Marketisation of the UK Charity Sector: Governance and Legitimacy

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Introduction

The changing profile of the UK charity sector after the contracting out of public services has been categorised by Bruce & Chew as a 'marketisation' effect (2011). The marketisation trend in the UK echoes that of other developed western economies, such as the US, where market-based principles have been applied to reform public services (Eikenberry & Kluver, 2004). Whereas previously statutory funding was delivered by way of grants, now the move is toward the use of contracts (McKay *et al*., 2015).

It is argued that a considerable flow of public funds into the UK charity sector has resulted in charities altering their behaviour by having to focus on priorities identified by government, operate in ways prescribed by government, and provide performance data to government under contractual terms and conditions (Hyndman & Jones, 2011). With some of the larger charities receiving as much as 90% of their income from government, arguments are made that they have become 'extensions of the state' (Sergeant, 2016).

The basic strategy of marketisation is to 'strengthen governance by competition' leading to greater efficiency (Hansen & Lindholst, 2016). However, the UK Government is becoming increasingly concerned about the way the charity sector is governed: 'It is vital that we prioritise investing in organisation and development, building stronger leadership and governance' Rob Wilson, Minister for Civil Society (Sharman, 2016). The chair of the Charity Commission has recently warned the sector of the need to have 'proper' governance processes in place to guard against further scandals (Shawcross, 2016). These thoughts are also echoed by governance consultancies in the UK 'Our leading charities have developed the footprint and influence of multinational businesses yet from the information disclosed it appears that their governance frameworks may not have kept pace' (Grant Thornton, 2013).

Methodology

The aim of this study was to analyse and evaluate the 'marketisation' of the UK charity sector and to consider its effect on governance and performance. A robust regression analysis was conducted of financial statement data, taken from a full set of the Charity Commission England & Wales database, over three years from 2011 to 2013. The total income analysed represents £151 billion and constitutes 27,424 sets of financial statements. For further information on the regression model specification and identification of dependent and independent variables please refer to the **APPENDIX** on page 12.

Results

Evidence was found of marketisation and it was shown to be delivering 'loosely coupled' financial efficiencies in the UK charity sector. Results of the regression analysis of the full financial data set showed a weak-form correlation between the level of contract income and operational efficiency, as defined by the traditional passthrough metric, with a 0.9% increase in efficiency observed for a corresponding 10% increase in contract income, significant at 1% (see robust regression results **TABLE III** in the **APPENDIX** on page 17).

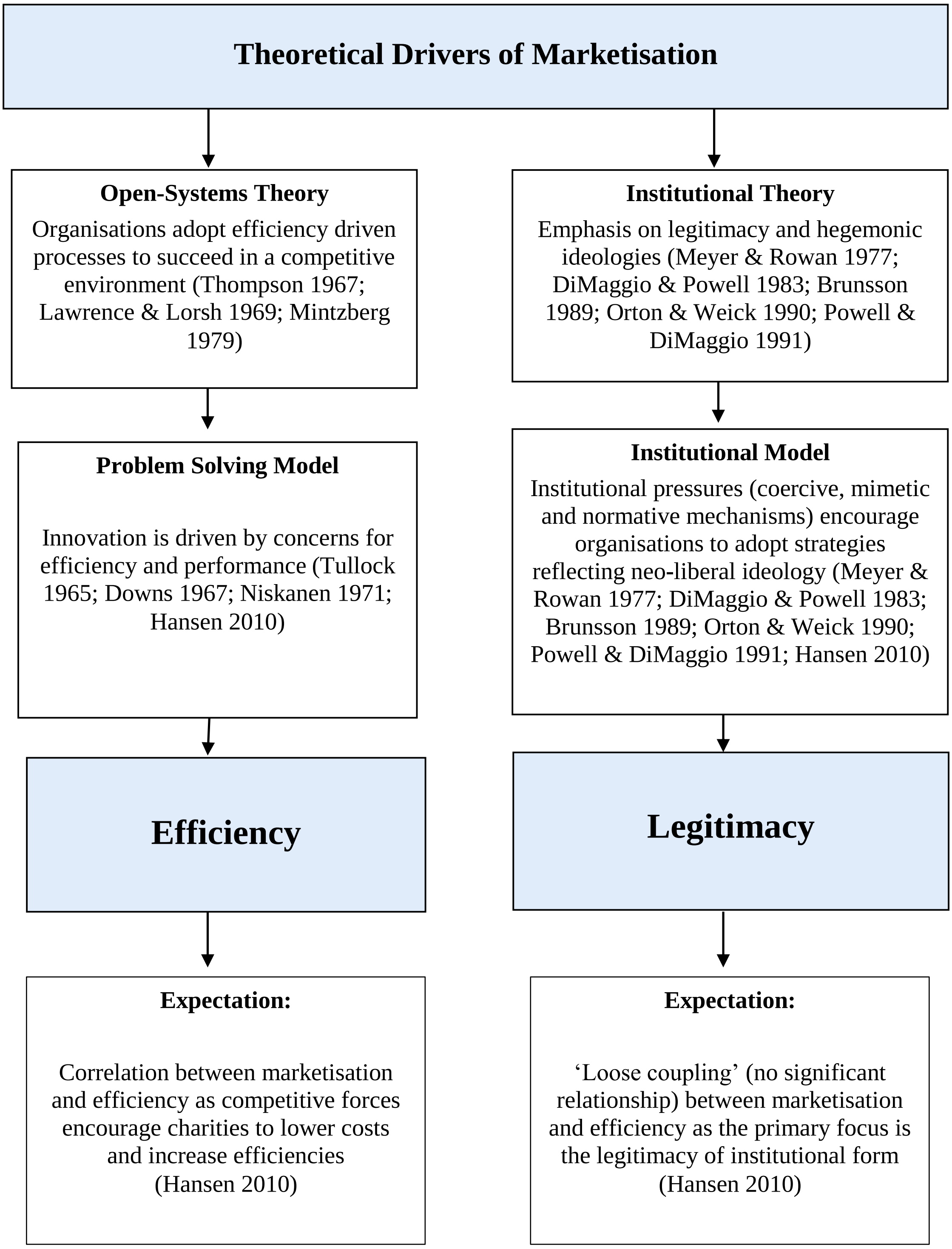
This would suggest that charities driven by contractual obligations are marginally more likely to ensure the majority of income is passing through to beneficiaries rather than cost savings contributing toward surplus funds. It would point toward a focus of attention on charitable goals rather than the commercial behaviour of creating margins. Having to focus on priorities identified by the contract, and provide considerable amounts of performance data under contractual terms and conditions, appears to be to some extent increasing the focus on beneficiary outcomes. However, weak-form and intermittent efficiencies alone do not adequately explain the continuing drive of marketisation in the UK. The institutional model (Meyer & Rowan, 1977; DiMaggio & Powell, 1983; Hansen, 2010) and the need for 'legitimacy of form' provide an explanation for the continued push toward internal markets (see **FIGURE A** on following page).

Ironically, commercially aggressive behaviours within the UK sector have challenged the public's perception of charities. Public trust in charities is at its lowest since records began in 2005 (Weakley, 2016) and they have become the focus of public scrutiny following high profile, fundraising scandals (Information Commissioner's Office, 2016) and organisational failures (BBC, 2016).

The financial regression analysis used the level of advertising expenditure as a proxy indicator of the level of competition experienced by charities. This was based on the premise that costs associated with generating donations, such as advertising expenditure, would rise as charities needed to compete harder for donor income. Correlations were found between levels of advertising and a focus on commercialised behaviour through the pursuit of creating margins (βeta of 0.045***) at the expense of passthrough to beneficiary services (βeta of 1.021***).

The erosion of the distinctive values and ethos of the third sector through mimetic isomorphism was a 'concern' raised around the introduction of the Big Society Initiative in 2010 (House of Commons Public Administration Select Committee, 2011). As the charity sector evolves into a marketised version, isomorphic behaviours may become mimetic rather than normative, as charities imitate commercial behaviours with the aim of improving cost efficiencies, rather than attempting to signal (DiMaggio & Powell, 1983; Meyer & Rowan, 1977) social fitness through the traditional means of lower salaries and suitable 'ethical' behaviours. Results from the financial regression analysis would appear to substantiate this idea. Correlations were found between levels of expenditure on governance and a commercial style emphasis on creating cost efficiencies and margins (βeta of 0.528***) at the expense of passthrough to beneficiaries (βeta of 1.274***).

FIGURE A: Theoretical Drivers of Marketisation



Source: Author

What are the implications for accountability and how might legitimacy be restored to the model?

Research is now incorporating a broader concept of 'accountability' due to a realisation that organisations have an impact on a wider variety of groups in society, and in reflection of this, there has been a broadening of research looking at transparency and stakeholder inclusivity. A charity exists to provide a much-needed service to beneficiaries as key stakeholders. It must fulfil its purpose, and from a legal perspective pursue its objects, in order to remain a going concern. There are no owners of a charity and no residual assets after a dissolution, so we cannot conceptualise this type of organisation in a standard, private sector way. Following this conceptual line suggests validity in the role of government when 'steering' behaviour. There is an oversight void where owner interests or institutional shareholders might play a role in the oversight of corporations in traditional markets. A lack of adequate direction from legislators and regulators could result in organisations developing their own internal versions of governance procedures and 'internal colonisation' (Habermas, 1987).

The role of the trustee in charity governance is changing as the dynamism of the sector increases. The skill set of the trustee board needs to reflect the demanding environment within which it operates and it is important to maintain an awareness of factors that might influence the planning horizon, such as regulatory changes and the risk of reputational damage. 'Executive leadership has improved immeasurably, but board leadership hasn't changed' Sir Stephen Bubb, Chief Executive of ACEVO (Civil Society, 2016). The matter of responsibility and accountability is a major one for a charity trustee. If things go wrong trustees may find themselves personally liable for payment of any financial losses: 'Trustees can be held liable to their charity for any financial loss they cause or help to cause' (Charity Commission, 2015, 32).

However, the professional reputation of a trustee is also damaged when their charities face problems over incurred debt or losses. The financial issues are not the only damages incurred. These risks are likely to act as a deterrent for any potential trustee when considering taking on, what is a very responsible and yet unpaid role: '…they must give enough time, thought and energy to their duties as trustees, and make reasonable use of their skills and experience' (Charity Commission, 2012, 28). There has been a recent 'crisis' of confidence in the UK charity sector, with public trust in charities is at its lowest since records began in 2005, and charities being trusted less than 'members of the general public' (Weakley, 2016). The level of complexity involved in the trustee role, combined with the fact it is a part-time commitment, and the information asymmetry suffered in comparison to executives, leaves them heavily exposed.

Traditionally, charities have benefited from a moral legitimacy bestowed upon them by society because of their philanthropic activity and charitable ethos. The marketisation of the sector, and subsequent changes in behaviour, have eroded public belief in their moral legitimacy. To regain societal legitimacy, a more balanced approach is required, supplementing organisational legitimacy with pragmatic and cognitive forms. Certain stakeholders will not transact with illegitimate organisations and that legitimacy directly affects market access: '…no matter what the components of the marketing mix illegitimate organisations offer, a substantial group of stakeholders will not transact with them' (Deephouse & Suchman, 2008, 64).

Legitimacy Guidelines are abstract constructs embedded within society such as norms, values and social rules (Deephouse & Suchman, 2008). Drawing upon a Habermasian (1984; 1987) approach, these terms add to the general narrative around social constructs and what our society determines to be acceptable behaviour and why. It is interesting to observe that as the regulator (*legitimacy agent*) takes a step back from steering behaviour directly through a definitive governance code, then *legitimacy mediators* (general and social media) become increasingly involved in, and critical of, behaviours exhibited in an attempt to influence charitable organisations and the way they are governed.

Moral legitimacy is not based upon the audiences' self-interest, as in the case of pragmatic legitimacy, but on the audiences socially constructed value system. 'Unlike pragmatic legitimacy, moral legitimacy is "sociotropic" – it rests not on judgements about whether a given activity benefits the evaluator, but rather on judgements about whether the activity is "the right thing to do" (Suchman, 1995, 579). Gaining moral legitimacy may be undertaken through conforming to ideals and setting goals that align with ethical behaviours (Suchman, 1995).

Where organisational action affects an audience, the legitimacy of the action taken is determined by the audience in relation to the consequences for themselves. Hence, Suchman (1995) describes *pragmatic legitimacy* as resting '…on the self-interested calculations of an organisation's most immediate audiences' (Suchman, 1995, 578). Gaining pragmatic legitimacy may be attempted through responding to constituents' needs and demands and building a reputation. Advertising may also be used to promote a specific image and locate friendly audiences (Suchman, 1995).

Cognitive legitimacy is not based on self-interest (pragmatic) or evaluation (moral) but is something that is accepted as necessary or inevitable through a cognitive process (Aldrich & Fiol, 1994). This may be something that is culturally 'taken for granted' and a 'given priority' (Suchman, 1995). Gaining cognitive legitimacy may be attempted through conforming to standards of professionalised behaviour. Certification of confirmation to standards enhances legitimacy (Suchman, 1995).

To gain further cognitive legitimacy charities might formalise operations and operate to higher standards. They might seek greater certification and mimic other organisations perceived to be of high cognitive legitimacy (Suchman, 1995). To increase levels of pragmatic legitimacy charities would need to be more responsive to their 'audiences' by consulting opinion leaders and build reputation by advertising both product and image (Suchman, 1995). This approach is similar to that of another sector with previously high levels of moral legitimacy, the UK banking sector, after the financial crisis in 2008. Banks that were maintained by the state, such as RBS and Lloyds, received new senior management, implemented new practices and reconfigured systems of work (repairing of moral legitimacy) followed by a re-alignment of service to more closely address the needs of customers and greater advertising of the new image (gaining pragmatic legitimacy). Also, greater regulation and stricter accounting and reporting rules were introduced (gaining cognitive legitimacy).

Applying a similar theoretical approach to improving the overall legitimacy of UK charities might prove fruitful. The previous moral legitimacy of charities was significant and therefore levels of both cognitive and pragmatic legitimacy will need to be improved to fill the remaining legitimacy gap.

Once lost, moral legitimacy is slow to rebuild. In his table of strategies Suchman (1995) suggests that repairing moral legitimacy might be achieved through replacing senior management, implementing new practices and reconfiguring systems of work. Whilst this might be a way forward, public trust generally needs time to become re-established. In the interim, charities are faced with a legitimacy gap and stakeholders that are unwilling to transact with them. Referring to the theoretical model and Suchman's strategies, a lower moral legitimacy might be supplemented with higher levels of both cognitive and pragmatic legitimacy.

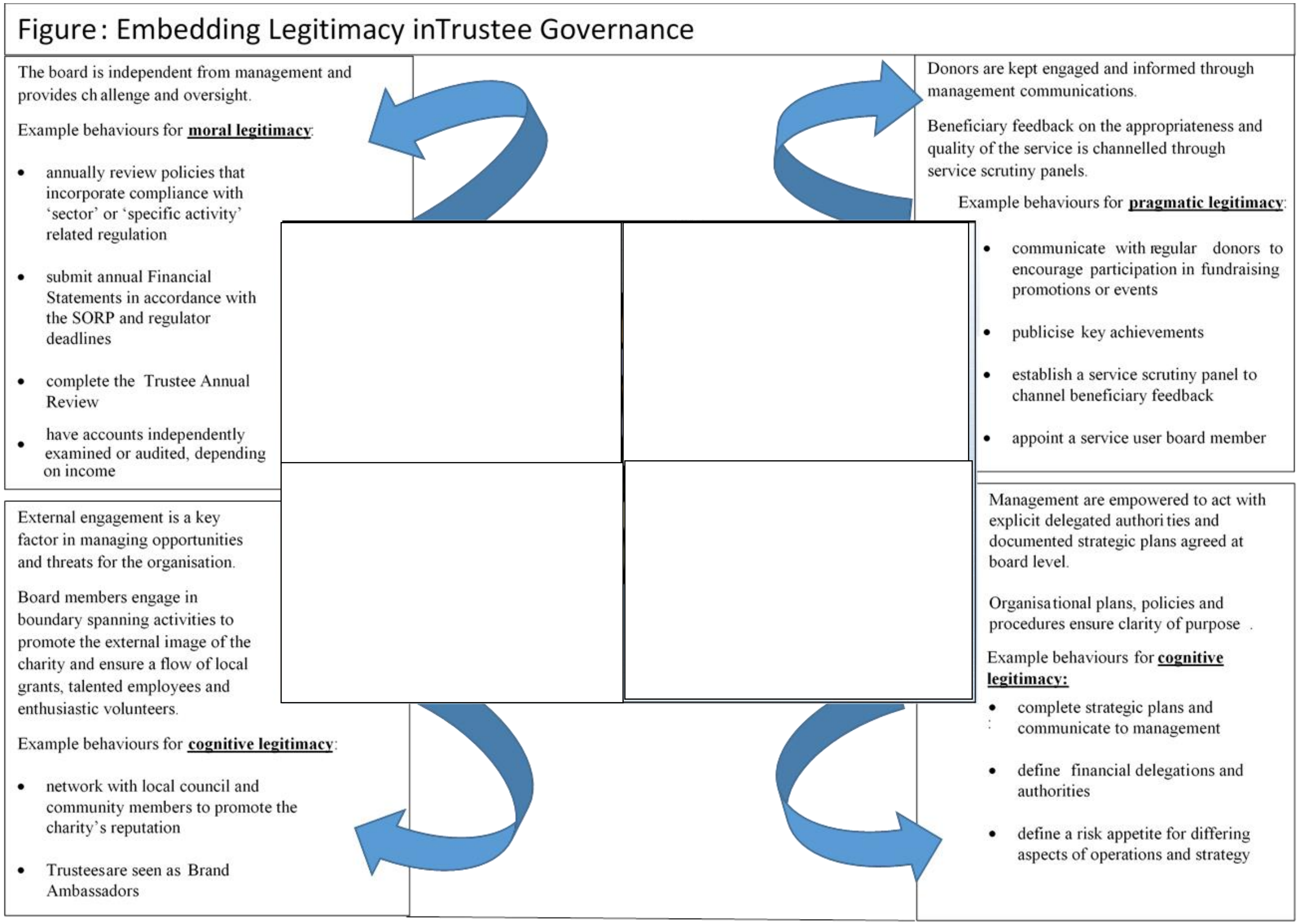
The aim of improving cognitive legitimacy could be behind the drive of some charities to mimic their commercial counterparts' behaviours by becoming formalised and professionalised. For larger charities bidding for public contracts, the ability to deliver formalised and certified levels of service generates greater cognitive legitimacy in the eyes of the contractee, i.e. those governmental offices delivering public services. This would suggest the likelihood of a polarisation of charitable entities, according to their size and level of contracted public service contracts, with these factors causing a commercialisation of larger charities. Concerns over this issue were raised with the introduction of the Big Society 2010 initiative. Exeter Council for Voluntary Services warned of "a larger gulf between large, 'professionalised' or 'corporate' charitable companies, and small, local, entirely voluntary community groups" (House of Commons Public Administration Select Committee, 2011, 18).

Combining a theoretical analysis of trustee roles with Suchman's legitimacy strategies (1995) behaviours may be embedded within organisational practices to help to improve overall legitimacy for UK charities (see **FIGURE B** on the following page).

Pragmatic Legitimacy: *Stakeholder Satisfaction*

Gaining pragmatic legitimacy involves ensuring delivery of what audiences need and demand (Suchman, 1995). Audiences for charities are key stakeholders and so to gain pragmatic legitimacy charities need to be more responsive to key stakeholder wishes. He suggests consulting opinion leaders and co-opting constituents. This is not dissimilar to engaging with service beneficiaries through scrutiny groups (opinion leaders) and creating service user board memberships (co-opting constituents). Also advised is the advertising of both the product, and importantly the image, that is to be projected (Suchman, 1995). He calls for organisations wishing to gain, and maintain, pragmatic legitimacy to 'communicate honestly' and 'stockpile trust'.

FIGURE B: Embedding Legitimacy in Trustee Governance



Source: Author

Interestingly, the strategic model to gain pragmatic legitimacy includes the advice to select the market it wishes to engage in carefully and 'locate friendly audiences' (Suchman, 1995). This might be indicative of the 'mission drift' (Bruce & Chew, 2011) that is experienced by charities tempted into delivering services outside of their core areas due to better contractual terms or safer 'audiences'.

Re-invigorating Moral Legitimacy: *Monitoring & Compliance*

Once established the mission and strategic objectives of the charity are monitored against performance. Conformance with legal and regulatory requirements is observed as the trustee board provide management with effective challenge and oversight (Monitoring & Compliance). Suchman (1995) suggests defining 'goals' that will generate 'proper outcomes'. These could be 'embedded' in policies that reflect moral approaches and practices. Generating behaviours that exhibit 'moral legitimacy' might include the board in setting and reviewing policies to ensure best practice and compliance is maintained. Also, regulatory submissions must be made in accordance with requirements and deadlines. Proper, independent audits are an important part of maintaining moral legitimacy.

Building Cognitive Legitimacy: *External Engagement*

In a dynamic environment, where contracts need to be won and regulatory churn is the norm, trustee boards need to have an outward facing awareness and scan their planning horizon for potential threats and opportunities (External Engagement). The 'stockpiling of interconnections' (Suchman, 1995) is offered as a way of maintaining cognitive legitimacy and this translates into networking with important contacts to ensure a ready flow of local grants, contracts, talented employees and enthusiastic volunteers. New models of working are 'popularised' through promotion of the charity's proactive image.

Building Cognitive Legitimacy: *Empowerment to Manage*

In large and complex charities, the trustee board needs to not only set the strategic position, but also provide the framework of policies, delegations and risk management priorities that will empower management to successfully run the organisation at an operational level (Empowerment to Manage). The 'formalisation' and 'professionalisation' of operations is suggested by Suchman (1995) as a way to supplement cognitive legitimacy. Strategic plans are formalised and made explicit as management is empowered to act without referral to the board. Levels of authority and financial delegation are also formalised. Professional practices are engaged to define risks and how they should be mitigated.

Although attempting to re-affirm moral legitimacy, through evidence of organisational integrity in *Monitoring & Compliance* is an obvious approach, as is *Empowering Management* through the formalisation of governance processes, it is important that charities emphasise their own values in these attempts, rather than mimic their commercial counterparts. A focus on achievement of organisational objectives, and the use of a 'golden thread' approach to embed processes that retain a focus on what is important to charities might be useful. In this way, the formalisation of governance structures adds to cognitive legitimacy, as something that is 'accepted to be necessary'.

Conclusions

The UK charity sector is under threat from reputational damage and a crisis of public confidence. Accountability is demanded regarding the significant flow of public funds into the sector. Protection for the sector can be achieved, not through a shielded, laissez-faire approach to governance, but conversely through the integrity of robust practices. Governance structures and internal control can provide those in positions of responsibility with comfort and assurance that they are doing what is expected and required of their position, and afford them some defence if things go wrong. There is societal demand for adequate regulation in the charity sector, not least due to the special allowances enjoyed by charities, such as tax relief and a lighter touch legal framework. The public need to have confidence that increasingly commercialised larger charities are deserving, not only their donations, but also the significant fiscal and statutory benefits bestowed upon them.

Public trust needs time to be re-established. Charities are faced with a legitimacy gap and stakeholders that are unwilling to transact with them (Deephouse & Suchman, 2008). Developing the application of Suchman's legitimacy strategies (1995), it could be shown that a lower moral legitimacy might be supplemented with higher levels of both cognitive and pragmatic legitimacy. Combining a theoretical analysis of trustee roles with Suchman's legitimacy strategies (1995) it is possible to construct a set of example behaviours that may be embedded within organisational practices to help to improve overall perceived legitimacy for UK charities.

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APPENDIX

Linear Regression Model Specification

Linear regression is used to analyse panel data for the years 2011-2013 and measure the effect of the independent variables on charity performance.

The following data model was estimated prior to the findings:

$$PERF = \alpha + \beta 1\ CONT + \beta 2\ LEV + \beta 3\ VOL + \beta 4\ GOV$$
$$+ \beta 5\ ADV + \beta 6\ SIZE + \sum_{i=1}^{T} \beta\ Sect\ i + e$$

Dependent Variables *(DV)*

There are two dependent variables included in this data analysis as proxies for performance (PERF):

DndV1. Allocative efficiency [aEFF]

Reflecting the utilisation of charity funds for beneficiary services

$$= \frac{\text{Total costs of charitable activity provision}}{\text{Total revenue}}$$

A ***higher percentage*** indicates a greater allocative efficiency.

In terms of the regression model it would be expected that where we see a positive correlation between [aEFF] and the independent variables this would indicate a *positive* correlation with performance. Donors typically want to see a high passthrough ratio, which represents the proportion of a charity's income that is ultimately distributed to beneficiaries, and this is a standard indicator within the charity sector of how organisations are performing (Hyndman & Jones, 2011).

DndV2. Technical efficiency

Percentage of operating expenses compared to total revenue

$$= \frac{\text{Total operating expenses}}{\text{Total revenue}}$$

A ***lower percentage*** indicates a greater technical efficiency.

In terms of the regression model it would be expected that where we see a positive correlation between [tEFF] and the independent variables this would indicate a <u>*negative*</u> correlation with performance. The use of this particular metric represents more of a commercial approach to performance. The idea, of not expending all incoming resources, supports the concept of generating an accounting surplus or profit and is so inherently capitalistic in its nature.

Independent Variables *(IndV)*

TABLE I provides a summary of the independent variables in the regression model with their mode of calculation and rationale for inclusion in the model.

TABLE I: Independent Variables in the Regression Model

Independent Variable	Description
CONT	Proportion of income derived from charitable contracts
LEV	Proportion of debt to total assets
VOL	Proportion of total workforce comprised from volunteers
GOV	Proportion of total expenditure assigned to governance
ADV	Proportion of expenditure to facilitate voluntary income
SIZE	Control for size: Ln(TA) Reflection of size using total assets (natural log) Ln(TINC) Reflection of size using total income (natural log)
SECT	Control for sector: Charity Commission classifications ranging from 101 to 116

IndV1. Contract Income (CONT)

Proportion of income derived from charitable contracts defined as:

$$= \frac{\text{Charitable contract income}}{\text{Total income}}$$

Independent Variable [CONT]: Rationale for Inclusion in the Model

The marketisation trend in the UK echoes that of other developed western economies, such as the US, where market-based principles have been applied to reform public services (Eikenberry & Kluver, 2004). Whereas previously statutory funding was delivered by way of grants, now the move is toward the use of contracts (McKay *et al*., 2015). In 2009, NCVO identified that 70% of all government funding in this area was delivered via fulfilment of a contract. The proportion of income derived through contractual obligations is an indicator of the level of marketisation (Bruce & Chew, 2011) experienced by charitable organisations. The changes in government funding of charities, which has moved from grants to contracts, has been accompanied by greater performance monitoring (Cornforth, 2003). The introduction of market-like mechanisms was ultimately to improve performance.

Inclusion of this variable tests for correlation between increased marketisation and improved performance.

IndV2. Leverage (LEV)

Proportion of debt defined as:

$$= \frac{\text{Long term debt}}{\text{Total net assets}}$$

Independent Variable [LEV]: Rationale for Inclusion in the Model

There is an argument that organisations holding debt are monitored and evaluated by the debtholders, and so this provides an additional governance mechanism, through this set of key stakeholders (Reddy *et al.*, 2013; Agrawal & Knoeber, 1996; Begley & Feltham, 1999; Jensen, 1986). The proposition is that the additional governance associated with debt leads to greater operational efficiency.

Independent Variable [GOV]: Rationale for Inclusion in the Model

Bruce & Chew (2011) suggest that charities may need to adopt private sector governance and management systems to remain economically viable.

Inclusion of this variable tests for improvements in performance generated through a greater organisational focus on governance.

IndV5. Advertising and non-trading fundraising (ADV)

Proportion of expenditure used to facilitate voluntary income defined as:

$$= \frac{\text{Voluntary income costs}}{\text{Total operational expenditure}}$$

Independent Variable [ADV]: Rationale for Inclusion in the Model

Hind states that the annual income of charities in England and Wales alone was in excess of £50 billion in his paper of 2011. This has created an increasingly competitive 'market' for charities in terms of attracting donors, other funding, volunteers and sector specific resources. It is speculated whether increased competition, through such marketisation, leads to greater operational efficiency. The proxy used for competition is the level of costs associated with raising donations, such as advertising expenditure, which should rise as charities compete for donor income. Inclusion of this variable tests for improvements in performance generated through increased competition in the sector.

IndV6a. Control for Size - ASSETS (Ln (TA))

Reflection of size using total assets defined as:

Natural log (Ln) of Total assets

IndV6b. Control for Size - Income (Ln (TINC))

Reflection of size using total income defined as:

Natural log (Ln) of Total income

Controls for size *(Ln (TA) and (Ln (TINC)*: Rationale for inclusion in the model

The data set represents financial information from around 8,000 charities over the three years from 2011-13. The total number of charity-years is 27,424. Within this set the size of organisations varies considerably. To control for size within the model two measures are introduced: Total Assets (TA); and Total Income (TINC).

TABLE II: Descriptive Statistics of the Full Financial Data Set

Variable	Mean	Median	Minimum	Maximum	Interquartile range
Dependent					
tEFF	1.16	1.11	-0.31	68.90	0.99-1.27
aEFF	0.84	0.90	-0.53	60.02	0.72-0.98
Control					
CONT	0.50	0.56	0.00	1.02	0.00-0.94
LEV	0.47	0.00	-0.10	1,589	0.00-0.04
VOL	0.18	0.00	0.00	1.00	0.00-0.25
GOV	0.02	0.01	-1.63	1.00	0.00-0.02
ADV	0.034	0.000	-0.19	1.66	0.00-0.02
Size					
TINC	£ 5,495,812	£ 1,404,885	£0	£ 951,392,000	£0.79bn-£3.6bn
TA	£ 12,901,623	£ 1,443,850	£0	£ 15,041,152,752	£0.45bn-£5.74bn

CONT is the proportion of total income derived from charitable contracts.
LEV is the proportion of long term debt against total assets.
VOL is the proportion of total workforce comprised of volunteers.
GOV is the proportion of total expenditure assigned to governance.
ADV is the proportion of expenditure used to generate voluntary income
Ln (TINC) is the natural log of the charity's total income.
Ln (TA) is the natural log of the charity's total assets.

TABLE III: Robust Regression Results: Full Financial Data Set

	aEFF β	Std. Error	tEFF β	Std. Error
Intercept	*1.060***	0.012	*1.370****	0.020
(*t*-value)	*(88.48)*		*(68.85)*	
CONT	*0.085 ****	0.003	*0.076****	0.004
(*t*-value)	*(33.34)*		*(18.00)*	
LEV	*-0.001****	0.000	*0.000*	0.000
(*t*-value)	*(-8.56)*		*(-1.15)*	
VOL	*-0.025****	0.003	*0.041****	0.005
(*t*-value)	*(-8.62)*		(8.48)	
GOV	*-1.273***	0.017	*-0.528****	0.027
(*t*-value)	*(-76.88)*		*(-19.22)*	
ADV	*-1.021****	0.009	*-0.045****	0.016
(*t*-value)	*(-109.15)*		*(-2.92)*	
Ln(TINC)	*0.003****	0.001	*-0.017****	0.002
(*t*-value)	*(2.92)*		*(-10.28)*	
Ln(TA)	*-0.016****	0.001	*-0.001*	0.001
(*t*-value)	*(29.84)*		*(-0.81)*	
Residual Standard Error	*0.127*		*0.210*	
Degrees of freedom	27,400		27,400	

CONT is the proportion of total income derived from charitable contracts.
LEV is the proportion of long term debt against total assets.
VOL is the proportion of total workforce comprised of volunteers.
GOV is the proportion of total expenditure assigned to governance.
ADV is the proportion of expenditure used to generate voluntary income
Ln (TINC) is the natural log of the charity's total income.
Ln (TA) is the natural log of the charity's total assets.
*,**,*** significant at the 10, 5 and 1 percent levels respectively

TABLE IV: Pairwise correlation of independent variables for full, financial data set

Correlations

		Cont	Lev	Vol	Gov	Ln (TINC)	Ln (TA)	Adv	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116
Cont	Pearson Correlation	1																						
	Sig. (2-tailed)																							
	N	27424																						
Lev	Pearson Correlation	.002	1																					
	Sig. (2-tailed)	.803																						
	N	27424	27424																					
Vol	Pearson Correlation	-.035**	-.010	1																				
	Sig. (2-tailed)	.000	.087																					
	N	27424	27424	27424																				
Gov	Pearson Correlation	-.116**	-.002	-.027**	1																			
	Sig. (2-tailed)	.000	.732	.000																				
	N	27424	27424	27424	27424																			
Ln(TINC)	Pearson Correlation	.149**	.005	-.088**	-.137**	1																		
	Sig. (2-tailed)	.000	.415	.000	.000																			
	N	27424	27424	27424	27424	27424																		
Ln(TA)	Pearson Correlation	-.088**	-.050**	-.087**	-.018**	.549**	1																	
	Sig. (2-tailed)	.000	.000	.000	.003	0.000																		
	N	27424	27424	27424	27424	27424	####																	
Adv	Pearson Correlation	-.262**	-.008	.072**	.004	-.031**	-.048**	1																
	Sig. (2-tailed)	0.000	.207	.000	.510	.000	.000																	
	N	27424	27424	27424	27424	27424	####	27424																
101	Pearson Correlation	-.124**	-.006	.057**	.028**	-.115**	-.030**	.012*	1															
	Sig. (2-tailed)	.000	.308	.000	.000	.000	.000	.047																
	N	27424	27424	27424	27424	27424	####	27424	27424															
102	Pearson Correlation	.122**	.002	-.032**	-.026**	.079**	-.014*	-.046**	.015*	1														
	Sig. (2-tailed)	.000	.765	.000	.000	.000	.019	.000	.015															
	N	27424	27424	27424	27424	27424	####	27424	27424	27424														
103	Pearson Correlation	-.111**	-.013*	.095**	.004	-.004	.014*	.076**	.083**	-.017**	1													
	Sig. (2-tailed)	.000	.038	.000	.528	.556	.022	.000	.000	.005														
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424													
104	Pearson Correlation	.064**	-.008	.072**	-.023**	-.016**	-.033**	.012*	.117**	.003	.335**	1												
	Sig. (2-tailed)	.000	.196	.000	.000	.007	.000	.040	.000	.600	0.000													
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424												
105	Pearson Correlation	-.123**	.000	.052**	.023**	-.067**	-.035**	.002	.270**	.073**	.176**	.164**	1											
	Sig. (2-tailed)	.000	.985	.000	.000	.000	.000	.784	0.000	.000	.000	.000												
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424											
106	Pearson Correlation	-.193**	-.006	-.019**	.008	.021**	.025**	.051**	.121**	.076**	.155**	.072**	.323**	1										
	Sig. (2-tailed)	.000	.311	.002	.193	.000	.000	.000	.000	.000	.000	.000	0.000											
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424										
107	Pearson Correlation	.152**	.016**	-.029**	-.017**	.057**	.072**	-.050**	.046**	-.084**	.096**	.196**	.226**	.048**	1									
	Sig. (2-tailed)	.000	.008	.000	.006	.000	.000	.000	.000	.000	.000	.000	0.000	.000										
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424									
108	Pearson Correlation	-.247**	-.005	-.063**	.024**	-.053**	.100**	.005	.067**	-.043**	-.062**	-.096**	.165**	.237**	.003	1								
	Sig. (2-tailed)	0.000	.412	.000	.000	.000	.000	.421	.000	.000	.000	.000	.000	0.000	.625									
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424								
109	Pearson Correlation	-.076**	-.010	.054**	.005	-.028**	-.011	.001	.054**	.170**	-.040**	-.011	-.017**	.001	-.052**	-.033**	1							
	Sig. (2-tailed)	.000	.100	.000	.429	.000	.063	.869	.000	.000	.000	.062	.005	.916	.000	.000								
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424							
110	Pearson Correlation	.001	-.004	.033**	-.005	-.048**	-.060**	.002	.128**	.122**	.071**	.149**	.079**	.017**	.060**	.001	.246**	1						
	Sig. (2-tailed)	.899	.509	.000	.404	.000	.000	.692	.000	.000	.000	.000	.000	.005	.000	.806	0.000							
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424						
111	Pearson Correlation	-.103**	-.005	.025**	.006	-.005	.040**	.054**	.010	.013*	-.005	-.004	-.015*	.023**	-.026**	-.023**	.032**	.045**	1					
	Sig. (2-tailed)	.000	.419	.000	.356	.407	.000	.000	.099	.026	.382	.556	.012	.000	.000	.000	.000	.000						
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424					
112	Pearson Correlation	-.084**	-.004	.057**	.015*	-.005	.059**	.017**	.055**	.115**	-.017**	-.011	.045**	.046**	-.016**	-.048**	.284**	.141**	.229**	1				
	Sig. (2-tailed)	.000	.502	.000	.015	.442	.000	.006	.000	.000	.005	.070	.000	.000	.008	.000	0.000	.000	0.000					
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424				
113	Pearson Correlation	.039**	.001	.063**	.000	-.039**	-.097**	-.006	.191**	.212**	.098**	.175**	.290**	.125**	.121**	-.060**	.144**	.236**	.032**	.231**	1			
	Sig. (2-tailed)	.000	.861	.000	.945	.000	.000	.309	.000	.000	.000	.000	0.000	.000	.000	.000	.000	0.000	.000	0.000				
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424			
114	Pearson Correlation	-.054**	-.002	-.026**	-.003	.007	.052**	-.004	.037**	-.016**	.041**	.045**	.020**	.000	.048**	.013*	.039**	.073**	.053**	.074**	.001	1		
	Sig. (2-tailed)	.000	.717	.000	.661	.259	.000	.531	.000	.007	.000	.000	.001	.950	.000	.026	.000	.000	.000	.000	.883			
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424		
115	Pearson Correlation	-.037**	-.002	.044**	-.006	-.028**	-.028**	.014*	.092**	.071**	.078**	.094**	.133**	.124**	.048**	.043**	.064**	.046**	.013*	.086**	.149**	.046**	1	
	Sig. (2-tailed)	.000	.680	.000	.299	.000	.000	.016	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.030	.000	.000	.000		
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	
116	Pearson Correlation	.011	-.004	.075**	-.010	-.030**	-.028**	-.009	.065**	.077**	.051**	.094**	.033**	-.009	.026**	-.011	.166**	.293**	.048**	.133**	.129**	.089**	.140**	1
	Sig. (2-tailed)	.069	.519	.000	.113	.000	.000	.158	.000	.000	.000	.000	.000	.153	.000	.060	.000	0.000	.000	.000	.000	.000	.000	
	N	27424	27424	27424	27424	27424	####	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424	27424

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

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