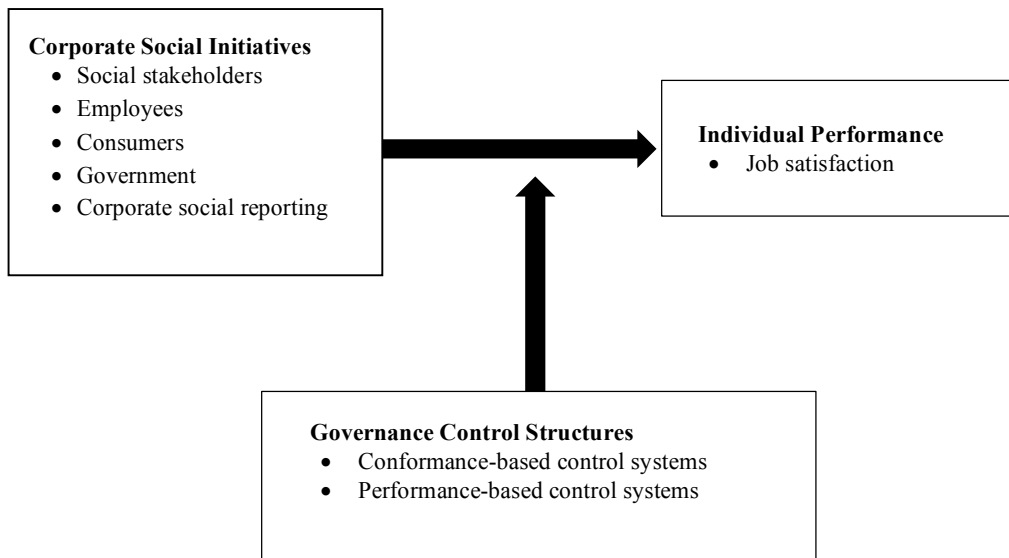
METHOD

Sample and Procedure

The Society of Management Accountants of Canada membership directory was used to select CFOs/controllers in an extension of a research program involving Canadian-based organizations. A web-based survey instrument was directed at CFOs/controllers of companies based on the membership directory of the Society of Management Accountants of Canada as part of a larger, ongoing research project involving Canadian-based companies. This initial filter permitted the cross-referencing of respondents to the Society's membership registry to authenticate their membership status and designation. Equally important, confirmation provided a degree of assurance that respondents

had been exposed to the Society's benchmark for codes of professional conduct, including social and ethical values. Finally, it was appropriate to focus on this set of executives due to their hands-on familiarity with existent control systems, their collective leadership execution in establishing and fostering appropriate governance machinery throughout the organization hierarchy including value systems, and their explicit comprehension of all stakeholders associated with their firms.

On the measured variables, while 563 responses were received several screens were applied to the sample. First, firms were limited to those having more than 200 members because of significant deviations in the nature and character of control systems in smaller firms.[1] Secondly, to establish some homogeneity of maturity and proficiency a tenure requirement of four years at the helm of the firm's controllership function was adopted. Thirdly, consistent with other behavioral management accounting research studies (e.g., Chenhall & Brownell, 1988; Brownell & Dunk, 1991), utilities and non-profit organizations were excluded because of differences in their operating characteristics. After applying these two filters, 168 responses remained. Finally, removing 24 incomplete responses plus six others with no variance yielded a usable sample of 138 firms representing 19 industrial classifications in the Toronto Stock Exchange Index. Armstrong & Overton's (1977) approach was adopted to assess response bias. Based on the response date, the sample was divided into two groups of roughly equal size. Then the means and standard deviations of the measured variables in the two groups were compared for significant differences. This procedure indicated that response bias was not problematic.

Variables and Measurement

Table 1 depicts the detailed measurement, reliability coefficients, and factor structures of the independent and dependent variables, as well as the control system performance and conformance variables initially developed by Williams & Seaman (2010) and used as separate moderating variables in the current study. All constructs in the study are measured by a five-point Likert scale ranging from 1 (to a very little extent) to 5 (to a very great extent). Consistent with perceptual measures utilized by Turker (2009) and Farooq et al. (2014), we use adaptations of their four scales to measure CFO perceptions of social stakeholders (CSR1), employees (CSR2), customers (CSR3), and government (CSR4). The variable CSR1 only pertains to social stakeholders and does not include non-social stakeholders because we did not have direct reference to environmental initiatives in our survey.[2] Based on the concerns of Morsing & Schultz (2006) and Scott & Lane (2000) though, we add a fifth variable (CSR5) related to the reporting and communication function of the firm's social initiatives. Each of the five scales utilized yields eigenvalues larger than 1.0, confirming that the structure of each scale has a single factor and, therefore, easily accounts for an acceptable proportion of the total variance explained. Calculated reliability coefficients based on Using Cronbach's (1951) alpha statistic, reliability coefficients ranging from 0.61 to 0.83 were generated. These calculated coefficients conform with Nunnally's (1967) inter-item reliability standard for behavioural studies of this type.

Table 1. Items, Reliabilities and Factor Analyses Statistics (n = 138)

Variables	Items	CA[a]	EV[b]	PVE[c]
Independent				
Social stakeholders (CSR1)	• Social and sustainability issues are communicated to all stakeholders. • Data integrity to all internal and external users is ensured. • Ethical conduct on all matters affecting stakeholders is ensured.	0.67	.81	60.2
Employees (CSR2)	• The organization is responsive to ethical concerns of employees. • Resources are committed to retraining and upgrading employees. • The organization actively develops members' skills and knowledge.	0.71	1.893	63.1
Consumers (CSR3)	• There is consensus that ethical behavior improves customer services. • The innovation and development of new product ideas is encouraged. • The organization strives to motivate consumer interests. • This organization focuses on future consumer sustainability.	0.77	2.44	61.1
Government (CSR4)	• The organization ensures compliance with all laws and regulations.	n/a		
CS reporting (CSR5)	• The firm devotes sufficient resources to conducting the social audit. • The firm reports the social audit findings to all stakeholders.	0.83	1.72	85.9
Dependent				
Job satisfaction (JS)	• I am valued by my organization. • I embrace the expansion of new techniques and methods. • I advance the job's status quo.	0.68	1.75	58.3
Moderating				
Performance controls (PC)		0.73	2.01	67.0
Strategy	• I work with top management to develop corporate strategy. • I identity criteria for measuring the organization's strategy. • I ensure that systems are in place to monitor strategic achievement.	0.71	2.55	85.1
Communication	• I ensure effective communication between the firm and stakeholders. • I ensure effective communication systems between the organizations and the general public. • I ensure effective communication between the BoD and operations.	0.82	2.20	73.3
Value Creation	• I engage in a continuous ethics training program. • I am encouraged to learn and apply new knowledge and systems within my organizational work role. • I am encouraged to innovate and develop new performance measures.	0.81	2.15	72.6

(Table 1 continued on next page)

(Table 1 continued)

Variables	Items	CA[a]	EV[b]	PVE[c]
Moderating				
Conformance controls (CC)		0.75	1.95	64.8
Accountability	• I ensure the integrity of data to all internal and • external users. • I ensure compliance of the data with GAAP. • I review and approve financial data.	0.83	2.18	74.3
Assurance	• I ensure that conflict of interest guidelines are • adhered to by all parties. • I ensure that the code of ethical conduct is • adhered to by the • organization's members.	0.95	1.92	95.6
Risk	• I identify the principle risks of the organization's • business. • I ensure the implementation of appropriate risk • management systems.	0.92	1.87	92.9

[a] Cronbach's alpha; [b] Eigenvalue; [c] Percentage variance explained.

The dependent variable, job satisfaction, is measured by three items which are guided by the emotional, cognitive, and behavioural components identified by Bernstein & Nash (2008). Feelings that embellish esteem, admiration and importance to the organization drive the emotional component; beliefs regarding the job itself, including mental and intellectual challenges, constitute the cognitive component; and, lastly, the behavioural component revolves around actions relating to the present state of work, such as supporting and upholding the status quo. CFOs are critical stakeholders in the firm because of their strong influence over market transactions that impact a variety of social initiatives and assessors. Simply asking them if they are satisfied with their work may create mean-reverting responses that produce no variance in the dependent measure, which the Bernstein & Nash (2008) items are designed to avoid. Moreover, evidence (Fombrun & Shanley, 1990; Dutton & Dukerich, 1991) suggests that a positive association between CSR and employee attitudes (such as job satisfaction) can ultimately affect organizational financial performance, although that is not the objective of this paper. Overall, the job satisfaction variable manifests eigenvalues well above unity, thus satisfying the single factor structure constraint and it reflects minimum statistical reliability based on Cronbach's alpha.

We operationalize the conformance and performance characteristics directly from the six scales (see Table 1) developed by Williams & Seaman (2010). The three scales for performance controls – strategy, communication, and value creation – and the three scales for conformance controls – accounting, assurance, and risk – manifest eigenvalues larger than 1.0, thus confirming that each scale has a single factor. Reliability of the two moderator variables appears satisfactory, with Cronbach alpha coefficients of 0.73 and 0.75, respectively. Finally, these two moderator variables are split at the mean[3] of each distribution to create two nominal variables (i.e., low and high) for testing the research hypotheses H2 and H3. Accordingly, a dummy variable is coded either zero or one for low/high levels of perceived control attributes of a performance nature and those of a conformance nature, respectively.

Analysis

Investigating the hypotheses proceeds in three steps. First, a multiple regression model of the form shown in Eq. (1) is adopted to investigate hypothesis H1:

$$\text{Job satisfaction} = a + \beta_1 CRS1 + \beta_2 CSR2 + \beta_3 CSR3 + \beta_4 CSR4 + \beta_5 CSR5 + \in \tag{1}$$

where CSR1 = CSR to social stakeholders, CSR2 = CSR to employees, CSR3 = CSR to consumers, CSR4 = CSR to government, and CSR5 = CSR to corporate social reporting. Significant findings would supply evidence of CSR main effects on job satisfaction, thus supporting hypotheses H1. The second step repeats the identical analysis of variables contained in Eq. (1) but adds performance control systems (PC) as a sixth independent variable as shown in Eq. (2):

$$\text{Job satisfaction} = a + \beta_1 CRS1 + \beta_2 CSR2 + \beta_3 CSR3 + \beta_4 CSR4 + \beta_5 CSR5 + PC + \in \tag{2}$$

where PC is a dummy variable set equal to zero if it is low and one if it is high, and all other variables are as defined in Eq. (1). In like manner, conformance control systems (CC) is added as a sixth independent variable to Eq. (1) to yield Eq. (3):

$$\text{Job satisfaction} = a + \beta_1 CRS1 + \beta_2 CSR2 + \beta_3 CSR3 + \beta_4 CSR4 + \beta_5 CSR5 + CC + \in \tag{3}$$

where CC is a dummy variable set equal to zero if it is low or one if it is high, and all other variables are as defined in Eq. (1). To summarize, Eqs. (2) and (3) are specifically intended to explore the direct influence of the two moderator variables, PC and CC, on the dependent job satisfaction variable. They provide a starting point by which to assess whether or not there are significant interaction effects impacting the CSR/job satisfaction relationship in the next stage of analysis.[4]

Finally, Moderated Regression Analysis (MRA) is used in the third step to analyze a full model that includes all the independent variables from Eqs. (2) and (3) in addition to the interaction effects of PC and CC on each of the five CSR variables. This leads to the following two equations:

$$\text{Job satisfaction} = a + \beta_1 CRS1 + \beta_2 CSR2 + \beta_3 CSR3 + \beta_4 CSR4 + \beta_5 DCSR5 + \beta_6 PC + \beta_7 (PC * CSR1) +$$
$$\beta_8(PC * CSR2) + \beta_9(PC * CSR3) + \beta_{10}(PC * CSR4) + \beta_{11}(PC * CSR5) + \in \tag{4}$$

$$\text{Job satisfaction} = a + \beta_1 CRS1 + \beta_2 CSR2 + \beta_3 CSR3 + \beta_4 CSR4 + \beta_5 DCSR5 + \beta_6 CC + \beta_7 (CC * CSR1) +$$
$$\beta_8(CC * CSR2) + \beta_9(CC * CSR3) + \beta_{10}(CC * CSR4) + \beta_{11}(CC * CSR5) + \in \tag{5}$$

where all variables are as previously defined.

The moderating effects of PC on the linkage between the five CSR variables and the dependent variable job satisfaction are expressed by the product terms in Eq. (4). The full model is then compared to the reduced model, first to discover whether a statistically significant relationship emerges and, second, whether there are statistically significant interaction effects. This is realized by evaluating the statistical significance of the increase in variance explained (i.e., the significant increase in R^2) when the reduced models in Eqs. (2) and (3), containing only main effects, are contrasted with the corresponding full model in Eqs. (4) and (5) that contains both the main and interaction effects.[5] The SPSS statistical package provides an F-change statistic to accompany multiple regression analysis that tests for a significant improvement in R^2.

The above analyses are designed to explicitly uncover any significant main or interaction effects; however, in isolation, this is not sufficient to answer the important question posed at the outset: which CSR variables are important in influencing job satisfaction in the context of different control system attributes? If significant interaction effects prevail, then for the dependent variable from the low/high control system subgroups a test of the null hypothesis that there is no difference in the regression coefficient of any independent variable across the two subgroups considered simultaneously can be ascertained through the SAS Mtest procedure. Alternatively, if there are no significant interaction effects emerging from step three, then undertaking this additional procedure is redundant. The methodological approach of comparing regression coefficients across two models that feature unique dependent variables has been used successfully in previous research (Acs & Audretsch, 1989; Rogers, Miller & Judge, 1999).

RESULTS

The Pearson correlation matrix and descriptive statistics for all variables reported in Table 2. Five regression models were run for job satisfaction and the findings are reported in Table 3. Diagnostic tests pertaining to multi-collinearity and heteroscedasticity in these regression models affirm that they are not an issue.[6] Model 1 tests for the main effects of CSR on job satisfaction. Results in Table 3 show that CSR initiatives have a significant positive effect on job satisfaction (adjusted $R^2 = 0.694$; F = 63.216; p < 0.010). Thus, there is substantial support for Hypotheses H1 and these findings confirm predictions in the literature that CSR initiatives critically impact performance outcomes.

Model 2 tests the main effects incorporating the moderator variable, PC, together with the set of independent variables on job satisfaction. Results reveal a significant F-change statistic (Hierarchical F = 5.494). To test explicitly for significant moderating effects uniquely attributable to PC, we compared the full model (4) against the corresponding reduced model (2). Findings reported in Table 3 indicate that model 4 explains a significantly greater amount of variance than the reduced model: adjusted R^2 = 0.748, hierarchical F = 2.009, p < 0.05; adjusted R^2 = 0.717, hierarchical F = 2.301, p < 0.01, respectively. Thus, substantial statistical evidence exists to support hypothesis H2.

Table 2. Descriptive Statistics and Pearson Correlations (n = 138)

Variables	Mean	SD	CSR1	CSR2	CSR3	CSR4	CSR5	JS	PC
CSR1	3.342	0.991							
CSR2	3.358	0.857	0.459**						
CSR3	3.444	0.856	0.531**	0.675**					
CSR4	4.220	1.108	0.310*	0.418**	0.456**				
CSR5	2.217	1.107	0.158	0.507**	0.336*	0.228*			
JS	3.594	0.807	0.474**	0.758**	0.769**	0.455**	0.440**		
PC	3.317	0.995	0.846**	0.400**	0.519**	0.323*	0.128	0.452**	
CC	3.441	0.880	0.805**	0.583**	0722**	0.313*	0.225*	0.655**	0.735**

Variable definitions: CSR1 to CSR5 = corporate social responsibility to social stakeholders, employees, consumers, government, and corporate social reporting, respectively; JS = job satisfaction; SI = social image; PC = performance controls; and CC = conformance controls.
* p < 0.05; ** p < 0.01

Model 3 also tests for main effects on job satisfaction but it incorporates the moderator variable CC together with the set of independent variables. However, in this case the *F*-change statistic indicates no improvement in R^2 thus indicating no direct effects attributable to the CC moderating variable. However, to test explicitly for significant interaction effects that are solely attributable to CC, we compared the full model (5) against the reduced model (3). Results in Table 3 show that CC does not involve significant interaction effects with job satisfaction (hierarchical F = 0.000) and, therefore, there is no statistical support for hypothesis H3.

Table 3. Hierarchical Moderated Regression for Job Satisfaction

	Model 1: Reduced	Model 2: Reduced Performance	Model 3: Reduced Conformance	Model 4: Full Performance	Model 5: Full Conformance
Main effects					
CSR1	0.035[+] (0.046)	-0.099 (0.065)	0.043 (0.074)	-0.113 (0.710)	-0.022 (0.086)
CSR2	0.377 (0.068)[***]	0.353 (0.067)[***]	0.377 (0.068)[***]	0.442 (0.092)[***]	0.373 (0.105)[***]
CSR3	0.438 (0.066)[***]	0.347 (0.074)[***]	0.439 (0.066)[***]	0.229 (0.090)[**]	0.389 (0.092)[***]
CSR4	0.069 (0.043)	0.088 (0.044)	0.069 (0.043)	0.043 (0.053)	0.020 (0.056)
CSR5	0.080 (0.040)	0.087 (0.041)	0.080 (0.040)	0.235 (0.063)[***]	0.133 (0.064)
PC		0.231 (0.090)[**]		0.199 (0.098)[*]	
CC			-0.011 (0.073)		-0.069 (0.100)
Interacting effects					
CSR1*PC				0.246 (0.100)[*]	
CSR2*PC				- 0.528 (0.132)[*]	
CSR3*PC				0.127 (0.143)	
CSR4*PC				0.439 (0.091)[*]	
CSR5*PC				0.240 (0.082)[*]	
CSR1*CC					0.0176 (0.117)
CSR2*CC					-0.109 (0.147)
CSR3*CC					-0.040 (0.149)
CSR4*CC					0.086 (0.101)
CSR5*CC					-0.127 (0.088)
N	138	138	138	138	138
R^2	0.750	0.717	0.705	0.771	0.719
Adjusted R^2	0.694	0.704	0.692	0.748	0.692
Δ in adjusted R^2	0.694	0.010	-0.002	0.044 [a]	0.000[b]
VIF<	2.311	4.495	3.641	7.763	6.548
Model F	63.216[***]	55.390[***]	52.289[***]	33.670[*]	26.925[***]
Hierarchical F	n/a	5.494[**]	0.000	2.009[*]	0.000

Variable definitions: CSR1 to CSR5 = corporate social responsibility to social stakeholders, employees, consumers, government, and corporate social reporting, respectively; JS = job satisfaction; SI = social image; PC = performance controls; and CC = conformance controls.
[+]Unstandardized beta coefficients; standard errors in parentheses: $p < 0.10$* $p < 0.05$** ; $p < 0.01$***
[a] Compared with Model 2; [b] Compared with Model 3

In producing the above findings, the insidious problem of systematic bias potentially arises when cross-sectional survey data of a perceptual data are obtained from the same respondent at the same time (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). It is doubtful that systematic bias was driving the findings in this research. Systematic bias would not explain the divergent interaction effects nor would it lead to the dispersion in the most important CSR variables emerging under the dual control contexts. For further verification, Harman's (1967) single-factor test was utilized. Exploratory factor analysis using unrotated principle component factor analysis produced nine factors with eigenvalues greater than unity that accounted for 71.34 percent of the total variance. The first factor contributed 29.78 percent which is not greater than one-half of the total variance explained. Therefore, the notion of a single factor driving the results cannot be accepted. As a final audit, a confirmatory factor analysis constrained all study variables to load on a single factor; however, the ensuing model statistics were very poor, indicating that a common method variance problem did not feature in this data.

Additional Analysis

Finding positive results for the PC moderating variable in the above analyses provides justification for attempting to uncover which specific CSR variables interactively influence job satisfaction. Initially, two regression equations for low and high PC, respectively, were estimated simultaneously using the five CSR initiatives as independent variables and job satisfaction as the dependent variable. If significant regression results emerge, this would reinforce the prediction that both sets of CSR variables yield effective work performance under low and high levels of PC. Regression results displayed in column 2 (adjusted R^2 = 0.720; Model F = 30.798; $p < 0.01$) and column 3 (adjusted

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$R^2 = 0.348$; Model F = 7.630; p < 0.01) of Table 4 confirm that both low and high perceived levels of PC are associated with significant improvement in job satisfaction. Column 2 indicates that the significant drivers of job satisfaction under low PC are social initiatives involving employees (CSR2), consumers (CSR3), and reporting (CSR4). Column 3 shows that the significant drivers of job satisfaction under high PC are social initiatives involving government (CSR4) and reporting (CSR5).

With these findings, utilizing an F-test difference statistic can uncover which CSR variables, if any, are most important for improving job satisfaction at either level. Column 4 of Table 4 displays three significant F-test differences. If PC is low, then social initiatives directed at employees (CSR2) and reporting (CSR5) should be emphasized to enhance job satisfaction. However, if PC is high, then adherence to laws and regulations (CSR4) should be stressed. These findings appear to clarify that the structures of social initiatives associated with low and high PC, respectively, are essentially not equal and, yet, each structure significantly boosts job satisfaction correspondingly. Thus, corporate social initiatives do benefit job satisfaction and, most certainly, the type of control structure does matter in terms of which social initiatives should be emphasized.

Table 4. PC Regressions Results and Comparison of Differences for Job Satisfaction

	Low PC	High PC	F-test change
CSR1	-0.012^{+} (0.060)	0.038 (0.091)	3.540
CSR2	**0.452 (0.084)*****	0.193 (0.103)	15.058**
CSR3	0.288 (0.081)***	0.278 (0.127)**	0.510
CSR4	0.036 (0.047)	**0.154 (0.084)***	9.440**
CSR5	**0.257 (0.057)*****	0.030 (0.055)	22.255***
N	59	63	
R^2	0.744	0.401	
Adjusted R^2	0.720	0.348	
VIF <	1.685	1.888	
Model F	30.798***	7.630***	

Variable definitions: CSR1 to CSR5 = corporate social responsibility to social stakeholders, employees, consumers, government, and corporate social reporting, respectively; JS = job satisfaction; SI = social image; PC = performance controls; and CC = conformance controls.
$^{+}$Unstandardized beta coefficients; standard errors in parentheses: p < 0.10* p < 0.05**; p < 0.01***

DISCUSSION

An extensive CSR literature examines social initiatives from the viewpoint of specific stakeholders in isolation, such as customers or employees. This paper relies on social identity theory to explore the influence of a more comprehensive set of stakeholder CSR initiatives on a performance outcome at the individual managerial level labeled job satisfaction. The findings displayed above yield several insights. First, CSR initiatives may not be properly understood in terms of job satisfaction without comprehending the importance of an organization's control system attributes. This can be appreciated for example in the case of compliance-based control systems represented by model 3 in Table 3. Significant main effects emerged only from select CSR variables but not from the moderator variable CC. Thus, the nature of an organization's governance control structure does matter when various control routines are contrasted in terms of the compliance versus performance qualities embedded in the firm's corporate governance structure. For job satisfaction, the Hierarchical F-test indicated significant improvements in the variance explained for the performance-based interaction model (i.e., model 4); however, the compliance-based moderator effects (model 5) were not significant.

At the outset, we could not directly address the most important research question on the CSR/job satisfaction relationship raised in the introduction without first analyzing the five theoretical models summarized in Table 3. Concomitantly, this uncertainty precluded any possible predictions prior to gaining more knowledge on the interaction

effects. A second insight, therefore, centers on the fact that enhanced job satisfaction can emerge from the same set of social actions under different moderator conditions but with certain CSR variables assuming more criticality than others. At low levels of PC for example, more CSR actions directed toward employees and corporate social reporting produce the same positive impact on job satisfaction as what the singular impact of emphasizing government social initiatives does under high PC.

This is an exciting discovery and it suggests great flexibility in adopting particular CSR initiatives given an organization's governance structure. In this case, moving from low to high levels of PC involves a change in emphasis from social attention to employees and reporting to one of concentrating on government type initiatives, respectively. At the same time, it may be comforting for CFOs to know that adopting more or less stringent performance control systems while pursing CSR initiatives will not significantly interfere with job satisfaction according to our findings. This evidence corresponds with social identity theory and prior studies on employee initiatives (Brammer et al., 2005; Peterson, 2004; Rupp, Ganapathi, Aguilera & Williams, 2006; Kim et al., 2010). Collectively, these findings are consonant with research showing that corporate action directed at social purposes generally advances a firm's reputation (Hess, Rogovsky & Dunfee, 2002) which has a positive influence on employees' work attitudes through self-esteem (Dutton et al., 1994), including work satisfaction.

Several practical implications surface from our findings reported in Table 4. There are arguments in the literature that firms' governance structures need to balance performance-based control systems and compliance-based control systems (IFAC and Chartered Institute of Management Accountants, 2004). The suspicion is that the former are lagging the latter to a considerable extent. Our findings suggest that firms can pursue a CSR program in conjunction with an expanding set of performance-based control mechanisms to enhance job satisfaction. However, it is essential for firms to know which CSR blueprint to emphasize in order to secure an advancement in job satisfaction. This caveat is seen more clearly by comparing CSR variables 1 to 5 across columns 2 and 3 in Table 4. Out of 10 cells, only two overlap and are unimportant to influencing job satisfaction and these pertain to social initiatives to stakeholders (CSR1). Furthermore, although the F-test difference statistic in column 4 shows no difference for the importance of social initiatives pertaining to consumers (CSR3), this variable is very important for increased job satisfaction across all levels of performance controls.

CONCLUSIONS, LIMITATIONS AND RESEARCH OPPORTUNITIES

Certainly, the most intriguing outcome of this study is that different control mechanisms are a vital governance portal to consider when examining social initiatives related to job satisfaction. Compelling as well is the discovery that the importance of CSR initiatives is exhibited in a complex multivariate manner (Perez & Rodríguez del Bosque, 2013). Somewhat surprising, nonetheless, is the revelation of no interaction effects appearing in the job satisfaction model for compliance-based control systems whereas the performance-based control systems effects of CSR actions are more visible and tractable, at least statistically.

In closing, the normal caveats that attend behavioral research of an exploratory nature are acknowledged. Besides these, our study requires qualification on several fronts. First, there are well-documented drawbacks of obtaining data from the internet (AAPOR, 2013), and various restraints coupled to the cross-sectional survey method (Bowen & Wiesema, 1999) are affirmed. Also obvious is our decision to apply direct filters to obtain the research sample rather than incorporate control variables into the regression models. While filters were necessary, those individuals who failed our status conditions were essentially barred from participation and this clearly constrained the sample size – issues that future research on this topic should rectify if possible.

As alluded to earlier, we centered our attention on qualified CFO perceptions not simply because of their conventional institutional and professional origins but, also, because of their intricate knowledge of control system characteristics, understanding of social capital initiatives driven by the board of directors and conveyed to the public at large, and their dominion over the design and development of other performance measures that benefit from the effects of the ones examined here. Moreover, other literature leans on social identity theory (Peterson, 2004; Turker, 2009) to justify using employee perceptions over objective measures of an organization's social behavior in expressing self-concept, accuracy of the former notwithstanding. Conceivably, our tenure and professional requirements were too restrictive. However, on the positive side, the sample featured various organizations that were dispersed geographically.

Nonetheless, future studies could focus on cross-national comparisons of our theoretical model at the controllership level to ascertain if the findings are indeed generalizable.

It is appropriate to point out that measures of the two moderator variables are based on concepts advocated by the IFAC (2009), which may not exactly parallel the way they are interpreted and implemented in practice. There is little doubt that these systems are brutally comprehensive, dense, and interactive in practice. Investigations that deconstruct this complexity and focus on more specific systems, such as strategic risk analysis, codes of ethical conduct, environmental surveillance systems, or cost allocations directed to particular social programs, represent laudable research possibilities. Of course, refinements to the CSR measures need to accompany these efforts. Of particular note is a new multidimensional measure of corporate stakeholder responsibility developed and validated by Akremi, Gond, Swaen, De Roeck & Igalens (2015) that positively relates this construct to several performance outcomes including job satisfaction. Future research, therefore, should devote effort to sharpening the appropriateness of these measures of corporate responsibility to capture how stakeholders, including CFOs, mold their perceptions of a firm's social endeavors.

This research is unique moreover in that CSR studies are typically centered on a single stakeholder and only rarely are multiple stakeholder effects explored simultaneously. Therefore, it may be relevant for both managers and researchers to re-consider how the development of compliance-based and performance-based control structures interrelate with CSR initiatives and actions. With a more comprehensive understanding, top management might benefit strategically from rearranging the firm's portfolio of social initiatives, and identify the conditions whereby managerial performance can benefit from expanded CSR. Research, for example, could identify CFOs as "linking pins" between middle management and the Board of Directors to examine the cascading effect (Vlachos, Panagopoulos & Rapp, 2014) of how employee judgments of their organization's CSR initiatives can shape outcomes such as job satisfaction. Finally, this research expands on the growing CSR literature by uncovering how job satisfaction is influenced by social initiatives. In closing, we urge researchers to extend the analysis of the linkage between multiple CSR stakeholders and performance outcomes to other germane measures of performance and managerial settings. This could also embody other relevant moderator variables, such as ethical climate or ethics leadership, and perceptions from different managerial levels including the Board of Directors.

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ENDNOTES

1. This decision was influenced by the findings of Murphy, Smith and Daley (1992) shows that operational factors in smaller firms (which include control systems) are not positively related to better ethical conduct even though the opposite is true for larger firms. Since governance systems are part of an organization's operations, smaller firms were excluded and this reduced the sample size to 374.
2. This is not a serious omission since Farooq et al. (2014) found that CSR pertaining to the environment had no effect on employees trust, organizational identification, or organizational commitment. By extension, we assume that job satisfaction similarly is not significantly impacted.
3. Dichotomizing the sample at the mean is efficient because it leads to the largest possible data set notwithstanding that the low/high categories of the two control system dimensions are unequal in size. A median-split was not acceptable due to confounding effects in the two sub-samples. Essentially, this type of split means that responses having the same value could appear in each sub-sample. This would invalidate any statistical findings pertaining to the influence of the two moderating variables.
4. Steps one and two are included in the analysis in order to eliminate what are called lower-order main effects. As Hartmann & Moers (1999, p. 299) summarily mention "… the reason for inclusion of lower-order effects in MRA is to prevent conclusions of the existence of an interaction effect when such an effect is solely due to lower-order effects." Therefore, any direct main effects are partialled-out in steps one and two.
5. Hartmann & Moers (1999, p. 294) state that "This method is equivalent to the simpler and more direct assessment of the significance of the t-value associated with the coefficient of the product term …." A significant increase in R^2 can still be interpreted even if the moderator variable is represented by the values 0 and 1 in a dummy variable. In addition, they claim that (1999, p. 300) "… for tests of an interaction effect using MRA the independent variables need not be ratio-scaled (Southwood, 1978, p. 1167; Arnold & Evans, 1979)."
6. The maximum VIF is well below the 10.0 level suggested by Allison (1999) for multi-collinearity while the standard errors (White 1980, p. 142) reported for all regressions are not a concern. Also, Table 2 reveals that both moderator variables, PC and CC, are not strongly correlated with the independent variable; one-half of the correlations are 0.40 or lower. Finally, Table 2 indicates that both moderator variables are correlated with the dependent variable job satisfaction. Hierarchical regression analysis (Shields & Shields, 1998), considers this correlation to be an important property.

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