

Employees of small, locally owned businesses have more company loyalty, study finds

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Employees who work at small, locally owned businesses have the highest level of loyalty to their employers—and for rural workers, size and ownership of their company figure even more into their commitment than job satisfaction does, according to Baylor University researchers.

Higher levels of [commitment](#) are associated with less absenteeism, lower turnover and less seeking of jobs outside the company. The study—"Small, local and loyal: How firm attributes affect workers' organizational commitment"—is published in the journal *Local Economy*.

"It's an interesting time because of the shift toward big business and globalization. While large firms tend to provide higher earnings and more fringe benefits, there are still practical values of small and local businesses, including benefits to the community and to the individual, such as less income inequality, less population turnover, lower crime and more committed workers," said lead author Katie Halbesleben, a doctoral student in Baylor's department of sociology.

"When it comes to your job, it's usually not just one thing that affects your commitment. You may say 'I like my boss' or 'I am satisfied with what I do.' Our study re-affirms that working for a small and local company is also an important factor that contributes to a worker's commitment."

Research findings are based on analysis of data from the Baylor Religion

Survey, a nationally representative sample of 1,714 adults that includes information on workers' attitudes, beliefs and practices. The survey was conducted by the Gallup Organization in fall 2010. Researchers analyzed data from 763 participants who had full- or part-time jobs, as well as a subset of 146 workers living in a rural area.

Small companies were defined as those with 1 to 49 employees, with all others categorized as large businesses. Among variables relating to work conditions were hours worked the week before and job satisfaction.

Respondents were asked to rate whether and how much they agreed with the following four statements:

1. I really feel this organization's problems are my own.
2. I do not feel a strong sense of "belonging" to my organization.
3. I do not feel "emotionally attached" to my organization.
4. This organization has a great deal of personal meaning to me.

The study showed that:

- More than half—57.2 percent—of workers in a small firm scored in the highest commitment category, compared to 40.5 percent working for a large firm.
- Ownership of the company also played a major role, with 56 percent of workers in locally owned firms having high commitment scores, compared to 38.7 percent in non-locally owned firms.
- Commitment was strongest when individuals worked for a company that was both small and locally owned: 61.4 percent of those employed at such a business scored in the highest commitment category as opposed to 46.7 percent for large, [local businesses](#).

While [job satisfaction](#) is the single factor most likely to determine an employee's commitment, that was not the case with rural workers. For them, working for a company that was both small and locally owned was the greatest predictor for [organizational commitment](#), Halbesleben said.

But "you can't rule out other factors that may figure into that for rural [workers](#)," she said. "It may be a matter of, 'I have to be committed, because I don't have many other job opportunities.'"

Provided by Baylor University

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