Corporate social responsibility and profitability: trade-off or synergy

Perceptions of executives of FTSE All-Share companies

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Abstract

Purpose – An abundance of academic studies have been devoted to the investigation of corporate social responsibilities, and although the business world seems to have accepted the general idea that it should be socially responsible, it has never been asked what executives perceive their social responsibilities to be. Additionally, extensive research in an attempt to identify the relationship between corporate social and financial performance by investigating companies' annual and financial reports has shown largely inconclusive results. This paper therefore aims to investigate the insights of corporate executives on both the issues of the social responsibilities of business and the link between corporate social responsibility (CSR) and financial performance. With respect to corporate executives, the authors investigated if there are differences between the perceptions of executives of FTSE 100 and FTSE All-Share.

Design/methodology/approach – The data was collected via online survey and semi-structured interviews with the executives of FTSE All-Share companies. Out of 531 executives, the authors received 82 responses of a response rate of 17 per cent. They contacted 178 executives representing FTSE 100 companies and received 29 responses of a response rate of 17.6 per cent. In order to build a phenomenological approach to this study, the authors interviewed four executives to document their opinions and thoughts.

Findings – The results indicate that the business world holds a narrow view of its social responsibilities whilst maintaining that it is possible to be both profitable and respectful to its stakeholders. The analysis also reveals that socially responsible businesses employ CSR in pursuit of their commercial interests and consider it to be their competitive advantage. Moreover, the business seems to have integrated CSR into all its operations and activities and considers it as a necessity rather than luxury, which suggests that CSR and financial performance are in synergy.

Originality/value – One major contribution of this study is the difference analysed between perceptions of executives of FTSE 100 and other FTSE All-Share companies on whether CSR policies and activities are implemented only when extra financial resources are available. This might suggest that FTSE 100 companies are more likely to have already integrated CSR into their business strategy and therefore devote financial resources to their CSR programs. Other FTSE All-Share companies, in contrast, might still be regarding CSR as an add-on and therefore spend monies on CSR only when they have extra financial resources available. The similar explanation can be offered for the difference between perceptions of executives of FTSE 100 and other FTSE All-Share companies as to whether implementation of CSR policies and activities will increase overheads, increase share prices in the following years and help raise new capital.

Keywords Corporate social responsibility (CSR), Profitability, Perception, Executive, Stakeholders, FTSE companies, Social responsibility, Profit

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1. Introduction

The idea of social responsibility of business has evolved greatly since the 1950s (Carroll and Shabana, 2010, p. 86). During its development numerous:

> [. . .] competing, complementary and overlapping concepts such as corporate citizenship, business ethics, stakeholder management and sustainability [. . .] [appeared, however,] the concept of corporate social performance (CSP) has become an established umbrella term which embraces both the descriptive and normative aspects of the field, as well as placing an emphasis on all that firms are achieving or accomplishing in the realm of social responsibility policies, practices and results.

Additionally, the CSP concept is employed by those researchers who investigate the relationship between social responsibility and financial performance (Lee, 2008). Stakeholder management, on the other hand, is regarded as the practical means companies use to fulfil their social responsibilities (Hine and Preuss, 2009). However, it is still not clear as to which stakeholders should be included into business decision-making and what their status is (Hine and Preuss, 2009), i.e. the dichotomy of the narrow and wide stakeholder approaches still exists.

Numerous researchers attempted to identify the relationship between CSP and corporate financial performance (CFP) but found their results varying from positive relationship to inconclusive results (Roman *et al.*, 1999; Margolis and Walsh, 2003; Orlitzky *et al.*, 2003). Although the majority of studies found a positive relationship, "[w]hat appears to be a definite link between CSP and CFP may turn out to be more illusory than the body of results suggests" (Margolis and Walsh, 2003, p. 278). This is due to a number of reasons: the problem of measuring (CSP) (Waddock and Graves, 1997); omission of control variables which influence significantly the CFP (McWilliams and Siegel, 2000); "over reliance on negative screening processes to establish the sample; [. . .] the inclusion of limited number of accounting and market performance variables; small sample sizes; and short analysis periods" (Lee *et al.*, 2009, p. 23); "lack of a theoretical foundation, lack of a comprehensive systematic measure of CSP, lack of methodological rigor, sample size and composition limitations, and mismatch between social and financial variables" (Ruf *et al.*, 2001, p. 144).

This has given rise to an opinion that dimensions of corporate performance, i.e. social and financial, require a trade-off (Walley and Whitehead, 1994; Margolis and Walsh, 2003; Hahn *et al.*, 2010) and therefore the validity of the "win-win paradigm", i.e. that companies can be socially responsible and financially successful at the same time, should be reconsidered. Other researchers, such as Wood (2010, p. 58), persist:

> Why is it that scholars and managers alike think in terms of "social" vs "financial" performance? The trade-off that Aupperle (1984) found in the way managers think about economic and ethical responsibilities is what Freeman (1994) and Wicks (1996) refer to as the "separation thesis": the mistaken idea that one can make business decisions distinct from ethical ones [. . .].

She therefore argues a firm's financial performance is just one dimension of its social performance. In this study we investigate the insights of corporate executives on both the issues of the social responsibilities of business and the link between corporate social responsibility (CSR) and financial performance.

2. Literature review

The concept of CSR was first defined in 1953 by Bowen. According to him CSR is:

> [. . .] the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowen, 1953, cited in *Rhetoric and Realities: Analysing Corporate Social Responsibility in Europe (RARE)*, 2005, p. 6).

According to Lee (2008) the concept of CSR has gone through several stages of development: social responsibilities of businessmen in the 1950-1960s; enlightened self-interest in the 1970s; corporate social performance model in the 1980s and strategic management in the 1990s. Carroll (1999) defines stages differently:

> [. . .] the modern era of social responsibility begins: the 1950s; CSR literature expands: the 1960s; definitions of CSR proliferate: the 1970s; the 1980s: fewer definitions, more research, and alternative themes; the 1990s: CSR further yields to alternative themes.

The rationale for looking at the history of the development of the CSR concept is that of understanding the developmental changes in conceptualisation of CSR as a practice. The theoretical developments over the decades have given the impetus for academics to explore the nature of CSR from a much more practical stance; hence this study is one such contribution to the body of knowledge. Development of CSR concept can be presented schematically in Table I.

Of particular interest for this study is the research in 2000-2011 as it concentrates on reviewing the papers which attempt to find a relationship between CSP and CFP.

The literature investigating the link between CSP and CFP published to date is extensive and can be classified according to the purpose of the research or the methods used which are as follows: research investigating direction of the causality between CSP and CFP; research investigating the nature of the relationship between CSP and CFP (i.e. positive, negative or neutral); research employing different set of CSP and CFP measures; research employing different set of control variables (Callan and Thomas, 2009). The first paper investigating accounting and market performance measures in the 1980s was that of Chen and Metcalf (1980) who argued that the conclusion reached by Spicer (1978) was not definitive and the relationship between CSP and CFP could be explained by the existence of intervening variables which were not adjusted for in the analysis by Spicer (1978). Their research showed that size of the company does in fact affect financial performance measures. The authors also stressed that this is not the only variable which intervenes in the relationship between CSP and CFP. This makes them conclude that relationship between CSP and CFP is non-significant.

Cochran and Wood (1984) also noted that the omission of control variables can result in inaccurate results. They also criticised previous studies for looking at a small sample size; accounting measures such as EPS and P/E which can be calculated differently according to accounting practices of the company; or market measures such as total returns to shareholders which fail to take account of the risk of the company. Therefore, for the purpose of the study of the relationship between CSP and CFP they employed the following accounting measures: the ratio of operating earnings to assets, the ratio of operating earnings to sales and excess market valuation, controlling for industry of the company. They also employ two additional variables namely asset age and asset turnover. The results of their study show that asset age is in fact strongly correlated with CSP and therefore cannot be omitted from the analysis of the link between CSP and CFP.

Table I. Development of CSR concept

CSR development				
1950-1970 →	1970-1980 →	1980-1990 →	1990-2000 →	2000-2011
Identifying what CSR means and how important it is for business and society	Rationale for being socially responsible and first CSR frameworks	Expansion of CSR research and development of alternative themes	Further development of alternative themes	New research
Abrams (1951): business to take into account interests of various groups Bowen (1953): defines social responsibilities of businessmen	Wallich and McGowan (1970): develop enlightened self-interest model Committee for Economic Development (1971): business to serve the needs of the society as the latter consents to business operating. Concentric circles model of CSR	Jones (1980): CSR is a process, not an outcome Tuzzolino and Armandi (1981): framework to assess corporate social performance, based on Maslow's hierarchy of human needs	Carroll (1991): introduces the pyramid of corporate social responsibility Wood (1991): criticises CSP models by Carroll (1979) and Wartick and Cochran (1985) and produces her model of CSP	Schwartz and Carroll (2003): introduce the intersecting circles model of CSR Margolis and Walsh (2003), Hahn *et al.* (2010): suggest a trade-off between CSP and CFP. Samy *et al.* (2010) identifies a causal link between CSP and CFP
Frederick (1960): identifies five conditions for business to satisfy to be socially responsible	Davis (1973): business to be socially responsible for its long-term interest	Strand (1983): model relating CSR and corporate environment	Clarkson (1995): applies stakeholder theory to evaluate CSP	Pedersen and Neergard (2009), Pedersen (2010, 2011), Cacioppe *et al.* (2008), Hine and Preuss (2009) explore perceptions on CSR
Davis (1960): defines CSR	Sethi (1975): CSR framework to classify corporate behaviour. Introduces the term "corporate social performance" Carroll (1979): three-dimensional model of corporate social performance Attempts are made to find the relationship between CSR and CFP	Freeman and Reed (1983), Freeman (1984): develops stakeholder theory, defining narrow and wide view of stakeholders Drucker (1984): introduces "doing well by doing good" Research into relationship between CSR and CFP expands	Berman *et al.* (1999): suggest strategic and intrinsic stakeholder management models Research into relationship between CSR and CFP becomes the main theme	Research into relationship between CSR and CFP is still popular

However, even controlling for industry, asset age and asset turnover, the authors did not find a strong link between CSP and CFP.

Along with the growth of the literature on the concept of CSR and on the link between CSP and CFP, there was a development of the research on the managers' perceptions of CSR. It was recognised that managers are the main players influencing the implementation of new strategies or techniques (Harrison and Freeman, 1999). A few papers were published including Holmes (1976), Agle *et al.* (1999), Weaver *et al.* (1999a, b), Waddock *et al.* (2002), Simerly (2003), Quazi (2003), Fernandez *et al.* (2006), Cacioppe *et al.* (2008), Hine and Preuss (2009), Pedersen and Neergard (2009) and Pedersen (2010, 2011). The small number of papers available shows the relative scarcity and under-development of this direction of research on CSR (Cacioppe *et al.*, 2008; Hine and Preuss, 2009).

Pedersen and Neergard (2009) and Pedersen (2010, 2011) published three papers on managers' perceptions of social responsibilities of business towards society, and in Pedersen and Neergard (2009) concluded, that executives consider products, people and communities as the business' prime social responsibilities, i.e. employ a narrow view of stakeholders. According to the authors there is clearly a conflict between ethical and instrumental reasons for pursuing CSR. The research makes the authors conclude:

> [. . .] that CSR is not just a question of instrumentalism or altruism, shareholders or stakeholders, public relations (PR) or genuine commitment. Instead, the managerial perceptions of CSR are characterised by a great deal of heterogeneity (Pedersen and Neergard, 2009, p. 1274).

Pedersen (2010) further stated that managers still distinguish between social and financial responsibilities of business. An earlier paper on stakeholder relationships by Agle *et al.* (1999) found a traditional, or narrow, view of business responsibilities towards stakeholders. The authors also looked at two types of values the managers possess, namely "profit-maximisation-firm-centred" values and "other-regarding-system-centred" with the latter positively affecting social performance and negatively affecting financial performance of the company. However, the study found no significant relationship between the values of managers and social and financial performance of the company. In the study by Valentine and Fleischman (2008) on the relationship between professional ethical standards, CSR and perceived role of ethics and social responsibility, it was concluded that professional ethics standards influence attitudes to CSR and therefore influence the corporate implementation of CSR policies and practices.

Therefore, in the present paper we attempt to find a link between the CSP and CFP by exploring the perceptions of executives of the FTSE All-Share companies. The following research questions have been formulated:

RQ1. What are the social responsibilities of a business according to the perceptions of executives of FTSE All-Share companies?

RQ2. What is the nature of the relationship between CSP and CFP according to the perceptions of executives of FTSE All-Share companies?

RQ3. Is there a trade-off between CSP and CFP according to the perceptions of executives of FTSE All-Share companies?

RQ4. Is there a difference between the perceptions of executives of FTSE100 and executives of FTSE All-Share (excluding FTSE100)?

RQ5. Is there a difference in perceptions of CSR executives and non-CSR executives?

3. Research methodology

In order to answer the research questions, a survey research methodology was adopted. The research aims to contribute to the debate as to what stakeholder approach is used by companies, i.e. narrow or wide, and whether there is a trade-off between social and financial performances or whether financial performance is a subcategory of social performance. The data was collected via online questionnaire and semi-structured interviews with selected survey participants.

The data was collected via online questionnaire (Appendix 1) in the period of three months from September 2011 to November 2011. A five-point Likert scale is used for each statement where 1 – disagree strongly, 2 – disagree slightly, 3 – neutral, 4 – agree slightly, 5 – agree strongly. In order to gain an in-depth understanding of the perceptions of executives on CSR, semi-structured telephone interviews were conducted (the questions covered are presented in Appendix 2). The interviews were conducted in December 2011 with the average duration of the interview being 30 min. Research participants were executives of FTSE All-Share companies. Executives chosen for the participation in the research include the following: chief officers (executive, financial, production, etc.); directors (executive, finance, production, etc.); company secretaries; CSR/corporate responsibility/sustainability directors/executives/managers; PR executives; investor relations (IR) executives. The researchers did not isolate the characteristics of the business or structure of the corporation as we felt that they would not be relevant to the study. However, due to the philosophical design of the study, it was important that we identified the positions of the executives (Appendix 3).

In order to answer *RQ1* (what are the social responsibilities of business) we devised Section 1 of the questionnaire. It explores perceptions of executives on social responsibilities of business, ranging from shareholders' wealth maximization to tackling wider problems such as poverty reduction. The papers which investigated perceptions of managers on social responsibilities of business were those of Cacioppe *et al.* (2008), Hine and Preuss (2009), Pedersen and Neergard (2009) and Pedersen (2010, 2011).

In order to answer *RQ2* (what is the nature of the relationship between CSR and CFP) the authors has developed Section 2 of the questionnaire. It explores the perceptions of executives on the relationship between CSR and CFP where CSR is presented as CSR policies and activities and CFP is presented by a number of accounting and market measures of corporate financial performance (ranging from sales volumes and prices to EBIT and EPS). In order to answer *RQ3* (whether there is a trade-off or synergy between CSR and CFP), the author has formulated Sections 3-6 of the questionnaire. It explores the perceptions of executives on the existence of trade-offs between CSR and CFP. No prior research concentrated on exploring the perceptions of managers on the relationship between CSR and CFP. However, few studies concentrated on the question of the trade-off, namely Walley and Whitehead (1994), Margolis and Walsh (2003) and Hahn *et al.* (2010).

In order to answer *RQ4* (whether there is a difference between perceptions of executives of FTSE100 and executives of FTSE All-Share (excluding FTSE100)) we divided the participants of the research into two groups as follows: FTSE100 executives and FTSE All-Share (excluding FTSE100) executives. The email forwarded to the executives of FTSE100 contained a link to the online questionnaire as follows: www.surveymonkey.com/s/ZZR8JT8; the email forwarded to the executives of FTSE All-Share companies (excluding FTSE100) contained a link to the online questionnaire as follows: www.surveymonkey.com/s/RBXBH7L. Therefore, the responses from the two groups of companies are accumulated in the two separate files. Prior research on the managers' perceptions on CSR (such as Cacioppe *et al.*, 2008; Hine and Preuss, 2009; Pedersen and Neergard, 2009; Pedersen, 2010, 2011) was not conducted among the UK companies.

In order to answer *RQ5* (whether there is a difference in perceptions of CSR executives and non-CSR executives) we asked the respondents to indicate their position in the company which allows to divide them into two groups as follows: CSR executives (which include CSR/corporate responsibility/sustainability directors/executives/managers) and non-CSR executives (which include any other executive not included into the first group). The list of the participants and the positions they occupy in their respective companies can be found in the Appendix 3. Prior research on the managers' perceptions on CSR (such as Cacioppe *et al.*, 2008; Hine and Preuss, 2009; Pedersen and Neergard, 2009; Pedersen, 2010, 2011) did not attempt to identify the differences in the perceptions of different groups of managers explicitly.

We contacted 178 executives representing FTSE100 companies and received 29 responses of a response rate of 17.6 per cent. Out of 531 executives, we received 82 responses of a response rate of 17 per cent. In order to build a phenomenological approach to our study, we interviewed four executives to document their opinions and thoughts. The responses to the questionnaire were transferred to the PASW® Statistics 18.0 where each statement of the questionnaire was treated as an independent variable.

4. Research findings and discussions

RQ1 seeks the perceptions of FTSE All-Share executives on the social responsibilities of business. The responses to the questionnaire indicate that FTSE executives agree that the following are the social responsibilities of business (Figure 1): employee responsibility (mean 4.88), respect for the environment (mean 4.84), product responsibility (mean 4.76) and legal compliance (mean 4.71). The difference in means between executives of FTSE100 and FTSE All-Share (excluding FTSE100) companies is negligible, which suggests that they support these four responsibilities regardless of the size and status of their companies. Other responsibilities, namely community well-being and development (mean 4.46); maximisation of shareholders' wealth (mean 4.16) and society well-being and development (mean 4.16) are perceived by FTSE executives as social responsibilities of business to a lesser degree. Executives of FTSE100 companies support these responsibilities more than those of FTSE All-Share (excluding FTSE100): community well-being and development (mean 4.75 compared to mean 4.36), maximisation of shareholders' wealth (mean 4.39 compared to mean 4.08), society well-being and development (mean 4.57 compared to mean 4.02). This might indicate that companies with greater capitalisation (which are included in FTSE100 as opposed to other constituents of FTSE All-Share index) consider themselves responsible for community and society well-being and development as well.

The most controversial of the social responsibilities is the responsibility to tackle the wider problems such as Third World development and fighting poverty (mean 3.17). The result indicates that executives of FTSE companies do not appear to regard their company's responsibility as helping solve the global problems the society faces. The difference between the means of perceptions of executives of FTSE100 and FTSE All-Share (excluding FTSE100) is the biggest among the obtained results: 3.82 of FTSE100 opposed to 2.95 of FTSE All-Share (excluding FTSE100).

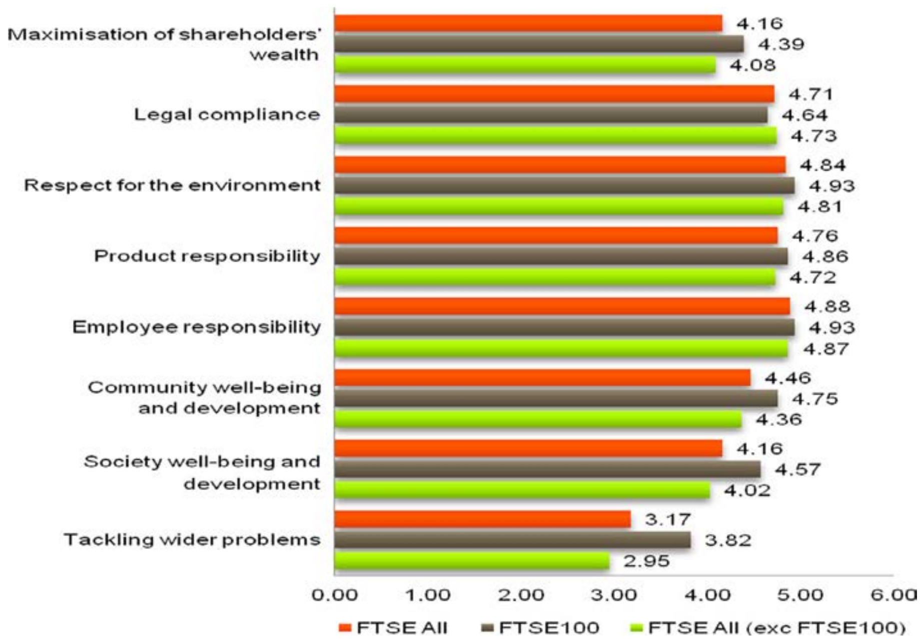

Figure 1.
Social responsibilities of business

Similar to the results on social responsibilities discussed above, the results on tackling wider problems suggest that companies with higher capitalisation are considered more likely to be responsible and able to help wider global problems. This can be because FTSE100 companies tend to have presence in more countries (including Third World countries) than other FTSE companies. Results of the survey to some extent support the findings of previous studies on the perceptions of managers on CSR. They support that executives perceive employee responsibility as the no. 1 social responsibility, while respect for the environment and product responsibility are the second and third priority. However, "tackling wider problems" was perceived as less of a priority which is in line with findings in other papers, researchers (Agle *et al.*, 1999; Pedersen, 2010, 2011) labelled this attitude as a traditional, or a narrow view of corporate social responsibilities. There are a few possible reasons for this view. Some companies have their CSR activities being initiated from inside, i.e. from employees; therefore undertaking those activities help make the company a better place to work for the staff and improve the morale of the company. In contrast, helping with the wider world problems does not create the desired atmosphere of "doing good" among employees. Another reason is said to be the fact that managers act according to the prevailing institutions such as values, habits and traditions (Pedersen, 2011) (such as that governments or governmental organisations on both the national and international levels are responsible for tackling wider societal or world problems), which arguably take a long time to change.

The findings however conflict with the view presented in the paper by Pedersen and Neergard (2009) that the executives perceive CSR as a "right thing to do". According to our findings, executives perceive CSR as an integral part of the business, an activity which is embedded into an organisation to promote its commercial success.

This supports Jones's (1980) view that CSR is a process, not an outcome, i.e. CSR should be integrated into the decision-making process in organisations. This also means that Drucker (1984, p. 62) was accurate when he stated that companies should "turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth". Limited research claimed that companies engage in CSR activities in order to protect their reputation or themselves from external pressure (Hine and Preuss, 2009). This paper, however, finds that they undertake CSR activities to enhance their reputation and/or as a response to external pressure. Therefore, our findings support the validity of some of the reasons why companies engage in CSR which Elkins (1977) identified in his paper as follows: protective strategy, PR and advertising, and profit seeking labelled social responsibility.

RQ2 seeks the impact of CSR on CFP according to the perceptions of FTSE All-Share executives. The research findings indicate that the link between CSR and CFP according to the perceptions of FTSE All-Share executives is not significant as the mean score on every financial indicator is around 3.00 (Figure 2). However, FTSE executives appear more likely to agree that CSR policies and activities will increase sales volumes (mean 3.39), decrease costs of production/provision of services (mean 3.22), and increase share prices in the future periods (mean 3.23).

All groups appear to be unlikely to agree that CSR policies and activities will increase selling prices (mean 2.76), increase EBIT in the current period (mean 2.81), increase share prices in the current period (mean 2.78), decrease the cost of new capital (mean 2.73), and increase EPS in the current period (mean 2.77). FTSE100 executives in general have higher means on their perceptions on the impact of CSR on CFP than other FTSE executives. That makes them more likely to agree that CSR policies and activities will increase EBIT in the following periods (mean 3.29 opposed to 3.01 of FTSE All (exc FTSE100) and 3.08 of FTSE All); will help raise new capital (mean 3.46 opposed to 2.81 of FTSE All (exc FTSE100) and 2.97 of FTSE All); increase EPS in the following periods (mean 3.32 opposed to 2.95 of FTSE All (exc FTSE100) and 3.05 of FTSE All). However, they tend to disagree that CSR policies and activities will increase company's overheads (mean 2.57 opposed to 3.10 of FTSE All (exc FTSE100) and 2.96 of FTSE All) and increase selling prices (mean 2.75, equal to other groups).

This finding supports the results of studies that claim that there is a positive relationship between CSR and gross profit margins (Byus *et al.*, 2010) and that socially responsible firms are likely to have lower costs (Lopez *et al.*, 2007). However, the perceptions of executives on financial indicators on a lower level such as EBIT and EPS, or a share price, are less indicative. One of the reasons might be that due to a variety of factors affecting those indicators (which are used as control variables in the research employing secondary data and regressions analysis to identify the link between CSR and CFP) or situational contingencies (Carroll and Shabana, 2010), it makes it much more difficult to assess the effect of CSR alone on those indicators. Interviews with the four executives confirms their view that the link between CSR and CFP is indirect and difficult to quantify. This also supports the view of those researchers who employ regression analysis that there are intervening variables that prevent from finding the relationship between CSR and CFP such as size and age of the company, R&D, CAPEX, advertising expenditure, risk and industry of the company to name a few (Chen and Metcalf, 1980; Cochran and Wood, 1984; McWilliams and Siegel, 2000; Samy *et al.*, 2010).

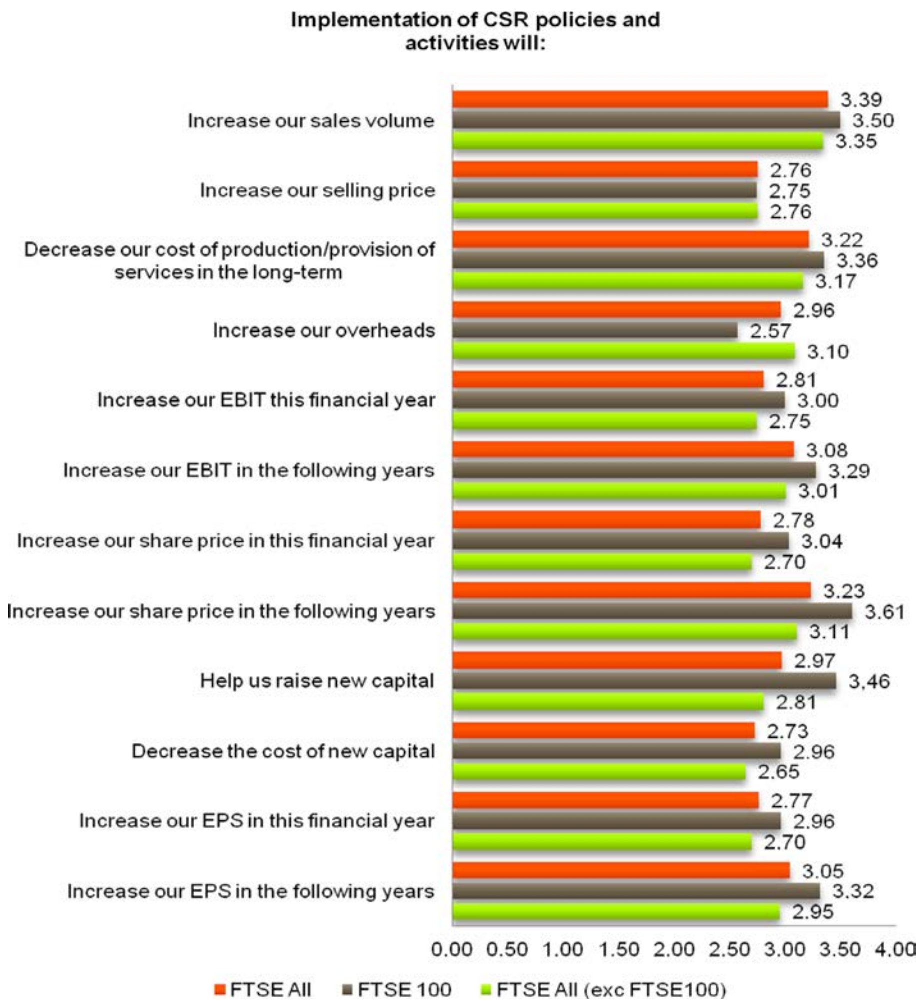

Figure 2.
CSR and corporate financial performance

RQ3 asks whether there is trade-off or synergy between CSR and CFP according to the perceptions of FTSE All-Share executives (Figure 3). The research findings reveal that FTSE executives agree that the companies they represent can be both profitable and responsible towards all their stakeholders (FTSE100 mean 4.79; FTSE All (exc FTSE100) mean 4.59; FTSE All mean 4.64). They tend to disagree that in order for their companies to be socially responsible, they have to introduce CSR activities which decrease their profitability (FTSE100 mean 1.86; FTSE All (exc FTSE100) mean 2.07; FTSE All mean 2.02); or that they introduce CSR activities only when they have extra financial resources available (FTSE100 mean 1.57; FTSE All (exc FTSE100) mean 2.25; FTSE All mean 2.08); or that they have to pursue business activities that have a negative impact on some of their stakeholders (FTSE100 mean 2.14; FTSE All (exc FTSE100) mean 1.89; FTSE All mean 1.95). The results indicate a synergy between CSR and CFP according

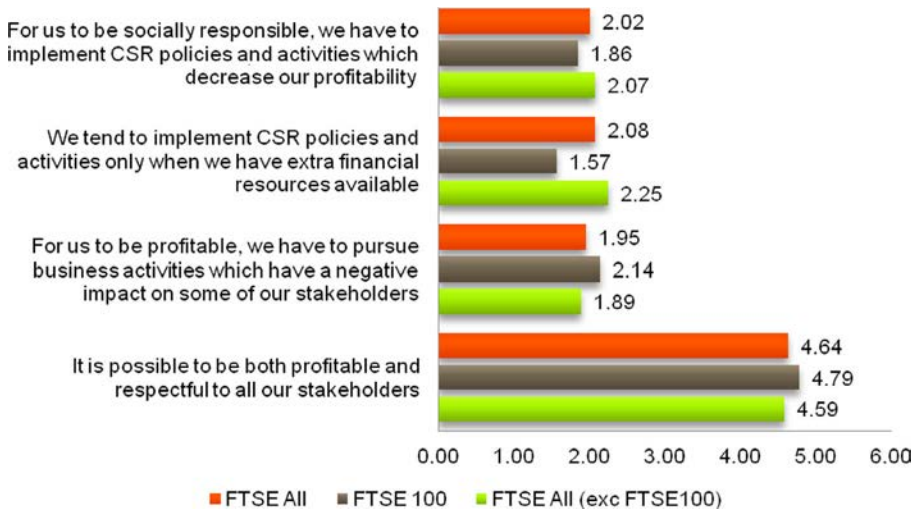

Figure 3.
CSR vs corporate financial performance

to the perceptions of executives of FTSE All-Share companies. Similar to the previous two research questions, executives of FTSE100 and other FTSE All-Share companies slightly differ in their perceptions. The findings of the paper contribute to the debate on whether the CSR and CFP require a trade-off or are in synergy. The results suggest that CSR is perceived to be in synergy with the CFP. It is no longer regarded by executives as an add-on or a one-off expenditure. CSR is now embedded into business; companies are continually changing the ways they operate in order to be more socially responsible. This finding supports the argument of strategic management scholars that "[...] CSR is stretched and applied to 'all the activities a company engages in while doing business' as well as competitive context of the company" (Lee, 2008, p. 62). CSR is considered "as strategic resources to be used to improve the bottom line performance of the corporation" (Lee, 2008, p. 62). Carroll and Shabana (2010) echo Lee (2008) by asserting that CSR has evolved into a "core business function" which is key to the firm's strategy and success.

That requires a change of the way everybody in the company works rather than a one-off investment into a separate CSR activity. This is strongly supported by the results of the survey where the respondents agree that business can be both socially responsible and profitable. This supports the view of Wood (2010) asserting that business decisions cannot be separated from ethical decisions; and that of Vogel (2005) who claims that social responsibility is a dimension of business strategy.

RQ4 analyses if there is a difference in perceptions of executives of FTSE100 companies and other FTSE All-Share companies. In order to answer the research question, statistical *t*-test was performed (Appendix 4). The means of perceptions of two groups of executives, i.e. executives of FTSE100 and FTSE All-Share (excluding FTSE100), are not of equal variances for the following questions:

(1) whether community well-being and development, society well-being and development, and tackling wider problems represent social responsibilities of business; and

(2) whether implementation of CSR policies and activities will increase overheads, increase share prices in the following years and help raise new capital.

The results of the analysis of perceptions of executives of FTSE100 and other FTSE All-Share companies show that they agree on most of the CSR issues. That supports the view of the interviewed executives that ideally there should not be any difference in the degree to which companies are socially responsible. The difference in perceptions on community and society well-being and development, and on tackling wider world problems was met with surprise by the interviewees. The suggested reason for the difference is that FTSE100 companies are more socially responsible because they are closely watched by the public, and they have to keep their image and reputation was supported just by one interviewee.

RQ5 seeks if there is a difference in perceptions of CSR and non-CSR executives. In order to answer the research question, the *t*-test was performed (Appendix 5). The results indicate that perceptions of the CSR executives and non-CSR executives of FTSE All-Share companies are not equal just in one case: whether implementation of CSR policies and activities will decrease the cost of production/provision of services in the long-run. Overall, the results of the analysis of the perceptions of CSR executives and non-CSR executives suggest that both groups of executives consider social responsibilities of business and the relationship between CSR and CFP identically. The only difference in perceptions of CSR executives and non-CSR executives is on whether implementation of CSR policies and activities will decrease the cost of production/provision of services in the long-run might be due to the fact that CSR executives and non-CSR executives have different information available for them. CSR executives might be engaged in analysing how CSR affects profitability thus knowing how it affects the cost of production/provision of services. In contrast, non-CSR executives might have just a general idea of what effect CSR has on direct costs of the company.

This finding is rather surprising as several papers have found that managers' characteristics affect their perceptions on CSR (Agle *et al.*, 1999; Quazi, 2003; Valentine and Fleischman, 2008). Moreover, Pedersen and Neergard (2009, p. 1273) claimed that since personal characteristics are outside of control of the company, "[. . .] an element of misalignment can always be expected". The implication of the findings in this paper may be the fact that CSR is indeed having been integrated into the business; or that the business continually educates their employees on CSR matters and as a result employees from different specialisations and with different personal characteristics have the same perceptions on CSR. Therefore, the findings of this paper do not support the view by Pedersen and Neergard (2009, p. 1273) that "[. . .] perceptions are created in interaction with internal and external stakeholders and since different managers have interaction with different stakeholders, then logically their perceptions will inevitably diverge".

In an attempt to understand by way of triangulation on the opinions of the executives, interviews conducted further enhanced the findings in a number of ways. To the question on why executives perceive "employee responsibilities", "product responsibilities" and "respect for environment" as a higher priority compared to "society well-being" and "tacking wider problems" the world faces today; two of the interviewees responded that companies do indeed tackle wider problems; one of the executives claimed it did not create the right atmosphere of "doing good" in their company, while one claimed that these two responsibilities are the new responsibilities which previously were fulfilled by the government. To the question on why FTSE100 companies' executives have higher/lower mean values than other FTSE companies, two of the interviewees were surprised with the results and mentioned that in fact there should not be any difference between FTSE100 and FTSE All-Share companies because CSR is a must-do in a corporate world. One of the interviewees stated that FTSE100 are more in a public view than other companies which makes them place more importance on CSR. One of the interviewees mentioned that there is a possibility that FTSE100 in fact pay less attention to CSR than others. Shareholders were agreed to represent one of the priority stakeholders, with one interviewee stating that they are in fact the no. 1 stakeholders.

To the questions on the link between CSR and profitability, all the interviewees agreed that there must be a positive relationship because CSR makes strong commercial sense. However, they also noted that the link is indirect and the change in profitability as a result of being socially responsible is difficult to quantify. They noted that it can be the reason why the survey results are non-indicative on that point. All of the interviewees agreed that being socially responsible helps gain a higher market share; however, it does not mean that they can charge a higher price for their products/services. All of the interviewees also stated that their companies have CSR budgets and that CSR is embedded into the business. They highlighted that CSR is no longer an add-on or a luxury, it is a necessity. They also noted that companies are socially responsible regardless of whether they have extra resources available.

To the question on whether CSR brings long-term or short-term benefits, one of the interviewees stated that the company hopes for the long-term benefits as a result of being socially responsible; another interviewee asserted that there are indeed long-term benefits such as employee retention which concurrently decreases costs and helps increase the profitability (an example of the indirect link between CSR and profitability). Two interviewees however agreed that CSR should and does bring both short-term and long-term benefits. To the question on whether companies they represent pursue any activities which can have a negative impact on some of their stakeholders, two of them agreed that if they do then the efforts will be made to minimise the negative effect.

The perception of the interviewees that companies no longer engage in CSR activities because "it's the right thing to do" supports the view that:

> [CSR] is no longer conceived as a moral "responsibility" of corporate managers for greater social good or executives discretionary expenditure that could hamper a corporation's profitability, but as strategic resources to be used to improve the bottom line performance of the corporation (Lee, 2008, p. 62).

Carroll and Shabana (2010) echo Lee (2008) by asserting that CSR has evolved into a "core business function" which is a key to the firm's strategy and success.

Another point of difference between perceptions of executives of FTSE100 and other FTSE All-Share companies is whether CSR policies and activities are implemented only when extra financial resources are available. This might suggest that FTSE100 companies are more likely to have already integrated CSR into their business strategy and therefore devote financial resources to their CSR programs. Other FTSE All-Share companies, in contrast, might still be regarding CSR as an add-on and therefore spend monies on CSR only when they have extra financial resources available. The similar explanation can be offered for the difference between perceptions of executives of

FTSE100 and other FTSE All-Share companies is whether implementation of CSR policies and activities will increase overheads, increase share prices in the following years and help raise new capital.

5. Conclusion

It has been 60 years since the research and debate on social responsibilities of business began. Numerous papers have been published on the topic with attempts to identify social responsibilities of business and create a model of CSR (Carroll, 1979, 1991; Wood, 1991; Swanson, 1995), or investigate the relationship between CSR and CFP (the review is presented in Roman *et al.*, 1999; Margolis and Walsh, 2003; Orlitzky *et al.*, 2003) or debating whether responsibilities towards shareholders and social responsibilities are distinct responsibilities (Freeman, 1994) or the different dimensions of the overall corporate social performance (Wood, 2010). The companies seem to have responded to the pressure of the society to be socially responsible. They do carry economic, legal and ethical responsibilities presented in the Carroll's (1991) pyramid, or responsibilities in the inner and intermediate circles of the Committee for Economic Development (1971) model. However, they still do not widely participate in the broader societal issues such as human rights issues, fighting poverty and hunger, Third World development. This implies that more work should be done on proving to companies that the stakeholders should be regarded in the wide sense because:

> [...] if corporations are to formulate and implement strategies in turbulent environments, theories of strategy must have concepts, such as the wide sense of *stakeholder*, which allow the analysis of all external forces and pressures whether they are friendly or hostile (Freeman and Reed, 1983, p. 91).

Although executives perceive their stakeholder responsibilities as narrow, they adhere to the stakeholder management paradigm which does not separate economic and social dimensions of the company's performance. That has given rise to the strategic CSR paradigm which is recognised by the FTSE All-Share companies investigated in this research. In spite of having integrated CSR into their strategy and employed social responsibilities as their commercial opportunities and competitive advantage, companies still hesitate as to the nature of the impact of CSR on CFP.

They tend however to agree that it is more likely that CSR will not be to the detriment of their financial success and it is possible to be both profitable and socially responsible.

However, given that companies adhere to the narrow view of stakeholders, it is likely that they undertake only those CSR activities that increase or at least do not decrease their profitability. This is followed by their perception that being socially responsible and profitable does not require a trade-off. If they undertake wider, more ambitious CSR activities, that may harm their financial success as Hahn *et al.* (2010) has suggested.

Alternatively, ethical considerations, or CSR considerations, are indeed a dimension of corporate performance as has been suggested by Wood (2010). What is a successful business today? Is it the one with the highest market capitalisation, or with the highest CSR expenditure and the widest CSR programme, or the legitimate or the most ethical one? GRI Guidelines and similar frameworks for assessing social performance of the company prescribe the indicators but not the threshold.

The present paper has its limitations as follows. The companies participated in the research represent only the UK companies and only the publicly traded companies (the constituents of the FTSE All-Share index). The executives who participated are not exclusively chief executives, or board members, i.e. the highest management level which is argued to decide the strategy and behaviour of corporations. The industries of the companies which participated in the research represent are unknown to the author since the survey questionnaire did not ask to specify the company name or industry. Therefore, there may be more companies representing a certain industry rather than a mix of industries representing the whole market.

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(Appendices follow overleaf.)

Appendix 1. Questionnaire

Please indicate your position in the company______________________________

How strongly do you agree with the following statements?

Statement	**Disagree strongly** 1	2	3	4	**Agree strongly** 5
1. Our social responsibilities include:					
• Maximisation of shareholders' wealth					
• Legal compliance					
• Respect for the environment					
• Product responsibility (quality, safety, innovation)					
• Employee responsibility (well-being, development, health and safety)					
• Community well-being and development					
• Society well-being and development					
• Tackling wider problems such as Third World development and poverty reduction					
2. Implementation of CSR policies and activities will:					
• Increase our sales volumes					
• Increase our selling price					
• Decrease our costs of production/provision of services in the long term					
• Increase our overheads					
• Increase our EBIT this financial year					
• Increase our EBIT in the following years					
• Increase our share price in this financial year					
• Increase our share price in the following years					
• Help us raise new capital					
• Decrease the cost of new capital					
• Increase our EPS					
• Increase our EPS in the following years					

(*continued*)

3. For us to be socially responsible, we have to implement CSR policies and activities which decrease our profitability					
4. We tend to implement CSR policies and activities only when we have extra financial resources available					
5. For us to be profitable, we have to pursue business activities which have a negative impact on some of our stakeholders					
6. It is possible to be both profitable and respectful to all our stakeholders					

Appendix 2. List of questions to cover during interviews

In order to explore the perceptions of executives of FTSE companies, the author has prepared the following questions.

Section 1. Social responsibilities of business

(1) Why do executives perceive “employee responsibilities”, “product responsibilities” and “respect for environment” as a higher priority compared to “society well-being” and “tacking wider problems” the world faces today? Why are the “maximisation of shareholders’ wealth” and “legal compliance” considered as a lesser priority compared to employee and product responsibilities and respect for environment?

(2) Why do FTSE100 executives have higher/lower mean values in each statement compared to executives of other FTSE companies?

Section 2. Relationship between CSR and financial performance

Executives’ perceptions on the relationship between CSR and financial performance (i.e. whether they perceive CSR as a means to improve financial performance or not) are non-indicative:

(3) Why?
FTSE100 executives have higher/lower mean values in each statement compared to executives of other FTSE companies. They tend to be more likely to agree that CSR improves financial performance.

(4) Why?
FTSE executives are more likely to agree that CSR will improve financial performance (namely EBIT, share price, EPS) in the following years as opposed to the current period. They tend to consider CSR as bringing benefits in a long-term.

(5) Why?

(6) How does CSR influence financial performance indicators? For example, Why does/does not CSR increase sales volumes?, etc.

Section 3. CSR vs profitability

When implementing CSR policies and activities, organisations incur costs but do not increase revenues (refer to the Section 2: questions on increase in sales and prices). This suggests decrease in profitability which is unsupported by the perceptions of executives:

(7) Why? What are the types of CSR activities and policies which companies can introduce not decreasing their profitability?
FTSE executives tend to disagree that the companies they represent introduce CSR policies and activities only when they have extra financial resources available. This suggests that they regard CSR policies and activities as a necessity rather than a luxury.

(8) Is that a correct understanding?
FTSE executives tend to disagree that in order for the companies they represent to be profitable, they have to pursue business activities that have a negative impact on some of their stakeholders. This suggests that business activities tend to be considered from the point of view of the potential stakeholders.

(9) Is that correct? If the business activity does in fact have a negative impact on some of the stakeholders, will it be pursued? If pursued, will the negative impact on the stakeholders be eliminated/minimised?

Appendix 3. Position in the company of the participants in the survey

Participants- Position in the Company

No	FTSE100	No	FTSE All-Share (excluding FTSE100)
4	Head of Corporate Responsibility	16	Company Secretary
3	Head of Sustainability	5	CSR Manager
1	Head of CR	4	Director
1	Sustainability Reporting Manager	3	Head of Investor Relations
1	Assistant Manager CSR	2	Communications Manager
1	Head of Strategy and Sustainability	2	Group Communications Manager
1	Head of Planning and Corporate responsibility	2	Head of Sustainability
1	Corporate Responsibility Advisor	2	Head of CSR
1	Head of Corporate Responsibility, Europe	2	Group Company Secretary
1	Environmental Director	2	Director of Communications
1	CR Manager	2	Deputy Company Secretary
1	Group Sustainability Leader	2	Corporate Responsibility Manager
1	Director of Employee Communications	2	Group Financial Controller
1	Sustainability Manager	1	CEO
1	CR Analyst	1	CSR Executive
1	Senior Vice President Corporate Governance and Company Secretary	1	Corporate Sustainability Manager
1	Group Communications Manager (CSR)	1	Head of Corporate Affairs
1	Group Financial Controller	1	Member of CSR Steering Committee
1	Community Manager	1	Investor Relations Manager
1	Investor Relations Manager	1	Financial Controller
1	Corporate Responsibility Executive	1	Assistant Company Secretary
1	Head of Investor Relations	1	PR Director
1	Senior Vice President Corporate Sustainability	1	Director of CR and Risk Management
1	Sustainability Strategy Team	1	Director of Corporate Affairs and IT
		1	Global PR Manager
		1	Associate Director of Marketing
		1	National Facilities Manager
		1	Sustainable Product Manager
		1	Investor Relations Officer
		1	Company Secretarial Assistant
		1	Sustainability
		1	Group Financial Director
		1	Director of Group Corporate Communications
		1	Corporate Affairs Director
		1	Director of Corporate Responsibility
		1	Head of Corporate Communications
		1	CFO
		1	Senior Management
		1	Group Strategy Director
		1	CR&S Analyst
		1	Marketing Manager
		1	Group Director Strategy and Corporate Relations
		1	Group Managing Director
		1	Group Risk Manager
		1	Financial Director
		1	Sales and Marketing Director
		1	Head of Communications
		1	Chief Executive
		1	Director of Social Partnerships

Appendix 4

Table AI.
Independent samples test FTSE100 vs FTSE ALL-Share (excluding FTSE100)

		Levene's test for equality of variances		t-test for equality of means					95% confidence interval of the difference	
		F	Sig.	t	df	Sig. (two-tailed)	Mean difference	SE difference	Lower	Upper
q1.1	Equal variances assumed	1.394	0.240	−1.419	109	0.159	−0.3406	0.2401	−0.8165	0.1352
	Equal variances not assumed			−1.531	57.186	0.131	−0.3406	0.2225	−0.7861	0.1048
q1.2	Equal variances assumed	0.401	0.528	0.553	109	0.581	0.07653	0.13828	−0.19753	0.35060
	Equal variances not assumed			0.568	51.704	0.572	0.07653	0.13464	−0.19368	0.34675
q1.3	Equal variances assumed	9.197	0.003	−1.408	109	0.162	−0.12616	0.08958	−0.30371	0.05140
	Equal variances not assumed			−1.814	87.356	0.073	−0.12616	0.06953	−0.26435	0.01203
q1.4	Equal variances assumed	4.142	0.044	−1.063	109	0.290	−0.14256	0.13411	−0.40835	0.12324
	Equal variances not assumed			−1.290	75.260	0.201	−0.14256	0.11051	−0.36269	0.07758
q1.5	Equal variances assumed	3.887	0.051	−0.933	109	0.353	−0.06518	0.06983	−0.20358	0.07322
	Equal variances not assumed			−1.068	65.159	0.290	−0.06518	0.06105	−0.18710	0.05674
q1.6	Equal variances assumed	10.856	0.001	−2.766	109	0.007	−0.40496	0.14641	−0.69514	−0.11479
	Equal variances not assumed			−3.259	69.977	0.002	−0.40496	0.12425	−0.65277	−0.15715
q1.7	Equal variances assumed	0.599	0.441	−3.363	109	0.001	−0.57401	0.17067	−0.91228	−0.23574
	Equal variances not assumed			−4.058	74.198	0.000	−0.57401	0.14145	−0.85584	−0.29219
q1.8	Equal variances assumed	2.505	0.116	−3.431	109	0.001	−0.84188	0.24535	−1.32815	−0.35562
	Equal variances not assumed			−3.935	65.573	0.000	−0.84188	0.21393	−1.26905	−0.41472
q2.1	Equal variances assumed	0.001	0.979	−0.724	109	0.471	−0.17578	0.24282	−0.65703	0.30548
	Equal variances not assumed			−0.712	47.715	0.480	−0.17578	0.24695	−0.67239	0.32083
q2.2	Equal variances assumed	3.025	0.085	−0.012	109	0.991	−0.00252	0.21747	−0.43353	0.42849
	Equal variances not assumed			−0.013	58.651	0.990	−0.00252	0.19915	−0.40108	0.39603
q2.3	Equal variances assumed	0.147	0.703	−1.037	109	0.302	−0.26745	0.25787	−0.77854	0.24363
	Equal variances not assumed			−1.081	53.190	0.285	−0.26745	0.24749	−0.76381	0.22890
q2.4	Equal variances assumed	0.691	0.408	2.865	109	0.005	0.60471	0.21106	0.18640	1.02302
	Equal variances not assumed			2.781	46.668	0.008	0.60471	0.21742	0.16724	1.04218
q2.5	Equal variances assumed	7.561	0.007	−1.002	109	0.319	−0.20942	0.20909	−0.62382	0.20499
	Equal variances not assumed			−1.179	69.813	0.242	−0.20942	0.17762	−0.56368	0.14484

(continued)

		Levene's test for equality of variances		t-test for equality of means					95% confidence interval of the difference	
		F	Sig.	t	df	Sig. (two-tailed)	Mean difference	SE difference	Lower	Upper
q2.6	Equal variances assumed	2.865	0.093	−1.179	109	0.241	−0.26367	0.22363	−0.70689	0.17956
	Equal variances not assumed			−1.416	73.386	0.161	−0.26367	0.18616	−0.63464	0.10731
q2.7	Equal variances assumed	8.001	0.006	−1.451	109	0.150	−0.29268	0.20167	−0.69239	0.10703
	Equal variances not assumed			−1.647	63.940	0.105	−0.29268	0.17775	−0.64778	0.06242
q2.8	Equal variances assumed	4.913	0.029	−2.147	109	0.034	−0.47645	0.22196	−0.91637	−0.03653
	Equal variances not assumed			−2.600	74.930	0.011	−0.47645	0.18323	−0.84147	−0.11143
q2.9	Equal variances assumed	0.656	0.420	−2.792	109	0.006	−0.64340	0.23048	−1.10021	−0.18659
	Equal variances not assumed			−2.935	54.171	0.005	−0.64340	0.21920	−1.08284	−0.20396
q2.10	Equal variances assumed	0.779	0.380	−1.265	109	0.208	−0.27250	0.21536	−0.69933	0.15433
	Equal variances not assumed			−1.295	51.378	0.201	−0.27250	0.21038	−0.69479	0.14979
q2.11	Equal variances assumed	5.578	0.020	−1.134	109	0.259	−0.22372	0.19723	−0.61462	0.16719
	Equal variances not assumed			−1.274	62.496	0.207	−0.22372	0.17556	−0.57461	0.12717
q2.12	Equal variances assumed	2.879	0.093	−1.655	109	0.101	−0.35913	0.21705	−0.78931	0.07106
	Equal variances not assumed			−1.945	69.598	0.056	−0.35913	0.18461	−0.72736	0.00911
q3	Equal variances assumed	0.140	0.709	1.242	109	0.217	0.25778	0.20750	−0.15347	0.66903
	Equal variances not assumed			1.238	48.834	0.222	0.25778	0.20831	−0.16086	0.67642
q4	Equal variances assumed	7.195	0.008	3.069	109	0.003	0.71657	0.23346	0.25387	1.17927
	Equal variances not assumed			3.689	73.488	0.000	0.71657	0.19423	0.32952	1.10362
q5	Equal variances assumed	2.445	0.121	−0.982	109	0.328	−0.20101	0.20476	−0.60685	0.20483
	Equal variances not assumed			−0.940	45.583	0.352	−0.20101	0.21390	−0.63168	0.22966
q6	Equal variances assumed	9.154	0.003	−1.705	109	0.091	−0.20774	0.12183	−0.44921	0.03373
	Equal variances not assumed			−1.856	58.266	0.068	−0.20774	0.11191	−0.43173	0.01626

Table AI.

Appendix 5

Table AII. Independent samples test CSR executives vs non-CSR executives

		Levene's test for equality of variances		t-test for equality of means					95% confidence interval of the difference	
		F	Sig.	*t*	df	Sig. (two-tailed)	Mean difference	SE difference	Lower	Upper
q1.1	Equal variances assumed	0.632	0.428	0.123	109	0.903	0.0304	0.2481	−0.4613	0.5221
	Equal variances not assumed			0.129	48.001	0.898	0.0304	0.2358	−0.4438	0.5046
q1.2	Equal variances assumed	1.002	0.319	0.271	109	0.787	0.03836	0.14174	−0.24257	0.31929
	Equal variances not assumed			0.336	68.606	0.738	0.03836	0.11428	−0.18965	0.26637
q1.3	Equal variances assumed	2.821	0.096	−0.860	109	0.391	−0.07937	0.09225	−0.26220	0.10347
	Equal variances not assumed			−0.748	36.154	0.459	−0.07937	0.10611	−0.29453	0.13580
q1.4	Equal variances assumed	0.238	0.626	−0.509	109	0.612	−0.07011	0.13787	−0.34335	0.20314
	Equal variances not assumed			−0.557	51.860	0.580	−0.07011	0.12588	−0.32272	0.18251
q1.5	Equal variances assumed	5.869	0.017	−1.262	109	0.210	−0.08995	0.07127	−0.23120	0.05131
	Equal variances not assumed			−1.087	35.775	0.284	−0.08995	0.08271	−0.25774	0.07784
q1.6	Equal variances assumed	3.915	0.050	1.464	109	0.146	0.22487	0.15358	−0.07953	0.52927
	Equal variances not assumed			1.669	56.327	0.101	0.22487	0.13477	−0.04508	0.49481
q1.7	Equal variances assumed	0.560	0.456	1.791	109	0.076	0.32407	0.18097	−0.03459	0.68274
	Equal variances not assumed			2.095	59.677	0.040	0.32407	0.15471	0.01457	0.63358
q1.8	Equal variances assumed	0.244	0.622	−0.486	109	0.628	−0.12831	0.26416	−0.65186	0.39525
	Equal variances not assumed			−0.491	44.809	0.626	−0.12831	0.26119	−0.65443	0.39782
q2.1	Equal variances assumed	1.942	0.166	0.895	109	0.373	0.22222	0.24832	−0.26994	0.71439
	Equal variances not assumed			1.007	54.781	0.319	0.22222	0.22076	−0.22023	0.66468
q2.2	Equal variances assumed	1.500	0.223	−0.535	109	0.594	−0.11905	0.22238	−0.55981	0.32171
	Equal variances not assumed			−0.511	40.940	0.612	−0.11905	0.23287	−0.58937	0.35127
q2.3	Equal variances assumed	4.667	0.033	2.297	109	0.024	0.59524	0.25915	0.08161	1.10886
	Equal variances not assumed			2.821	66.988	0.006	0.59524	0.21098	0.17412	1.01636
q2.4	Equal variances assumed	0.423	0.517	−0.883	109	0.379	−0.19709	0.22331	−0.63968	0.24550
	Equal variances not assumed			−0.887	44.369	0.380	−0.19709	0.22211	−0.64462	0.25044
q2.5	Equal variances assumed	1.489	0.225	0.025	109	0.980	0.00529	0.21508	−0.42099	0.43157
	Equal variances not assumed			0.027	52.733	0.978	0.00529	0.19476	−0.38539	0.39598

(*continued*)

		Levene's test for equality of variances		t-test for equality of means					95% confidence interval of the difference	
		F	Sig.	t	df	Sig. (two-tailed)	Mean difference	SE difference	Lower	Upper
q2.6	Equal variances assumed	2.375	0.126	−0.253	109	0.801	−0.05820	0.23038	−0.51480	0.39840
	Equal variances not assumed			−0.287	55.769	0.776	−0.05820	0.20309	−0.46508	0.34868
q2.7	Equal variances assumed	1.041	0.310	0.432	109	0.667	0.08995	0.20831	−0.32292	0.50282
	Equal variances not assumed			0.443	45.859	0.660	0.08995	0.20319	−0.31909	0.49898
q2.8	Equal variances assumed	0.825	0.366	0.991	109	0.324	0.22884	0.23100	−0.22899	0.68667
	Equal variances not assumed			1.068	50.296	0.291	0.22884	0.21423	−0.20139	0.65906
q2.9	Equal variances assumed	0.154	0.696	1.360	109	0.177	0.32937	0.24225	−0.15077	0.80950
	Equal variances not assumed			1.338	42.861	0.188	0.32937	0.24616	−0.16711	0.82584
q2.10	Equal variances assumed	0.176	0.676	0.286	109	0.775	0.06349	0.22205	−0.37660	0.50358
	Equal variances not assumed			0.277	41.867	0.783	0.06349	0.22907	−0.39884	0.52582
q2.11	Equal variances assumed	0.012	0.914	0.078	109	0.938	0.01587	0.20314	−0.38674	0.41849
	Equal variances not assumed			0.077	43.174	0.939	0.01587	0.20547	−0.39846	0.43020
q2.12	Equal variances assumed	0.007	0.932	0.388	109	0.699	0.08730	0.22487	−0.35838	0.53299
	Equal variances not assumed			0.400	46.157	0.691	0.08730	0.21852	−0.35252	0.52713
q3	Equal variances assumed	2.870	0.093	−0.800	109	0.426	−0.17063	0.21334	−0.59347	0.25220
	Equal variances not assumed			−0.735	38.817	0.466	−0.17063	0.23200	−0.63998	0.29871
q4	Equal variances assumed	0.095	0.759	−0.628	109	0.532	−0.15608	0.24872	−0.64904	0.33687
	Equal variances not assumed			−0.614	42.508	0.542	−0.15608	0.25407	−0.66863	0.35647
q5	Equal variances assumed	5.117	0.026	0.984	109	0.327	0.20635	0.20967	−0.20920	0.62190
	Equal variances not assumed			0.873	37.038	0.388	0.20635	0.23641	−0.27265	0.68535
q6	Equal variances assumed	4.839	0.030	−0.882	109	0.380	−0.11111	0.12596	−0.36075	0.13853
	Equal variances not assumed			−0.761	35.849	0.451	−0.11111	0.14593	−0.40711	0.18489

Table AII.