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The role of trust, power and risk-taking in determining potential tax compliance: experimental evidence from a university setting

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The Role of Trust, Power and Risk-taking in Determining Potential Tax Compliance: Experimental Evidence from a University Setting

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All praises and thanks to God for his countless blessings!

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ABSTRACT

The core aim of this thesis is to test the main assumptions of the slippery slope framework through assessing the degree of perceived trust and power in and towards the government authorities. The slippery slope framework assimilates various behavioral and non-behavioral factors that affect the two main determinates of the tax compliance behavior: trust and power. This research builds on a current working paper[1] that conducted a cross-cultural study on 44 countries[2] to test the tax compliance of youth among different countries; among the top ten authors of this international project was Professor Medhat Hassenin. The contribution of this thesis is to extend the prior study by administering the analysis on a different sample and an additional variable: risk taking. This thesis, besides testing the slippery slope framework, investigates the impact of risk taking on the tax compliance behavior. The data of this research was collected on a diversified sample of students at the American university in Cairo. The participants of this research were presented with different scenarios of trust and power, and their degree of risk taking was tested through a domain specific risk taking attitude scale. As predicted, the result of this study supports the main assumptions of the slippery slope framework and confirms the role of risk taking on the compliance behavior.

Keywords: Slippery slope, tax compliance, trust, power, tax evasion, ethics, behavioral finance, risk taking.

[1] The paper is "Trust and Power as Fundamental Determinants of Tax Compliance across 44 Nations" and is currently under a review in one of the top journals.

[2] Some of these countries are Australia, South Africa, Brazil, Canada, Ireland, Pakistan, UAE, UK, USA, etc

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CHAPTER I: INTRODUCTION

1.1 Overview on tax compliance behavior

"…; But in this world nothing can be said to be certain except death and taxes" (Benjamin Franklin).

Taxes are an essential source of revenue in both developed and non-developed countries (Teera and Hudson, 2004).They allow authorities to fund public investments and programs that promote economic growth in an attempt to achieve a prosperous civilized society (Fias,2009). A key success to any authority is to be perceived under a framework of just, right and proper. This framework enhances the sense of obligation towards the authorities and leads to a voluntarily compliance to rules, which is a primary interest of any government. Throughout years, policy makers and researchers have paid a great attention to the tax compliance behavior. The Organization for Economic Co-operation and Development (OECD) defines tax compliance as "The degree to which a taxpayer complies (or fails to comply) with the tax rules of his country, for example by declaring income, filing a return, and paying the tax due in a timely manner." (Poonam et al., 2014). In other words, tax compliance is the ratio of declared income to actual income (Park and Huyn , 2003).

The compliance behavior in any society differs according to its tax climate, which varies among spectrums of antagonistic climates to synergistic ones. Under the antagonistic climate, taxpayers are perceived as "robbers" who try to evade taxes whenever possible. Accordingly, taxpayers, in this case, feel the right to evade taxes due to the oppression of the "cops": tax authorities. In such environment, taxpayers outweigh the cost of being caught against the benefits of tax evasion and only comply when forced to do so. Consequently, social distance between taxpayers and tax authorities is created and voluntarily compliance is trifling. On the other hand, under the the synergistic climate, citizens have a sense of obligation toward the tax authorities and pay their tax portion as a payment for the services that the government performs. Taxpayers act based on perceived fairness. There is a minimal social distance between the tax authorities and taxpayers in such climate. Transparent procedures and friendly supportive treatments towards taxpayers are the characteristics of the synergistic climate. As a result, voluntarily compliance prevails (Kirchler et al., 2008).

The importance of tax compliance relies on the fact that non-tax compliance causes deficits in the government budget, having said that, fewer resources become available to fund government amenities and accordingly less room for growth. From a finance perspective, firms benefit from tax compliance due to the structure of tax shield, which is a reduction in income taxes due to interest expenses being tax deductible and hence less taxes to be paid to the government and more benefits to the taxpayer. The motives behind tax compliance can deviate from a sense of obligation to a sense of fear of incurring costs that would result from a non-compliance behavior. Various tax regulation approaches can take place depending on the motive behind the compliance (Kirchler et al., 2008).Having said so, it is important to understand the determinants of a tax compliance behavior. Tyler (2006) distinguishes between two different ways **t**hrough which authorities could achieve compliance from the public: threat of punishment and competence in managing problems. Tyler (2006) asserts that threat of punishment could boost compliance yet it is not always an effective method for maintaining a compliant behavior. On the other side, competence in managing problems encourages citizens to adhere to policies and regulations.

1.2 Thesis Findings and objectives

This thesis attempts to test the main assumptions of the slippery slope framework on a diversified sample of students at the American university in Cairo. Besides, it investigates the impact of risk taking on the tax compliance behavior. The participants of this research were presented with diverse scenarios of trust and power, and their degree of risk taking was tested through a domain specific risk taking attitude scale.

As predicted, the result of this study supports the main assumptions of the slippery slope framework and confirms the role of trust and power as crucial elements of tax compliance. Furthermore, it reveals that risk taking is a significant variable in understanding tax compliance behavior. It further moderates the effect of trust on voluntary tax compliance, enforced tax compliance, intended tax payment; and the effect of power on intended tax payment as well.

This thesis is structured in the following manner: Chapter II is the literature review. It presents an overview on behavioral finance, tax compliance, behavioral and non-behavioral factors affecting the compliance behavior. Chapter III presents the methodological design of this thesis

and provides a brief description on data collected. Chapter IV explains the results of this research besides various model diagnostics to check the validity of the results. Lastly, chapter V is a conclusion derived from this research besides some limitations faced during the research process.

CHAPTER II: LITERATURE REVIEW

2.1 Overview on behavioral finance

Originally, the field of finance was traditionally built on theories that assume that markets are efficient, agents are rational, and the law of one-price holds (Kliger et al., 2014). Among these theories were the "Modern Portfolio Theory" and "Efficient Market Hypothesis". At the beginning of the twenty-first century, the importance of human factors has been realized through an innovative research field in finance: behavioral finance. Behavioral finance is one of the most vital fields of research. It attempts to increase the understanding of emotions and reasoning that influence the decision making process (Ricciardi & Simon, 2000). While traditional finance is at the core of understanding behavioral finance, behavioral finance collaborates between finance and social sciences, which in return provides a clear understanding and a deepening knowledge of financial markets. Behavioral finance, joining forces from many disciplines, provides a robust understanding of behaviors, (Shiller, 2003) .

Behavioral finance has proven its usefulness in analyzing the irrational behavior of individuals through understanding the cognitive biases. Kourtidis et al., (2011), argue that understanding irrational behavior requires understanding behavioral factors which can be understood through emotions and biases that influence the decision making process in the financial context. Daniel et al., (2002) argue that behavioral biases make many investors naïve by not considering the incentives of interested parties to manipulate available information. Some of these biases are mental accounting, disposition effect, quo bias, under/over reaction, overconfidence etc. (Darren, 2015). Overconfidence can cause ethical lapses even for good people (Prentice, 2007). Leaders, with overconfidence bias, believe excessively in their understanding of the situation, which can result in a lack of adequate internal supervision and adequate regulations (Robert, 2012).

2.2 Main blocks of behavioral finance

Psychology and sociology are considered as the main blocks of behavioral finance field, (Ricciardi & Simon, 2000). Since 1990s, various academic researchers have started focusing on "human psychology "and its relationship to financial markets (Shiller, 2003). Kourtidis et al. (2011) sheds light on the importance of understanding psychology to seek explanations of the irrational behavior of market participants and market abnormalities like price crashes. Besides,

integrating psychology, behavioral finance also utilizes sociology into the understanding of human behavior. Shiller (2003) includes sociology as part of the broad definition of behavioral finance. He emphasized on the importance of integrating both psychology and sociology in understanding finance. This broad perspective is vital and sharply contradicts efficient markets theories, (Shiller, 2003).

2.3 The slippery slope framework

The slippery slope is a three-dimensional framework that depicts the three dimensions: power, trust and tax compliance. It shows the interconnectedness among the three dimensions. The impact of a change in one dimension relies on the other dimension. Tax compliance can be attained through different manipulations of power and trust. In conditions where there is low trust in authorities and weak power of authorities, presented on front right corner of Figure 1, the tendency of citizens to evade taxes increases bringing compliance to minimum. Under conditions, where there is high power of authorities and low trust, citizens become less incentivized to evade taxes due to the auditing process and the severely imposed fines, shown on the left edge of Figure 1. As trust dimension moves from low to high, the degree of voluntary compliance increases given low power of authorities. Under high trust as well as high power conditions, compliance increases yet differs qualitatively. In other words, high trust enhances the voluntary compliance yet high power boosts the enforced compliance (Kirchler et al., 2008).

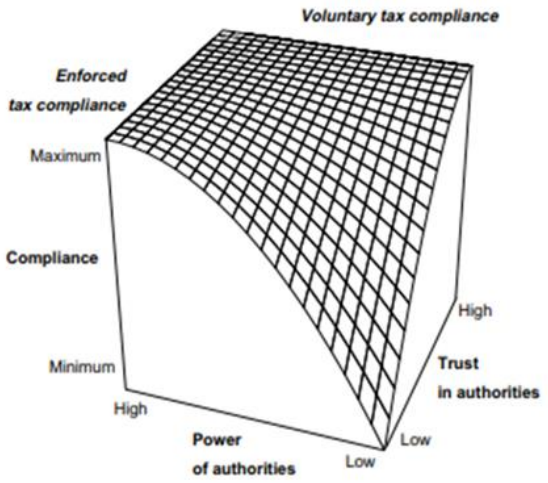

Figure 1: Slippery slope Framework

2.4 Dynamic Effects of Power and Trust

Power of tax authorities and trust in tax authorities play a substantial role in understanding the tax compliance behavior, (Kirchler et al., 2008). Understanding trust and its relationship to power relies on how trust is conceptualized. Trust in authorities is the general individuals' perception towards the authorities acting in a benevolent way for common good. It can have several degrees and can differ towards one branch of a government than to another. Several authors explain that social identity influences citizens' decision to trust. According to the social identity theory, citizens are usually concerned with their reputation and prestige. Governments, which foster these feelings, through fairness, motivate their citizens to obey to the rules, even to disagreeable ones (Umashanker et al., 1999)

Power of authorities is the intuition of taxpayer's potential capability of the tax officers to detect any tax evasion through frequent tax audits. Largely, the power of authorities is associated mainly to tax regulations and the budget allotted to them. Turner (2005) differentiates the power of authorities into two forms; legitimate power and coercive power. The legitimate power is a sincere power of authorities where individuals truly accept and respect the authorities and voluntarily comply. On the other hand, coercive power is a forcible power that enforces a certain behavior. Coercive power is associated with low trust, where legitimate power is associated to high trust.

An important aspect of the slippery slope framework is that it takes into consideration the dynamic effects of trust and power. Alternatively stated, a change in one of the dimensions of the slippery slope framework impacts the other dimension and vice versa (Kirchler et al, 2008). Unfeigned taxpayers may perceive an increase in power as an indication that the government distrusts them and thus may be reluctant to comply (e.g., Castelfranchi & Falcone, 2010; Frey, 1997). On the other side, an increase in trust influences the power of authorities. Honest taxpayers may interpret an increase in power positively. Sometimes, they interpret it as an attempt to reduce tax evasion and accordingly citizens cooperate with tax officers through whistle blowing; trust is boosted between two parties (Gambetta, 2000).

Similarly, a decrease in trust decreases power. Frequent monitoring and auditing rates signal a sign of distrust among honest taxpayers, which in return decreases trust in the authorities. On the

other hand, efficient detection of tax evasion increases trust in authorities. It is worth mentioning that any changes in trust are irrelevant when power is high due to powerful authorities' enforcement of maximum compliance. Similarly, changes in power are irrelevant when authorities are trustworthy due to taxpayers complying regardless of power conditions (Kirchler et al., 2008).

2.5 Tax Compliance

There are four tax compliance levels: voluntary, enforced, intended and evasion. Voluntary compliance occurs when taxpayers are morally obliged to pay their taxes due to a feel of "commitment" without any reinforcement (Braithwaite, 2003). Consistent with the slippery slope framework, real studies show that perceived trust significantly boost the voluntarily compliance among real taxpayers (Muehlbacher et al., 2011). On the contrary, taxpayers, who feel forced to pay their taxes, resist complying as soon as they get the feeling that auditing is quite negligent and that there is low probability of getting caught. This is due to a feel of "resistance" (Braithwaite, 2003). In accordance with the slippery slope framework, perceived power is the main predictor of enforced compliance (Kirchler et al., 2008)

Tax evasion pertains to the predetermined act of breaching the law in an attempt to pay fewer taxes (Webley, 2004). Tax evasion encompasses both acts of omission and commission. Omission involves concealing certain revenues; while commission involves misreporting revenues (Kirchler et al., 2008). In correspondence to the slippery slope framework, perceived low trust in the authorities is associated with high echelons of tax evasion (Richardson, 2008). Perceived power, in the form of audits and fines, significantly influence tax evasion in various studies (Allingham & Sandmo, 1972; Fischer et al., 1992). Intended tax compliance refers to the act of paying taxes at a deliberate level. With respect to the slippery slope framework, several studies show the positive effect of perceived trust on intended tax compliance (e.g., Scholz & Lubell, 1998). Trust, through fairness, fosters the compliance level. Perceived power of authorities has vague effect; it can have a positive, negative or no effect (Kirchler et al., 2010).

2.6 Factors affecting tax compliance behavior with respect to trust and power

Since 1972, there have been numerous studies testing the determinants of tax compliance (Park and Huyn, 2003). Allingham and Sandmo (1972) develop a theory known as A-S model that explains the tax compliance behavior. This theory states that tax audits and penalties affect hugely the compliance behavior. Nevertheless, this theory was criticized for not capturing other behavioral factors that hugely influence the compliance behavior: sociological and psychological factors. Other researchers extend the A-S model in an attempt to provide a comprehensive understanding of the tax noncompliance behavior as (Fischer et al., 1992).

2.6.1 Behavioral factors affecting tax compliance

Ajzen (1991) develops a theory called "Planned behavior". Theory of planned behavior helps understand how attitudes, personalities and intentions affect tax compliance. Ajzen (1991), throughout his theory, states that planned behavior depends on behavioral intentions. These intentions depend on three factors: attitude towards the behavior, perceived behavioral control and subjective norms. These intentions do influence behavioral actions directly.

i. Attitude towards taxes

Tax psychology often focuses on attitudes. Attitude towards taxes is a psychological factor that helps understand the tax compliance behavior. Ajzen (1991) integrates attitudes as crucial determinant in predicting behavior. Attitudes encourage individuals to act according to the evaluations they hold for an object, these evaluations can be positive or negative. Accordingly, citizens who hold a positive attitude towards tax compliance are expected to be more compliant than those who hold negative attitude. This relationship between attitudes and compliance has been proven through many studies. Trivedi et al. (2004) show through a research, on Canadian university students, that attitudes, personality and intentions are richer variables in understanding tax compliance. Tax attitudes in general do affect both trust and power. Attitudes are formed from the interpretation of the power of authorities. Positive attitudes enhance trust in the authorities, which lead to voluntary tax compliance (Kirchler et al., 2008).

ii. Perceived fairness

Fairness is one of the psychological factors that do concern taxpayers. Wenzel (2003) , through his book "Tax Compliance and the Psychology of Justice: Mapping the Field", finds that the three areas of justice: distributive[3], procedural[4] and retributive[5] justice are all relevant to tax compliance. Starting with distributive justice, on the individual level, tax compliance presumably decreases when an individual bears tax burden that are deemed to be heavier than that of a similar individual. In other words, individuals want to be dealt with according to their efforts and needs and are usually concerned about the fairness of their outcomes. On the group level, tax compliance probably decreases when a certain group bears a tax burden that perceived to be heavier than that of other group. Taxpayers, on the group level, expect a fair treatment that is similar to that of other group of the same income. On the societal level, tax compliance voluntarily increases when a whole tax system perceived as a fair system. The fairness of the outcomes of the entire nation is what concerns taxpayers on the societal level. With respect to procedural justice, on the individual level, taxpayers are worried about the allocation of revenues, the treatment of tax authorities, information available and the cost of compliance. Carnes & Cuccia (1996) argue that perceived fairness increases as available information about tax law increases. Perceived procedural justice increases when taxpayers receive a respectful fair equal treatment; thus trust and voluntary tax compliance increases as well. With respect to retributive justice, unfair penalties and invasive audits lead to distrust in the tax authorities, as a result decreases tax compliance (Kirchler et al, 2008). Distributive and procedural fairness help maintain trust among taxpayers. Retributive justice, on the other side, affects the power dimension. Excessive unjustifiable power can reduce trust.

iii. Personal and social norms

Norms are cultural phenomena that involve the sense of what ought to do or not do. Norms are also behavioral regulators that set social expectations. Social norms have been a great interest to social sciences, yet they are fundamental in Sociology. On the individual level, norms establish standards on how to behave; these norms are connected to values, egoism, virtuous reasoning

[3] It is the exchange of resources (benefits and costs).
[4] It is the process of resources' distribution.
[5] It is the perceived punishment in case of norm breaking

and ethics. On the social level, norms are what define the behavior of reference groups. If evasion is a widespread approved behavior in a reference group, non-compliance is more likely to occur. Social norms play a vital role in determining taxation compliance behavior. On the national level, norms become cultural standards, which resemble actual law. If these norms are in favor of tax compliance due to trust in authorities, this will have a direct influence on power, which will result in voluntary tax compliance, (Kirchler et al, 2008).

2.6.2 Non-behavioral factors affecting tax compliance

i. Audit probabilities

Studies have shown inconsistent findings on the influence of audit probabilities on tax compliance. Fischer et al. (1992) show unpredictable findings on the effect of audit probabilities on tax compliance. Pommerehne & Weck-Hannemann (1996) find that non-compliance is negatively related to audit probability. Spicer and Thomas (1982) also examines the relationship between audit probability and tax evasion through a tax game experiment, where fifty-four university students participated in a three round. In each round, the participant was given a certain salary where he/she was required to decide on the amount of taxes to declare, out of the given salary. Participants were informed that random audits will take place and that audited participant will pay seven times the amount he/she evaded. Some participants were informed with the rounds at which audits will take place. Others were informed with the probability of audit occurrence (low/medium/high). Others received no information at all. A strong negative correlation occurred between tax evasion and audit probability among participants who received precise information about the occurrence of audits. A weaker negative correlation occurred among those who received imprecise information and no significant correlation among those who received no information at all. Furthermore, Slemrod et al. (2001) test the impact of increased audit probability on tax compliance through an experimental approach. This experiment was conducted on a treatment group of 1724 Minnesota taxpayers who were randomly selected. This treatment group received a previous notice that they would be thoroughly examined. In comparison to a controlled group who did not receive any "close examination" notice, treatment group of low and middle-income taxpayers increased their tax payments compared to prior year. This showed a sign of previous tax non-compliance. Surprisingly, high-income taxpayers decreased their tax payments sharply after the notice.

Andreoni et al. (1998) show that objective audit probabilities have a weak influence on tax compliance. On the other side, subjective audit probabilities can be interpreted as an indicative sign of the power of authorities. This perceived power may differ according to to the trust in the authorities (Kirchler et al., 2008).

ii. Fines

Friedland et al. (1978) demonstrate that compliance increases substantially with higher fines, not with higher audit probabilities. Besides, Park and Hyen (2003) find, through an experiment in Korea, that fines imposed are more effective than tax audits in deterring tax evasion. Quite the contrary, Friedland (1982) shows that fines have no impact on tax compliance. It is worth mentioning that the interpretation of fines differs from it being imposed under an antagonistic climate than under a synergistic one. In the antagonistic climate, fines are perceived as a hostile action, while in the synergistic climate, fines are linked to trust and power; they are interpreted as corrective actions for a better community. Too low fines can be an indicator that authorities are too weak to dominate the tax evaders, consequently, it may result in low trust in the authorities among honest taxpayers. While, at the same time, too high fines, due to an unintended mistake, will increase tax evasion further for tax evaders to regain their vast losses due to those fines, (Kirchler et al., 2008).

iii. Tax rate

Most Empirical research finds that tax non-compliance increases with the increase in tax rates imposed. Clotfelter (1983) find that an increase in tax rate increases underreporting. Similarly, Pommerehne& Weck-Hannemann (1996) conclude, through a study conducted on Switzerland, that tax rate penalties do not have a significant effect on tax evasion. However, marginal tax rates do influence non-compliance positively. Recent laboratory experiments conducted by Collins and Plumlee (1991), Park and Hyun (2003) and others, have shown that higher taxes lead to higher evasion. It is important to determine the degree of trust towards the authorities with the purpose of predicting the impact of tax rates on tax compliance. Imposing higher tax rates, on citizens that have low trust towards the authorities, would be interpreted as unfair attempt of ripping taxpayers from what is rightly theirs. On the contrary, it would be interpreted as a joint agreement to contribute to the community under high trust conditions (Kirchler et al, 2008).

2.6. 3 Risk taking attitude and compliance behavior

The inconsistent findings of the impact of some of the factors affecting the tax compliance suggest the existence of a moderator variable that interacts the relationship between the depended variable "tax compliance" and independent variables "trust and power". Alm and Torgler (2006) suggest that taxpayers attitude towards risk cannot be neglected in understanding the compliance behavior. Hallahan et al. (2003) define risk tolerance as "the person's attitude towards accepting risk". Sitkin and Pablo (1992), state that one's preference towards risk affects his behavior. In many tax compliance theories like prospect theory, risk preference has been one of the factors that affect the decision-making. As per the prospect theory, risk lover taxpayers would want to evade a definite loss in situations where by using tax evasion as a tool of retaining their freedom. In conditions where paying taxes is perceived as a gain, it is reasonable to assume taxpayers as risk averse (Bayer, 2003). Pellizzari & Rizzi (2013) show, through a study that used citizenship as an enhanced measurement of voluntary compliance, that citizenship is more significant in influencing tax compliance than power. Risk aversion is one of the many factors that influence citizenship. According to Kahneman and Tversky (1979), the inconsistency in the decision-making occurs due to changing situations. Thus, an expected strong relationship between tax compliance and one of its determinants can vary based on the situation and individual risk preferences. Thus, it is crucial to incorporate risk preferences into the tax framework. **Appendix 1** summarizes all factors affecting tax compliance in this section.

2.7 Ethics and tax compliance

Oberlechner (2007) emphasizes on ethics being more than refraining from unethical behavior because of potential costs or punishment. Due to its economic impact, ethical behavior is of huge importance. Ethical standards, under the financial context, are driven by the psychology of the decision maker. Oberlechner (2007) applies the field of psychology to develop a proper understanding of ethics. Psychology offers insights into understanding the actual incentive for ethical or unethical decisions. Oberlechner (2007), among others, links tax morale to tax ethics. With respect to tax compliance behavior, ethics play a vital role in the compliance behavior; it shapes the compliance behavior. Torgler (2003), among several studies, shows that high trust in government authorities boosts positively the tax morale. Quite the reverse, Frey (2003) argues that little trust in authorities decreases the tax morale. Frey (1992) shows that excessive power

exerted on non-complaints deprives the tax moral and accordingly lead to higher levels of non-compliance. Trivedi et al., (2003) emphasize on the importance of encouraging the ethical behavior to boost the tax compliance level. The more developed the tax ethics, the more voluntary compliance is likely to occur which is due to a high trust in the authorities. Oberlechner (2007) also highlights the importance to implement trainings and ethics education to raise awareness and motivate ethical decision-making.

CHAPTER III: METHODOLOGY AND RESEARCH DATA

3.1 Methodology

The methodological design of this research follows two approaches that are interconnected: the slippery slope framework and a survey adopted from (Wahl et al., 2010). The survey is modified to advance the understanding of tax behavior through assessing the impact of risk taking on tax compliance behavior.

3.2 Participants

Data is obtained from an online survey that is sent to the students through their university emails and via their professors. The American university in Cairo population size is 6,556 roughly and the target is to get a large sample greater than 50 to follow the central limit theorem. The sample size presents 404 undergraduate and graduate students from different educational background and various graduate programs. The sample size includes 160 male and 244 females; presenting 40%, 60% of the total sample respectively.

3.3 Material

The survey is designed to assess the tax behavior through assessing the responses towards hypothetical scenarios and subjective questions. The survey includes two main sections: a scenario and questionnaire. For the first part: power and trust are manipulated in the scenario to create four different scenarios; these scenarios are adopted from an experiment provided in (Wahl et al., 2010).The four scenarios manipulate the level of trust and power. Whereas the first scenario modifies the trust and power variables to be high (T+, P+), the second scenario lowers the level of power and holds trust (T+, P-), the third scenarios lowers trust and holds power (T-, P+),and finally the fourth scenario lowers both variables (T-,P-). As for the questionnaire, it includes a total of 52 questions testing perceived power and trust along with other variables like intended tax payments, voluntary tax compliance, enforced tax compliance, tax evasion, risk taking questions and some demographic questions. All four scenarios and a complete questionnaire are in **Appendices 2 and 3** respectively. Each participant is assigned a random scenario, asked to imagine living in a fictitious country called Varosia and to answer the questions accordingly.

3.4 Variables and scales

The questionnaire incorporates items that are already used in published studies; it consists of three questions testing the intended tax payments, three questions testing perceived trust, three questions on perceived power, five questions on voluntary tax compliance, five on enforced tax compliance, five on tax evasion, country comparison questions, twenty-four questions on risk taking and finally some demographic questions. All of the above questions are adopted from (Kirchler et al., 2010) and (Wahl et al., 2010). With respect to risk taking questions, a domain specific risk attitude scale is used. This scale assesses the differences in attitudes towards risk; it allows researchers to predict the risk attitude among different subscales like investment, gambling, health/safety, recreational, ethical and social. Since one or more subscales will suffice for predictive purposes, gambling; investment; social and ethical subscales are chosen (Weber et al., 2002). All scales are structured on a five point likert scale that varies from strong agreement to strong disagreement. This scale allows respondents to respond with higher meticulousness. All Variables and answers in the survey are assigned a specific code. **Appendix 4** shows each variable; its questions (items) and their assigned codes, see **Appendix 5**.

3.5 Hypotheses and reasoning

The Main hypotheses are to first test the slippery slope framework and the validity of its assumptions; high trust along with high power increases the compliance level yet differs qualitatively. Second, test the impact of risk taking on tax compliance and investigate if it moderates the effect of trust and power on compliance levels.

3.5.1 Slippery slope Hypotheses[6]

Hypothesis I: High trust advances the voluntary tax compliance

***Hypothesis II*:** High power leads to enforced tax compliance independent of trust. Yet, low trust with high power leads to max enforced compliance.

***Hypothesis III*:** Low trust leads to higher tax evasion. High power increases the strategic taxpaying. Strategic taxpaying is highest under low trust and high power

[6] Trust and power are response variables while voluntary tax compliance, enforced tax compliance, tax evasion and intended tax payment are predictors

***Hypothesis IV*:** High perceived trust leads to higher intended tax compliance, yet power has a vague effect (can be positive, negative, neutral)

3.5.2 Risk taking Hypothesis

Main Hypothesis: Risk taking has a significant impact on tax compliance

3.6 Consistency and scale reliability

Reliability and internal consistency of the data set are checked for each dimension using cronbach's alpha . For the intended tax payment items, it shows a cronbach's alpha of 0.566; trust items α=0.825; power α =0.756; voluntary tax compliance α=0.847; enforced tax compliance α=0.814; tax evasion α=0.806; similarity questions α=0.874 and finally risk taking α=0.797. All scale items show a relatively high internal consistency except for intended tax payment alpha, which lies in an acceptable range.

3.7 Summary statistics

To explore the data, descriptive statistics is applied and presented in tables.

Table(1): Descriptive statistics of the four surveys

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	101	25.0	25.0	25.0
	2.0	101	25.0	25.0	50.0
	3.0	102	25.2	25.2	75.2
	4.0	100	24.8	24.8	100.0
	Total	404	100.0	100.0	

Table (2): Descriptive statistics of age groups

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 18	5	1.2	1.2	1.2
	18-20	146	36.1	36.1	37.4
	21-23	169	41.8	41.8	79.2
	24-26	51	12.6	12.6	91.8
	27-29	6	1.5	1.5	93.3
	30+	27	6.7	6.7	100.0
	Total	404	100.0	100.0	

Table (3): Descriptive statistics of gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	160	39.6	39.6	39.6
	Female	244	60.4	60.4	100.0
	Total	404	100.0	100.0	

Table (4): Descriptive statistics of tax moral

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	21	5.2	5.2	5.2
	Usually	102	25.2	25.3	30.5
	Sometimes	119	29.5	29.5	60.0
	Rarely	79	19.6	19.6	79.7
	Never	82	20.3	20.3	100.0
	Total	403	99.8	100.0	
Missing	System	1	.2		
Total		404	100.0		

This table shows the descriptive statistics of the tax ethics question which is used to assess the size of the shadow economy in Egypt. More than 50% of the respondents see that tax cheating is usually/sometimes justified.

Table (5): Means comparison of tax moral in each scenario

Survey	Mean	N	Std. Deviation
1.0	3.94	101	1.190
2.0	3.44	100	1.149
3.0	2.91	102	1.091
4.0	2.69	100	.907
Total	3.25	403	1.189

This table shows the mean comparison of tax moral compared to each scenario. As seen from the above table. Low trust in survey 3 and 4 shows a low mean of tax moral compared to survey 1 and 2 which shows high mean of tax moral translated into higher tax moral to participants subjected to these scenarios .

3.8 Manipulation check

To assess the successfulness of the manipulations of power and trust. means and standard deviations of all trust and power conditions are calculated as shown below in table (6).With respect to trust manipulation, participants who are subject to high trust conditions indicate more trust in authorities than those who are subject to low trust conditions; high trust M=3.6748,

SD=0.78746; low trust M=2.269, SD=0.7972. Similarly, in regards to power manipulations, participants who are subject to high power conditions indicate a higher perceived power in authorities than those who are subject to low power of authorities ; high power M=3.7235 ,SD=0.79209; low power M=2.479, SD=0.78547. Additionally, perceived trust is affected by the level of perceived power manipulations. For instance, participants who are subject to high power conditions indicate higher trust than those in low power conditions; high power: M=3.84488, low power=2.3600.

Table (6)

Depended Variable	**Trust Low**		**Trust High**	
	Power Low	**Power High**	**Power Low**	**Power High**
Trust	2.1733(0.79910)	2.3660 (0.7953)	3.5049(0.7536)	3.84488(0.82133)
Power	2.4300(0.86624)	3.5032 (0.7047)	2.5280(0.7778)	3.9438 (0.87948)
N cases	100	102	101	101

This table shows Means and standard deviations of manipulation checks scales of trust and power[7].

3.9 Compliance measures using means and standard deviations

In lines with the slippery slope framework, participants tend to voluntary comply when subject to more trustworthy authorities than to less trustworthy ones; high trust M=3.8725, SD =0.806; Low trust M=3.3055, SD=0.745. With respect to power, voluntary compliance does not have a significant difference between powerless authorities M=3.555 and powerful authorities M=3.623. Participants tend to feel more obligated to comply under powerful authorities M=3.6355, than under powerless authorities M=2.883. Enforced tax compliance is on average higher under low trust conditions M=3.456; than under high trust conditions M=3.0625. Intended tax compliance tend to increase under high trust conditions M=3.572; than under low trust conditions M=3.0245. With respect to power, intended tax payment increases under powerful conditions M=3.4655, than under powerless conditions M=3.131. Tax evasion is higher under low trust conditions with M=3.2655, than under high trust conditions M= 2.844. With respect to power, tax evasion increases under high power M=3.085 than under low power M=3.0385.

[7] Higher scores implies higher acceptance of items. Standard deviations are shown in brackets

Table (7)

Depended Variable	Trust Low		Trust High	
	Power Low	Power High	Power Low	Power High
Voluntary tax compliance	3.262 (0.808)	3.349 (0.804)	3.848 (0.776)	3.897 (0.714)
Enforced tax compliance	3.120 (0.875)	3.792 (0.624)	2.646 (0.860)	3.479 (0.708)
Intended tax compliance	2.850(0.831)	3.199(0.620)	3.412(0.755)	3.732(0.716)
Tax evasion	3.298 (0.819)	3.233(0.885)	2.871(0.910)	2.844(0.714)

This table shows estimated means and standard deviations of voluntary tax compliance, enforced tax compliance intended tax compliance and tax evasion as a function of trust and power.

4.0 Perceived Similarity

The aim of the similarity items is to assess which of the four scenarios is perceived more similar to the conditions of the home country: Egypt. As seen from the below table (8), most participants record similarity between the fourth scenario (low trust, low power) and their home country with a mean=3.66 followed by third scenario (low trust, high power) M=3.50. Most participants report similar low power of authorities conditions with M=3.035 versus high power condition with M=2.975. Similarly, low trust in authorities is perceived more similar to the home country M=3.58, than high trust M=1.93.

Table (8)

Depended Variable	Trust Low		Trust High	
	Power Low	Power High	Power Low	Power High
Country Comparison	3.66(1.047)	3.50(0.962)	2.24(1.274)	2.12(1.267)
Power Comparison	3.61(1.053)	3.54(0.992)	2.46(1.162)	2.41(1.305)
Trust Comparison	3.63(0.981)	3.53(1.078)	1.88(1.052)	1.98(1.249)

This table shows estimated means and standard deviations of voluntary tax compliance, enforced tax compliance intended tax compliance and tax evasion as a function of trust and power

CHAPTER IV: RESULTS[8]

4.1 Correlation Matrix

Correlations amongst all set of variables are examined. The correlation matrix shows various significant correlation coefficients amongst all variables at level of significance of 1%. Most importantly, risk taking has a weak positive linear relationship with tax evasion; a negative relationship with intended tax payment. Power has a moderate positive linear relationship with enforced tax compliance; weak positive relationship with trust and intended tax payment. Trust has a weak positive relationship with enforced tax compliance, and tax evasion; while it has a moderate positive relationship with voluntary tax compliance and intended tax payment. The correlation matrixes besides the scatter plot in figure 2 suggest running the regression analysis as they show some sort of linear relationship between depended variables and independent variables.

Table (9): Correlations

		RT	Power	Trust	ETC	VTC	TE	IP
RT	Pearson Correlation	1	-.032	-.036	.082	-.117*	.392**	-.241**
	Sig. (2-tailed)		.523	.473	.099	.018	.000	.000
	N	404	404	404	404	404	404	404
Power	Pearson Correlation	-.032	1	.293**	.504**	.122*	-.086	.306**
	Sig. (2-tailed)	.523		.000	.000	.014	.083	.000
	N	404	404	404	404	404	404	404
Trust	Pearson Correlation	-.036	.293**	1	-.132**	.457**	-.323**	.421**
	Sig. (2-tailed)	.473	.000		.008	.000	.000	.000
	N	404	404	404	404	404	404	404

[8] The results section shows tests conducted before fitting the model like correlation matrix, boxplot, regression and tests after the model fitting.

ETC	Pearson Correlation	.082	.504**	-.132**	1	-.218**	.239**	-.021
	Sig. (2-tailed)	.099	.000	.008		.000	.000	.677
	N	404	404	404	404	404	404	404
VTC	Pearson Correlation	-.117*	.122*	.457**	-.218**	1	-.383**	.502**
	Sig. (2-tailed)	.018	.014	.000	.000		.000	.000
	N	404	404	404	404	404	404	404
TE	Pearson Correlation	.392**	-.086	-.323**	.239**	-.383**	1	-.452**
	Sig. (2-tailed)	.000	.083	.000	.000	.000		.000
	N	404	404	404	404	404	404	404
IP	Pearson Correlation	-.241**	.306**	.421**	-.021	.502**	-.452**	1
	Sig. (2-tailed)	.000	.000	.000	.677	.000	.000	
	N	404	404	404	404	404	404	404

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

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

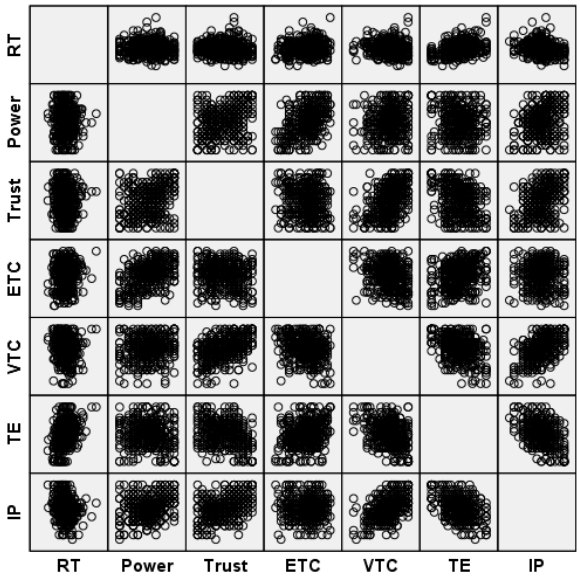

Figure 2: Scatter plot

Table (10): Partial Correlations

Control Variables			Power	Trust
RT	Power	Correlation	1.000	.292
		Significance (2-tailed)	.	.000
		df	0	401
	Trust	Correlation	.292	1.000
		Significance (2-tailed)	.000	.
		df	401	0

This table is used to check if moderation variables can be added to the model.

4.2 Outliers Identification

To identify outliers in y and x, box plot is graphed to depict the outliers. Risk taking, voluntary tax compliance, and intended tax payment are the variables with the outliers. To test the impact of outliers on the regression analysis, two iterations are conducted; one with all data set and another without the outliers.

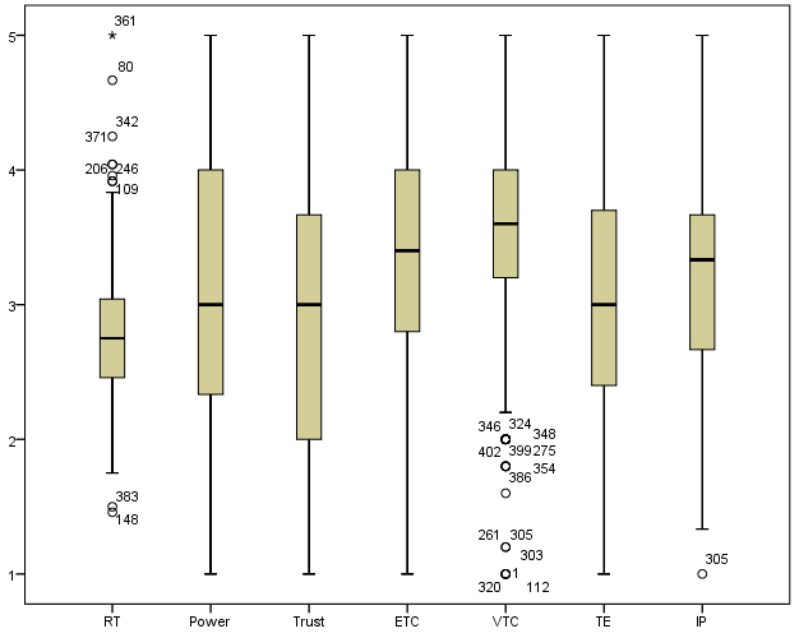

Figure 3: Box Plot

4.3 Regression

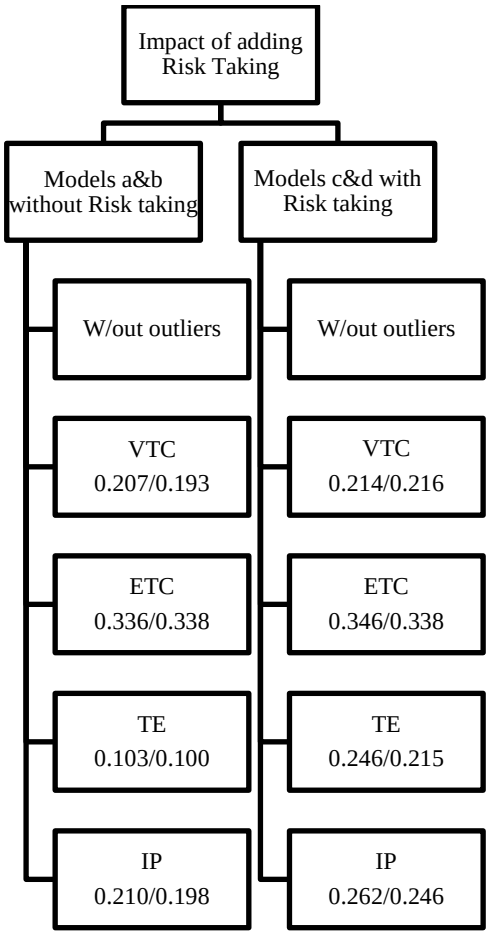

Figure 4: Regression comparison using R-Squared adjusted[9]

4.3.1. Regression output testing the basic assumptions of the slippery slope framework

Through all regression trials, the backward method is used to conduct the regression analysis via SPSS. This method is chosen to keep the best set of significant variables. Regression models without risk taking are conducted twice; once with outliers and another without outliers to identify the impact on removing the outliers on the models. Below set of models, test the slippery slope framework basic assumption with voluntary, enforced, intended compliance and tax evasion as dependent variable and trust, power and the interaction between them as dependent variable. All of the below data is obtained from the ANOVA tables. In comparison to

[9] Models with all dataset are chosen due to the overall higher adjusted R squared.

regression output with all dataset, the models without outliers show a slightly lower R-Squared adjusted. The Analysis of variance table (ANOVA) in table 11 and 12 show that all models reached is significant with a p-value equals 0.000.

$$VTC = 2.538 + 0.354Trust + \varepsilon \rightarrow Model\ 1.a^{10}$$

$$VTC = 2.740 + 0.304Trust + \varepsilon \rightarrow Model\ 1.b^{11}$$

With respect to voluntary tax compliance, the summary table shows a 20% adjusted R squared; which means that this model was able to explain 20% of the variation in the depended variable voluntary tax compliance. In line with the literature review, trust variable is the best significant variable, at 1% significance, that fosters positively the voluntary tax compliance.

$$ETC = 2.438 + 0.507Power - 2.53Trust + \varepsilon \rightarrow Model\ 2.a$$

$$ETC = 2.405 + 0.506Power - 0.247Trust + \varepsilon \rightarrow Model\ 2.b$$

With regards to enforced tax compliance, power and trust variable are significant at 1%. The coefficients table shows power influences ETC positively while trust negatively. This model adjusted R squared is around 34%. The findings of VTC and ETC models support (Kirchler et al., 2008).

$$TE = 3.052 + 0.258Power - 0.83Trust \times Power + \varepsilon \rightarrow Model\ 3.a$$

$$TE = 2.979 + 0.259Power - 0.080Trust \times Power + \varepsilon \rightarrow Model\ 3.b$$

The regression analysis shows that the effect of power on tax evasion depends negatively on trust; as shown in the interaction variable between trust and power. This slightly contradicts the literature review as trust and power influences tax evasion negatively and positively respectively; not the interaction between both variables. The adjusted R squared of this model is around 10%.

$$IP = 2.011 + 0.155Power + 0.272Trust + \varepsilon \rightarrow Model\ 4.a$$

$$Ip = 2.504 + 0.161Trust + 0.036Trust \times Power + \varepsilon \rightarrow Model\ 4.b$$

Trust and power significantly influences the intended tax payment positively; with a model of adjusted R squared of 20%. While literature review shows positive effect of trust and vague

[10] Regression models without risk taking on all data set/with outliers
[11] Regression models without risk taking without outliers

effect of power; this finding supports the trust effect and finds a positive effect of power as well. Chosen significant variables explaining intended payment differed in both regressions; model 4.a and 4.b. In regression with all dataset, trust and power are chosen using the backward method; while as shown above, trust and the interaction between trust and power are the chosen significant variables, this finding contradicts the literature review with respect to power variable having significant impact on intended payment. The above model instead shows that effect of trust on intended tax payment depends on power; as shown by the interaction variable between trust and power.

Table (11): **Regression output without risk taking on all data set**

Unstandardized coefficient	**VTC**	**ETC**	**TE**	**IP**
Intercept	2.538	2.438	3.052	2.011
Trust	0.354***	-2.53***		0.272***
Power		0.507***	0.258***	0.155***
Trust*Power			-0.83***	
R-squared adjusted	0.207	0.336	0.103	0.210
R-squared	0.209	0.340	0.107	0.214
Model significance	0.000	0.000	0.000	0.000

*This table shows the outcome of the linear regression using backward method testing the slippery slope framework assumptions with all data points. ***,**, and * signifies significance level at 1%,5%,10% correspondingly.*

Table (12): Regression output without risk taking without outliers

Unstandardized coefficient	**VTC**	**ETC**	**TE**	**IP**
Intercept	2.740	2.405	2.979	2.504
Trust	0.304***	-0.247***		0.161***
Power		0.506***	0.259***	
Trust*Power			-0.080***	0.036***
R-squared adjusted	0.193	0.338	0.100	0.198
R-squared	0.195	0.342	0.105	0.202
Model significance	0.000	0.000	0.000	0.000

*This table shows the outcome of the linear regression using backward method testing the slippery slope framework assumptions with all data points. ***,**, and * signifies significance level at 1%,5%,10% correspondingly.*

4.3.2 Regression output testing the role of risk taking on tax compliance

The impact of risk taking as a moderator variable is tested using the backward regression with voluntary, enforced, intended compliance and tax evasion as dependent variable and trust, power, the interaction between them, the interaction between risk taking and trust and risk taking and power as dependent variable. Interaction variables were included. All of the below data is the outcome of the ANOVA tables. Overall the R-Squared and R-Squared adjusted in models c's and d's are higher than those of the a's and b's models above. This indicates that risk taking and the interaction between it and trust, power enhances the model better as previous literature shows on risk taking as a moderator variable. The Analysis of variance table (ANOVA) shows that all models reached are significant with a p-value equals 0.000.

$$VTC = 4.141 - .582Risk\ taking + .129Risk\ taking \times Trust + \varepsilon \rightarrow Model\ 1c^{12}$$

$$VTC = 3.283 + .168Trust + 0.044\ Trust \times Power - .066Risk\ taking \times Power + \varepsilon \rightarrow Model\ 1d^{13}$$

With respect to voluntary tax compliance, risk taking and the interaction between it and trust are the most significant variables that help explain the voluntary tax compliance. The more risk taker a tax payer is, the less he/she will voluntary comply. Interestingly, the impact of risk taking on voluntary compliance is different at different values of trust; which aligns with the slippery slope framework assumptions. Running regression without outliers shows different significant variables. For instance, with respect to voluntary tax compliance, trust, the interaction between trust and power, and the interaction between power and risk taking are the best significant factors that help explain voluntary tax compliance. Unlike running regression with all data set, which shows that risk taking and the interaction between trust and risk taking are the best significant variables.

$$ETC = 2.408 - .410Trust + .512Power + .059Risk\ taking \times Trust + \varepsilon \rightarrow Model2c$$

$$ETC = 2.405 - .247Trust + .506Power + \varepsilon \rightarrow Model\ 2d$$

[12] Regression models with risk taking on all data set/with outliers
[13] Regression models with risk taking without outliers

With regards to enforced tax compliance, trust, power and the interaction between risk taking and trust are the significant variables that influence the enforced compliance behavior. Aligned with previous literature, high power and low trust influences the enforced tax compliance behavior. Adding to this, the impact of trust on ETC depends positively on the risk taking appetite of taxpayers. Regression with all data set shows same regression output with respect to ETC , yet with additional variable which is the interaction between trust and risk taking. It shows that trust negatively influences ETC while power positively influences ETC.

$$TE = 1.840 - .263Trust + .728Risk\ taking + \varepsilon \rightarrow Model\ 3c$$

$$TE = 1.791 - .247Trust + .719Risk\ taking + \varepsilon \rightarrow Model\ 3d$$

With respect to tax evasion, the coefficients table shows that trust has a negative impact on it, which confirms previous literature. However; risk taking has higher positive influence than power on tax evasion; unlike previous research which states that low trust and high power are the factors affecting tax evasion. Regression with and without outliers show similar output.

$$IP = 4.382 - .868Risk\ taking + .099Risk\ taking \times Trust + .059Risk\ taking \times Power + \varepsilon \rightarrow Model\ 4c$$

$$IP = 4.448 - .847Risk\ taking + .099Risk\ taking \times Trust + .046\ Risk\ taking \times Power + \varepsilon \rightarrow Model\ 4d$$

While previous research shows that trust has a positive impact and power can have positive/negative/no effect on intended tax payment, the outcome of the regression with risk taking variable differs. The introduction of risk taking variable shows that risk taking and the interaction between risk taking and trust and risk taking and power are the best set of variables that help explain the intended tax payment behavior. The more risk taker the taxpayer, the less he/she will intended to pay. Trust and power affect the intending tax payment yet at different levels of risk taking. Regression with and without outliers shows similar output.

Table (13): Regression output with risk taking on all data set

Unstandardized coefficient	**VTC**	**ETC**	**TE**	**IP**
Intercept	4.141	2.408	1.840	4.382
Trust		-.410*	-.263***	

Power		.512**		
Trust*Power				
Risk taking	-.582 **		.728**	-.868**
RT*Trust	.129***	.059**		.099***
RT*Power				.059***
R-squared adjusted	.214	.346	.246	0.262
R-squared	.218	.351	.249	0.268
Model significance	0.000	0.000	0.000	0.000

*This table shows the outcome of the linear regression using backward method testing the slippery slope framework assumptions with all data points. ***,**, and * signifies significance level at 1%,5%,10% correspondingly.*

Table (14): Regression output with risk taking without outliers

Unstandardized coefficient	**VTC**	**ETC**	**TE**	**IP**
Intercept	3.283	2.405	1.791	4.448
Trust	.168**	-.247***	-.247**	
Power		.506***		
Trust*Power	.044***			
Risk taking			.719*	-.847*
RT*Trust				.099***
RT*Power	-.066***			.046***
R-squared adjusted	.216	.338	.215	.246
R-squared	.222	.342	.219	.252
Model significance	0.000	0.000	0.000	

*This table shows the outcome of the linear regression using backward method testing the slippery slope framework assumptions with all data points. ***,**, and * signifies significance level at 1%,5%,10% correspondingly.*

4.3.3 Model diagnostics

After fitting the model, various diagnostics are computed to check the validity of the regression assumptions and to assess the goodness of the quality of model fit. Through the histogram of standardized residuals, normality is checked and the data appears to be normally distributed.

Through the P-P plot, normality of residuals is checked and data appears to be in 45 degree. Through the regression models that are testing the impact of risk taking on tax compliance, interaction variables were included. Interaction variables were included to reach a random pattern of model residuals. Yet, Through the scatter plot of residuals, equal variance assumptions of residuals is checked and data appears to be in a specific pattern for the errors, which means that further variables that explain the tax compliance behavior are missing.

CHAPTER V: CONCLUSION & LIMITATIONS

This research confirms the role of behavioral and non-behavioral factors in understanding the tax compliance behavior through the two main determinates of the slippery slope framework: trust and power. It further asserts the basic assumptions of the slippery slope framework on the four compliance levels. In line with previous research, this thesis confirms the role of trust in affecting the voluntary tax compliance positively. It also shows that power and trust impact enforced tax compliance positively and negatively respectively, which aligns with previous literature. With respect to tax evasion, this research shows that power influences tax evasion positively, while the interaction between power and trust influences it negatively. This slightly contradicts previous research which shows that trust and power influences tax evasion negatively and positively respectively; not the interaction between both variables. As for the intended tax payment, literature review shows positive effect of trust and vague effect of power. This research shows that trust and power significantly influences the intended tax payment positively in the regression with all dataset, while trust and the interaction between trust and power influences the tax compliance behavior positively.

Furthermore, this thesis expands the slippery slope framework study by incorporating risk preference in the tax framework. The domain specific risk attitude scale used shows that risk taking moderates the effect of trust on voluntary tax compliance and on enforced tax compliance. Risk taking shows higher positive influence on tax evasion than that of power, which contradicts previous research. Risk taking also plays a significant role in moderating the effect of trust and power on intended tax payments. In other words, trust and power affect the intending tax payment yet at different levels of risk taking. Risk taking is also a significant variable in understanding the voluntary tax compliance, intended tax compliance and tax evasion .The higher the risk appetite of an individual, the more he/she will evade taxes and the less his/her intention to comply with taxes.

Despite the research was able to confirm the assumptions of the slippery slope framework and to prove the role of risk taking in the tax framework, the after model diagnostics showed that not all variables were captured in the tax framework; as depicted in the scatterplot of residuals. This highlights one of the limitations of this thesis; attaining a flawless comprehension of all factors

influencing the tax compliance is difficult to achieve and that tax compliance behavior is not fully captured through the above mentioned variables, an indication of the existence of other variables that need to enter into the model and accordingly further research is recommended.

Another limitation is that the tax compliance behavior captured from the survey presents hypothetical behavior to various manipulated scenarios, and not actual behavior to real life situations. The extent to which these hypothetical reactions reflect real actions towards tax compliance remains vague; highlighted by Trivedi et al (2004).

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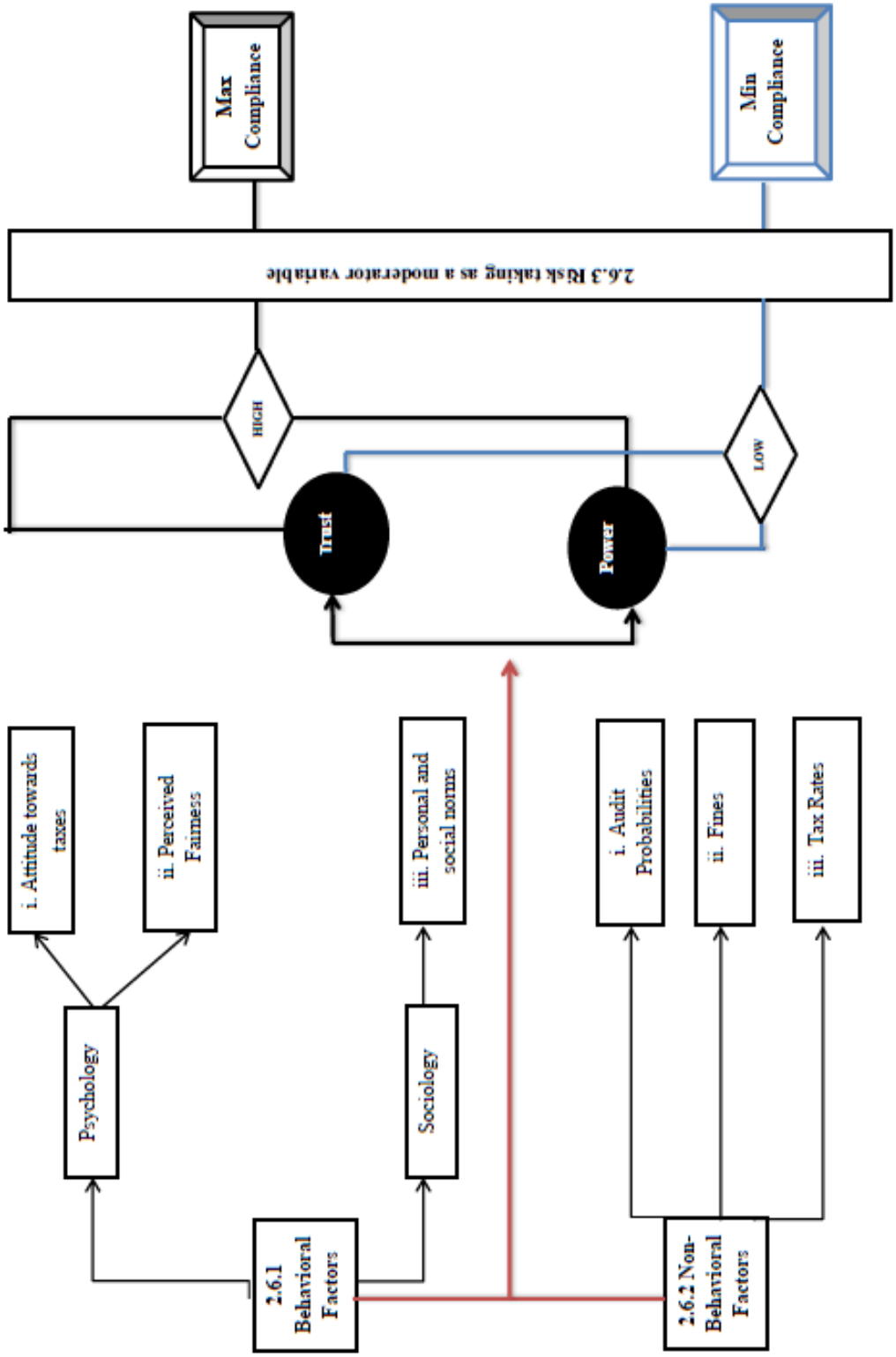
APPENDIX 1: RESEARCH FRAMEWORK FOR TAX COMPLIANCE BEHAVIOR



APPENDIX 2: SCENARIOS

Please read the following description of a country:

In the last census of population in 2011 Varosia had 82,000,000 inhabitants and the territory of Varosia occupies 1,002,450 km^2. The unemployment rate is at an average.

Since Varosia's autonomy it has been marked with a **high (low) political stability** and a **democratic (oligarchic) government**. **Regularly (seldom) referenda** are held, in which the citizens of Varosia can co-decide in the legislation.

The government enjoys a good reputation in the population. It can be concluded from opinion polls that **70%** of the citizens are **satisfied (not satisfied) with** the current **government**.

Varosia's **legislation** is **transparent (not transparent)** and the government offers the opportunity of free counselling on judicial subjects and tax issues in information centers. Furthermore, Varosia's public authorities are **very (little) service-oriented** and interested in supporting Varosia's citizens.

The **budget expenditures** of the state are **traceable (not traceable)** for Varosia's citizens, because they are regularly informed by means of a clear official gazette about the use of tax money. In an opinion poll in October 2011 **78%** of Varosia's citizens indicated to **have** the **impression** that their tax **money** is **used** (**not used) reasonably**.

Besides little tax money is embezzled by politicians. According to an international corruption index (CPI), Varosia is one of the countries with the **lowest (highest) perceived corruption**.

All these factors cause that the citizens of Varosia trust their country **a lot (little).**

The **prosecution of tax evaders** is **very (not effective)**. Because of the tax legislation it is easy for the government to conduct audits on its citizens and therewith to chase tax evaders.

The government assigns a **high (low) budget** to the tax office **to punish tax evasion**. With the means at hand it is possible for the tax office to employ qualified tax inspectors. In addition the members of the tax office of Varosia are perceived as very present.

The **chance to be audited** for self-employed people is **very high (low)**. This is to say that self-employed are audited very often. Therefore, very many of the committed tax offences can be detected. Moreover, the **fines for tax evasion** are **very (not) severe** in Varosia. When tax evaders are detected, they do have to anticipate severe fines. The tax office does not exercise benignity.

All these factors cause that the citizens of Varosia assess their government as **very (little)** powerful.

APPENDIX 3: SURVEY QUESTIONS

Imagine yourself being in the following situation:

- ***Imagine that you are living, working and paying taxes in Varosia. You are working as a self-employed and your business is running well. Your tax declaration is due and you have to pay taxes.***

1. How likely would you be honest in paying your taxes?

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

2. How much of your yearly income would you declare?

o A great deal	o A lot	o A moderate amount	o A little	o Non at all

3. How likely would you retain part of your taxes?

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

- ***Please fill in the following items by indicating the extent of your agreement concerning the following statements:***

4. The governmental authorities in Varosia act fairly towards their citizens.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

5. In Varosia the interests of a few are considered stronger than the interests of the community.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

6. The governmental institutions of Varosia act upon their citizens' interests.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

7. Chances that tax evasion will be detected in Varosia are high.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

8. It is easy to evade taxes in Varosia.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

9. The governmental institutions in Varosia are very effective in the suppression of tax criminality.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

- ***When I pay my taxes in Varosia as required by the regulations, I do so…***

10. …because to me it's the normal thing to do.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

11. …to support the state and other citizens.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

12. …because I like to contribute to everyone's good.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

13. …because for me it's the natural thing to do.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

14. …because I regard it as my duty as citizen.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

15. ..because I feel forced to pay my taxes.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

16. …because a great many tax audits are carried out.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

17. …because I know that I will be audited.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

18. …because the punishments for tax evasion are very severe.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

19. …because I do not know exactly how to evade taxes without attracting attention.

o Strongly agree	o agree	o Neither agree or disagree	o Disagree	o Strongly disagree

- ***Still imagine that you are living, working and paying taxes in Varosia. <u>You are working as a self-employed and your business is running well</u>. Your tax declaration is due and you have to pay taxes.***

20. A customer paid in cash and did not require an invoice. You could intentionally omit this income on your tax return. How likely is it that you would omit this income?

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

21. You bought some of your goods privately. You could resell those goods later to established customers and omit the profit from this sale on your income tax return. How likely would you be to omit the profit from this sale on your income tax return?

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

22. You could intentionally declare restaurant bills for meals you had with your friends as business meals. How likely would you be to declare those restaurant bills as business meals?

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

23. You have been abroad to meet relatives and to have a short meeting with one of your suppliers. Regardless of this you could declare your expenses for the hotel and for the meals

you invited your relatives to as business travel and business meals. How likely would you be to declare your expenses as business travel or business meals?

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

24. Recently you took part in a project in a colleague's company. Now you could conceal this taxable additional income on your income tax return. How likely is it that you would conceal this additional income?

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

- ***Please fill in the following items by indicating the extent of your agreement concerning the following statements:***

25. How similar do you perceive the country of Varosia in comparison to your own country?

o Extremely similar	o similar	o Neither similar or dissimilar	o dissimilar	o Extremely dissimilar

26. How similar do you perceive the power of authorities in the country of Varosia in comparison to your own country?

o Extremely similar	o similar	o Neither similar or dissimilar	o dissimilar	o Extremely dissimilar

27. How similar do you perceive the trust in authorities in the country of Varosia in comparison to your own country?

o Extremely similar	o similar	o Neither similar or dissimilar	o dissimilar	o Extremely dissimilar

28. In case of Varosia, cheating on tax is ……. Justified.

o Always	o Usually	o sometimes	o rarely	o never

- ***For each of the following statements. Please Indicate your likelihood of engaging in each activity or behavior.***

29. Admitting that your tastes are different from those of your friends. (S) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

30. Betting a day's income at the horse races. (G) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

31. Cheating on an exam. (E) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

32. Investing 10% of your annual income in a moderate growth mutual fund. (I) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

33. Cheating by a significant amount on your income tax return. (E) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

34. Disagreeing with your father on a major issue. (S) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

35. Betting a day's income at a high stake poker game. (G) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

36. Having an affair with a married man or woman. (E) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

37. Forging somebody's signature. (E) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

38. Passing off somebody else's work as your own. (E) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

39. Arguing with a friend about an issue on which he or she has a very different opinion. (S) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

40. Investing 5% of your annual income in a very speculative stock. (I) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

41. Approaching your boss to ask for a raise. (S) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

42. Illegally copying a piece of software. (E) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

43. Betting a day's income on the outcome of a sporting event (e.g. baseball, soccer, or football). (G) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

44. Telling a friend if his or her significant other has made a pass at you. (S) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

45. Investing 5% of your annual income in a conservative stock. (I) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

46. Shoplifting a small item (e.g. a lipstick or a pen). (E) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

47. Wearing provocative or unconventional clothes on occasion. (S) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

48. Stealing an additional TV cable connection off the one you pay for. (E) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

49. Investing 10% of your annual income in government bonds (treasury bills). (I) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

50. Gambling a week's income at a casino. (G) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

51. Taking a job that you enjoy over one that is prestigious but less enjoyable. (S) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

52. Defending an unpopular issue that you believe in at a social occasion. (S) _____

o Very likely	o Likely	o Neither likely or unlikely	o Not likely	o Very unlikely

53. Gender

- o Male
- o Female

54. Age

- o Under 18
- o 18-20
- o 21-23
- o 24-26
- o 27-29
- o 30+

55. Blood Type

- o A group
- o B group
- o AB group
- o O group
- o Don't know

56. Your Major [ ]

APPENDIX 4: VARIABLES USED IN THE EXPERIMENT

Intended Tax Payment	
ITP1	How likely would you be honest in paying your taxes?
ITP2	How much of your yearly income would you declare?
ITP3	How likely would you retain part of your taxes?
Trust Check	
Trust1	The governmental authorities in Varosia act fairly towards their citizens
Trust2	In Varosia the interests of a few are considered stronger than the interests of the Community
Trust3	The governmental institutions of Varosia act upon their citizens' interests.
Power Check	
Power1	Chances that tax evasion will be detected in Varosia are high.
Power2	It is easy to evade taxes in Varosia.
Power3	The governmental institutions in Varosia are very effective in the suppression of tax criminality.
Voluntary Tax Compliance	
When I pay my taxes in Varosia as required by the regulations, I do so…	
VTC1	…because to me it's the normal thing to do
VTC2	…to support the state and other citizens.
VTC3	… because I like to contribute to everyone's good
VTC4	…because for me it's the natural thing to do
VTC5	…because I regard it as my duty as citizen
Enforced Tax Compliance	
When I pay my taxes in Varosia as required by the regulations, I do so…	
ETC1	…because I feel forced to pay my taxes.
ETC2	…because a great many tax audits are carried out.
ETC3	…because I know that I will be audited.
ETC4	…because the punishments for tax evasion are very severe
ETC5	…because I do not know exactly how to evade taxes without attracting attention.
Tax Evasion	
TE1	A customer paid in cash and did not require an invoice. You could intentionally omit this income on your tax return. How likely is it that you would omit this income?

TE2	You bought some of your goods privately. You could resell those goods later to established customers and omit the profit from this sale on your income tax return. How likely would you be to omit the profit from this sale on your income tax return?
TE3	You could intentionally declare restaurant bills for meals you had with your friends as business meals. How likely would you be to declare those restaurant bills as business meals?
TE4	You have been abroad to meet relatives and to have a short meeting with one of your suppliers. Regardless of this you could declare your expenses for the hotel and for the meals you invited your relatives to as business travel and business meals. How likely would you be to declare your expenses as business travel or business meals?
TE5	Recently you took part in a project in a colleague's company. Now you could conceal this taxable additional income on your income tax return. How likely is it that you would conceal this additional income?
Country Comparison	
CC	How similar do you perceive the country of Varosia in comparison to your own country?
PC	How similar do you perceive the power of authorities in the country of Varosia in comparison to your own country?
TC	How similar do you perceive the trust in authorities in the country of Varosia in comparison to your own country?
Ethics	
E	In case of Varosia, cheating on tax is ……. Justified
Risk Taking Questions	
Gambling	
G1	Betting a day's income at the horse races.
G2	Betting a day's income at a high stake poker game.
G3	Betting a day's income on the outcome of a sporting event (e.g. baseball,soccer, or football).
G4	Gambling a week's income at a casino.
Investment	
I1	Investing 10% of your annual income in a moderate growth mutual fund.
I2	Investing 5% of your annual income in a very speculative stock.
I3	Investing 5% of your annual income in a conservative stock.
I4	Investing 10% of your annual income in government bonds (treasury bills).
Social	
S1	Admitting that your tastes are different from those of your friends
S2	Disagreeing with your father on a major issue.

S3	Arguing with a friend about an issue on which he or she has a very different opinion.
S4	Approaching your boss to ask for a raise.
S5	Telling a friend if his or her significant other has made a pass at you.
S6	Wearing provocative or unconventional clothes on occasion.
S7	Taking a job that you enjoy over one that is prestigious but less enjoyable.
S8	Defending an unpopular issue that you believe in at a social occasion.
Ethical	
E1	Cheating on an exam.
E2	Cheating by a significant amount on your income tax return.
E3	Having an affair with a married man or woman.
E4	Forging somebody's signature.
E5	Passing off somebody else's work as your own.
E6	Illegally copying a piece of software.
E7	Shoplifting a small item (e.g. a lipstick or a pen).
E8	Stealing an additional TV cable connection off the one you pay for.

APPENDIX 5: SURVEY SCALE AND ASSIGNED SCORE

Scale	**Score**
Very Likely	5
Likely	4
Neither Likely or unlikely	3
Unlikely	2
Very unlikely	1
Extremely similar	5
Similar	4
Neither Similar nor Dissimilar	3
Dissimilar	2
Extremely dissimilar	1
A great deal	5
A lot	4
A Moderate amount	3
A little	2
Non at all	1
Always	1
Usually	2
Sometimes	3
Rarely	4
Never	5
Strongly agree	5
Agree	4
Neither Agree or disagree	3
Disagree	2
Strongly Disagree	1
Male	1
Female	0
Under 18	1
18-20	2
21-23	3
24-26	4
27-29	5
30+	6
A group	1
B group	2
AB group	3
O group	4
Don’t Know	5

Regression with all data set

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	trust.power, Power, Trust[b]	.	Enter
2	.	Power	Backward (criterion: Probability of F-to-remove >= .100).
3	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: VTC
b. All requested variables entered.

Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.462[a]	.213	.207	.7349
2	.457[b]	.209	.205	.7359
3	.457[c]	.209	.207	.7351

a. Predictors: (Constant), trust.power, Power, Trust
b. Predictors: (Constant), trust.power, Trust
c. Predictors: (Constant), Trust
d. Dependent Variable: VTC

ANOVA[a]

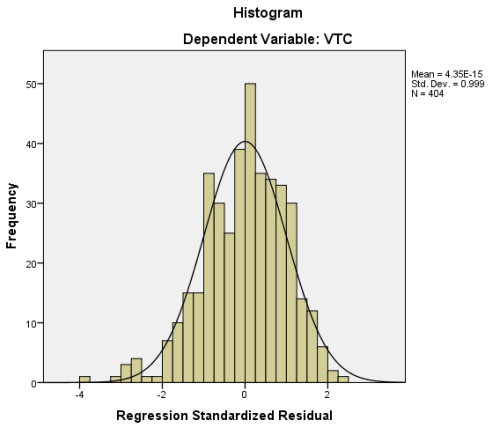
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.497	3	19.499	36.107	.000[b]
	Residual	216.015	400	.540		
	Total	274.512	403			
2	Regression	57.340	2	28.670	52.938	.000[c]
	Residual	217.172	401	.542		
	Total	274.512	403			
3	Regression	57.279	1	57.279	105.997	.000[d]
	Residual	217.233	402	.540		
	Total	274.512	403			

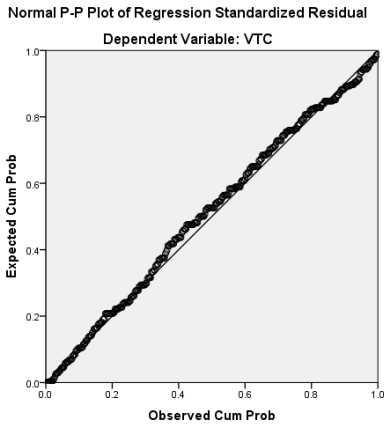
a. Dependent Variable: VTC
b. Predictors: (Constant), trust.power, Power, Trust
c. Predictors: (Constant), trust.power, Trust
d.Predictors: (Constant), Trust

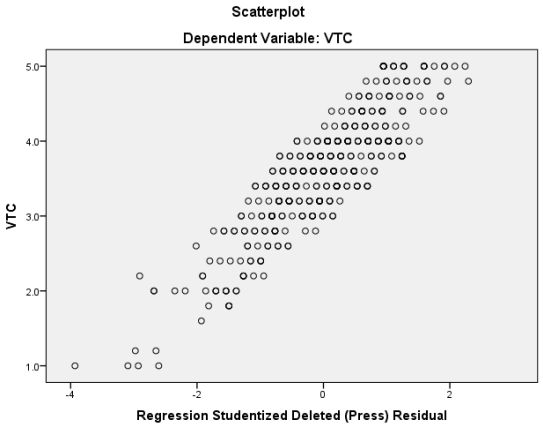
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	2.952	.298		9.903	.000	
	Power	-.138	.095	-.173	-1.464	.144	.141
	Trust	.225	.096	.290	2.340	.020	.128
	trust.power	.042	.028	.274	1.478	.140	.057
2	(Constant)	2.547	.112		22.782	.000	
	Trust	.339	.056	.437	6.004	.000	.372
	trust.power	.004	.011	.024	.336	.737	.372
3	(Constant)	2.538	.108		23.406	.000	
	Trust	.354	.034	.457	10.295	.000	1.000

a. Dependent Variable: VTC

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	trust.power, Power, Trust[b]	.	Enter
2	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: ETC

b. All requested variables entered.

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.585[a]	.342	.337	.7178
2	.583[b]	.340	.336	.7182

a. Predictors: (Constant), trust.power, Power, Trust

b. Predictors: (Constant), Power, Trust

c.Dependent Variable: ETC

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	107.175	3	35.725	69.340	.000[b]
	Residual	206.087	400	.515		
	Total	313.262	403			
2	Regression	106.393	2	53.197	103.118	.000[c]
	Residual	206.869	401	.516		
	Total	313.262	403			

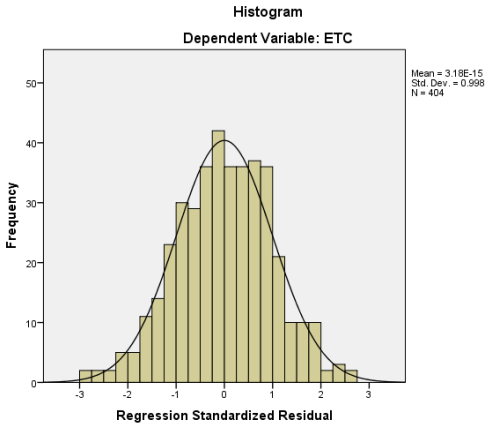
a. Dependent Variable: ETC

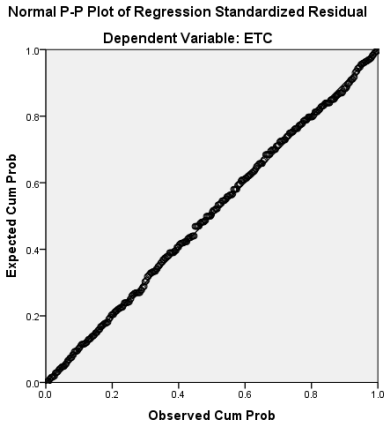
b. Predictors: (Constant), trust.power, Power, Trust

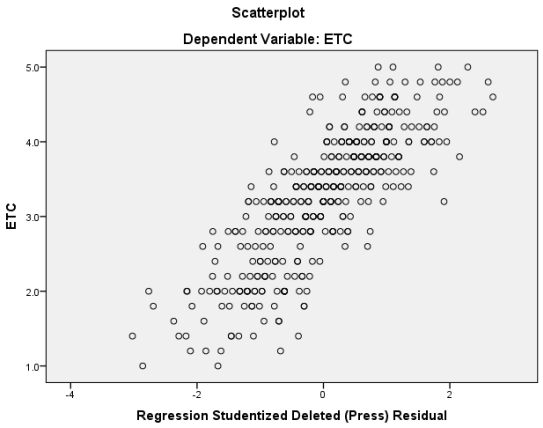
c. Predictors: (Constant), Power, Trust

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	2.120	.291		7.282	.000	
	Power	.612	.092	.716	6.629	.000	.141
	Trust	-.146	.094	-.176	-1.555	.121	.128
	trust.power	-.034	.028	-.209	-1.232	.219	.057
2	(Constant)	2.438	.134		18.192	.000	
	Power	.507	.036	.594	13.986	.000	.914
	Trust	-.253	.035	-.306	-7.210	.000	.914

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	trust.power, Power, Trust[b]	.	Enter
2	.	Trust	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: TE
b. All requested variables entered.

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.331[a]	.110	.103	.8604
2	.328[b]	.107	.103	.8604

a. Predictors: (Constant), trust.power, Power, Trust
b. Predictors: (Constant), trust.power, Power
c. Dependent Variable: TE

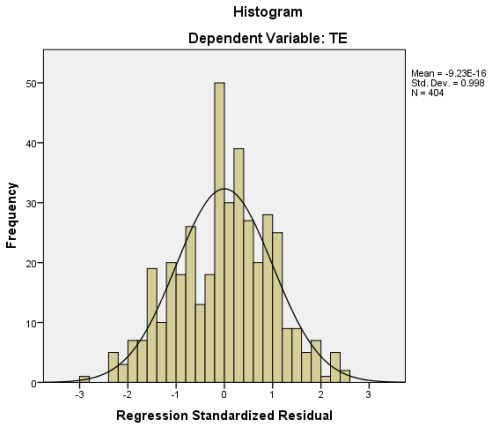
ANOVA[a]

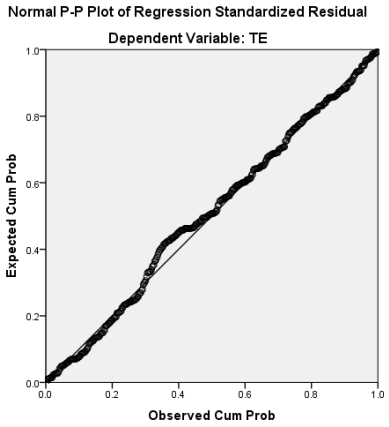
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.448	3	12.149	16.412	.000[b]
	Residual	296.109	400	.740		
	Total	332.558	403			
2	Regression	35.694	2	17.847	24.108	.000[c]
	Residual	296.864	401	.740		
	Total	332.558	403			

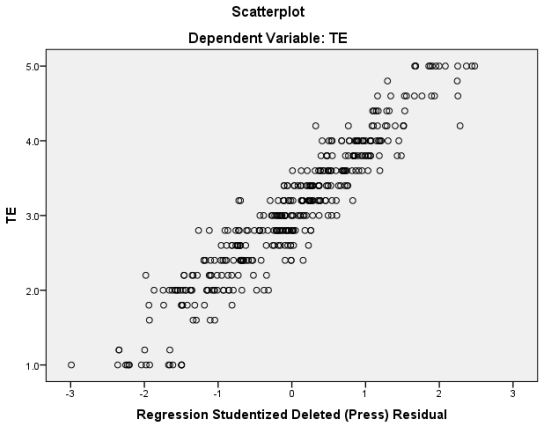
a. Dependent Variable: TE
b. Predictors: (Constant), trust.power, Power, Trust
c. Predictors: (Constant), trust.power, Power

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	3.375	.349		9.671	.000	
	Power	.167	.111	.190	1.513	.131	.141
	Trust	-.113	.112	-.133	-1.009	.313	.128
	trust.power	-.052	.033	-.309	-1.569	.118	.057
2	(Constant)	3.052	.141		21.688	.000	
	Power	.258	.065	.293	3.974	.000	.410
	trust.power	-.083	.012	-.494	-6.699	.000	.410

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	trust.power, Power, Trust[b]	.	Enter
2	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: IP
b. All requested variables entered.

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.462[a]	.214	.208	.711359215646994
2	.462[b]	.214	.210	.710520209288134

a. Predictors: (Constant), trust.power, Power, Trust
b. Predictors: (Constant), Power, Trust
c. Dependent Variable: IP

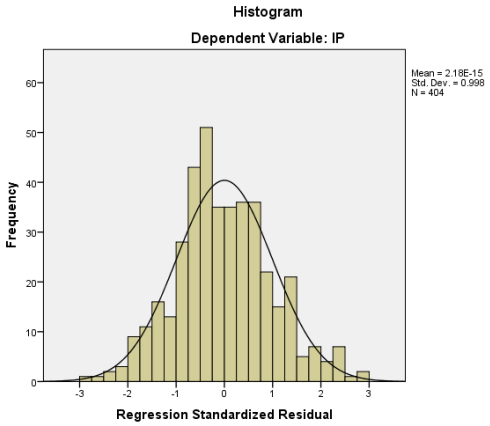
ANOVA[a]

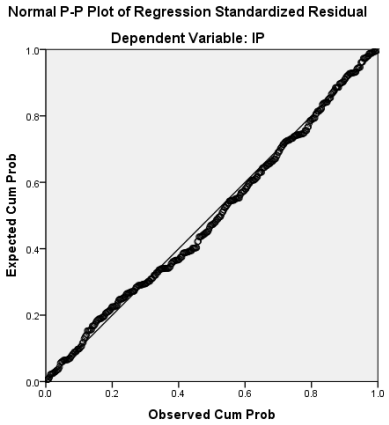
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.014	3	18.338	36.239	.000[b]
	Residual	202.413	400	.506		
	Total	257.427	403			
2	Regression	54.986	2	27.493	54.459	.000[c]
	Residual	202.440	401	.505		
	Total	257.427	403			

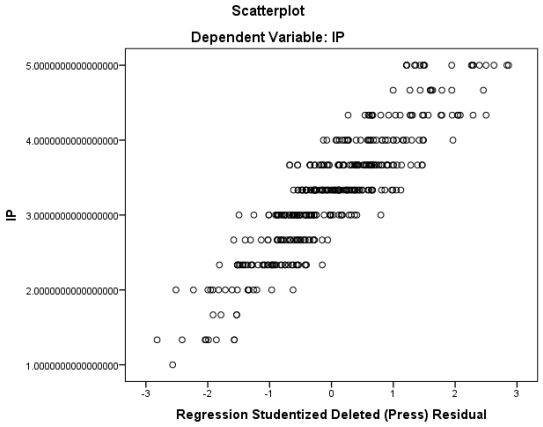
a. Dependent Variable: IP
b. Predictors: (Constant), trust.power, Power, Trust
c. Predictors: (Constant), Power, Trust

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	2.071	.289		7.179	.000	
	Power	.135	.091	.175	1.479	.140	.141
	Trust	.251	.093	.335	2.705	.007	.128
	trust.power	.006	.027	.043	.234	.815	.057
2	(Constant)	2.011	.133		15.172	.000	
	Power	.155	.036	.200	4.318	.000	.914
	Trust	.272	.035	.362	7.822	.000	.914

Charts







Regression without outliers

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	trust.power, Power, Trust[b]	.	Enter
2	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).

3	.	Power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: VTC
b. All requested variables entered.

Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.450[a]	.202	.196	.6553
2	.444[b]	.197	.193	.6565
3	.442[c]	.195	.193	.6564

a. Predictors: (Constant), trust.power, Power, Trust
b. Predictors: (Constant), Power, Trust
c. Predictors: (Constant), Trust
d. Dependent Variable: VTC

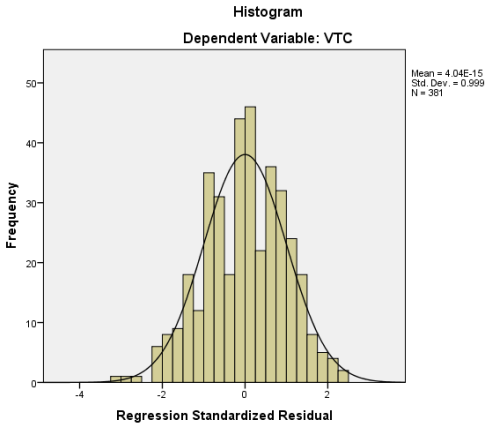
ANOVA[a]

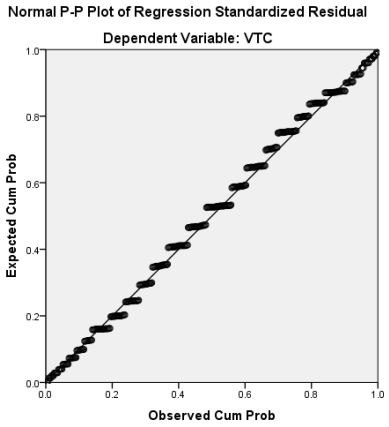
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.024	3	13.675	31.849	.000[b]
	Residual	161.868	377	.429		
	Total	202.892	380			
2	Regression	39.973	2	19.987	46.372	.000[c]
	Residual	162.919	378	.431		
	Total	202.892	380			
3	Regression	39.607	1	39.607	91.933	.000[d]
	Residual	163.285	379	.431		
	Total	202.892	380			

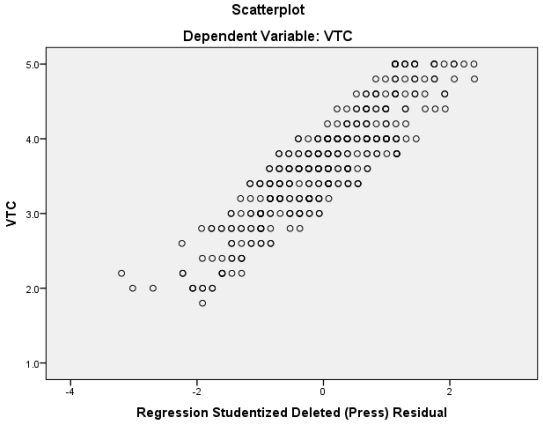
a. Dependent Variable: VTC
b. Predictors: (Constant), trust.power, Power, Trust
c. Predictors: (Constant), Power, Trust
d. Predictors: (Constant), Trust

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	3.201	.279		11.452	.000	
	Power	-.159	.089	-.225	-1.800	.073	.136
	Trust	.184	.089	.268	2.071	.039	.127
	trust.power	.041	.026	.305	1.565	.119	.056
2	(Constant)	2.811	.127		22.141	.000	
	Power	-.032	.034	-.044	-.921	.358	.912
	Trust	.313	.033	.455	9.427	.000	.912
3	(Constant)	2.740	.101		27.185	.000	
	Trust	.304	.032	.442	9.588	.000	1.000

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	trust.power, Power, Trust[b]	.	Enter
2	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: ETC
b. All requested variables entered.

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.586[a]	.343	.338	.7093
2	.584[b]	.342	.338	.7091

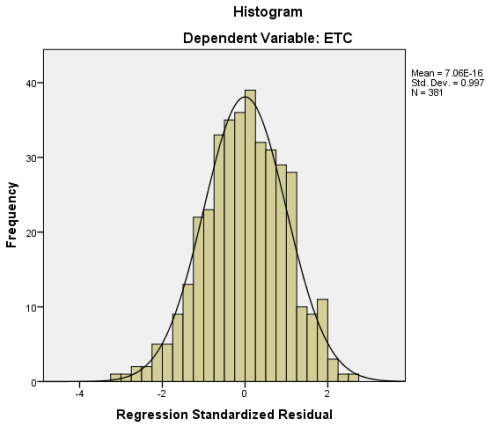
a. Predictors: (Constant), trust.power, Power, Trust
b. Predictors: (Constant), Power, Trust
c. Dependent Variable: ETC

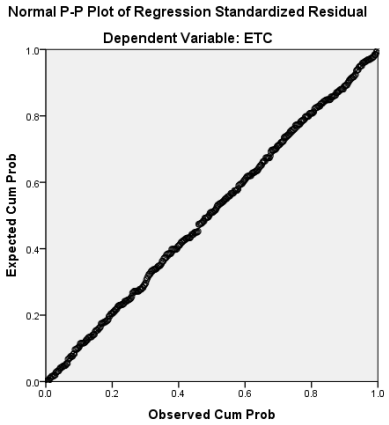
Model		Sum of Squares	df	Mean Square	F
1	Regression	99.046	3	33.015	65.617
	Residual	189.688	377	.503	
	Total	288.734	380		
2	Regression	98.643	2	49.322	98.077
	Residual	190.091	378	.503	
	Total	288.734	380		

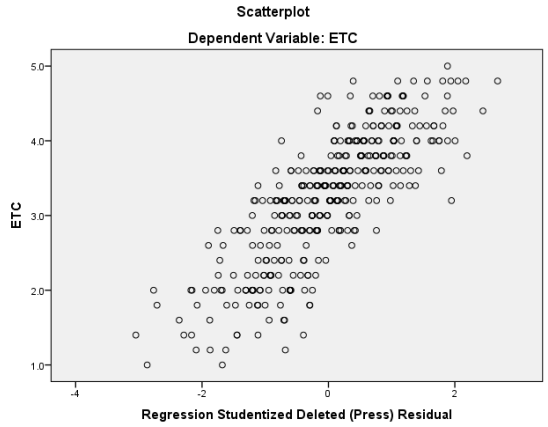
a. Dependent Variable: ETC
b. Predictors: (Constant), trust.power, Power, Trust
c. Predictors: (Constant), Power, Trust

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	2.164	.303		7.151	.000	
	Power	.585	.096	.692	6.109	.000	.136
	Trust	-.167	.096	-.204	-1.737	.083	.127
	trust.power	-.025	.028	-.158	-.894	.372	.056
2	(Constant)	2.405	.137		17.535	.000	
	Power	.506	.037	.598	13.691	.000	.912
	Trust	-.247	.036	-.301	-6.884	.000	.912

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	trust.power, Power, Trust[b]	.	Enter
2	.	Trust	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: TE
b. All requested variables entered.

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.326[a]	.106	.099	.8373
2	.323[b]	.105	.100	.8370

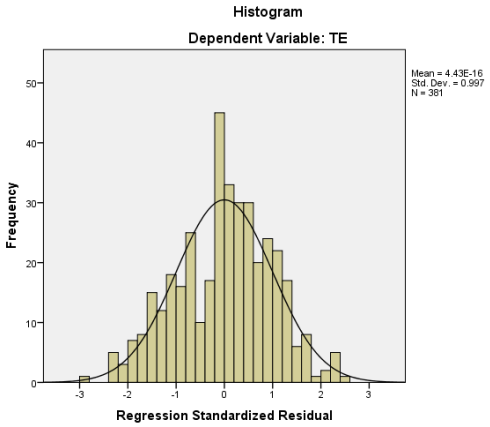
a. Predictors: (Constant), trust.power, Power, Trust
b. Predictors: (Constant), trust.power, Power
c. Dependent Variable: TE

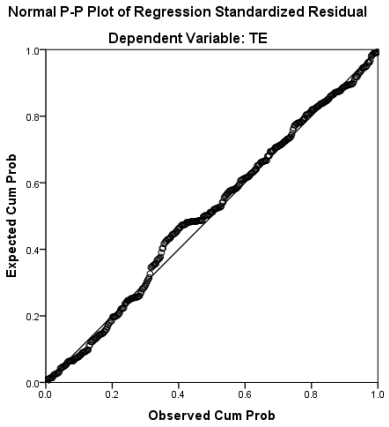
ANOVA[a]

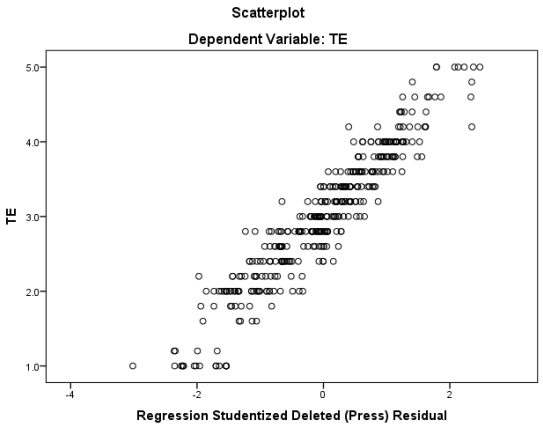
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.490	3	10.497	14.973	.000[b]
	Residual	264.299	377	.701		
	Total	295.789	380			
2	Regression	30.950	2	15.475	22.087	.000[c]
	Residual	264.839	378	.701		
	Total	295.789	380			

a. Dependent Variable: TE
b. Predictors: (Constant), trust.power, Power, Trust
c. Predictors: (Constant), trust.power, Power

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	trust.power, Power, Trust[b]	.	Enter
2	.	Power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: IP
b. All requested variables entered.

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.451[a]	.203	.197	.690454587871647
2	.450[b]	.202	.198	.689874475697911

a. Predictors: (Constant), trust.power, Power, Trust
b. Predictors: (Constant), trust.power, Trust
c. Dependent Variable: IP

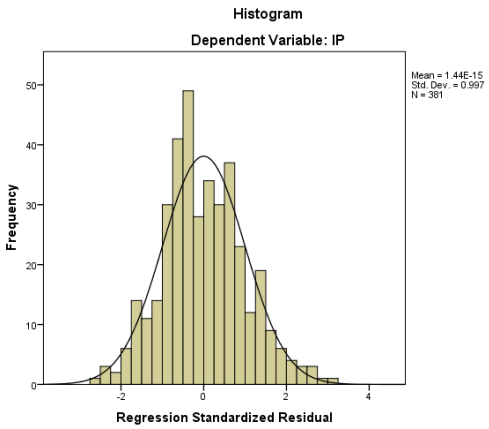
ANOVA[a]

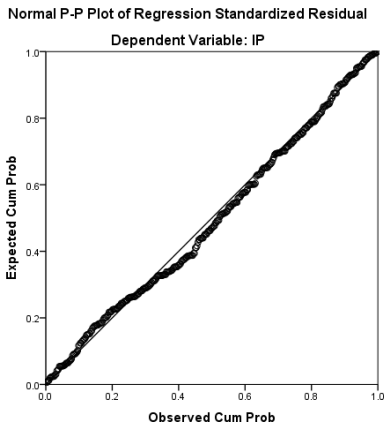
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.829	3	15.276	32.044	.000[b]
	Residual	179.726	377	.477		
	Total	225.556	380			
2	Regression	45.655	2	22.828	47.965	.000[c]
	Residual	179.900	378	.476		
	Total	225.556	380			

a. Dependent Variable: IP
b. Predictors: (Constant), trust.power, Power, Trust
c. Predictors: (Constant), trust.power, Trust

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	2.339	.295		7.943	.000	
	Power	.056	.093	.075	.604	.546	.136
	Trust	.207	.094	.285	2.209	.028	.127
	trust.power	.021	.028	.145	.745	.457	.056
2	(Constant)	2.504	.109		22.940	.000	
	Trust	.161	.054	.222	2.955	.003	.374
	trust.power	.036	.011	.254	3.377	.001	.374

Charts





Regression : Testing the impact of risk taking using all dataset

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	power.rt, Trust, RT, trust.power, Power, trust.rt[b]	.	Enter
2	.	Trust	Backward (criterion: Probability of F-to-remove >= .100).
3	.	power.rt	Backward (criterion: Probability of F-to-remove >= .100).
4	.	Power	Backward (criterion: Probability of F-to-remove >= .100).
5	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: VTC
b. All requested variables entered.

Model Summary[f]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.473[a]	.224	.212	.7326
2	.473[b]	.223	.214	.7319
3	.472[c]	.223	.215	.7312
4	.468[d]	.219	.213	.7322
5	.467[e]	.218	.214	.7315

a. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
b. Predictors: (Constant), power.rt, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), RT, trust.power, Power, trust.rt
d. Predictors: (Constant), RT, trust.power, trust.rt
e. Predictors: (Constant), RT, trust.rt
f. Dependent Variable: VTC

ANOVA[a]

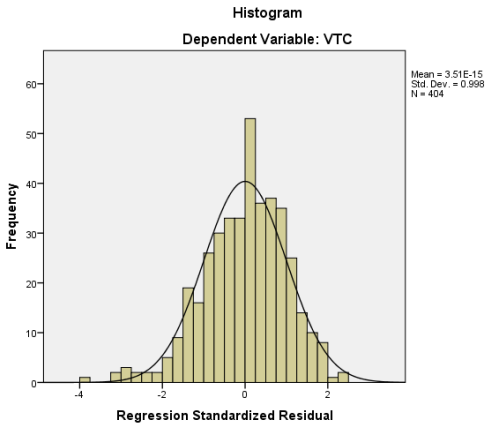
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.450	6	10.242	19.083	.000[b]
	Residual	213.062	397	.537		
	Total	274.512	403			
2	Regression	61.329	5	12.266	22.899	.000[c]
	Residual	213.183	398	.536		
	Total	274.512	403			
3	Regression	61.159	4	15.290	28.594	.000[d]
	Residual	213.353	399	.535		
	Total	274.512	403			
4	Regression	60.074	3	20.025	37.353	.000[e]
	Residual	214.438	400	.536		
	Total	274.512	403			
5	Regression	59.921	2	29.960	55.986	.000[f]
	Residual	214.591	401	.535		
	Total	274.512	403			

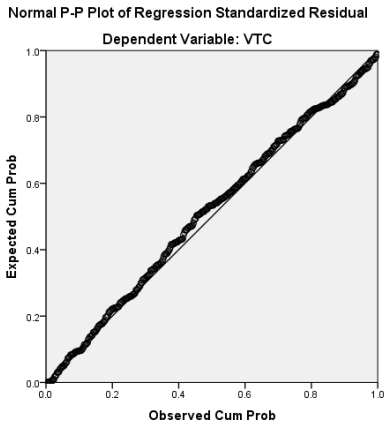
a. Dependent Variable: VTC
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), power.rt, RT, trust.power, Power, trust.rt
d. Predictors: (Constant), RT, trust.power, Power, trust.rt
e. Predictors: (Constant), RT, trust.power, trust.rt
f. Predictors: (Constant), RT, trust.rt

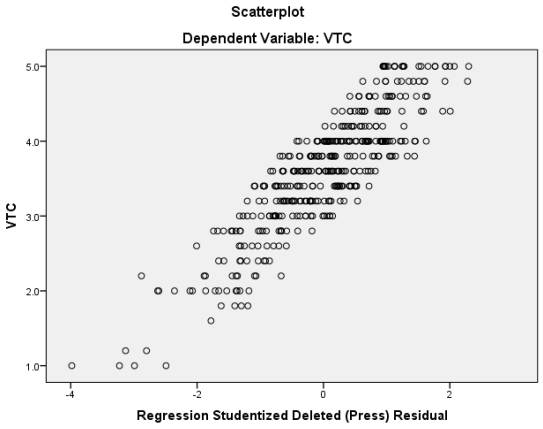
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	4.202	.949		4.426	.000	
	RT	-.478	.334	-.276	-1.431	.153	.053
	Power	-.273	.252	-.342	-1.083	.279	.020
	Trust	.123	.258	.158	.475	.635	.018
	trust.power	.036	.028	.239	1.284	.200	.056
	trust.rt	.044	.087	.172	.508	.612	.017
	power.rt	.056	.085	.213	.662	.508	.019
2	(Constant)	4.490	.729		6.160	.000	
	RT	-.567	.277	-.327	-2.046	.041	.076
	Power	-.259	.250	-.324	-1.036	.301	.020
	trust.power	.042	.026	.273	1.584	.114	.066
	trust.rt	.082	.032	.322	2.550	.011	.122
	power.rt	.046	.082	.175	.563	.574	.020
3	(Constant)	4.104	.248		16.579	.000	
	RT	-.430	.133	-.248	-3.242	.001	.333

	Power	-.128	.090	-.160	-1.424	.155	.155
	trust.power	.039	.026	.258	1.519	.130	.067
	trust.rt	.084	.032	.329	2.627	.009	.124
4	(Constant)	4.075	.247		16.496	.000	
	RT	-.554	.100	-.319	-5.518	.000	.583
	trust.power	.006	.011	.037	.535	.593	.403
	trust.rt	.120	.020	.470	6.097	.000	.328
5	(Constant)	4.141	.214		19.362	.000	
	RT	-.582	.085	-.336	-6.846	.000	.811
	trust.rt	.129	.013	.502	10.242	.000	.811

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	power.rt, Trust, RT, trust.power, Power, trust.rt[b]	.	Enter
2	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).

3	.	power.rt	Backward (criterion: Probability of F-to-remove >= .100).
4	.	RT	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: ETC
b. All requested variables entered.

Model Summary[e]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.596[a]	.355	.345	.7135
2	.595[b]	.354	.345	.7133
3	.593[c]	.352	.345	.7133
4	.592[d]	.351	.346	.7132

a. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
b. Predictors: (Constant), power.rt, Trust, RT, Power,trust.rt
c. Predictors: (Constant), Trust, RT, Power, trust.rt
d. Predictors: (Constant), Trust, Power, trust.rt
e. Dependent Variable: ETC

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	111.152	6	18.525	36.389	.000[b]
	Residual	202.111	397	.509		
	Total	313.262	403			
2	Regression	110.766	5	22.153	43.542	.000[c]
	Residual	202.496	398	.509		
	Total	313.262	403			
3	Regression	110.235	4	27.559	54.160	.000[d]
	Residual	203.027	399	.509		
	Total	313.262	403			
4	Regression	109.816	3	36.605	71.971	.000[e]
	Residual	203.446	400	.509		
	Total	313.262	403			

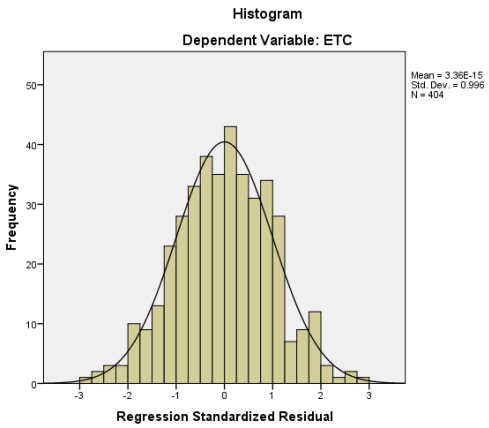
a. Dependent Variable: ETC
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), power.rt, Trust, RT, Power, trust.rt
d. Predictors: (Constant), Trust, RT, Power, trust.rt
e. Predictors: (Constant), Trust, Power, trust.rt

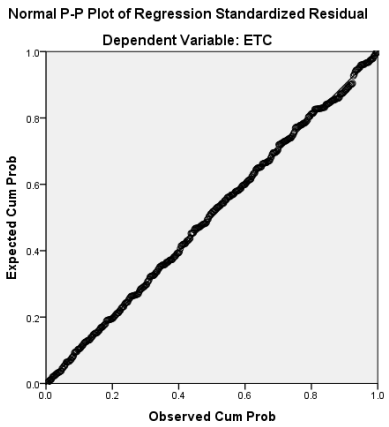
Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics
		B	Std. Error	Beta	t	Sig.	Tolerance
1	(Constant)	3.309	.925		3.579	.000	
	RT	-.422	.325	-.228	-1.296	.196	.053

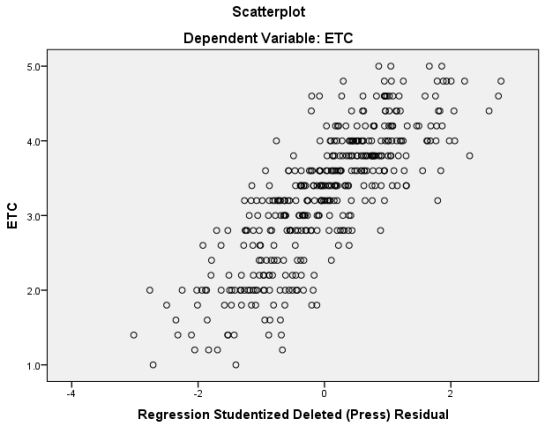
	Power	.368	.246	.431	1.500	.135	.020
	Trust	-.452	.252	-.547	-1.797	.073	.018
	trust.power	-.024	.028	-.148	-.870	.385	.056
	trust.rt	.104	.085	.380	1.227	.221	.017
	power.rt	.081	.083	.290	.987	.324	.019
2	(Constant)	3.559	.878		4.052	.000	
	RT	-.431	.325	-.233	-1.327	.185	.053
	Power	.287	.227	.336	1.264	.207	.023
	Trust	-.535	.233	-.647	-2.299	.022	.020
	trust.rt	.107	.085	.390	1.261	.208	.017
	power.rt	.084	.082	.299	1.022	.308	.019
3	(Constant)	3.058	.729		4.196	.000	
	RT	-.243	.268	-.131	-.907	.365	.078
	Power	.516	.036	.604	14.218	.000	.901
	Trust	-.603	.223	-.729	-2.699	.007	.022
	trust.rt	.130	.081	.475	1.595	.111	.018
4	(Constant)	2.408	.134		18.029	.000	
	Power	.512	.036	.600	14.206	.000	.912
	Trust	-.410	.070	-.496	-5.868	.000	.227
	trust.rt	.059	.023	.216	2.594	.010	.235

a. Dependent Variable: ETC

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	power.rt, Trust, RT, trust.power, Power, trust.rt[b]	.	Enter
2	.	trust.rt	Backward (criterion: Probability of F-to-remove >= .100).
3	.	power.rt	Backward (criterion: Probability of F-to-remove >= .100).
4	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).
5	.	Power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: TE
b. All requested variables entered.

Model Summary[f]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.501[a]	.251	.240	.7920
2	.501[b]	.251	.241	.7912
3	.500[c]	.250	.243	.7904
4	.500[d]	.250	.244	.7899
5	.499[e]	.249	.246	.7890

a. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power
c. Predictors: (Constant), Trust, RT, trust.power, Power
d. Predictors: (Constant), Trust, RT, Power
e. Predictors: (Constant), Trust, RT
f. Dependent Variable: TE

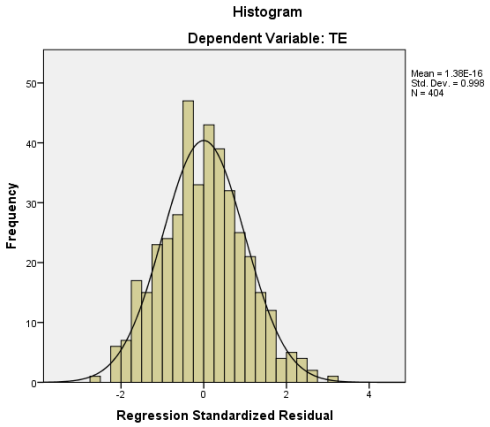
ANOVA[a]

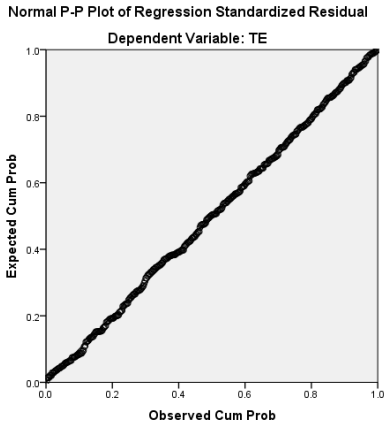
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.554	6	13.926	22.202	.000[b]
	Residual	249.004	397	.627		
	Total	332.558	403			
2	Regression	83.435	5	16.687	26.659	.000[c]
	Residual	249.123	398	.626		
	Total	332.558	403			
3	Regression	83.297	4	20.824	33.334	.000[d]
	Residual	249.260	399	.625		
	Total	332.558	403			
4	Regression	82.996	3	27.665	44.343	.000[e]
	Residual	249.561	400	.624		
	Total	332.558	403			
5	Regression	82.900	2	41.450	66.577	.000[f]
	Residual	249.657	401	.623		
	Total	332.558	403			

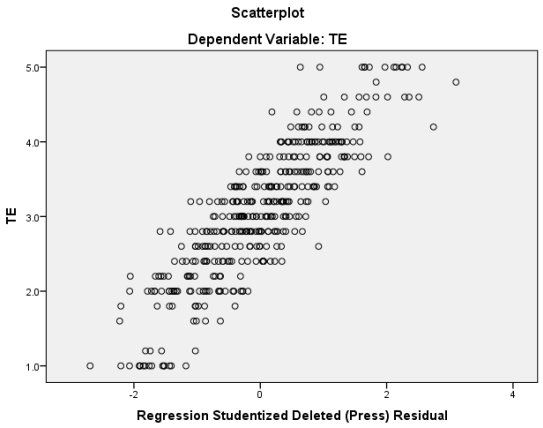
a. Dependent Variable: TE
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power
d. Predictors: (Constant), Trust, RT, trust.power, Power
e. Predictors: (Constant), Trust, RT, Power
f. Predictors: (Constant), Trust, RT
a. Dependent Variable: TE

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics	
						Tolerance	VIF
2	trust.rt	.145[b]	.435	.663	.022	.017	58.923
3	trust.rt	.094[c]	.294	.769	.015	.018	54.697
	power.rt	-.143[c]	-.469	.639	-.024	.020	49.204
4	trust.rt	.105[d]	.328	.743	.016	.018	54.563
	power.rt	-.132[d]	-.434	.665	-.022	.020	49.078
	trust.power	-.126[d]	-.694	.488	-.035	.057	17.678
5	trust.rt	.089[e]	.280	.780	.014	.019	53.798
	power.rt	.016[e]	.315	.753	.016	.744	1.344
	trust.power	.006[e]	.090	.928	.004	.370	2.702
	Power	.018[e]	.393	.695	.020	.914	1.094

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	power.rt, Trust, RT, trust.power, Power, trust.rt[b]	.	Enter
2	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).
3	.	Trust	Backward (criterion: Probability of F-to-remove >= .100).
4	.	Power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: IP

b. All requested variables entered.

Model Summary[e]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.518[a]	.268	.257	.688847904732167
2	.518[b]	.268	.259	.688038916631651
3	.518[c]	.268	.261	.687269488486744

4	.517[d]	.268	.262	.686486639846654

a. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
b. Predictors: (Constant), power.rt, Trust, RT, Power, trust.rt
c. Predictors: (Constant), power.rt, RT, Power, trust.rt
d. Predictors: (Constant), power.rt, RT, trust.rt
e. Dependent Variable: IP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.046	6	11.508	24.251	.000[b]
	Residual	188.381	397	.475		
	Total	257.427	403			
2	Regression	69.014	5	13.803	29.157	.000[c]
	Residual	188.412	398	.473		
	Total	257.427	403			
3	Regression	68.963	4	17.241	36.501	.000[d]
	Residual	188.463	399	.472		
	Total	257.427	403			
4	Regression	68.921	3	22.974	48.749	.000[e]
	Residual	188.506	400	.471		
	Total	257.427	403			

a. Dependent Variable: IP
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), power.rt, Trust, RT, Power, trust.rt
d. Predictors: (Constant), power.rt, RT, Power, trust.rt
e. Predictors: (Constant), power.rt, RT, trust.rt

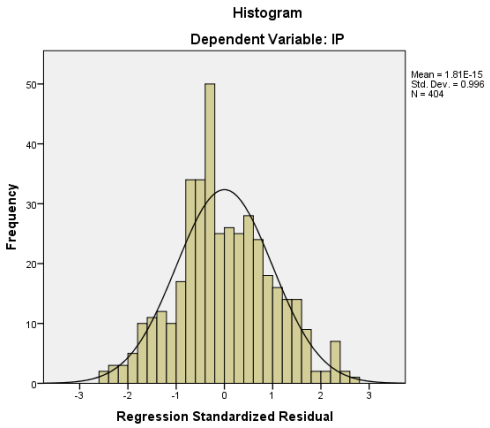
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	4.340	.893		4.862	.000	
	RT	-.876	.314	-.522	-2.788	.006	.053
	Power	-.061	.237	-.079	-.257	.797	.020
	Trust	.097	.243	.130	.401	.689	.018
	trust.power	-.007	.027	-.046	-.256	.798	.056
	trust.rt	.072	.082	.291	.883	.378	.017
	power.rt	.088	.080	.344	1.099	.272	.019
2	(Constant)	4.411	.847		5.205	.000	
	RT	-.879	.314	-.523	-2.801	.005	.053
	Power	-.084	.219	-.109	-.384	.701	.023
	Trust	.074	.224	.098	.329	.742	.020
	trust.rt	.073	.082	.294	.894	.372	.017
	power.rt	.088	.080	.347	1.111	.267	.019

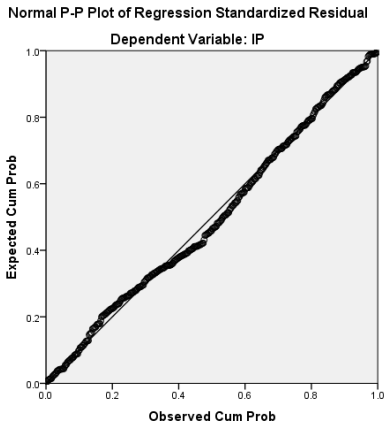
3	(Constant)	4.576	.681		6.716	.000	
	RT	-.940	.253	-.559	-3.712	.000	.081
	Power	-.062	.208	-.080	-.299	.765	.025
	trust.rt	.099	.012	.401	8.092	.000	.747
	power.rt	.081	.076	.318	1.063	.289	.021
4	(Constant)	4.382	.201		21.821	.000	
	RT	-.868	.084	-.517	-10.280	.000	.724
	trust.rt	.099	.012	.399	8.121	.000	.758
	power.rt	.059	.013	.229	4.644	.000	.750

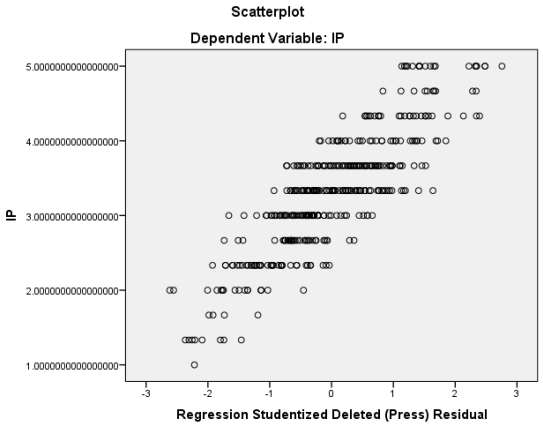
a. Dependent Variable: IP

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics	
						Tolerance	VIF
2	trust.power	-.046[b]	-.256	.798	-.013	.056	17.748
3	trust.power	-.019[c]	-.113	.910	-.006	.066	15.194
	Trust	.098[c]	.329	.742	.016	.020	48.787
4	trust.power	-.035[d]	-.238	.812	-.012	.084	11.948
	Trust	.063[d]	.223	.824	.011	.023	44.262
	Power	-.080[d]	-.299	.765	-.015	.025	39.429

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	power.rt, Trust, RT, trust.power, Power, trust.rt[b]	.	Enter
2	.	Power	Backward (criterion: Probability of F-to-remove >= .100).
3	.	trust.rt	Backward (criterion: Probability of F-to-remove >= .100).
4	.	RT	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: VTC
b. All requested variables entered.

Model Summary[e]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.473[a]	.224	.211	.6489
2	.473[b]	.224	.213	.6481
3	.473[c]	.224	.215	.6472
4	.471[d]	.222	.216	.6471

a. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, trust.rt
c. Predictors: (Constant), power.rt, Trust, RT, trust.power
d. Predictors: (Constant), power.rt, Trust, trust.power
e. Dependent Variable: VTC

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.393	6	7.566	17.965	.000[b]
	Residual	157.499	374	.421		
	Total	202.892	380			

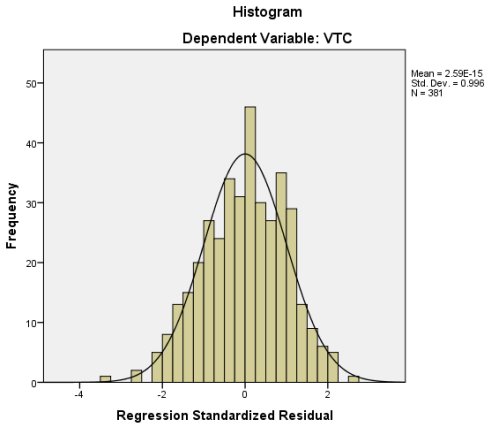
2	Regression	45.393	5	9.079	21.616	.000[c]
	Residual	157.500	375	.420		
	Total	202.892	380			
3	Regression	45.386	4	11.346	27.086	.000[d]
	Residual	157.506	376	.419		
	Total	202.892	380			
4	Regression	45.017	3	15.006	35.833	.000[e]
	Residual	157.875	377	.419		
	Total	202.892	380			

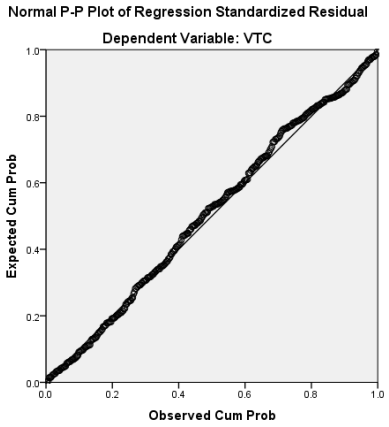
a. Dependent Variable: VTC
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), power.rt, Trust, RT, trust.power, trust.rt
d. Predictors: (Constant), power.rt, Trust, RT, trust.power
e. Predictors: (Constant), power.rt, Trust, trust.power

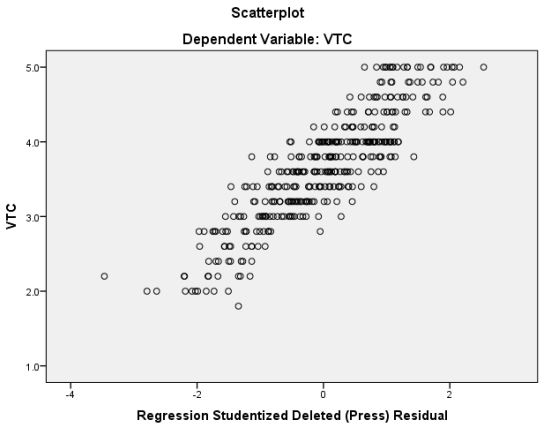
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	3.541	.901		3.932	.000	
	RT	-.158	.323	-.091	-.489	.625	.060
	Power	-.010	.243	-.014	-.041	.967	.018
	Trust	.190	.247	.276	.770	.442	.016
	trust.power	.028	.026	.211	1.082	.280	.054
	trust.rt	.010	.085	.041	.114	.909	.016
	power.rt	-.041	.082	-.171	-.502	.616	.018
2	(Constant)	3.519	.722		4.872	.000	
	RT	-.151	.278	-.087	-.544	.587	.080
	Trust	.189	.244	.274	.771	.441	.016
	trust.power	.028	.024	.208	1.159	.247	.064
	trust.rt	.011	.082	.044	.128	.898	.017
	power.rt	-.044	.030	-.184	-1.490	.137	.135
3	(Constant)	3.432	.243		14.107	.000	
	RT	-.119	.127	-.069	-.938	.349	.382
	Trust	.218	.084	.317	2.598	.010	.139
	trust.power	.028	.024	.205	1.153	.250	.065
	power.rt	-.044	.030	-.183	-1.486	.138	.136
4	(Constant)	3.283	.184		17.820	.000	
	Trust	.168	.065	.245	2.583	.010	.229
	trust.power	.044	.016	.327	2.689	.007	.139
	power.rt	-.066	.018	-.274	-3.585	.000	.353

a. Dependent Variable: VTC

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	power.rt, Trust, RT, trust.power, Power, trust.rt[b]	.	Enter
2	.	power.rt	Backward (criterion: Probability of F-to-remove >= .100).
3	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).
4	.	RT	Backward (criterion: Probability of F-to-remove >= .100).
5	.	trust.rt	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: ETC

b. All requested variables entered.

Model Summary[f]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591[a]	.349	.338	.7090
2	.590[b]	.348	.340	.7084
3	.589[c]	.347	.340	.7079
4	.588[d]	.346	.341	.7076
5	.584[e]	.342	.338	.7091

a. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
b. Predictors: (Constant), Trust, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), Trust, RT, Power, trust.rt
d. Predictors: (Constant), Trust, Power, trust.rt
e. Predictors: (Constant), Trust, Power
f. Dependent Variable: ETC

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	100.726	6	16.788	33.395	.000[b]
	Residual	188.008	374	.503		
	Total	288.734	380			
2	Regression	100.550	5	20.110	40.074	.000[c]
	Residual	188.184	375	.502		
	Total	288.734	380			
3	Regression	100.316	4	25.079	50.047	.000[d]
	Residual	188.418	376	.501		
	Total	288.734	380			
4	Regression	99.996	3	33.332	66.580	.000[e]
	Residual	188.738	377	.501		
	Total	288.734	380			
5	Regression	98.643	2	49.322	98.077	.000[f]
	Residual	190.091	378	.503		
	Total	288.734	380			

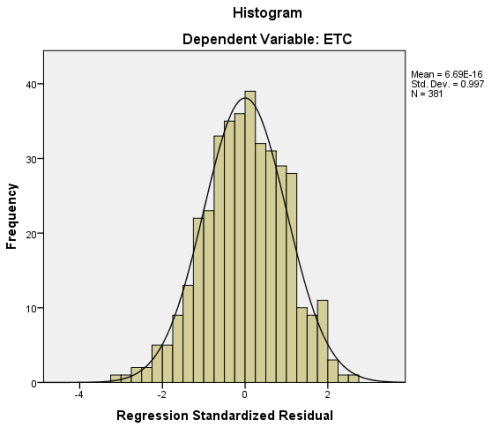
a. Dependent Variable: ETC
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), Trust, RT, trust.power, Power, trust.rt
d. Predictors: (Constant), Trust, RT, Power, trust.rt
e. Predictors: (Constant), Trust, Power, trust.rt
f. Predictors: (Constant), Trust, Power

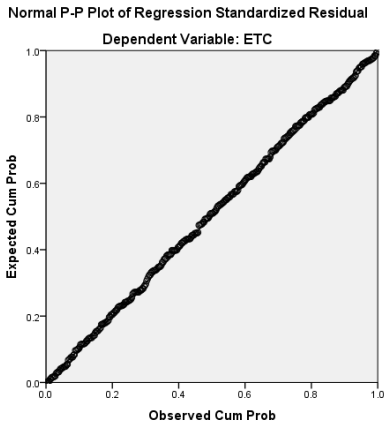
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	3.140	.984		3.191	.002	
	RT	-.353	.353	-.171	-1.002	.317	.060

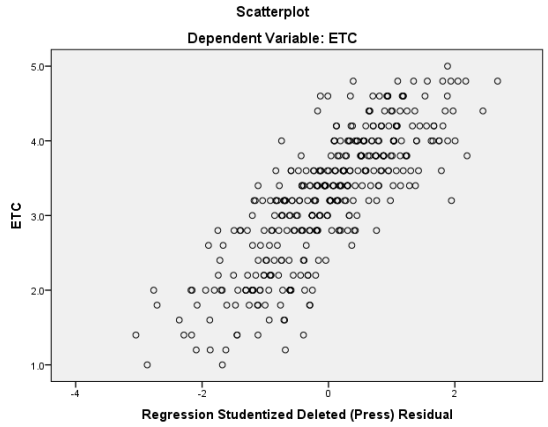
	Power	.428	.266	.506	1.609	.108	.018
	Trust	-.442	.270	-.539	-1.640	.102	.016
	trust.power	-.018	.029	-.115	-.646	.519	.054
	trust.rt	.096	.093	.340	1.038	.300	.016
	power.rt	.053	.090	.185	.592	.554	.018
2	(Constant)	2.820	.822		3.432	.001	
	RT	-.235	.290	-.114	-.810	.418	.088
	Power	.574	.097	.679	5.951	.000	.134
	Trust	-.480	.262	-.585	-1.834	.067	.017
	trust.power	-.019	.029	-.122	-.682	.496	.055
	trust.rt	.110	.090	.390	1.232	.219	.017
3	(Constant)	2.995	.780		3.840	.000	
	RT	-.232	.290	-.112	-.799	.425	.088
	Power	.514	.037	.607	13.765	.000	.892
	Trust	-.545	.243	-.665	-2.243	.025	.020
	trust.rt	.112	.090	.396	1.251	.212	.017
4	(Constant)	2.381	.138		17.312	.000	
	Power	.510	.037	.602	13.791	.000	.909
	Trust	-.361	.078	-.440	-4.616	.000	.191
	trust.rt	.044	.027	.154	1.644	.101	.197
5	(Constant)	2.405	.137		17.535	.000	
	Power	.506	.037	.598	13.691	.000	.912
	Trust	-.247	.036	-.301	-6.884	.000	.912

a. Dependent Variable: ETC

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	power.rt, Trust, RT, trust.power, Power, trust.rt[b]	.	Enter
2	.	power.rt	Backward (criterion: Probability of F-to-remove >= .100).
3	.	trust.rt	Backward (criterion: Probability of F-to-remove >= .100).
4	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).
5	.	Power	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: TE

b. All requested variables entered.

Model Summary[f]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.470[a]	.221	.209	.7848
2	.470[b]	.221	.210	.7841
3	.469[c]	.220	.212	.7834
4	.468[d]	.219	.213	.7828
5	.468[e]	.219	.215	.7819

a. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt

b. Predictors: (Constant), Trust, RT, trust.power, Power, trust.rt

c. Predictors: (Constant), Trust, RT, trust.power, Power

d. Predictors: (Constant), Trust, RT, Power

e. Predictors: (Constant), Trust, RT

f. Dependent Variable: TE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	65.415	6	10.902	17.700	.000[b]
	Residual	230.374	374	.616		
	Total	295.789	380			
2	Regression	65.234	5	13.047	21.221	.000[c]
	Residual	230.555	375	.615		
	Total	295.789	380			
3	Regression	65.019	4	16.255	26.484	.000[d]
	Residual	230.770	376	.614		
	Total	295.789	380			
4	Regression	64.774	3	21.591	35.236	.000[e]
	Residual	231.015	377	.613		
	Total	295.789	380			
5	Regression	64.675	2	32.338	52.890	.000[f]
	Residual	231.114	378	.611		
	Total	295.789	380			

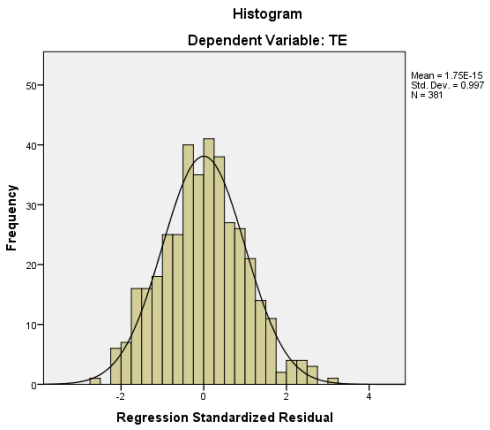
a. Dependent Variable: TE
b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt
c. Predictors: (Constant), Trust, RT, trust.power, Power, trust.rt
d. Predictors: (Constant), Trust, RT, trust.power, Power
e. Predictors: (Constant), Trust, RT, Power
f. Predictors: (Constant), Trust, RT

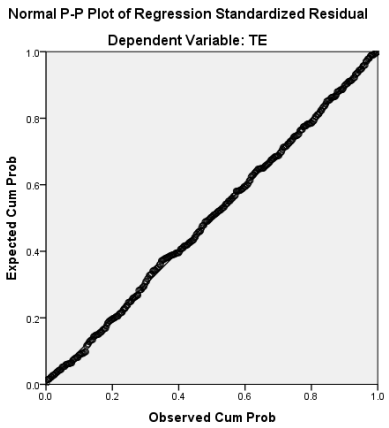
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	1.743	1.089		1.600	.110	
	RT	.650	.390	.312	1.666	.097	.060
	Power	.229	.294	.268	.780	.436	.018
	Trust	-.386	.298	-.465	-1.294	.196	.016
	trust.power	-.020	.032	-.126	-.645	.519	.054
	trust.rt	.073	.103	.255	.709	.479	.016
	power.rt	-.054	.100	-.185	-.542	.588	.018
2	(Constant)	2.067	.909		2.273	.024	
	RT	.530	.321	.254	1.651	.100	.088
	Power	.081	.107	.094	.756	.450	.134
	Trust	-.348	.290	-.419	-1.201	.231	.017
	trust.power	-.019	.032	-.120	-.616	.539	.055
	trust.rt	.059	.099	.205	.590	.555	.017

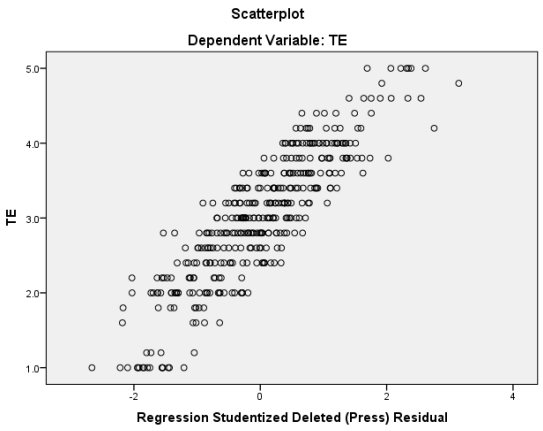
3	(Constant)	1.586	.404		3.925	.000	
	RT	.711	.096	.341	7.391	.000	.977
	Power	.079	.107	.092	.737	.461	.134
	Trust	-.189	.107	-.227	-1.767	.078	.125
	trust.power	-.020	.032	-.123	-.632	.528	.055
4	(Constant)	1.752	.307		5.710	.000	
	RT	.720	.095	.345	7.563	.000	.997
	Power	.016	.041	.019	.402	.688	.912
	Trust	-.252	.040	-.303	-6.348	.000	.910
5	(Constant)	1.791	.291		6.144	.000	
	RT	.719	.095	.345	7.567	.000	.997
	Trust	-.247	.038	-.297	-6.528	.000	.997

a. Dependent Variable: TE

Charts







Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	power.rt, Trust, RT, trust.power, Power, trust.rt[b]	.	Enter
2	.	trust.power	Backward (criterion: Probability of F-to-remove >= .100).
3	.	Power	Backward (criterion: Probability of F-to-remove >= .100).
4	.	Trust	Backward (criterion: Probability of F-to-remove >= .100).

a. Dependent Variable: IP

b. All requested variables entered.

Model Summary[e]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.502[a]	.252	.240	.671446042258006
2	.502[b]	.252	.242	.670562377224028
3	.502[c]	.252	.244	.669703686530070
4	.502[d]	.252	.246	.668926452927033

a. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt

b. Predictors: (Constant), power.rt, Trust, RT, Power, trust.rt

c. Predictors: (Constant), power.rt, Trust, RT, trust.rt

d. Predictors: (Constant), power.rt, RT, trust.rt

e. Dependent Variable: IP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.941	6	9.490	21.050	.000[b]
	Residual	168.614	374	.451		
	Total	225.556	380			
2	Regression	56.935	5	11.387	25.324	.000[c]
	Residual	168.620	375	.450		
	Total	225.556	380			
3	Regression	56.918	4	14.230	31.727	.000[d]
	Residual	168.637	376	.449		
	Total	225.556	380			
4	Regression	56.862	3	18.954	42.359	.000[e]
	Residual	168.693	377	.447		
	Total	225.556	380			

a. Dependent Variable: IP

b. Predictors: (Constant), power.rt, Trust, RT, trust.power, Power, trust.rt

c. Predictors: (Constant), power.rt, Trust, RT, Power, trust.rt

d. Predictors: (Constant), power.rt, Trust, RT, trust.rt
e. Predictors: (Constant), power.rt, RT, trust.rt

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	4.134	.932		4.437	.000	
	RT	-.719	.334	-.394	-2.153	.032	.060
	Power	.034	.252	.045	.133	.894	.018
	Trust	.057	.255	.078	.222	.824	.016
	trust.power	.003	.027	.022	.117	.907	.054
	trust.rt	.074	.088	.295	.840	.402	.016
	power.rt	.030	.085	.117	.348	.728	.018
2	(Constant)	4.103	.890		4.610	.000	
	RT	-.718	.333	-.394	-2.154	.032	.060
	Power	.045	.232	.060	.194	.846	.021
	Trust	.067	.240	.092	.280	.780	.018
	trust.rt	.074	.088	.295	.840	.402	.016
	power.rt	.029	.085	.114	.343	.732	.018
3	(Constant)	4.197	.744		5.643	.000	
	RT	-.753	.280	-.413	-2.694	.007	.085
	Trust	.081	.228	.111	.354	.723	.020
	trust.rt	.069	.084	.276	.819	.413	.018
	power.rt	.045	.013	.178	3.507	.001	.769
4	(Constant)	4.448	.224		19.836	.000	
	RT	-.847	.092	-.464	-9.211	.000	.780
	trust.rt	.099	.012	.394	7.937	.000	.805
	power.rt	.046	.013	.181	3.599	.000	.785

a. Dependent Variable: IP

Charts