

FRANCHISE BUSINESS OWNERSHIP: A COMPARATIVE STUDY ON THE IMPLICATIONS OF MILITARY EXPERIENCE ON FRANCHISEE SUCCESS AND SATISFACTION

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ABSTRACT

It is established that one of the biggest troubles facing franchisors is finding capable franchisees. Scholars have written and argued about the challenges of franchisee selection and recruitment. Interestingly, many franchisee qualities sought by franchisors are found in military veterans. This study sought to discover if military-veterans' level of overall satisfaction in owning and operating a franchise was significantly higher than those franchise business owners who have not served in the military. Measuring satisfaction is essential as it offers many positive returns for an organization. A survey instrument was selected to measure the differences in satisfaction between franchise business owners who have served in the military versus franchise business owners who have not served in the military. The survey used 4 different types of satisfaction as a gauge in determining if there were significant differences between the two groups. They included life, career, job, and total overall satisfaction. The survey sample included single unit franchise business owners from three industry segments. A total of 1,280 surveys were mailed and 251 surveys were completed. There were no significant differences identified in life, career, and overall satisfaction. However, several statistical tests indicated franchisees who served in the military had a significantly higher level of job satisfaction compared to franchisees who have not served in the military. The results of this study suggest that ex-military could make good candidates to franchises with well established systems set in place that allows them to utilize their skills and abilities.

INTRODUCTION

This study concentrates on a distinct problem pertaining to franchising. First, it is averred one of the biggest dilemmas confronting franchisors is finding qualified franchisees for their franchise system. Scholars have argued and written about the challenges of franchisee recruitment and selection. Moreover, franchising has become an accepted means of business development and distribution in the United States and through many parts of the world. At first glance, it might seem like franchising provides instantaneous success. However, a review of the literature suggests that even with the popularity and growth of franchising, choosing capable franchisees continues to be franchisor's most difficult challenge (Wattel, 1969; Goncalves &

Duarte, 1994; Saraogi, 2009; Ramirez-Hurtado, Rondan-Cataluna, Guerrero-Casas, & Berbel-Pineda, 2011). These studies imply the difficulty of selecting capable franchisees has existed for over 40 years. Some researchers have attempted to understand this challenge by studying traits of successful franchisees (Wattel, 1969; Withane, 1991; Ramirez-Hurtado et al., 2011). Interestingly, many franchisee traits sought by franchisors are found in military veterans. They include discipline, risk taking, appreciation for national affiliation, openness to training, ability to follow a system, loyalty to organization, ability to follow a routine, and desire for support (McDermott, 2010).

Problem Background

Franchisees are portrayed as a crucial factor in thriving franchise organizations (Michael & Combs, 2008). Pursuing this further, Ramirez-Hurtado et al., (2011) propose the correct choice of a potential franchisee can produce positive outcomes for the franchisor. Consequently, a poor selection in a potential franchisee can produce continuous problems for the franchise organization such as legal issues or hurting the brand. For instance, Altinay and Okumus (2010) suggest poor franchise recruitment can lead to lack of commitment and de-motivation on the part of the franchisee.

Certainly, an initial literature review shows many military veterans steering toward a career in entrepreneurship. For example, a study by the Small Business Administration (SBA) conducted by Hope, Oh, and Mackin (2011) indicated veterans in the private sector are at least 45 percent more likely than individuals with no active-duty military experience to be self-employed. Meanwhile, there may be several influences for many military veterans steering towards a career in entrepreneurship. The first factor pertains to a high-unemployment rate. For example, Brands (2012) posits soldiers returning from America's latest wars faced an uncertain future. The unemployment rate in 2011 among the 2.2 million men and women who served during the past decade in Afghanistan and Iraq averaged 12.1 percent, higher than the national rate of 8.9 percent. Finally, for younger veterans between the ages of 18 and 24, important years for entering the labor force, the unemployment rate reached a frightening 30.2 percent compared to a national average of 16.3 percent.

In addition to a high unemployment rate, many individuals that have served in the military as a career are also competing in the labor pool. For example, age is the basis of civilian retirement whereas length of service is the foundation of retirement in the armed forces. Individuals that served in the military are free to retire after 20 years of service. The typical officer departs from the military at age 45 (Spiegel & Shultz, 2003). Because career military veterans start their second profession at what some may consider an older age, members from the armed forces may find it challenging acquiring employment therefore turning to a career in entrepreneurship. Hope et al. (2011) point out one possible consideration for military-veterans turning to entrepreneurship might have to do with pensions. For instance, self-employed military retirees have a higher average income from pensions compared to those individuals who have not served in the military. Vigoda-Gadot et al., (2010), suggest early military retirement and consequently starting a new career is commonplace. Hence, it pertains to the wider global labor

market where a military career tends to end earlier enabling the opportunity for a new occupation.

Rationale For The Study

This study sought to discover if military-veterans' level of overall satisfaction in owning and operating a franchise is significantly higher than those franchise business owners who have not served in the military. Ahmed (2011) proposes measuring satisfaction is essential as it offers many positive returns for an organization. From a conceptual point of view, empirical studies investigating a higher level of job satisfaction has significant implications for important organizational outcomes such as a high level of employee engagement (Ahmed & Ahmad, 2011; Abraham, 2012), improved employee effectiveness (Robbins, Millett, Cacioppe & Waters-Marsh, 1998; Abraham, 2012), enhanced productivity (Bateman & Organ, 1983; Schneider, 1987; Harter, Schmidt & Hayes, 2002; Gallup, 2005; Ahmed & Ahmad, 2011; Abraham, 2012), and low employee turnover (Smith, 1992; Robbins, Millett, Cacioppe & Waters-Marsh; Ahmed & Ahmad, 2011; Abraham, 2012; Carlson, 2014). Other outcomes resulting from a higher level of overall satisfaction include more satisfied customers (Dubrin, 2001; Gallup, 2005; Abraham, 2012), increased performance (Schneider, 1987; Argyle, 1989; Judge, Thoresen, Bono & Patton, 2001; Ahmed & Ahmad, 2011), and a higher level of motivation and dedication (Harter, Schmidt & Hayes, 2002; Gallup, 2005; Abraham, 2012). While there has been discussion on the level of impact satisfaction has on the suggested outcomes, it would be reasonable to imply the benefits of satisfaction are mostly positive and not negative outcomes.

From a practical perspective, Morrison (1996) indicates amicable franchisor/franchisee relations appear to be a key determinant of the future success of a franchise. It is anticipated that franchisees relative job satisfaction plays an essential role in maintaining this relationship. The next section will address the conceptual framework for the study.

Conceptual Framework

The concept of franchising and the military are the theoretical foundations of the study. The conceptual framework of this study suggests a proposed relationship between franchising and the military. The framework of this study is based on military providing a readiness to be an entrepreneur and more specifically a franchise business owner. While successful franchising is dependent on finding individuals to follow their system, the military breed's young men and women to appreciate, follow, and execute a system. Therefore, those individuals with a military background may make strong candidates for franchising because they know how to follow and implement a system. This proposed relationship may provide a solution to a consistent problem for franchisors: finding capable franchisees.

Statement of Potential Significance

There are several potential benefits to the study. First, the study may prove significant to the franchising and military community. Unquestionably, franchising is a central part in today's

economy. For example, Welsh, Desplaces, and Davis (2011) suggest franchising is a major economic source of power. The International Franchise Association suggests 1 of every 12 retail businesses is a franchise; direct contributions to the U.S. economy include almost \$881 billion in output, over 11 million jobs, almost \$279 billion in payroll, and over 900,000 establishments. Total contributions to the U.S. economy attributable from franchised businesses are over \$660 billion in payroll, almost 20 million jobs, and approximately \$2.31 trillion in output.

Finally, this study could provide potential benefits to the military community. Brands (2011) shows the unemployment rate is high for many military that have come home from the recent war in the Mideast. Consequently, prior research shows many military steering towards a career in entrepreneurship. Hope et al., (2011) suggest veterans are more likely to start their own business.

LITERATURE REVIEW

This literature review addresses two main research streams: franchising and military-veterans. It begins by introducing scholarly research on franchising. Next, it discusses relevant studies on the influence military experience has on entrepreneurship as a second career, focuses on parallel studies on franchisee satisfaction and lastly, identifies needs for more research.

Traits and Characteristics of Successful Franchisees

The literature on franchising suggests franchisees that do well and thrive possess certain qualities and traits (Wattel, 1969; Withane, 1991; Michael & Combs, 2008; Saraogi, 2009; & Ramirez-Hurtado et al., 2011). One of the earliest findings on the traits of successful franchisees can be found in Wattel's (1969) qualitative study investigating the abilities and personality traits sought by franchisors in the franchisee selection process. Wattel points out successful franchisees should have extremely cooperative traits, as well as the aptitude and motivation to keep to the policies, choices, and every day practices formed by others. The franchisee's life is based more on following routine than frequent decision-making. Finally, these findings propose that individuals who enjoy following rules and a schedule might be good candidates for franchising. Although based on anecdotal evidence, Wattle's findings support the notion that discipline and adherence to rules are conducive to franchisee success.

Studies also identify the ability to tolerate risk as a key characteristic of successful franchisees. For instance, Withane (1991) presents an examination of franchisee's thoughts, views, and explanations for becoming franchisees. Withane notes franchisees identify risk taking to be a key reason for their success. While the franchisee environment is perceived to have greater stability than that of an independent business, Withane points out that they still must be able to tolerate risk. Withane also found franchise business owners describe themselves as highly self-reliant and prefer to operate a well-known established system rather than an independent business.

Saraogi (2009) suggests discipline for a structured life, commitment to the franchise, inner spark for goals, and trust in the franchisor as key traits of successful franchisees. Like

Withane (1991), Saraogi agrees a tolerance for risk is a key characteristic of successful franchising. Saraogi identified these traits and characteristics by exploring the standards used by franchise organizations in the selection of prospective franchisees. Like Wattel (1969), Saraogi believes franchisors ought to be able to identify and select franchisees, which behave more cooperatively and act in a less opportunistic manner. Saraogi points out franchisors should use careful franchisee selection standards as a strategy. Lastly, the findings allude that franchisors should recognize this at the beginning stage and remove prospective franchisees with undesired manners.

Not only does the literature agree on some of the commonalities of successful franchisees like cooperation, ability to tolerate risk, and discipline, some studies expand by ranking the importance of each trait. For instance, Ramirez-Hurtado, Rondan-Cataluna, Guerrero-Casas, and Berbel-Pineda (2011), identified franchisors felt the most important attribute of franchisees is loyalty followed by management capability at 16.4%, and willingness to work hard at 14.2%. Additionally, Ramirez-Hurtado et al. (2011) offer several recommendations to franchisors based on the findings. First, because loyalty is not easily recognized, franchisors might want to consider offering a psychological test that permits the detection on the degree of fidelity of a potential franchisee to franchisor. In addition, management ability is another trait that might be identified from psychological tests. Therefore, franchisors might want to consider working with a company specialized in person recruiting to help them identify franchisees that possess these qualities. The next section will review literature on military career and entrepreneurship.

Military Career and Entrepreneurship

This section will address several studies relating to military careers and entrepreneurship. It will mostly focus on the relationship of military to entrepreneurship and career transitions from the military to civilian life. The review of literature shows many military veterans steering towards a career in entrepreneurship.

Entrepreneurship and Military

Some studies have focused specifically on military selecting entrepreneurship as a career (Avrahami & Lerner, 2003; Hope et al., 2011). Avrahami and Lerner's (2003) study focuses on entrepreneurship as a career alternative for military-veterans. The authors suggest this analysis is amongst the first to study the effect of military service patterns on the selection of entrepreneurship as a career path. The study examines whether military service in a combat unit or a leadership position is associated with entrepreneurial activities in the ensuing civilian career. Additionally, the study addresses the link between certain types of past-military service experiences and pursuing an entrepreneurial civilian career, a question that is rarely examined systematically. Their argument is that military service may lead to the choice of entrepreneurship as a career because the armed forces breed's young men and women in skills such as leadership, training, the ability to overcome obstacles, and teamwork. Avrahami and Lerner note military service in combat units is positively related to pursuing a career in

entrepreneurship. Also, risk-taking propensity, the area of undergraduate education, and combat service were the three variables in the logistic regression most distinguishing entrepreneurs from non-entrepreneurs.

In this situation, Avrahami and Lerner (2003) provide several recommendations from this study. First, the prominence in entrepreneurial training continues to be mostly on learning new skills, information, and awareness. Additionally, the study points to the significance of obtaining social skills as an essential part of training for entrepreneurship. The author's findings imply that replicating the team spirit and solidity that portray the military and combat may be useful in promoting entrepreneurship. This may even become significant for universities that offer entrepreneurship as a field of study. Applying an atmosphere of solidarity, mutual support, overcoming obstacles, and leadership, can be thought of as a transferable competencies from the combat unit to the civilian context.

Some studies on military and entrepreneurship have focused specifically on factors that affect entrepreneurship among veterans. For example, Hope et al. (2011) study asks the research question, are military veterans more likely to become entrepreneurs compared to those individuals who have not served in the military. This study was developed under an agreement with the Small Business Administration and reviewed by representatives at the Office of Advocacy.

In this study, Hope et al. (2011) note military veterans have a higher rate of self-employment compared to non-military veterans. First, in the private sector workforce, veterans are at least 45 percent more likely than individuals with no active-duty military experience to be self-employed. Veterans with four or fewer years of service were the most likely to be self-employed. Next, career military retirees have higher rates of self-employment compared to the general population, but they are also predominantly older, male, married, and have at least a high school education. Lastly, the cohort of veterans who served in the Vietnam War, Korean War, or World War II era were more likely to be self-employed relative to veterans serving since the more recent conflicts. The next section will focus on studies pertaining to franchise satisfaction.

Franchisee Satisfaction Studies

The review of literature identified several parallel studies to identify key factors on what would cause a franchisee to be satisfied or dissatisfied with their current situation. Some of the areas identified include profit and assistance from the franchisor (Walker, 1971; Gallup, 1992; Morrison, 1996). From a historical perspective, Walker's (1971) study was one of the first to examine franchisees comparative overall satisfaction with their situation. Walker points out the bulk of franchise business owners reported general satisfaction with their franchises. In making a distinction between comparatively satisfied franchisees from dissatisfied franchisees, the more satisfied franchise business owners had the following traits: First, they perceived the franchisor as fair and their franchise as successful. Second, franchise owners were working fewer hours and making more money than they had anticipated. Third, franchise owners who were satisfied implied a positive outlook to both the different controls in their franchise contract and the income/inputs ratio linked with their business. Lastly, the majority of common sources of

dissatisfaction were lack of franchisor support, poor financial returns, and unfulfilled expectations.

Some studies in the literature agree with Walker's findings. In a similar study on franchisee satisfaction, Gallup (1992) found that more than 70 percent of the franchise business owners felt that their franchise had either met or exceeded their expectations with regard to their personal and overall satisfaction. Like Walker's (1971) research, Gallup's study also agrees poor financial returns and franchise support were areas that were less able to meet or exceed franchisees expectations. Consequently, Morrison (1996) proposes critics have questioned the validity of the Gallup study for the reason that while franchisee satisfaction appeared optimistic, 25% of the franchisees that implied they were satisfied also suggested they would not make the investment again.

Not all of the literature agrees that the majority of franchise business owners are generally satisfied. Some studies identified in the literature go a bit deeper than simply measuring job satisfaction. For instance, Morrison's (1996) study researched the results of a five-factor model based on franchisees subjective well being, personality, and several characteristics on franchisee job satisfaction. The motivation for this study was a need for more up to date research on franchisee job satisfaction. Furthermore, Morrison's study explored how personality dimensions and three job characteristic features control job satisfaction. The elements of personality included openness to experience, extraversion, conscientiousness, neuroticism, and agreeableness. Lastly, the sixth personality construct included was subjective well-being. Subjective well-being directs individuals to assess their lives in positive terms.

In this study, Morrison's (1996) findings disagree with Walker and Gallup's study and points out that half of the franchise business owners could be classified as having a fairly low level of job satisfaction. Also, a big proportion of franchisees were not achieving anticipated results from their situation as a franchise business owner. Some of the areas of franchisee dissatisfaction identified were amount of income, advertising assistance, and continued support. Multiple regression analysis also showed that subjective well-being and extraversion had a considerable influence on franchisee job satisfaction. Lastly, there was a positive correlation between subjective well being and job satisfaction.

Needs for Additional Research

The review of literature identified needs for more research. Previous franchise-based research predominantly focused on what factors, traits, characteristics, and motivation are critical to successful franchising (Wattel, 1969; Withane, 1991; Kaufmann & Stanworth, 1995; Michael & Combs, 2008; Saraogi, 2009; & Ramirez-Hurtado et al., 2011; Welsh et al., 2011). Nevertheless, no studies have focused specifically on who might be the best candidate for successful franchise business ownership. In addition, previous studies suggest that military service in combat units is positively related to choosing a career in entrepreneurship (Avrahami & Lerner, 2003; Hope et al., 2011). Yet, the literature does not suggest what type of entrepreneurial opportunity might be a best fit for military-veterans. Lastly, the review of literature also identifies a need for more recent research on franchise satisfaction. For instance,

several studies have specifically focused on franchisee satisfaction (Walker, 1971; Gallup, 1992; and Morrison, 1996). Much of the current literature discusses the growth that has taken place in franchising over the last decade. For example, franchise business owners today have more competition and may be dealing with issues like market saturation. There is evidence of this occurrence by the many U.S. franchisors pursuing international markets. Preble and Hoffman (2006) suggest franchising had been doing so well in a number of industries that market saturation has progressively more become the norm in countries like the United States. These transitions may have an impact of franchisee satisfaction. In the next section, the design, procedures, and analysis plan for carrying out the purpose of the study are presented.

METHODOLOGY

This section includes all aspects of the research methodology in replicable detail. It begins with the hypotheses, a description of the research design, the population and sampling procedures, access and permission information, data collection, instrumentation, and procedures.

A seven step hypotheses testing model was used to test the hypotheses. The hypotheses of this study were based on the idea that franchise-business owners who have served in the military have a significantly higher level of overall satisfaction than nonmilitary veteran franchise business owners. This notion is based on the literature review suggesting many traits sought by franchisors are found in military veterans. As a result, the hypotheses were the following:

- H1 Franchise business owners who have served in the military have a significantly higher level of total overall satisfaction in owning and operating a franchise than franchise business owners who have not served in the military.*

Total overall satisfaction is the sum of total life satisfaction, total career satisfaction, and total job satisfaction. Therefore, the sub-hypotheses were the following:

- H2 Franchise business owners who have served in the military are significantly more satisfied with the quality of their life than franchise business owners who have not served in the military.*
- H3 Franchise business owners who have served in the military are significantly more satisfied with their career than franchise business owners who have not served in the military.*
- H4 Franchise business owners who have served in the military are significantly more satisfied with their jobs than franchise business owners who have not served in the military.*

The next section will discuss the research design for this study.

Research Design

To explore the hypotheses, a comparative study design was selected to evaluate the difference between franchise business owners who have served in the military versus those

franchise business owners who have not served in the military. This comparative study sought to discover if military-veterans' level of satisfaction in running a franchise is significantly higher than franchise business owners with no military background. Therefore, the unit of analysis for this study was the franchise business owner. The main independent variable in this comparative study was non-military veteran franchise business owners or military-veteran franchise business owners. The dependent variable was level of satisfaction.

A survey instrument was selected to measure the differences in satisfaction between franchise business owners who have served in the military versus franchise business owners who have not served in the military. The survey for this study used several types of satisfaction as a gauge in determining a franchise business owner's level of satisfaction in owning and operating a franchise.

The research design was similar to Morrison's (1996) study of franchise business owners. For instance, Morrison mailed 1,596 questionnaires and was able to receive 307 questionnaires. This represented a usable response rate of 23 percent. This study also used a mailed survey.

Population

In this study, there are several specifications for the sample population. First, the population for this study is defined as all franchisees operating under a business format franchise arrangement. Second, their franchise unit was located in the United States. Third, the individual owned a single unit franchise. Fourth, the franchise operated in one of the following three categories: business aides and services, maintenance and cleaning services, and home repair and improvement services. Lastly, the population of franchisees came from franchise brands that actively participate in a military discount program. To be sure, the last specification increases the likelihood of having military-veteran franchisees in the sample.

Four franchise brands were randomly selected from each category. For example, the Business and Services category identified 25 franchise brands, Maintenance and Cleaning category 14 franchise brands, and Home Repair and Improvement 19 franchise brands that participate in the VetFran program. Once the brands were randomly selected from the three categories, a compiled list of franchise business owners based on the population specifications was supplied by Frandata. According to Wirtz (2007), Frandata is a market research organization that specializes in franchising. VetFran is a voluntary endeavor of the International Franchise Association member-companies that is intended to promote franchise ownership by offering financial incentives to honorably discharged veterans (International Franchise Association, 2012). Approximately 400 U.S. franchisors in 75 industries participate in the VetFran program. The three categories were selected because they are some of the most common industries from franchisors who provide significant discounts to military veterans. They are also lower cost industries compared to others like the food category, which can have start up costs over \$500,000.

Sampling Method

A stratified random sampling technique was used to identify the final sample. First, Microsoft Excel provides a unique random number generator. Each franchisee name in the three categories was provided a unique random number generated from one to total N for each category. Next, Microsoft Excel sorted each name chronologically from one to total N for each category. Finally, an nth name random sampling technique was used for each of the three categories. Using these two, random sampling techniques reduce sample order bias and each member in the population had an equal chance of being selected. A total of 1,280 names were randomly drawn from the total list of names supplied by Frandata.

Instruments

This study used a self-administered questionnaire with 30 items. The researcher designed the instrument using three well established instruments that measure job satisfaction, career satisfaction, and life satisfaction. A mailed survey was used to collect data. The several scales selected for this survey include the Minnesota Satisfaction Questionnaire (1977), Diener's (1984) Satisfaction With Life Scale (SWLS), and Greenhaus's (1990) Career Satisfaction Scale (CSS). Total overall satisfaction is the sum of total life satisfaction, total career satisfaction, and total job satisfaction. These scales were selected because they answer the hypotheses, show a high level of reliability, and were used in similar studies pertaining to franchising or the military. Permission was granted to use all three scales.

Variables

In this study, there are several independent variables. However, the main independent variable to test the hypotheses is "previous military experience." This is simply identified by asking early on in the survey, "Have you ever served in the military?" Other independent variables consist of past business experience, education, industry experience, franchise category, and gender. The four dependent variables for this study include job satisfaction, career satisfaction, life satisfaction, and total overall satisfaction. The next section will address how the data was processed and analyzed for each research question.

Procedures

This survey was administered in the summer of 2013 by the mail using a two-step process. First, respondents received a precontact letter in the mail. One week later, respondents received a survey packet in the mail. This packet contained a consent form, survey directions, the survey, and return addressed envelope with postage. This two-step procedure was selected because Morrison's (1996) study on franchise business owners had a successful response rate of 23% using a two-step technique.

FINDINGS

This section provides an analysis of the results from the mailed survey. It includes the survey response rate, the reliability of the survey using Chronbach's alpha, the demographic sample characteristics, descriptive statistics and the distribution curve of the dependent variables, the results to the hypotheses using inferential statistics, additional statistical calculations on demographic variables using comparisons, as well as a MANOVA and two-way ANOVA analyses. All the data was analyzed using SPSS, Version 18.

Table 1 shows Chronbach's alpha for Diener's (1984) Satisfaction with Life Scale, Greenhaus's (1990) Career Satisfaction Scale, Minnesota Job Satisfaction Scale (1977) on job satisfaction, and Total Overall Satisfaction Scale.

Table 1 Chronbach's Alpha			
SCALE	VALID CASES	CHRONBACH'S ALPHA	ITEMS
Satisfaction with Life Scale	251	.885	5
Career Satisfaction Scale	251	.885	5
Job Satisfaction Scale	251	.893	20
Total Overall Satisfaction	251	.921	30

The next section addresses the characteristics of the sample that completed the study.

Sample Characteristics

A general summary of sample characteristics is provided in Table 2. The franchisees randomly selected in this study came from organizations franchising over 25 years ($M = 25.17$, $SD = 12.49$, minimum-maximum 11-61, $N = 12$).

Table 2			
Summary of Sample Characteristics			
ITEM	CATEGORY	FREQUENCY	PERCENT
Gender	Male	204	81
	Female	45	17
	No response	2	1
Age range of franchise business owner	18 to 30 years old	1	0
	31 to 40 years old	20	8
	41 to 50 years old	63	25
	51 to 60 years old	93	37
	61 and over	60	23
	No response	14	6
Franchise Category	Maintenance & Cleaning Svs.	82	32
	Home Repair & Improvement	66	26
	Business Products and Svs.	103	41
Prior Industry Experience	Yes	56	22
	No	195	78
Prior Business Ownership	Yes	100	40
	No	151	60
Have you ever served in the military?	Yes	78	31
	No	166	66
	No Response	7	3

The next section presents the distribution and bell curve of the four dependent variables.

Distribution

Table 3 displays the descriptive statistics for the four dependent variables which include life satisfaction, career satisfaction, job satisfaction, and total overall satisfaction.

It shows that kurtosis and skewness were excellent, between the ± 1.00 levels, indicating a normal distribution bell curve for all four dependent variables.

Table 3
Descriptive Statistics

N	Valid Missing	TOTAL LIFE SATISFACTION	TOTAL CAREER SATISFACTION	TOTAL JOB SATISFACTION	TOTAL OVERALL SATISFACTION
		251	251	251	251
		0	0	0	0
	Mean	26.15	18.33	75.73	120.21
	Std. Error of Mean	.38	.29	.63	1.07
	Median	28.00	20.00	76.00	121.00
	Mode	30	20	77	115 ^a
	Std. Deviation	5.98	4.64	10.01	17.03
	Variance	35.79	21.53	100.21	289.97
	Skewness	-.81	-.74	-.28	-.31
	Std. Error of Skewness	.15	.15	.15	.15
	Kurtosis	.06	-.09	.19	-.16
	St. Error of Kurtosis	.31	.31	.31	.31
	Range	26	20	52	91
	Minimum	9	5	46	67
	Maximum	35	25	98	158
	Sum	6,563	4,602	19,007	30,172

a. Multiple modes exist. The smallest value is shown

Results of the Hypotheses

The hypotheses for the four research questions in the previous section were tested using a one-tailed, independent samples t-test with alpha set at .05. Table 4 displays the results of the one-tailed, independent samples t-test for franchisees that have served in the military and franchisees who have not served in the military using the dependent variables life satisfaction, career satisfaction, job satisfaction, and total overall satisfaction.

Table 4
Independent Samples t-test Military

SCALE	HAVE YOU EVER SERVED IN THE MILITARY?	N	MEAN	STD. DEVIATION	STD. ERROR MEAN	t	SIG. ONE- TAILED	REJECT OR RETAIN NULL
Total Life Satisfaction	Yes	78	26.35	5.84	.66	.12	.45	Retain
	No	166	26.25	6.10	.47			
Total Career Satisfaction	Yes	78	18.56	4.74	.54	.43	.33	Retain
	No	166	18.29	4.68	.36			
Total Job Satisfaction	Yes	78	77.74	9.55	1.08	2.00	.02	Reject
	No	166	75	10.18	.79			
Total Overall Satisfaction	Yes	78	123	15.81	1.79	1.33	.09	Retain
	No	166	119	17.64	1.37			

MANOVA

Additional analyses were further explored using MANOVA. Table 5 and Table 6 show the output for MANOVA using Military Service as the independent variable and the four different measurements of satisfaction as the dependent variables. Table 5 shows the output for the multivariate using Wilks' Lambda. The null hypothesis is retained.

The output of MANOVA also generates a test of between-subjects effects which can be seen in Table 6. A significant difference was found between military service and job satisfaction.

Table 5 Multivariate Tests ^b					
EFFECT	VALUE	F	HYPOTHESIS df	ERROR df	SIG.
MilExp Wilks' Lambda	.980	1.608 ^a	3.00	240.00	.188
<i>a. Exact Statistic</i>					
<i>b. Design: Intercept + MilExp</i>					

The output of MANOVA also generates a test of between-subjects effects which can be seen in Table 6. A significant difference was found between military service and job satisfaction.

Table 6 Tests of Between-Subjects Effects						
DEPENDENT VARIABLE	TYPE III SUM OF SQUARES	df	MEAN SQUARE	F	SIG.	RETAIN OR REJECT NULL
MilExp Total Life Satisfaction Scale	.52	1	.52	.01	.905	Retain
Total Career Satisfaction	4.01	1	4.01	.18	.670	Retain
Total Job Satisfaction	399.44	1	399.44	4.00	.047	Reject
Total Satisfaction	515.80	1	515.80	1.77	.185	Retain
<i>a. R Squared = .000 (Adjusted R Squared = -.004)</i>						
<i>b. R Squared = .001 (Adjusted R Squared = -.003)</i>						
<i>c. R Squared = .016 (Adjusted R Squared = -.012)</i>						
<i>d. R Squared = .007 (Adjusted R Squared = -.003)</i>						

To better understand the differences, other analyses were explored on the independent variable military service and the dependent variable job satisfaction.

Two-Way Between Groups ANOVA

The primary purpose of a two-way between groups ANOVA is to recognize if there is an interaction between the two independent variables on the dependent variable. Several two-way between groups ANOVAs were conducted to understand whether there an interaction between military service and several demographic variables using job satisfaction as the dependent variable. The first two-way between groups ANOVA used military service and franchise category as the independent variables and job satisfaction as the dependent variable. Table 7 shows the descriptive characteristics for the combined relationship of military service and franchise category with job satisfaction as the dependent variable.

Table 7				
Descriptive Statistics – Dependent Variable: Total Job Satisfaction				
HAVE YOU EVER SERVED IN THE MILITARY?	FRANCHISE CATEGORY	MEAN	STD. DEVIATION	N
Yes	Maintenance and Cleaning Services	75.27	8.852	26
	Home Repair and Improvement Services	80.89	9.504	27
	Business Related Products and Services	76.92	9.742	25
	Total	77.74	9.554	78
No	Maintenance and Cleaning Services	72.00	10.385	55
	Home Repair and Improvement Services	74.86	8.397	37
	Business Related Products and Services	77.30	10.379	74
	Total	75.00	10.184	166
Total	Maintenance and Cleaning Services	73.05	9.982	81
	Home Repair and Improvement Services	77.41	9.304	64
	Business Related Products and Services	77.20	10.174	99
	Total	75.88	10.049	244

Table 8 shows the test of between subjects effect with job satisfaction as the dependent variable. A significant main effect was found for military. A significant effect was also found for franchise category. There was no significant effect found for the interaction term.

Table 8 Test of Between-Subjects Effect – Dependent Variable: Total Job Satisfaction						
SOURCE	TYPE III SUM OF SQUARES	df	MEAN SQUARE	F	SIG.	PARTIAL Eta SQUARED
MilExp	456.284	1	456.284	4.761	.030	.020
FranCat	701.679	2	350.839	3.660	.027	.030
MilExp*	354.773	2	177.386	1.851	.159	.015
FranCat						
Error	22811.406	238	95.846			
Total	1429328.000	244				
<i>a. R Squared = .070 (Adjusted R Squared = .051)</i>						

In addition, table 9 identifies where there were significant differences in job satisfaction between military and non-military franchisees based on the franchise category. An independent samples t-test was conducted to detect any differences. Since conducting three t-tests at the same time increases the risk of a Type I error, a Bonferroni adjustment was applied reducing the original alpha from .05 to .016 (.05/3).

Table 9 Independent Samples t-test – Job Satisfaction – Military Service Category								
CATEGORY	MILITARY SERVICE	N	MEAN	STD. DEV.	STD. ERROR MEAN	t	SIG. 2-TAILED	REJECT OR RETAIN NULL
Home Repair & Improv.	Yes	27	80.89	9.50	1.83	2.68	.009	Reject
	No	37	74.86	8.40	1.38			
Maintenance & Cleaning	Yes	26	75.27	8.85	1.74	1.38	.170	Retain
	No	55	72.00	10.38	1.40			
Business Services	Yes	25	76.92	9.74	1.95	-1.6	.874	Retain
	No	74	77.30	10.38	1.21			

The second two-way between groups ANOVA used military service and gender as the independent variables and job satisfaction as the dependent variable. Table 10 shows the descriptive characteristics for the combined relationship of military service and gender with job satisfaction as the dependent variable.

Table 10				
Descriptive Statistics for Military and Gender – D.V. – Total Job Satisfaction				
HAVE YOU EVER SERVED IN THE MILITARY?	GENDER – MALE OR FEMALE	MEAN	STD. DEVIATION	N
Yes	Male	77.12	9.288	74
	Female	89.25	7.588	4
	Total	77.74	9.554	78
No	Male	74.93	10.566	125
	Female	75.90	8.485	39
	Total	75.16	10.094	164
Total	Male	75.74	10.142	199
	Female	77.14	9.200	43
	Total	75.99	9.977	242

Table 11 shows the test of between subjects effect with job satisfaction as the dependent variable. A significant main effect was found for military. A significant effect was also found for gender. There was a significant effect found for the interaction term.

Table 11						
Test of Between-Subjects Effect – Dependent Variable: Total Job Satisfaction						
SOURCE	TYPE III SUM OF SQUARES	df	MEAN SQUARE	F	SIG.	PARTIAL Eta SQUARED
MilExp	813.327	1	813.327	8.398	.004	.034
Gender	577.318	1	577.318	5.961	.015	.024
MilExp* Gender	419.048	1	419.048	4.327	.039	.018
Error	23050.597	238	96.851			
Total	1421478.000	242				
<i>a. R Squared = .039 (Adjusted R Squared = .027)</i>						

No other significant main effects were found between military and the other independent variables identified in the study using job satisfaction as the dependent variable.

DISCUSSION

The results of this study will begin by comparing the level of franchisee job satisfaction to previous studies and interpret the results for the hypotheses. Based upon the descriptive statistics, the mean and standard deviation for this study ($M = 75.73$, $SD = 10.01$, $N = 251$) for job satisfaction were similar to Morrison's (1996) study on franchisee job satisfaction ($M = 75.66$, $SD = 11.63$, $N = 307$). In addition, 66 percent of the respondents in this study reported franchising met or exceeded job satisfaction. This was lower compared to similar studies like Walker (1971)

on franchisee satisfaction where 77% of respondents said franchising met or exceeded their expectations and Gallup's (1992), study which reported 70% of the respondents reported that their franchise had either met or exceeded their expectations. The next section will discuss the results of the four research questions and hypotheses.

Hypotheses Discussion

A one-tailed, independent sample t-test was conducted on the four hypotheses to examine if franchise business owners who have served in the military have a statistically significant higher level of satisfaction in running a franchise compared to franchisees who have not served in the military. The four areas of measurement included life satisfaction, career satisfaction, job satisfaction, and total overall satisfaction. There were no significant differences identified in life, career, and overall satisfaction. However, several statistical tests indicated franchisees who served in the military had a significantly higher level of job satisfaction compared to franchisees who have not served in the military.

There are several notions why franchise business owners had a significantly higher level of job satisfaction compared to franchise business owners who have not served in the military. One idea suggested in previous literature is the importance of following systems. Much of the literature described franchising as a system. The franchisee is the individual who is following the system set in place by the franchisor. Michael and Combs (2008) point out one big advantage in franchising is that it provides a system of operational routines. Franchisees should have the ability to follow a system as well as enjoy executing the daily routines in order to be successful in franchising. The hallmark of franchising is business owners can duplicate and produce the same success and outcomes by following the routines that are set in place by the franchisor. Therefore, the results of the study imply that ex-military franchisees find a higher level of satisfaction in their jobs because they enjoy following the routine and systems set in place by the franchisor. The franchise systems that were randomly selected for this study had been franchising an average of over 25 years ($M = 25.17$, $SD = 12.49$, minimum-maximum 11-61, $N = 12$) indicating well established franchise systems. Previous literature suggests there are several thousand brands of franchises in the United States. Some brands have only been franchising less than a year while others have been franchising over 50 years. Many established franchisors are known for their strict rules, systems, and procedures enforced by the franchisor while the less established brands might provide more flexibility to the franchisee. In some cases, strict penalties are enforced to franchisees that do not follow the system of the franchise. This is more of a classic model of franchising. Other franchisors may provide more flexibility with their franchisees which suggests that not all franchises are alike just because they are labeled "a franchise". Therefore, this study is suggesting ex-military would be better matches for franchises that are more doctrinaire and have well established systems set in place. The next section will discuss differences in total overall satisfaction.

Conclusions

There are several contributions offered by this study. First are the differences identified in satisfaction between franchise business owners who served in the military and franchisees who did not serve in the military. While there were no significant differences identified in life, career, and overall satisfaction, several statistical tests suggested franchisees who served in the military had a significantly higher level of job satisfaction compared to franchisees who have not served in the military. There were also significant differences identified between the three different categories selected in this study. For example, franchise business owners who served in the military were significantly more satisfied with their job than franchise business owners who have not served in the military in the Home Repair and Improvement category.

Limitations

There were several limitations to this study. The survey sample included only three industry segments from single unit franchises possibly limiting the generalizability of these results. However, the chosen industries and sample demographics appear to be somewhat representative of the franchise industry in general. Other limitations of this research, as a result of time and financial considerations, include the nature of the research design, which includes potential non-response bias. As well, there are inherent limitations in drawing causal inferences regarding the antecedents of job satisfaction. The next section will discuss implications for practice and recommendations for future studies.

Implications for Practice

There are several suggestions for practice that could be drawn from this study. Franchisors seeking new franchisees may find a market of aspiring entrepreneurs in individuals with a military background. Previous literature suggested many military veterans are steering towards a career in entrepreneurship. The results of this study suggest that ex-military could make good candidates to franchises with well established systems set in place that allows them to utilize their skills and abilities. Franchisors looking to attract more individuals with a military background to a franchise system can offer significant discounts to this audience. This discount can include waiving a franchisee fee. This offer can be emphasized in promotions like trade shows, websites, and entrepreneurial or military magazines.

Another suggestion is for multi-unit franchise business owners or corporate run establishments with strong systems and routines set in place to consider recruiting ex-military as managers. This study focused on single unit franchise owners. Single unit franchise owners typically operate the franchise so many of the duties of a manager would be similar to a single unit franchisee. Previous literature suggested that the military spend a significant amount of time and effort in leadership training for officer positions. One suggestion in attracting ex-military for franchise management positions is to encourage them to apply in the job description. Job openings for franchise managers could be posted on military websites or magazines.

Recommendations For Future Studies

Several recommendations for future research can be drawn from this study. To begin, this study focused on a single unit franchise business owner. A similar study could be conducted using the same survey tool on multi-unit franchisees to determine if the results of this study would have been the same. It can be assumed that running several franchises as opposed to one single unit is a different experience. Multi-unit franchisees spend less time working in the business and more time on the business. This type of study could fill a gap by exploring if the military simply prepares individuals for an entrepreneurial job like owning and operating one franchise unit, or does it help in leading multiple franchise units. The research questions and hypotheses could be the same or similar to this study.

To be sure, a similar study could explore if ex-military are indeed more satisfied in managing a franchised business compared to non-military franchise managers. Managers of franchise systems are also required to follow the strict rules set in place by the franchise. Like ex-military, franchise managers are also exposed to a significant amount of training so it would seem like a reasonable hypothesis to suggest that franchise managers who have served in the military would have a higher level of job satisfaction in managing a franchised business.

This study could also continue with a qualitative study on franchise business owners who served in the military. Qualitative research can fill some gaps in this study by starting questions with words like 'what' or 'how'. Some examples of questions could include the following: How did the military prepare you for franchise ownership? What skills did you learn in the military that are applied to franchising? What are your goals for franchising? What are the career experiences of men or women that served in the military and are now franchisees? The primary form of data collection for this study should be through in-depth interviews. A qualitative study can also focus on the experiences of ex-military moving from a single unit to multi-unit franchise.

This study did not identify a specific branch or level of the military. It would be interesting to learn if there were significant differences in satisfaction between the different military branches, levels, and amount of years served in the military. The challenge of doing this type of study is coming up with a big enough sample to determine if there are significant differences between the different categories of the military.

This survey merged three existing instruments to measure total overall satisfaction. This study may have provided an opportunity for a new survey tool to measure total overall satisfaction. Chronbach's alpha scored high measuring at a reliability of .92. Lastly, future studies can also use other occupations to detect differences in franchisee satisfaction. Suggestions of other occupations could include police or fire fighters. The next section will include a final conclusion statement.

Conclusion Statement

This is one of the first studies to determine if franchisees who served in the military had a significantly higher level of overall satisfaction in running a franchise versus franchisees who

have not served in the military. Previous literature suggests that even with the popularity and growth of franchising, choosing capable franchisees continues to be franchisor's most difficult challenge. It was also suggested that many military steer towards a career in entrepreneurship. Entrepreneurs have the option of creating a new business, buying an existing business, or purchasing a franchise. Franchising may be a viable entrepreneurial opportunity for ex-military. This study is suggesting franchisors that have strong systems set in place and allows franchisees to make use of their skills and abilities may find a strong pool of franchisees among ex-military looking to pursue a career in entrepreneurship. Finally, several tests conducted in the study showed that there was a significant difference between job satisfaction between the three industries analyzed in this study. Therefore, aspiring entrepreneurs looking to buy a franchise should take a self-assessment as well as diligently research the franchise and industry. This can begin by conducting a simple SWOT analysis.

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