

Reducing Turnover in Franchise-Based Small Business Organizations: The Role of Trust, Justice and Commitment

Aneil K. Mishra
East Carolina University

Karen E. Mishra
Meredith College

W. Lee Grubb
East Carolina University

Turnover is costly in any business, but even more so in a small business where employees wear many hats and often feel like part of the family. This is a study of a national franchise organization and eight of its small business franchisees to understand the roles of trust, organizational commitment, and justice on employee turnover. The results demonstrate that there are ways employers can limit turnover, and hence, reduce the costs of employment. Higher levels of procedural, distributive and interactional justice all are positively related to higher levels of employee trust in franchise management. Employee trust in franchise management is positively related to both normative and affective commitment. In addition, employees who report higher levels of empowerment also have greater organizational commitment in all forms. In turn, affective commitment and employee tenure are found to be negatively related to voluntary turnover. Overall, small business employers who work to build trusting relationships with employees through open communication and strong interpersonal relationships will reduce unwanted turnover in their organizations.

It is becoming a more accepted fact that one of the top reasons employees look for a new job is lack of trust in senior management (Sabatini, 2011). In fact, the most recent surveys of employees found that only 40% indicated that they had trust in management (Interaction Associates, 2014). Trust is a critical component for effective human resource management, and employees interpret human resource practices as proxies of an organization's trust and commitment to them (Zeffane & Cornell, 2003). Although trust, one's willingness to be vulnerable to others, is often the foundation of many of our perceptions and beliefs regarding the work environment, trust as a construct influencing individual commitment to an organization and related outcomes in the context of small business/franchising has received very little attention.

The Small Business Administration (2014) indicates that small businesses created 63% of new jobs from 1993 to 2013. Franchise organizations make up 2% of those new small businesses. The more than three quarters of a million franchise organizations in the U.S. provide more than 8 million jobs and produce more than \$490 billion in GDP (IHS Global Insight, 2014). They are expected to have faster job growth and overall growth than the rest of the U.S. economy in 2014 as well (International Franchise Association, 2014).

We are interested in whether trust in a local small business franchisee, which operates within a larger global franchise system, will have an influence upon such commitment and related behaviors. This study examines organizational justice regarding human resources practices as a contributor to perceptions of trust, and the effect employee trust in the franchisee, empowerment and promotions have on organizational commitment and voluntary turnover.

The context for our study is a sample of franchisee organizations that provide moving services to both residential and business customers. According to the Bureau of Labor Statistics, 80% of the non-farm jobs in U.S. are service-sector jobs as of 2014 (BLS, 2014). Bowen & Cummings (1990, p. 4-5) characterize service jobs as intangible and that provide "experiences that are rendered." Many service jobs are interactive in that they require the employee to interact with the public while they are "performing" their jobs, which can often be very demanding even if they are routine (Loscooco & Spitze,

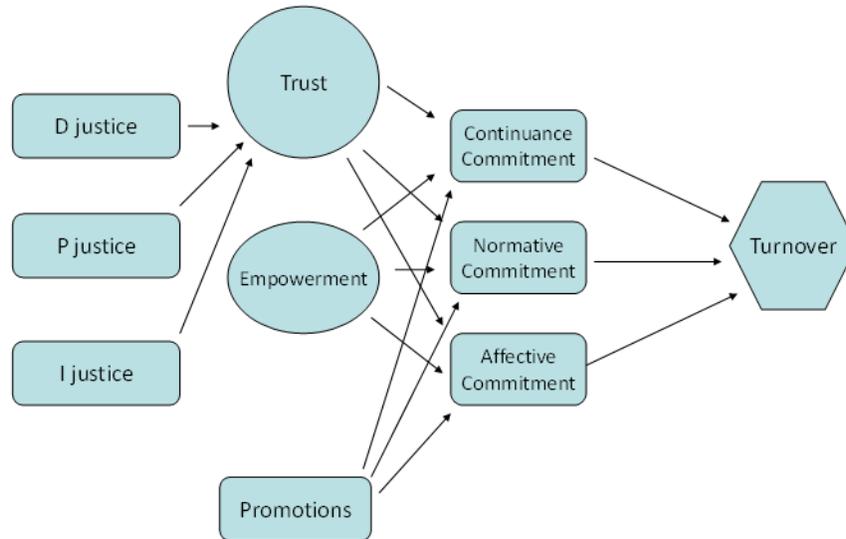
1990). Highly repetitive, routine work can be very dissatisfying and can lead to negative behaviors such as absenteeism (Melamed, Ben-Avi, Luz, & Green, 1995). Both repetitive jobs (those with a work cycle of under one hour) and those in which an employee's skills are underemployed, termed *underload* by Coburn (1979) have both been shown to cause both psychological and physical stress (Melamed et al., 1995).

Service jobs such as moving appear to contain both of these characteristics, which may have negative implications for organizational commitment. The job of moving boxes and household goods from a home to a truck is very repetitive. In addition, the work is considered *underload* in that for many movers, it is a jumping off point to other work—driver, customer service rep, supervisor, even franchise owner. The low level of job security provided by such work may also contribute to attitudes such as lower employee commitment to the organization. Finally, when such work is accorded little value by society, lower commitment and higher turnover may result. As an example, Waung (1995) found a lower mean commitment level for employees in the fast food industry than in a hospital setting. In addition, Sonnentag & Zijlstra (2006) found that service employees with high job demands and low control required time for recovery. This study endeavors to understand how such attitudes and behaviors can be mitigated through trust and related human resource practices within the context of a franchise-based organizational system.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

The present study is based on prior theory and research suggesting that the quality of the work relationship between an employee and employer will influence work-related attitudes and behaviors. Whitener (1997) noted that HR activities build trust based on several factors such as organizational justice and positive superior-subordinate dyads that lead to positive exchange relationships. Homans's exchange theory (1961) posits that individuals will reciprocate, either positively or negatively, what they receive in a work relationship. Trust may be necessary, however, to facilitate exchanges in the first place. Blau (1964) describes his social exchange theory stating that social exchanges are relationships where two parties exchange favors with each other in a way that creates some future expected obligations. However, trust between individuals is essential for these obligations to have some assurance of being fulfilled in the future (Blau, 1964, p. 94). Another basis for facilitating social exchange may be employee empowerment, as it reflects a personal sense of control as manifested in beliefs about the person-work environment interaction, including meaning or sense of purpose, competence, self-determination over work, and impact upon organizational outcomes (Spreitzer, 1995). Such empowerment beliefs increase the likelihood that individuals will believe the relationship is worth engaging in because it is embedded in a meaningful context, one that can be influenced, and in which the person can succeed. Empowerment may also reflect internalization of the organization's values, and thus a greater degree of alignment between managers and subordinates (Weibel, 2006). Trust and empowerment may be positively related to one another, as employees who have a greater sense of empowerment may also be more highly trusted by their managers. As Zeffane and Cornell (2003) point out, the level of trust that exists in an organization is indicative of its character and the way that it treats its employees. Employees' sense of trust and empowerment may thus be positively related to their intent to remain with such an organization, and even thrive (Spreitzer & Porath, 2012). We now discuss several factors that are posited to help reinforce trust and social exchange (see Figure 1).

Figure 1. *Predicted Turnover Model*



ORGANIZATIONAL JUSTICE AND TRUST

There are three main types of organizational justice (Greenberg, 1987), describing how people perceive fairness in organizations: distributive, procedural and interactional. For each type, an employee makes a decision about the fairness of the decision outcome, the fairness of the procedures used to determine the outcome and the fairness in which the outcome was communicated to determine whether or not in their mind justice exists for them in their work environment. Ultimately, what matters most to an employee is whether or not these decisions are deemed fair. Dirks & Ferrin (2002) suggested that a perception of fairness leads employees to be more trusting of the organization and its leaders.

Distributive justice (Homans, 1961) refers to issues of fairness with regard to how organizational resources are distributed, such as in our context, pay or promotions (Colquitt, Greenberg & Zapata-Phelan, 2005). In addition, employees will likely compare the fairness of their outcomes with those of similar employees based on their level of inputs, such as tenure within the organization to determine their perceptions of fairness. An employee will feel that distributive justice exists if pay and promotions are distributed equitably across employees within his or her organization relative to their inputs.

Procedural justice (Leventhal, 1980) refers to how decisions about those resources are made, e.g., how it is decided who gets which pay raise or which promotion. Procedural justice exists if employees deem that decisions are made fairly for all. Procedures are deemed to be fair if they are: made consistently, free from bias, made using accurate information, correctable, representative of the basic concerns of all parties involved, and are ethical (Leventhal, 1980).

Finally, interactional justice issues (Bies & Moag, 1986) deal with how employees are treated as the decisions are communicated. Further work by Colquitt (2001; Colquitt & Rodell, 2011) revealed that interactional justice might be further distinguished into subcategories including informational justice and interpersonal justice. Informational justice refers to providing employees with enough information to help them understand the outcomes and how they were determined. Interpersonal justice refers to perceptions of fairness based on being treated with dignity and respect (Colquitt et al., 2005; Aryee, Pawan & Chen, 2002).

Organizational justice has been found to be important in assessments of organizational trustworthiness (Lind, 2001). For example, Folger & Knovosky (1989) in their study of pay raise decisions found that procedural justice was a more significant predictor of commitment and trust than distributive justice. Sweeney & McFarlin (1993) in their two-factor model of justice found that distributive justice predicted pay satisfaction and procedural justice predicted organizational commitment. Even as waves of research over the years have pointed to one form of justice to be more important than another (Colquitt et al., 2005; Colquitt & Rodell, 2011), we expect that all three forms of organizational justice *will be* important in influencing organizational commitment and turnover, but through their effect on trust. A recent meta-analysis on social exchange and affect-based perspectives revealed that there are strong relationships between supervisor-focused justice and the quality of exchange relationships (Colquitt, Scott, Rodell, Long, Zapata, Conlon & Wesson, 2013). As trusting another involves making oneself vulnerable, it is reasonable to expect that perceptions of fairness reduce feelings of vulnerability in employees.

Fairness perceptions contribute to the formation of trust, enhance the perceived trustworthiness of authorities, and reduce fears of exploitation (Lewicki & Bunker, 1996; Lind, 2001; Colquitt et al., 2005; Colquitt & Rodell, 2011). Aryee et al., (2002) argued that in employment relationships, social exchange may be initiated by the organization treating its employees fairly and found empirical support for trust mediating all three forms of organizational justice on organizational commitment, turnover intentions and other job-related outcomes. As well, Fichman (2003) stated that there is a strong, positive value for fairness and reciprocity and argues that all other things being equal, employees will prefer living in a fair world and will both trust others and behave in a trustworthy manner when doing so promotes their self-interest.

Empirical research provides some support that trust mediates justice's influence on attitudes, behavioral intentions and outcomes. Aryee et al. (2002) found that all three forms of justice were important in influencing employees to feel that they were treated fairly and hence, trusted the organization and ultimately, influenced job satisfaction, turnover intentions, and organizational commitment. In addition, interactional justice was positively related to trust in a supervisor and trust in the organization, whereas only procedural and distributive justice were positively related to trust in the organization. Other research has shown that both distributive and procedural justice were related to trust in the organization (Pearce, Branyiczki & Bakacsi, 1994). Hence, we will expect employees' trust in franchise management will be positively related to their perceptions of fairness, and that fairness perceptions' influence upon their commitment to the organization will be mediated by their trust beliefs. Thus,

- Hypothesis 1a: Employees who perceive the franchisee organization as more procedurally just will have higher trust in franchise management.
- Hypothesis 1b: Employees who perceive the franchisee organization as more distributively just will have higher trust in franchise management.
- Hypothesis 1c: Employees who perceive the franchisee organization as more interactionally just will have higher trust in franchise management.
- Hypothesis 1d: Employees' trust in franchise management will mediate the relationship between justice and organizational commitment.

TRUST AND COMMITMENT

Trust is expected to facilitate social exchange in authority relationships because it has been posited as one factor that shapes cognitive assessments of threat or vulnerable situations (Mishra & Spreitzer, 1998). More specifically, trust in management minimizes the threatening categorization of vulnerable situations by helping individuals to understand and believe in management's intentions and expected behavior (Mishra & Spreitzer, 1998, p. 573). Here, trust is defined as a willingness to be vulnerable to others based on the prior belief that those others are reliable, honest, competent, and benevolent or concerned (Mayer, Davis, & Schoorman, 1995; Mishra, 1996; Mishra & Mishra, 2013).

The four dimensions of trustworthiness, reliability, openness, competence, and concern, are argued to contribute additively to a party's trustworthiness (Mishra, 1998, p. 574; Mishra & Mishra, 2013). Trust as an additive combination of these four dimensions has also been found to be positively related to organizational commitment (Spreitzer & Mishra, 2002; Brockner, Spreitzer, Mishra, Hochwarter, Pepper, & Weinberg, 2004). Further, trust in managers has been shown to increase perceptions of success, accuracy and fairness of the system (Whitener, 1997). Within franchise-based organizations these elements of trust may well act as a primary source of influence that helps shape many of the employees' thoughts and perceptions of the organization.

Franchise-based organizations provide a key referent in which franchise employees can place their trust: the management of the local franchisee who exercises traditional forms of direct control over its employees.ⁱ The franchisee or individual responsible for running the local franchise is the direct representative of the franchise system with whom franchise employees regularly interact, and as such is the key person who these employees will evaluate when it comes to trusting the formal organization. People in formal leadership positions behave in such a way that creates expectations that lead to the development of trust (Kramer 1999; Colquitt et al., 2004 p. 14). In the context of moving organizations, employees may be vulnerable for many reasons, and therefore trust will be a critical aspect of the employer-employee relationship. Vulnerability may take the form of possible injury on the job due to inadequate safety training, inconsistent work practices, or unrealistic productivity standards. Vulnerability may also be exemplified in not receiving sufficient employment (hours per week or month) to maintain a decent standard of living due to the variability and seasonality of demand.

For trust to have a lasting effect on relationships, it must influence both attitudes and behaviors. While trust is essential for the development of social exchange relationships, long-term relationships require commitment as well (Colquitt et al., 2004, p. 18). In the context of our study, such commitment is operationalized as employee commitment to the organization, or more succinctly, organizational commitment. As stated above, each of the four trustworthiness dimensions contributes additively to an individual's willingness to be vulnerable. In addition, each dimension of trust should enhance organizational commitment. Indeed, previous empirical research has found that trust is positively related to organizational commitment in a variety of contexts (Brockner, Siegel, Daly, Tyler, & Martin, 1997; Aryee, Budhwar, & Chen, 2002; Brockner et al., 2004). For example, if employees believe that franchise management will be reliable, perhaps in terms of keeping their promises, they will be more likely to reciprocate by committing to the organization. To the extent that employees believe that management will be open and honest, that should reduce their uncertainty about an inherently volatile business, further enhancing their commitment. If employees believe that management is competent, this should increase their willingness to commit to an organization that is in operating in a highly competitive and sometimes unsafe industry. Finally, employees who believe that franchise management cares about their best interests feel less threatened about their livelihood as management balances profitability and employee incomes in the face of variable demand. Thus,

Hypothesis 2: Employees who have greater trust in franchise management will have higher levels of organizational commitment.

EMPOWERMENT AND SOCIAL EXCHANGE

Empowerment is expected to be another factor facilitating social exchange because it has been posited to shape cognitive assessments of one's capacity to cope with vulnerability (Mishra & Spreitzer, 1998). In general, empowerment reflects a personal sense of control in the workplace as manifested in four beliefs about the person-work environment relationships: (1) meaning, (2) competence, (3) self-determination, and (4) impact (Spreitzer, 1995; Thomas & Velthouse, 1990). In this study's context, employees' sense of control is likely to be undermined given that many important decisions about how to perform work are either made by local franchise management, including how long work should take, how many employees are assigned to a moving job, or how much training is needed. Nevertheless, individual employees vary in their degree of empowerment within the same context. As specific examples, we have found that the lead employee on each moving job has made varying adjustments to the overall number of hours billed to the customer, decided how much employee break time to deduct from the customer's final bill, and how to account for property damages (personal experience with some of the franchises in our sample).

Empowerment is expected to facilitate social exchange because it provides the basis for individuals to cope with any fears or uncertainties inherent in even routine work, but especially work that is arduous and at times dangerous. People are generally anxious and tend to avoid situations they believe are beyond their ability to succeed and they are more likely to partake in activities confidently when they judge themselves capable and efficacious (Lazarus & Folkman, 1984). The beliefs about personal control represented by empowerment enable people to deal with job difficulties more actively (Frese & Fay, 2001). Because of their strong sense of personal control, empowered employees may feel more hardy (Wiebe, 1991) and engage in more proactive coping to reduce the potential for strain (Aspinwall & Taylor, 1997). In addition, with an enhanced sense of personal control, empowered individuals are able to actively cope with challenges, protecting them from strain (Wall, Jackson, Mullarkey, & Parker, 1996; Parker & Spriggs, 1999).

EMPOWERMENT AND COMMITMENT

Because empowerment facilitates social exchange, we argue that it will enhance organizational commitment. Indeed, feeling empowered may be a starting point for mending problems and building commitment (Niehoff, Moorman, Blakely & Fuller, 2001) because it leads to greater personal initiative (cf. Frese, Fay, Hilburger, Leng, & Tag, 1997). Each of the four empowerment dimensions provides a basis for viewing all social exchanges in the local franchisee organization as beneficial and thus worth seeking and continuing. Meaning reflects a sense of purpose or personal connection about work. A strong sense of meaning helps individuals cope by providing a sense of purpose in dealing with work that is often mundane and routine. Competence signifies that individuals believe they have the skills and abilities necessary to perform their work well (Spreitzer, 1995). Competence thus helps employees feel that they have the personal resources to cope with the constant need to meet work standards set by the franchisee. Self-determination reflects a sense of freedom about how individuals do their own work (Spreitzer & Mishra, 2002, p. 714). This self-determination helps employees to feel more in control over how they cope with difficult tasks and unpredictable customers. Impact describes a belief that individuals can influence the system in which they are embedded (Spreitzer & Mishra, 2002, p. 714). This impact enables employees to feel they can make a difference in improving the franchise's efficiency and safety. Thus, we argue that the four dimensions of empowerment should help employees feel more in control, should help them to cope with the demands of their jobs, and hence increase their organizational commitment.

Previous empirical research provides support for hypothesizing a positive relationship between empowerment and organizational commitment. Empowerment has been found to be positively related to loyalty (Fulford & Enz, 1995), positively related to affective commitment (particularly the self-determination and impact dimensions) (Kraimer, Siebert, & Liden, 1999; Wu & Short, 1996), and negatively related to propensity to quit (Koberg, Boss, Senjem, & Goodman, 1999). Moreover, research has found that personal control is positively related to affective commitment (Spector, 1986). Thus,

Hypothesis 3: Employees who feel more empowered will have higher levels of organizational commitment.

OPPORTUNITIES FOR PROMOTIONS

To identify possible additional factors shaping commitment and turnover, one dozen interviews were conducted with a cross-section of employees including movers, drivers, franchise owners, staff at corporate headquarters, and franchise system owners. These interviews were conducted in person and were transcribed prior to conducting the surveys in order to determine the issues facing the franchisees and their employees. Posavac, Dew, Tindale, Dugoni, Sheffey and Koch, (1996) noted that non-exempt employees who had aspirations for promotions and leadership positions were found to have higher levels of organizational commitment than non-exempt employees who had lower aspirations for promotions and leadership roles. Similarly, one of the themes that emerged from interviews with a cross-section of a dozen individuals who worked for either the franchisor or one of its franchisees is that opportunities for moving up within the franchise organization was a strong reason for remaining with a particular franchise. Given the relatively flat hierarchy within a given franchise, such opportunities may seem limited, but they do in fact exist, especially as franchises grow, and both individual franchises and the overall franchise system grows. Not only can mover/drivers or customer service representatives move into management positions, these management positions often become stepping stones for becoming a franchisee, either by buying out the existing franchisee or starting another franchise in the system (company archival documents; personal communications from franchisees and the franchisor).

Hypothesis 4: Employees who perceive greater opportunities for promotion will have higher levels of organizational commitment.

ORGANIZATIONAL COMMITMENT AND VOLUNTARY EMPLOYEE TURNOVER

We expect that higher levels of organizational commitment will be negatively associated with voluntary turnover. The relationship between commitment to the organization and voluntary turnover is well documented (Cohen, 1993; Cohen & Hudecek, 1993). Employees with strong organizational commitment have greater intentions to remain with their employing organizations (Mowday, Steers, & Porter, 1982). Although the relationship between different dimensions of organizational commitment and voluntary turnover has been mixed (Meyer and Allen, 1997), a meta-analysis (Mathieu & Zajac, 1990) has shown a consistent but negative relationship between one particular type of commitment, affective commitment, and voluntary turnover. Riordan, Weatherly, Vandenberg & Self (2001, p. 159) also found that a lack of behavioral commitment was enacted through higher voluntary turnover. Thus,

Hypothesis 5: Employees who have higher levels of organizational commitment will be less likely to voluntarily turnover than those who have lower levels of organizational commitment.

METHODOLOGY

Our sample consists of eight franchises of a national franchise organization involved in both residential and commercial moving. Franchises were selected by the co-authors and the franchisor to be representative of the franchisor's population based on size and proximity to the franchisor's headquarters. Size of the franchises ranged from 28 to 68 employees. Franchises were located in the Midwest, Southeast, and West (at the time of the survey, the franchisor had no Northeastern franchises).

Surveys were then administered to all 369 employees from these eight franchises. All surveys were completed on company time. In a standard letter accompanying each survey, respondents were assured of the confidentiality of their responses, but were informed that their surveys would be coded for matching with subsequent survey administrations. All surveys were mailed back directly to the researchers in individually sealed, pre-addressed and stamped envelopes. A total of 239 surveys were returned for a response rate of 65%. The employees who did respond were 92% male. On average, respondents were 26 years of age, had 1.3 years of service with the franchise, and had achieved some college education. Using a t-test of independent samples, we found no evidence for response bias based on gender, age, or tenure. Because level of education was only measured as part of the survey, differences between respondents and non-respondents on this variable could not be computed.

MEASURES

All survey measures were assessed with 5-point Likert scales ranging from very strongly disagree to very strongly agree. To the extent possible, we used already validated scales for each variable in the model. Justice was measured using Niehoff and Moorman's (1993) measures of procedural justice, distributive, and interactional justice. All three scales achieved very good levels of reliability (procedural justice, $\alpha = .88$; distributive justice, $\alpha = .85$; interactional justice, $\alpha = .94$).

Trust was measured using Mishra & Mishra's (1994) 16-item measure of trustworthiness, plus one additional trust item, "I trust management," for a total of 17 items. A sample item for each of the four dimensions include: "I believe management communicates honestly with me" (openness); "...is competent and knowledgeable" (competence); "...does not try to get out of its commitments" (reliable), and "...cares about my best interests" (concern). Previous confirmatory factor analysis has shown that while distinct, the four trustworthiness dimensions can be aggregated into a single trustworthiness scale (Mishra & Mishra, 1994). We therefore aggregated the trustworthiness items and their respective dimensions as well as the single trust item for testing our hypotheses. (The single trust item did not emerge as a distinct factor in an exploratory factor analysis from the trustworthiness items, and was highly correlated with the original 16-item trustworthiness scale, $r = .82$, $p < .001$.) We found the aggregated trust scale to have a very good level of reliability ($\alpha = 0.97$).

We used Spreitzer's (1995) 12-item measure of empowerment. Sample items for each of the four dimensions include: 'The work I do is very important to me' (meaning); 'I am confident about my ability to do my job' (competence); 'My impact on what happens in my department is large' (impact); 'I have significant autonomy in determining how I do my job' (self-determination). Previous research has shown that the four dimensions can be aggregated into a single scale (Kraimer et al., 1999) or used individually (Spreitzer, Kizilos, & Nason, 1997). We aggregated all of the empowerment items into a single empowerment scale, which achieved very good reliability ($\alpha = .85$).

Opportunities for promotion was a new scale consisting of two items, "there are promotional opportunities here for those of us who want to get ahead," and "if I wanted to take on more responsibility in this franchise, the opportunities are available here." This scale achieved very good reliability ($\alpha = .89$).

Organizational commitment was measured using the affective, normative, and continuance dimensions of organizational commitment scales developed by Meyer and Allen (1997). Each scale also achieved acceptable reliability (continuance commitment $\alpha = .64$; normative commitment $\alpha = .85$; affective commitment $\alpha = .85$).

Turnover was measured from company records for four years following the administration of the survey. Whether or not an employee voluntarily left the organization was compiled from employee records obtained from each franchise's accounting or human resources department. The turnover variable was given a score of zero if the employee was still with the firm four years after the survey data were collected and a score of one if they had voluntarily left the firm by that time. Employees who were fired for cause (i.e., involuntary turnover) were excluded from the sample.

CONTROL VARIABLES

Several additional variables (education, age, organizational tenure, and hours per week worked) were included as controls in the analyses because they may also have effects on organizational commitment and turnover. Educational level was measured as a seven-category scale ranging from less than high school to doctoral degree. Employees with higher levels of education should have greater opportunities to pursue employment elsewhere and so may have lower levels of continuance commitment and higher rates of voluntary turnover. A meta-analysis found education to be negatively related to affective commitment (Mathieu & Zajac, 1990) and positively related to voluntary turnover (Griffeth, Hom, & Gaertner, 2000). The age of the employee (measured as number of years) was collected on the survey and confirmed from archival sources. Younger employees have been found to be more likely to initiate turnover (Griffeth et al., 2000). A meta-analysis found age to be positively related to affective commitment (Mathieu & Zajac, 1990). During our interviews with employees, the amount of income that could be earned was often mentioned to be reason to work for and remain with the franchise. We use hours worked per week as a proxy for income, as all movers were paid approximately the same hourly wage within a given franchise. Gender was also included as a control given that the vast majority of mover/drivers were male and customer service representatives were female.

RESULTS

Regression analysis was used to test the hypotheses regarding organizational justice, trust, empowerment and organizational commitment. Two-tailed tests of significance were used for all OLS regressions. Table 1 contains the means, standard deviations, and correlations for the variables in the analyses. Table 2 includes the OLS regression analyses.

To test the hypotheses regarding organizational commitment we first regressed trust, empowerment, and opportunities for promotion and all of the control variables simultaneously on each organizational commitment dimension, treating each commitment dimension as a separate dependent variable. To test the hypotheses regarding organizational justice and trust, we first regressed trust in franchise management on all three justice variables, controlling for all of the control variables (see Table 2). All variables were entered simultaneously. The regression equation for the justice variables explained 74% of the variance in trust in franchise management. None of the control variables were significantly related to trust in franchise management. All three justice variables are associated with higher levels of trust in franchise management (procedural justice $\beta = .20^{**}$, distributive justice $\beta = .30^{**}$, interactional justice $\beta = .44^{**}$). Thus, Hypotheses 1a, 1b, and 1c are supported.

Table 1. Means, standard deviations and correlations. Listwise deletion of missing data was used in all analyses.

Variable	Mean (Std. Dev.)	Age	Sex	Edu	Ten	Hrs	Trust	Emp	Opp Pro	DJ	PJ	IJ	CC	NC	AC	Quit
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Age	25.92 (7.66)	1														
2. Sex	.92 (.27)	-.07	1													
3. Education	2.56 (1.06)	.05	-.09	1												
4. Tenure at Time of Survey	1.30 (1.59)	.24**	.07	.03	1											
5. Hours per week	38.56 (10.60)	.10	.00	.04	.30**	1										
6. Trust	3.87 (.86)	.02	.06	-.14*	.00	-.07	1									
7. Empowerment	4.03 (.61)	.33**	.05	-.14*	.18**	.17*	.54**	1								
8. Opportunity for Promotions	3.55 (1.11)	.09	.07	-.12	.00	.10	.59**	.46**	1							
9. Distributive justice	3.62 (.86)	.01	-.01	-.04	.08	.02	.73**	.52**	.60**	1						
10. Procedural justice	3.53 (.85)	.03	.05	-.11	-.03	-.01	.76**	.51**	.54**	.65**	1					
11. Interactional justice	3.80 (.85)	.04	.03	-.08	-.02	-.06	.81**	.51**	.51**	.65**	.81**	1				
12. Continuance commitment	3.11 (.68)	-.08	.08	-.23**	.14*	.13*	.31**	.33**	.33**	.29**	.31**	.23**	1			
13. Normative commitment	3.27 (.97)	.22**	-.04	-.20**	.15*	.16*	.66**	.63**	.52**	.56**	.55**	.54**	.38**	1		
14. Affective commitment	3.37 (.85)	.23**	-.02	-.16*	.21**	.18**	.61**	.65**	.46**	.53**	.46**	.51**	.25**	.70**	1	
15. Voluntary Quit	.79 (.41)	-.28**	.08	-.08	-.42**	-.31**	-.03	-.20*	-.10	-.11	.01	.01	-.14+	-.20*	-.27**	1

*=p<.05 **=p<.01 +=p<.10

Table 2. OLS Regression Analyses

Independent variables	Dependent Variables			
	Continuance # Commitment	Normative # Commitment	Affective # Commitment	Trust in Franchise # Management
Control variables				
Age	-0.21 **	0.08	0.07	0.01
Sex	-0.01	-0.10 *	-0.07	0.06
Education	-0.17 **	-0.12 *	-0.09 +	-0.06
Tenure	0.14 *	-0.06	0.12 *	-0.04
Hours Worked/Week	0.05	0.09 +	0.09 +	-0.01
Predictor variables				
Procedural Justice				0.20 **
Distributive Justice				0.30 **
Interactional Justice				0.44 **
Trust in Management	0.04	0.42 **	0.42 **	
Empowerment	0.26 **	0.30 **	0.34 **	
Opportunities for Promotion	0.13	0.11 +	0.07	
R2 Adjusted	0.19	0.57	0.58	0.74
F	6.94 **	34.67 **	36.25 **	72.70 **

#Sig: +p < .10, *p < .05, **p < .01

Two-tailed tests. Standardized coefficients are reported.

Additional tests indicate that employees’ trust in franchise management and empowerment partially mediates the relationship between the three forms of justice and organizational commitment. First, each of the three types of organizational commitment were regressed separately on all three justice dimensions simultaneously, controlling for all of the control variables. Results (not presented in a table) indicate that procedural justice is related to higher levels of continuance commitment ($\beta = .23+$) and normative commitment ($\beta = .23^*$), but not affective commitment ($\beta = .04$, N.S.). Distributive justice is related to higher levels of continuance commitment ($\beta = .16+$), normative commitment ($\beta = .28^{**}$) and affective commitment ($\beta = .29^{**}$). Interactional justice is only related to higher levels of affective commitment ($\beta = .29^{**}$), and not significantly related to the other two types of commitment.

Even though all forms of justice were not significantly related to all types of organizational commitment, regression tests were then conducted in which trust in franchise management was added to the models containing the justice variables and the control variables, again with each form of organizational commitment as a separate independent variable. When trust is added to these regression models, justice becomes much less significant in its relationship to organizational commitment. Procedural justice is only marginally related to continuance commitment ($\beta = .20+$), and distributive justice is less strongly related to both normative commitment ($\beta = .16^*$), and affective commitment ($\beta = .14+$). All other relationships between the justice variables and the types of organizational commitment become insignificant. Thus, strong but not absolute support is shown for Hypothesis 1d.

Partial support was found for Hypothesis 2. Trust in franchise management is found to be related to higher levels of normative commitment ($\beta = .42^{**}$) and affective commitment ($\beta = .42^{**}$), but not

continuance commitment ($\beta = .04$, N.S.). Support was found for Hypothesis 3. Empowerment is found to be related to higher levels of continuance commitment ($\beta = .26^{**}$), normative commitment ($\beta = .30^{**}$), and affective commitment ($\beta = .34^{**}$). Limited support was found for Hypothesis 4. Perceived opportunities for promotion are found to be related to higher levels of normative commitment ($\beta = .11+$), but not to continuance commitment ($\beta = .13$, N.S.) or affective commitment ($\beta = .07$, N.S.).

Depending on the form of organizational commitment, control variables are significantly related with each form of commitment (see Table 2), with more education being related to lower levels of all three forms of commitment. More hours of work are related to higher levels of both normative commitment and affective commitment, although only at the $p=.10$ level. Longer tenure is related to higher levels of both continuance and affective commitment. Older employees have lower levels of continuance commitment. Females have lower levels of normative commitment.

All eight franchises provided us with turnover data. Of the 239 respondents with matching turnover data, 117 employees had voluntarily left the organization over the four year study period. Thirty-one were still employed, 31 had been fired for cause, and the remainder had left for other reasons (e.g., poor health). With this caveat, to test Hypothesis 5 we conducted a logistic regression (Table 3). Because a binary dependent variable like turnover (i.e., staying or leaving) violates the assumptions of ordinary least squares regression, we conducted log linear regression analysis rather than the more typical ordinary least squares regression. The error terms from prediction cannot be normally distributed nor are they homoscedastic (Lee & Mowday, 1987). Consequently, all estimates using OLS regression are statistically inefficient. In contrast, log linear models better meet the underlying assumptions and allow for meaningful probability statements and statistically efficient estimates (Cox, 1970). When log linear (logistic regression) analysis was conducted, we found partial support for Hypothesis 5, that employees with higher levels of organizational commitment would have a lower likelihood of voluntary turnover. When all predictor and control variables were entered, the -2 log likelihood function was 93.50, with a chi-squared improvement of fit (over the constant) equal to 41.96.

Table 3. *Results of Logistic Regression; Voluntary Turnover is the Dependent Variable*

Variable	B	S.E.	Wald #	Exp(B)
Age	-0.08	0.04	4.44 *	0.92
Sex	1.13	0.87	1.66	3.08
Education	-0.09	0.22	0.17	0.91
Tenure at Time of Survey	-0.41	0.17	5.86 *	0.66
Hours Worked Per Week	-0.06	0.03	3.82 *	0.95
Empowerment	0.31	0.72	0.19	1.36
Trust	0.34	0.69	0.24	1.40
Promotional Opportunities	-0.23	0.32	0.51	0.80
Continuance Commitment	-0.51	0.45	1.28	0.60
Normative Commitment	0.59	0.53	1.24	1.80
Affective Commitment	-1.07	0.62	3.02 *	0.34
Distributive Justice	-0.46	0.53	0.75	0.63
Procedural Justice	0.75	0.64	1.38	2.12
Interactional Justice	-0.32	0.64	0.26	0.72
Constant	7.76	2.94	7.00 **	2347.48
# Sig: +p < .10, *p < .05, **p < .01				
-2 Log likelihood	93.5			
Model Chi Square	41.96		***	
Chi Square df	14			
Cox Snell R2	0.28			

Two-tailed tests were used for these hypotheses. As hypothesized, affective commitment ($\beta = -1.08^*$, one-tailed test) was negatively related to voluntary turnover. However, neither continuance commitment nor normative commitment was related to voluntary turnover. Thus, we found partial support for Hypothesis 5. When the commitment variables were included in the model, none of the other predictor variables (trust in management, empowerment, opportunities for promotion, or the three forms of organizational justice) were significantly related to voluntary turnover. Our logistic regression indicates that 86.2% of the cases were correctly classified as having turned over or having remained with the firm.

DISCUSSION

This research is among the first to examine trust and its consequences in franchise-based organizations. Such organizations are pervasive in daily life yet represent an understudied population in the organization studies literature. Moreover, the degree to which they attempt to standardize and regulate behavior while attempting to maintain entrepreneurial initiative and energy provides perhaps a unique context in which to investigate human resource practices and the flexibility and creativity that trust has been posited to promote.

In our study, we found that the degree to which employees are affectively committed to the franchise has a distinct negative effect on the likelihood of their voluntary turnover even after controlling for age, gender, organizational tenure, level of education as well as other forms of organizational commitment, and perceived opportunities for promotion. This demonstrates that managers who build a sense of affective commitment among employees can prevent turnover and its associated costs to the firm. These costs include the recruitment and training of new employees who must replace those who leave, as well as the lost training and knowledge that goes with those employees who leave.

Trust and empowerment had their hypothesized relationships with organizational commitment, but were fully mediated by affective commitment in their effects on voluntary turnover. A sense of personal attachment then, rather than cost-benefit calculations or other economic decisions, is critical to explaining voluntary turnover even in this service firm. This is particularly noteworthy given the degree to which service industries and this firm in particular, seek to reduce uncertainty by regulating employee behavior, for example through employee training. Providing employees with the security that is engendered by trust and personal control of empowerment then may be just as important in reducing costs as more traditional, hierarchical methods. This particular firm has worked hard to create a feeling of personal attachment at both the corporate level and the franchise level, as evidenced by the use of the word “family” in the organization’s newsletters to all franchisees. Our research indicates that the words and actions taken by the managers of this organization achieve this goal of creating a sense of personal attachment with employees. A possible benefit for customers in this instance is that this sense of personal attachment is evident to customers in the care taken with their belongings in a residential or commercial move. Employees have a pride in their work that is evident to customers, building customer loyalty as a result of employee commitment. External evidence for this customer loyalty takes the form of being ranked “highest in satisfaction among customers using full-service moving companies” by J.D. Power & Associates.

MANAGERIAL IMPLICATIONS FOR SMALL BUSINESS OWNERS

A recent *Inc.* article (Lucas, 2013) showed that the cost of employee turnover can run as high as 150% of an employee’s annual salary. Those costs include: lower productivity, an overworked remaining staff, costs of training and interviewing, and paying recruiters. This is one good financial reason for small businesses to work to build trust, empowerment and commitment among employees, in order to reduce such turnover.

Our research finds that to the extent that employees believe that their firm operates with greater fairness in its business practices, they have greater trust in the management of that firm. Such trust, and the degree to which employees believe that they are empowered, in turn, are both positively related to their commitment to the firm. Greater commitment in form of a personal attachment then is negatively related to leaving the firm. Thus, small business firms who make the effort to instill a set of business practices, including reward systems that are more equitable, consistent, and transparent will be able to increase commitment to the firm and reduce unwanted employee turnover. Such firms will also increase commitment and reduce such turnover to the extent that they can help their employees feel a greater sense of competence, autonomy, AND impact on the organization's bottom-line and personal meaning in their work.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

One empirical limitation of this research is the potential for common method bias among our predictor variables and organizational commitment. While it is ideal to have different referents providing different pieces of data to minimize the potential for common method bias, theoretically, the employee is the appropriate referent for the constructs in the model, as they are all perceptual variables that must be self-assessed (Spreitzer & Mishra, 2002). So it is not clear how to avoid the problem of common method bias when the variables are examined from the most appropriate referent (Spreitzer & Mishra, 2002, p. 723). The findings also indicate that common method bias is not the primary driver of the results given that not all variables using common methods are significant in the analyses. In addition, our archival measure of voluntary turnover provides additional, objective data supporting our model.

Although the research context involves franchise-based organizations, we believe that our results generalize to other small business organizations in the service sector. Franchising provides the structure and support for an individual to be a small business owner. It is just one of many small business types that the U.S. Small Business Association includes in its types of small businesses, including green businesses, home-based businesses, online businesses, among others (SBA, 2015). Any of these can be comparable to the organization here, especially those that involve a service such as cleaning, window washing, lawn care, etc. In those small, family-oriented businesses, founders rely on trusted employees to provide superior service.

Future research should consider how employees are recruited to the organization. Mobley (1982) found that turnover rates are much higher for newer employees than for those with a longer tenure (Wanous, Poland, Premack & Davis, 1992). Wanous (1992) found that "inside job sources had higher survival rates that were about 30% higher than those of outside sources." There may be higher likelihood that employees are brought into the organization through referral by current employees. Future research should also consider just how trusting relationships are *developed* so that organizations can train managers to build such relationships with subordinates, thereby increasing commitment and reducing unwanted turnover.

When organizations spend time and money investing in training employees in a service industry, it is in their economic interest to reduce turnover and increase commitment. It appears that human resource practitioners can do this by promoting trust and empowerment between employees and their supervisors so that employees choose to remain with the organization.

CONCLUSION

For these small business franchises, a sense of personal attachment (affective commitment) on the part of their employees, rather than an economic rationale (continuance commitment) is critical for retaining employee loyalty. This is somewhat surprising given that the moving business is prosaic, physically taxing work. But, this underscores the importance of providing training, and creating a sense of community in small businesses in order to build trust and loyalty, as well as reduce turnover. It proves that even within a global franchise organization, an individual small business owner can create a family business culture valued by employees.

REFERENCES

- Aryee, S., Budhwar, P. S., & Chen, Z. X. (2002). Trust as a mediator of the relationship between organizational justice and work outcomes: Test of social exchange model. *Journal of Organizational Behavior*, 23(3), 267-285.
- Aspinwall, L. G. & Taylor, S. E. (1997). A stitch in time: self-regulation and proactive coping. *Psychological Bulletin*, 121(3), 417-436.
- Bies, R. J. & Moag, J.S. (1986). Interactional justice: Communication criteria of fairness. *Research on Negotiation in Organizations* 1(1): 43-55.
- Blau, P. M. (1964). *Exchange and Power in Social Life*. New York: John Wiley & Sons.
- Bowen, D. E. & Cummings, T. G. (1990). Suppose we took service seriously. In D. G. Bowen, R. B. Chase, T. G. Cummings, & Associates, (Eds), *Service Management Effectiveness: Balancing Strategy, Organization and Human Resources, Operations, and Marketing* (pp. 1-14). San Francisco: Jossey-Bass.
- Brockner, J., Siegel, P. A., Daly, J., Tyler, T. R., & Martin C. (1997). When trust matters: The moderating effect of outcome favorability. *Administrative Science Quarterly*, 42(3), 558-583.
- Brockner, J., Spreitzer, G. M., Mishra, A., K., Hochwarter, W., Pepper, L., & Weinberg, J. (2004) Perceived Control as an Antidote to the Negative Effects of Layoffs on Survivors' Organizational Commitment and Job Performance, *Administrative Science Quarterly*, 49 (1/March), 76-100.
- Bureau of Labor Statistics (2014, October) *Current Employment Statistics Highlights*, Retrieved from <http://www.bls.gov/web/empsit/ceshighlights.pdf> .
- Coburn, D. (1979). Job alienation and well-being. *International Journal of Health Services*, 9, 41-59.
- Cohen, A. (1993). Organizational commitment and turnover: a meta-analysis. *Academy of Management Journal*, 36(5), 1140-1157.
- Cohen, A. & Hudecek, N. (1993). Organizational commitment-turnover relationship across occupational groups – a meta-analysis. *Group and Organization Management*, 18(2), 188-213.
- Colquitt, J. A., Scott, B. A., & Lepine, J.A. (2004). *A Meta-Analytic Test and Extension of an Integrative Model of Trust*. Paper presented at the Academy of Management meetings in New Orleans, La.
- Colquitt, J. A. Greenberg, J., & Zapata-Phelen, C. P. (2005). What is organizational justice? An historical overview. In J. Greenberg & J.A. Colquitt, (Eds.), *Handbook of Organizational Justice*. Mahawah, NJ: Lawrence Erlbaum Associates.
- Colquitt, J.A. & Rodell, J.B. (2011). Justice, Trust and Trustworthiness: A longitudinal analysis integrating three theoretical perspectives, *Academy of Management Journal*, 54(6), 1183-1206.
- Colquitt, J. A., Scott, B. A., Rodell, J. B., Long, D. M., Zapata, C. P., Conlon, D. E., & Wesson, M. J. (2013). Justice at the millennium: A meta-analytic test of social exchange and affect-based perspectives. *Journal of Applied Psychology*, 98(2), 199-236.
- Cox, D. R. (1970). *Analysis of Binary Data*. New York: Chapman Hill.
- Dirks, K.T. & Ferrin, D. L. (2002). Trust in Leadership: Meta-Analytic Findings and Implications for research and practice, *Journal of Applied Psychology*, 87(4), 611-628
- Fichman, M. (2003). Straining towards trust: some constraints on studying trust in organizations. *Journal of Organizational Behavior*, 24(2), 133-157.
- Folger, R. & Knovsosky, M. A. (1989). Effects of procedural and distributive justice on reactions to pay raise decisions. *Academy of Management Journal*, 32(1), 115-130.
- Frese, M., Fay, D., Hilburger, T., Leng, K., & Tag, A. (1997). The concept of personal initiative: operationalizational, reliability and validity in two German samples. *Journal of Occupational and Organizational Psychology*, 70(2), 139-161.
- Frese, M., & Fay, D. (2001). Personal initiative: an active performance concept for work in the 21st Century. *Research in Organizational Behavior*, 23, 133-187.
- Fulford, M. D. & Enz, C. A. (1995). The impact of empowerment on service employees. *Journal of Managerial Issues*, 7(2), 161-175.

- Greenberg, J. (1987). A taxonomy of organizational justice theories. *Academy of Management Review*, 12(1), 9-22.
- Griffeth, R. W., Hom, P. W., & Gaertner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: update, moderator tests, and research implications for the next millennium. *Journal of Management*, 26(3), 463–488.
- Homans, G. C. (1961). *Social Behavior: Its Elementary Forms*. London: Routledge and Kegan Paul.
- IHS Global Insight (2014, January). *Franchise business outlook for 2014*. Retrieved from http://franchiseeconomy.com/wp-content/uploads/2014/01/Franchise_Business_Outlook_January_2014-1-13-13.pdf
- Interaction Associates (2014, November 3). Do employees trust the boss? More than half surveyed say: Not so much! Retrieved from <http://interactionassociates.com/about/newsroom/news/do-employees-trust-boss-more-half-surveyed-say-not-so-much#.VOX7iy4YF2A>
- International Franchise Association (2014, November 30). *Franchise businesses projected to grow faster than the rest of the economy in 2014*. Retrieved from <http://franchiseeconomy.com/franchise-businesses-projected-to-grow-faster-than-the-rest-of-the-economy-in-2014/>
- Koberg, C. S., Boss, R.W., Senjem, J. C., & Goodman, E. A. (1999). Antecedents and outcomes of empowerment: Empirical evidence from the health care industry. *Group and Organization Management*, 24(1), 71–91.
- Kraimer, M. L., Seibert, S. E., & Liden, R. C. (1999). Psychological empowerment as a multidimensional construct: a test of construct validity. *Educational and Psychological Measurement*, 59(1), 127–142.
- Kramer, R. M. (1999). Trust and distrust in organizations: Emerging perspectives, enduring questions. *Annual Review of Psychology*, 50, 569-598.
- Lazarus, R. S. & Folkman, S. (1984). *Stress, Appraisal, and Coping*. New York: Springer.
- Lee, T.W., & Mowday, R. T. (1987). Voluntarily leaving an organization: an empirical investigation of Steers and Mowday's Model of Turnover. *Academy of Management Journal*, 30(4), 721–743.
- Leventhal, G. S. (1980). What should be done with equity theory? New approaches to the study of fairness in social relationships. In K. Gergen, J. Greenberg, and R. Willis, (Eds.), *Social Exchange: Advances in Theory and Research* (pp. 27-55), New York: Plenum Press.
- Lewicki, R. J. & Bunker, B. B. (1996). Developing and maintaining trust in work relationships. In R. M. Kramer & T.R. Tyler, (Eds.), *Trust in organizations: Frontiers of theory and research* (pp. 114-139). Thousand Oaks, CA: Sage.
- Lind, E. A. (2001). Fairness heuristic theory: Justice judgments as pivotal cognitions in organizational relations. In J. Greenberg and R. Cropanzano (Eds.), *Advances in Organizational Justice*(pp. 56-88). Palo Alto, CA: Stanford University Press.
- Loscocco, K. A., & Spitze, G. (1990). Working conditions, social support, and the well-being of female and male factory workers. *Journal of Health and Social Behavior*, 31(4), 313-327.
- Lucas, S. (2013). How much employee turnover really costs you. *Inc. Magazine*, retrieved on 11/30/14 from <http://www.inc.com/suzanne-lucas/why-employee-turnover-is-so-costly.html>.
- Mathieu, J. E. & Zajac, D. M. (1990). A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological Bulletin*, 108(2), 171–194.
- Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20(3), 709-734.
- Melamed, S., Ben-Avi, I. Luz, J., & Green, M. S. (1995). Objective and subjective work monotony: effects on job satisfaction, psychological distress, and absenteeism in blue-collar workers. *Journal of Applied Psychology*, 80(1), 29-43.
- Meyer, J. P. & Allen, N. J. (1997). *Commitment in the workplace: Theory, research, and application*. Thousand Oaks, CA: Sage.
- Mishra, A. K. & Mishra, K. E. (1994) The role of mutual trust in effective downsizing strategies, *Human Resource Management*, 33(2), 261-279.

- Mishra, A. K. (1996) Organizational responses to crisis: The centrality of trust. In Roderick Kramer & Thomas Tyler (Eds.) *Trust in Organizations: Frontiers of Theory and Research* (pp. 261-287). Thousand Oaks, CA: Sage.
- Mishra, A. K and Spreitzer, G. M. (1998) Explaining How Survivors Respond to Downsizing: The Roles of Trust, Empowerment, Justice and Work Redesign. *Academy of Management Review*, 23(3), 567-588.
- Mishra, A. K. & Mishra, K. E. (2013). *Becoming a Trustworthy Leader: Psychology and Practice*. New York: Routledge Press.
- Mobley, W. H. (1982). *Employee Turnover: Costs, Consequences, and Control*. Reading, MA: Addison-Wesley.
- Mowday, R., Steers, R., & Porter, L. W. (1982). *Organizational Linkages: The Psychology of Commitment, Absenteeism, and Turnover*. San Diego, CA: Academic Press.
- Niehoff, B. P. & Moorman, R. H. (1993). Justice as a mediator of the relationship between methods of monitoring and organizational citizenship behavior. *Academy of Management Journal*, 36(3), 527-556.
- Niehoff, B. P., Moorman, R. H., Blakely, G., & Fuller, J. (2001). The influence of empowerment and job enrichment on employee loyalty in a downsizing environment. *Group & Organization Management*, 26(1), 93-112.
- Parker, S. K. & Spriggs, C. A. (1999). Minimizing strain and maximizing learning: the role of job demands, job control, and proactive personality. *Journal of Applied Psychology*, 84(6), 925-393.
- Pearce, J. L., Branyiczki, I., & Bakacsi, G. (1994). Person-based reward systems: a theory of organizational reward practices in reform-communist organizations. *Journal of Organizational Behavior* 15(3), 261-282.
- Posavac, E. J., Dew, D. E., Tindale, R. S., Dugoni, B. L., Sheffey, S., & Koch, M. S. (1996). High aspiration hourly workers as potential entry-level professional employees. *Journal of Career Development*, 23(2), 151-165.
- Riordan, C., Weatherly, E.W., Vandenberg, R. J., & Self, R. M. (2001). The effects of pre-entry experiences and socialization tactics on newcomer attitudes and turnover. *Journal of Managerial Issues*, 13(2), 159-171.
- Sabatini, P. (2011, May 16). *Developing Trust Can Payoff in Keeping Best Workers*. Retrieved from <http://www.post-gazette.com/pg/11135/1146340-407.stm>.
- Small Business Administration, Office of Advocacy (2014, March). *Frequently Asked Questions*. Retrieved from https://www.sba.gov/sites/default/files/FAQ_March_2014_0.pdf.
- Sonnentag, S. & Zijlstra, F.R.H. (2006). Job characteristics and off-job activities as predictors of need for recovery, well-being and fatigue, *Journal of Applied Psychology*, 91(2), 330-350.
- Spector, P. (1986). Perceived control by employees: a meta-analysis of studies concerning autonomy and participation at work. *Human Relations*, 39, 1005-1016.
- Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), 1442-1465.
- Spreitzer, G. M., Kizilos, M., & Nason, S. (1997). A dimensional analysis of the relationship between psychological empowerment and effectiveness, satisfaction, and strain. *Journal of Management*, 23(5), 679-704.
- Spreitzer, G. M. and Mishra, A. K. (2002) To stay or to go: Voluntary survivor turnover following a downsizing, *Journal of Organizational Behavior*, 23(September), 707-729.
- Spreitzer, G. & Porath, C. (2012). Creating sustainable performance, *Harvard Business Review*, Jan/Feb, 92-99.
- Sweeney, P. D. & McFarlin, D. B. (1993). Workers' evaluations of the "ends" and the "means": An examination of four models of distributive and procedural justice. *Organizational Behavior and Human Decision Processes*, 55(1), 23-40.

- Thomas, K. W. & Velthouse, B. (1990). Cognitive elements of empowerment: An “interpretive” model of intrinsic task motivation. *Academy of Management Review*, 15(4), 666-681.
- U.S. Small Business Administration (2015). Types of Small Businesses. Retrieved from <https://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/establishing-business/business-types>.
- Wall, T. D., Jackson, P. R., Mullarkey, S., & Parker, S. K. (1996). The demands–control model of job strain: a more specific test. *Journal of Occupational and Organizational Psychology*, 69(2), 153–166.
- Wanous, J. P. (1992). *Organizational Entry: Recruitment, selection, orientation, and socialization*. Reading, MA: Addison-Wesley.
- Wanous, J. P., Poland, T. D., Premack, S. L., & Davis, K. S. (1992). The effects of met expectations on newcomer attitudes and behaviors: a review and meta-analysis. *Journal of Applied Psychology*, 77(3), 288-297.
- Waung, M. (1995). The Effects of Self-regulatory coping orientation on newcomer adjustment and job survival. *Personnel Psychology*, 48(3), 633-651.
- Weibel, A. (2006). Formal control and trustworthiness: Shall the twain never meet? *Group & Organization Management*, 20(10), 1-18.
- Whitener, E. M. (1997). The impact of human resource activities on employee trust, *Human Resource Management Review*, 7(4), 389-404.
- Wiebe, D. J. (1991). Hardiness and stress moderation: a test of proposed mechanisms. *Journal of Personality and Social Psychology*, 60(1), 89–99.
- Wu, V. & Short, P. M. (1996). The relationship of empowerment to teacher job commitment and job satisfaction. *Journal of Instructional Psychology*, 23(1), 85–89.
- Zeffane, R. & Connell, J. (2003). Trust and HRM in the new millennium, *International Journal of Human Resource Management*, 14(1), 3-11.

*The authors would like to thank Professor Linda Quick for her helpful suggestions on an earlier version of this article.