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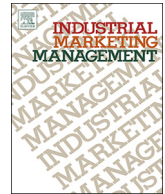
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## Formal control influence on franchisee trust and brand-supportive behavior within franchise networks

 Raisa Yakimova<sup>a,\*</sup>, Martin Owens<sup>b</sup>, Jörg Sydow<sup>c</sup>
<sup>a</sup> Huddersfield Business School, University of Huddersfield, Huddersfield, United Kingdom

<sup>b</sup> Sheffield Business School, Sheffield Hallam University, Sheffield, United Kingdom

<sup>c</sup> School of Business & Economics, Freie Universität Berlin, Germany

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## ABSTRACT

Although management scholars recognize that intention of formalization influences the manner in which formal controls are applied within organizations, this issue has been largely overlooked in research on strategic alliances including franchise networks. We investigate formalization intent (the way in which controls are initiated and executed) by asking: How do franchisor formal controls promote trust and brand-supportive behavior among franchisees? On the basis of case study research involving retail franchises, we develop a framework that explains how formal controls counter-intuitively promote franchisee brand-supportive behavior via trust-building. Our study contributes to understanding the complementary relationship between formal and social control on promoting partner trust and co-operation. These insights move research beyond the present preoccupation with the complementary influence of formalization degree and content.

### 1. Introduction

The aim of many strategic alliances is to create value that otherwise could not be produced by a single firm, by way of resource development, learning, enhanced co-ordination, and innovation (Cao and Yan, 2018; Chiambaretto & Fernandez, 2016; Dyer & Singh, 1998; Ozdemir, Kandemir, & Eng, 2017; Sydow, Schüßler, & Müller-Seitz, 2016; Zajac & Olsen, 1993). However, potential alliance value creation can only be realised through effective governance (Madhok, 1995; Madhok & Tallman, 1998; Zajac & Olsen, 1993). Value creation is particularly challenging for strategic alliances involving a joint production of services. One such type of alliance is retail franchising, in which franchisor managers support franchisees across the network to deliver services that maintain the brand positioning (Nyadzayo, Matanda, & Ewing, 2015). Brand positioning comprises those attributes and values that managers choose to be associated with the brand to represent the franchise and its offer to the market (Blomback & Ramirez-Pasillas, 2012). Without the joint contribution of franchisees and franchisor managers to reinforce and enhance the brand positioning, the franchise network would struggle to grow, or retain customers.

Franchising research suggests that effective governance involves formal and social controls (i.e. trust, shared values and norms) working in complement to foster franchisee compliance with franchisor standards (Dickey, McKnight, & George, 2008; Herz, Hutzinger, Seferagic, &

Windsperger, 2016; King, Grace, & Weaven, 2013). Although much research investigates how formal controls (franchise contract and monitoring) minimize franchisee tendency towards behavior that deviates from franchisor standards (Kashyap, Antia, & Frazier, 2012; Zhang, Lawrence, & Anderson, 2015), researchers also appreciate that such governance occurs in the context of franchisee trust towards the franchisor (Croonen & Brand, 2013; King et al., 2013; Nyadzayo et al., 2015). This is consistent with scholarship of alliance and network governance that appreciates the complementary influence of formal and social control (Coletti, Sedatole, & Towry, 2005; Faems, Janssens, Madhok, & Van Looy, 2008; Mellwight, Madhok, & Weibel, 2007; Poppo & Zenger, 2002; Sydow & Windeler, 2003). Trust, typically associated with social control, is considered beneficial to exchange relationships because it can foster co-operation and performance (Ghoshal & Moran, 1996; Lumineau, 2017; Poppo & Zenger, 2002).

However, studies provide a deficient understanding of how formal controls promote trust that underpins co-operative partner behavior. This is because of two main shortcomings in the extant research. First, much current knowledge of the way in which formal control complements or even supports trust is based on conceptual arguments (Faems et al., 2008; Mellewigt, Madhok, & Weibel, 2007; Poppo & Zenger, 2002). Although, some empirical research measures the complementary relationship between discrete aspects of formal contracts and trust (Cao & Lumineau, 2015; Li, Xie, Teo, & Peng, 2010; Poppo & Zenger, 2002),

\* Corresponding author.

E-mail addresses: [r.yakimova@hud.ac.uk](mailto:r.yakimova@hud.ac.uk) (R. Yakimova), [m.owens@shu.ac.uk](mailto:m.owens@shu.ac.uk) (M. Owens), [Joerg.Sydow@fu-berlin.de](mailto:Joerg.Sydow@fu-berlin.de) (J. Sydow).

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studies emphasize only certain dimensions of formalization. This formalization concerns “both... the *process* of codifying and enforcing inputs, outputs and behaviours (Ouchi, 1979), and... the outcomes of this process, in the form of contracts, rules and procedures (Aiken and Hage, 1966)” (Vlaar, Van den Bosch, & Volberda, 2006, p. 1618–1619). Formalization includes the process of developing and executing formal controls that regulate partner behavior. This has three main attributes, namely: degree (Makhija & Ganesh, 1997; Reuer & Arinō, 2007), content (Hagedoorn, Buunk, & Van de Vliert, 1998; Lou, 2002; Lou & Tan, 2003), and the intention behind the process (Adler & Borys, 1996; Vlaar, 2006). In particular, this intention of formalization influences the manner in which controls are initiated and executed, whether by imposition or agreement (Vlaar, 2006). The main premise of this paper is that formalization intent is a major condition explaining the complementary relationship between formal and social control. But, the issue of how formalization intent influences trust development and co-operation has been largely overlooked in research on alliances and network governance. Rather, in efforts to explain alliance performance, studies emphasize measuring associations between trust and formal control in the forms of contract degree and content (Li et al., 2010; Mellewigt et al., 2007; Mesquita & Brush, 2008; Poppo & Zenger, 2002). To address this deficiency, our study investigates formalization intent within alliance governance by asking: *How do franchisor formal controls promote trust and brand-supportive behavior among franchisees?*

In their influential conceptual work, organizational theorists Adler and Borys (1996) propose two types of formalization intent: coercive and enabling controls (Vlaar, 2006). Whereas coercive controls enforce reluctant compliance among disengaged organizational members, enabling controls develop and leverage a user's skills, capabilities, and intelligence (Adler & Borys, 1996; Jordan & Messner, 2012). We argue these formalization intents are central to alliance and network governance and therefore will affect how partners work. Further, these intents can shape the interactive relationship of formal and social control. For example, when formal controls are designed and exercised in a way to provide user flexibility, and to support skill development, partner trust should increase (cf. Arinō & de la Torre, 1998; Faems et al., 2008).

Based upon a multiple case study research methodology involving retail franchises, our study develops a framework that explains how formal controls promote brand-supportive behavior of franchisees via trust-building. Towards this end, our study uses theories from social psychology (including expectancy and social comparison theories) to explain how such controls operate to influence trust and co-operation. First, expectancy theory posits an individual exerts effort when they have a positive expectancy about the link between certain activities and desired outcomes (Behling & Starke, 1973; Fudge & Schlacter, 1999). Manager discussions about goals and activities that contribute to them can develop a positive expectancy, which motivates brand-supportive behavior (Neider, 1980; Tesluk & Jacobs, 1998). Second, social comparison theory suggests that dissemination of cross-unit performance monitoring data develops a positive expectancy and intention to use this information to shape compliant franchisee behavior (Christy & Fox, 2014; Kidwell & Nygaard, 2011). According to Kidwell and Nygaard (2011), cross-unit performance monitoring information prompts franchisees to compare themselves to those with better performance, which motivates them to minimize deviant behavior, and may encourage brand-supportive behavior.

This article is organized as follows: Section 2 provides a background to theories and concepts that eventually informed our data collection and analysis. In Section 3 we describe the case study methodology we employed to collect and analyze data. Section 4 presents the model that emerged from our data. Following this, in Section 5 we describe our contributions and implications for research.

## 2. Theoretical background

### 2.1. Social control and trust processes

Researchers appreciate the complementary influence of formal and social control on promoting partner co-operation (Faems et al., 2008; Li et al., 2010; Poppo & Zenger, 2002; Sydow & Windeler, 2003). Social control incorporates informal bases for regulating behavior (Aulakh, Kotabe, & Sahay, 1996; Das & Teng, 2001; Inkpen & Curral, 2004); it includes shared beliefs, norms, values, and trust. In particular, researchers emphasize the complementary influence of trust (Inkpen & Curral, 2004; Li et al., 2010). Rousseau, Sitkin, Burt, and Camerer (1998) adopt a multidisciplinary view and define trust in terms of “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another” (p. 395). This definition incorporates two common components of trust. The first is a positive “expectancy” about the intentions and behavior of another party, which may be an individual or organization (Ganesan & Hess, 1997; Singh & Sirdeshmukh, 2000). The second, “behavioral” component, concerns the intention to rely on the exchange partner in acceptance of the vulnerable circumstance (Singh & Sirdeshmukh, 2000). Given that behavioral intention is usually the outcome of an attitude, the expectancy component precedes the behavioral one in the development of trust (Morgan & Hunt, 1994).

Trust can be based on affect and cognition (McAllister, 1995). Affect-based trust consists of emotional ties between individuals. However, cognitive-based trust consists of expectations not only regarding benevolence but also competence (Sako, 1992; Singh & Sirdeshmukh, 2000). These expectations may concern technically and organizationally competent role performance, but also genuine concern about the partners' welfare (Barber, 1983; Rempel, Holmes, & Zanna, 1985). Expectations about benevolence and competence are likely to develop over time as franchisors demonstrate role performance in delivering support services, such as marketing, training, and business development (Nyadzayo et al., 2015).

Trust can help to align franchisor and franchisee interests (Davies, Lassar, Manolis, Prince, & Winsor, 2011) and facilitate co-operation through information sharing, joint problem solving, and the delegation of decision rights to franchisees (Herz et al., 2016; Mumdzhev & Windsperger, 2013). Expectancy theory may explain how trust develops and promotes brand-supportive behavior among franchisees (Behling & Starke, 1973; Vroom, 1964). According to this theory, expectancy is the strength of a person's momentary belief that certain behavior will lead to a desired outcome (Vroom, 1964). Expectancy can range from a value of zero (no relationship between action and outcome) to one (complete certainty that acting in a particular way will lead to the outcome - Behling & Starke, 1973; Vroom, 1964). When a person has a positive expectancy about an action-outcome link, (s)he will exert effort to adopt consistent lines of behavior (Behling & Starke, 1973; Fudge & Schlacter, 1999). However, when a person has zero expectancy, (s)he will not exert effort to adopt the action that (s)he believes has no relationship with a desired outcome (Behling & Starke, 1973; Mitchell, 1974). Factors that may develop expectancies include personal experiences in similar situations (Fudge & Schlacter, 1999), and discussions about how to achieve desired work outcomes (Neider, 1980; Tesluk & Jacobs, 1998). Franchisor manager discussions may influence franchisee business goals and beliefs that recommended brand-supportive activities will help to achieve them, particularly when franchisees have confidence in their business development support competence. This positive expectancy likely underpins franchisee motivation and intention to adopt the recommended activities.

#### 2.1.1. Formal control, formalization intent, trust building and co-operative behavior

Although several studies find support for a complementary relationship between formal control and trust, our current understanding

is largely limited to the degree and content of formalization, especially through the use of formal contracts. However, formal control in most alliances involves a range of formal control procedures, including contracts (Das & Teng, 2001). More importantly, these formal control procedures are often designed with an underlying purpose or intent as to the desired influence on partner behavior (Adler & Borys, 1996). For example, research emphasizes how many formal controls are designed to strictly regulate franchisees against deviance from franchisor standards (Kashyap et al., 2012; Zhang et al., 2015). On the other hand, controls may be designed to offer franchisees regular feedback, support, and flexibility (King et al., 2013; Nyadzayo et al., 2015). Either way, this intent can be considered a central design element which fundamentally determines how formal control operates within the alliance, and will affect its relationship with trust. Our central argument in this paper is that formalization intent can partly explain how formal control promotes trust and co-operation within alliances. Within franchise networks, this co-operation may range from compliance to proactive brand-supportive behavior.

Researchers investigate two complementary dimensions of formalization intent that foster consistency with desired standards: coercive and enabling controls (Free, 2007; Jordan & Messner, 2012; Wouters & Wilderom, 2008). According to Adler and Borys (1996), *coercive* controls “are designed to force reluctant compliance and to extract recalcitrant effort” among disengaged controllees, who acquiesce with the controller’s specified standards (p. 69; cf. Stansbury & Barry, 2007). Conceptual research suggests that coercive controls include certain performance monitoring processes that develop a threat of punishment (Adler & Borys, 1996; Stansbury & Barry, 2007). Such monitoring alerts a controller to insubordination. Managers typically monitor alliance partners against specified performance outcomes (such as profit, market share, customer satisfaction - Dekker, 2004; Groot & Merchant, 2000). To encourage effort to foster these outcomes, alliance contracts include penalties, such as contract termination (Reuer & Arinö, 2007; Ryall & Sampson, 2009). By adopting recommended procedures to avoid contract termination, franchisees may develop a positive expectancy about such activities. Given this expectancy, franchisees are likely to exert work effort to adopt recommended procedures to maintain business compliance.

The second type of formalization intent proposed by Adler and Borys (1996) are *enabling* controls. The enabling controls develop and leverage a user’s skills, capabilities, and intelligence (Adler & Borys, 1996; Jordan & Messner, 2012). In doing so, enabling controls can promote employee trust and commitment to do their jobs effectively (Adler & Borys, 1996; Hoy & Sweetland, 2001; Stansbury & Barry, 2007). Enabling controls often provide users with an understanding of local work processes (Ahrens & Chapman, 2004; Wouters & Wilderom, 2008). An essential aspect of franchisor formal controls is the information system that franchisors utilize to (collect and) disseminate performance monitoring information (Kidwell & Nygaard, 2011; King et al., 2013). According to Mellewigt et al. (2007); monitoring procedures specified in contracts require partners to record their efforts and associated outcomes. This is likely to allow franchisors to establish a record of accomplishment in technical competence that informs franchisee experiences, and develops trust towards certain types of recommended activities.

Further, enabling controls can provide employees with intelligibility of the overall control system in which they are working (Adler & Borys, 1996; Jordan & Messner, 2012). System information that fosters this intelligibility includes communications about strategy (Ahrens & Chapman, 2004; Jordan & Messner, 2012) and cross-unit performance monitoring (Free, 2007). Social comparison theory may explain how dissemination of such performance monitoring information promotes trust and brand-supportive behavior (Festinger, 1954; Kidwell & Nygaard, 2011). According to this theory, people are driven to self-evaluate and compare their abilities to similar others, to reduce uncertainty (Christy & Fox, 2014; Festinger, 1954). Further, when

individuals compare themselves to others that have demonstrated better performance, this negatively influences their self-evaluation, and can motivate them to improve it (Argo, White, & Dahl, 2006; Wheeler, 1966). The theoretical work of Kidwell and Nygaard (2011) suggests that cross-unit performance monitoring information prompts franchisees to compare their abilities to those of better-performing unit operators, which motivates them to avoid deviant behavior. Accordingly, we posit that dissemination of cross-unit performance monitoring information develops franchisee positive expectancy about using this information and motivates competitive brand-supportive behavior.

In summary, research provides limited insight into how formal controls operate to promote partner trust and co-operation. We anticipate that formalization intent, alongside expectancy and social comparison theories, will help explain how formal control promotes trust and brand-supportive behavior in franchise networks. Next we present details of the case study methodology we employed to investigate how formal controls influence franchisee brand-supportive behavior.

### 3. Method

We adopted a multiple case study research design for two main reasons. First, case study research allows scholars to build and elaborate theories of complex social processes within business-to-business settings (Andersen & Kragh, 2010; Bizzi & Langley, 2012; Borghini, Carù, & Cova, 2010). Second, case studies allow researchers to develop a context-sensitive theory based on real-world observations of a phenomenon (Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011). We adopted a multiple case study research design, which provides the opportunity to replicate relationships and produce a robust theory, based on real-world observations that are cross-checked across cases and integrated with theory (Eisenhardt & Graebner, 2007). Our study adopted a theory-building and -elaboration approach, which allowed us to develop a theoretical framework that explains how franchisor formal controls promote franchisee trust and brand-supportive behavior.

We used purposive sampling, to select five cases based on a pre-conceived set of dimensions (Silverman, 2010). This included the following criteria:

1. To minimize external variation beyond the phenomenon of interest and allow the comparison of cases (Eisenhardt, 1989), we conducted all our investigations in a single country, industry, and type of retail franchise. All five cases (BatteryPower, HealthyPools, Mend-it, 24–7, and SuperCharge) were from the Australian consumer retail industry (see Table 1 for further case characteristics). Operating in a developed Western country, the Australian retail industry has established sophisticated retail practices. Retailers within this industry are known for being pioneers of innovation (Kimmorley, 2017). This suggests the possibility of franchises having sophisticated formal controls that influence franchisee brand-supportive behavior. After all, franchisees are charged with responsibility for implementing franchisor innovations that deliver value to customers.
2. All franchises were of a rather mature nature, with over 10 years of experience managing franchisees. These were attractive for this study because they are likely to have well-established formal controls influencing franchisees to act in a brand-supportive way.
3. All retail franchises selected were successful. They had won, or been nominated for franchise industry awards in Australia. The awards recognized profitable franchises with consistent branding, and supportive franchisees. We reasoned that profitable franchises are likely to have consistent service delivery that meets customer expectations and promotes (re)patronage. This consistency is partly attributed to franchisor formal controls that influence service standards.

Within these criteria, we selected cases that varied in the extent to



**Table 1**  
Characteristics of the cases.

Retail franchise	Retail sector	Years with franchise operations in Australia	Number of franchised stores	Number of company owned stores <sup>a</sup>	Number of full-time employees with franchisor
BatteryPower	Batteries and related products	17	80	6	12
HealthyPools	Pool and spa maintenance products and services	19	70	0	30
Mend-it	Shoe repairs, key cutting, engraving, and watch repairs	11	165	71	22
SuperCharge	Salads and healthy snack food	11	101	7	32
24–7	Service station and convenience stores	35	620	1	310

<sup>a</sup> This means that all but one case make use of the “plural form,” which includes franchisee-owned and franchisor-owned retail units (Bradach, 1997).

which franchisees had positive expectations about franchisor technical competence. In phase one of the data collection period (2013–2014) we found that 24–7, Mend-it, and HealthyPools had relatively stable franchisor manager support teams (comprising key functional managers with at least four years tenure with the franchise) so franchisees generally had positive expectations about franchisor technical competence (i.e. trust). However, in the phase two data collection period (2015–2016) the BatteryPower and SuperCharge marketing managers we initially spoke with described struggling to encourage some franchisees to adopt recommended brand-supportive activities. BatteryPower and SuperCharge had appointed new franchisor managers to oversee key support functions (including marketing and operations) within the year of recruiting the franchisees. The new managers were externally recruited. We reasoned that there was likely greater potential for BatteryPower and SuperCharge franchisees to develop negative expectations about franchisor technical competence, given that managers had a limited time to demonstrate their knowledge and expertise. Such negative expectations might explain why some franchisees were unwilling to adopt franchisor recommendations.

### 3.1. Data collection

Data collection spanned over the period of November 2013 to May 2016. Our primary source of data was *semi-structured interviews*. We collected data in a retrospective way by asking informants to describe events within the year of each interview. To minimize retrospective bias and to develop converging lines of inquiry, we used data source triangulation within each case. This included multiple informant perspectives, archival data, artifacts, and responses to follow-up email questions (Yin, 2009).

Alliance researchers have long argued that data from both sides of the relational dyad enhances validity and increases reliability (Brouthers & Bamossy, 2006; Ness, 2009). As such, we conducted interviews with franchisees and franchisor managers, which included the perspectives of both controllers (franchisor managers) and controlees (franchisees) from within each case. To promote variation within each case in the degree of brand-supportive behavior among franchisees, we asked franchisor managers to invite franchisees that could be described as either: highly-supportive, moderately-supportive, or had a low-level of support for branding goals. The selected franchisees offered a variety of perspectives on how formal controls influenced their behavior.

In total, we conducted 30 interviews (see Appendix A for a summary of the informants and manager role titles). This included between five to seven interviews within each case. The interviews lasted between 12 and 177 min. Each interview was transcribed verbatim, producing between 6 and 102 pages of text. We adhered to the “24 hour” rule for writing interview summaries that guided data collection and analysis (Eisenhardt & Bourgeois, 1988; Ellis & Pecotich, 2001). Our detailed notes summarized themes and further questions and data needed to develop them.

To build good rapport with participants, many of the interviews

were conducted at the workplace of informants (which included head offices and retail outlets in Sydney and Queensland, Australia). However, some of the interviews were conducted remotely using Skype. To minimize the potential for respondent bias, we explained to informants that pseudonyms would be used to protect the identity of informants and the franchise (i.e. coded names are used for all franchise brands shown in Table 1).

To develop converging lines of inquiry, the interviews with franchisor managers and franchisees covered similar topics. The interview guide included questions on: business performance outputs of franchised businesses, the brand vision, the franchise's marketing program and recent changes to it, and franchisor controls (such as goal setting and planning, the franchise contract, performance monitoring, information sharing practices, and formalized meetings). Although we used an interview guide, we adopted a conversational style and used probing questions to develop a detailed understanding of the formal controls.

We collected *archival data* in the form of audit reports, confidential documents, website information and online articles to triangulate data on formal controls, and develop explanations about factors that influenced them. This data triangulation helped to develop an appreciation of contextual factors needed to understand the operation of certain control procedures. For example, we used website information to better understand how franchisees employed audit report recommendations to direct their employees.

We collected *follow-up email question responses* to triangulate data on formal controls. After analyzing each interview transcript, the lead author sent 26 follow-up emails to franchisees and franchisor managers, asking questions about: performance monitoring information dissemination, compliance monitoring, franchisee awards, goal setting and planning, and formalized meetings. The email question responses helped to clarify details of formal controls, such as compliance monitoring, performance monitoring, dissemination of performance data, and goal setting and planning.

*Artifacts* included electronic images of data displayed on the online portal interface located within franchised stores. This allowed the researchers to appreciate the nature and influence of certain performance monitoring information on franchisee behavior. For example, a theme that emerged was the use of sophisticated information system data. We made a point to collect data about these information systems. The lead author asked to look at the front screen interface of the 24–7 online portal during one store visit and took a photo of it. After observing this portal interface, the researcher asked specific questions about the performance monitoring information displayed, and how the franchisee used it.

### 3.2. Data analysis

Following well-established multiple case study methods, we started analyzing data by writing case summaries for each franchise of the formal controls and their influence on franchisees (Hallen & Eisenhardt,

**Table 2**  
Data structure.\*

Evidence			First-order categories	Second-order categories	Theoretical categories
Battery-power	Healthy-pools	Mend-it	24–7 Super-charge		
Bc	Bc	A	Aa	A	<b>Compliance-promoting-procedures</b>
<p><b>Store audit:</b> franchises had in place regular store audits that assess the degree of compliance with the brand standards.  <b>Regular meetings addressing non-compliance:</b> field managers had store meetings with franchisees during which they pointed out areas of non-compliance within their businesses, and recommended ways to improve this.</p>					
A	A	A	Ab	B	<b>Marketing-trust-building-procedures</b>
<p><b>Strategic business planning:</b> formalized business planning processes required franchisees to work with franchisor managers to develop business goals and plans that aligned with the brand vision.</p>					
B	Ac	B	Aa	A	<b>Marketing-trust-building-procedures</b>
<p><b>Encouragement in regular meetings:</b> franchisor managers met with franchisees to discuss their business performance and to encourage them to adopt marketing activities that would help to improve it.</p>					
A	Bc	Ab	A	A	<b>Marketing-trust-building-procedures</b>
<p><b>Innovation management:</b> franchisor managers encouraged franchisees to adopt marketing innovations by delivering presentations that explicated their value.</p>					
A	Bc	Aa	Ac	B	<b>Marketing-trust-building-procedures</b>
<p><b>Marketing output reports:</b> franchisor managers disseminated reports on the business performance outputs of marketing campaigns.</p>					
Ab	A	Aa	Aa	Aa	<b>Social-comparison-activating-procedures</b>
<p><b>“Awards”:</b> two dimensions of information about awards encouraged franchisee brand-supportive behavior. The first concerned information about awards recognizing franchisees that had achieved outstanding business standards. The second concerned information about awards recognizing outstanding sales performance in key strategic areas of the franchise.  <b>Audit scores:</b> franchisor managers disseminated information about cross-unit audit scores, which influenced franchisee motivation to improve standards of store service and presentation.</p>					

\* Codes for the evidence are: **A** = evidence from three or more interviews, **B** = evidence from two interviews, **C** = evidence from one interview, **a** = evidence from three archival sources, artifacts, or follow-up emails, **b** = evidence from two archival sources, artifacts, or follow-up emails, **c** = evidence from one archival source, artifact, or follow-up email.

2012). The second author, who is an expert in research on inter-organizational relationships, reviewed each case summary and suggested exploratory lines of inquiry. We did not have in place a firm set of hypotheses, but we initially wanted to develop a greater understanding of how retail franchises foster brand-supportive behavior among franchisees.

After discussing the case summaries, it became apparent that the informants were telling their stories about how formal controls influenced franchisee trust and behavior supporting branding goals. We eventually decided to investigate the research question: How do formal controls promote brand-supportive behavior among franchisees? We returned to the interview data to develop themes about the processes by which formal controls operate to influence franchisee behavior.

In keeping with our case study theory-building approach, our categories and their definitions emerged from our interview data. We labelled our first-order categories using informant words that captured the meaning of controls, or terms that described them (see Table 2, data structure). Next, we compared our first-order categories with extant literature to collapse them into second-order categories. We compared our emerging theoretical framework with extant literature to develop theoretical categories and refine the understanding of formalization intent processes (Eisenhardt, 1989). This included comparisons to expectancy theory, social comparison theory, and formalization intent.

In accordance with Miles and Huberman (1994), who suggest that coding reliability can be checked using a variety of methods, we adopted the following: The first two co-authors met regularly to discuss the emergent theoretical framework and interrogate the coding scheme. We interrogated the definition of codes and considered them with respect to the data evidenced across sources (including interviews and artifacts). We went back and forth between the data and the literature to develop explanations, until theoretical saturation was reached and we were confident there was a close match between the theory and the data. The resulting theoretical framework explains how franchisor formal controls promote franchisee trust and brand-supportive behavior.

To enhance study reliability, we provide a chain of evidence to show how our framework was developed (Yin, 2014). This is addressed partly by the data structure that shows how our data analysis progressed from the development of first-order and second-order categories, to the resultant theoretical categories (Table 2). Theoretical categories for the formal controls were corroborated by at least three quotes across franchisees and franchisor managers within each case. Examples of quotes for each theoretical category are provided in Tables 3 to 5. Next we present the findings, which link interview, archival, and artifact data with our theoretical categories.

## 4. Findings

Our findings will demonstrate how formalization intent, with its coercive and enabling features, operates to promote franchisee trust and brand-supportive behavior within the retail franchises. Three systems of formal controls (compliance-promoting-procedures, marketing-trust-building-procedures, and social-comparison-activating-procedures) promoted franchisee trust and brand-supportive behavior when franchisees had positive expectations about the franchisor technical competence and benevolence. Such positive expectations were the foundation for trust and co-operation within the franchise network (Sako, 1992; Singh & Sirdeshmukh, 1998).

### 4.1. Compliance-promoting-procedures and trust

Franchisees were obliged to maintain compliant businesses that adhered to franchisor brand standards for service delivery and the visual identity. Compliance-promoting-procedures developed franchisee positive expectancy and motivation to adopt franchisor-recommendations for procedures to improve business standards. These procedures

comprised: compliance monitoring, remedial action, rewards, and the threat of punishment (see Table 3 example quotes). In many cases, compliance-promoting-procedures started with coercive *monitoring* that drew franchisor attention to non-compliant businesses. This included franchised stores that achieved below the business audit benchmark score, which for 24–7 was 90 out of 100.

#### 4.1.1. Enabling compliance-promoting-procedures

*Remedial action* was one enabling dimension of compliance-promoting-procedures (all cases except HealthyPools). Business audit scores that fell below the performance benchmark alerted field managers to execute remedial action, which developed franchisee understanding of recommendations to improve business compliance. Field managers made such recommendations in the form of in-store meeting discussions and audit reports. Shortly after each audit, managers gave franchisees a report that documented their recommendations for improving store standards. Franchisees used audit reports as a tool to guide actions to improve business compliance.

The second enabling dimension of compliance-promoting-procedures was *rewards*. Franchisor rewards for achieving business audit benchmark goals encouraged franchisee motivation to adopt recommended procedures to maintain business compliance (24–7). For example, some 24–7 franchisees exerted effort to maintain business compliance, so they could be rewarded with field manager support. Franchisees with experience of performing below the 24–7 audit benchmark scores understood that if they complied with the brand standards, they could receive greater goal support. Field managers provided goal support to compliant franchisees, which involved helping them to develop short-term plans for marketing activities that would improve business performance. Franchisees appreciating the contribution of goal support were motivated to improve business compliance.

#### 4.1.2. Coercive compliance-promoting-procedures

Coercive aspects of compliance-promoting-procedures developed a *threat of punishment* (Adler & Borys, 1996; Stansbury & Barry, 2007), which encouraged franchisees to attend to information about recommended procedures to improve business compliance. Some franchisees concerned about losing the franchise licence were motivated to maintain business compliance (Mend-it, HealthyPools). This perceived threat occurred when franchisor manager assessments of business compliance governed practices of franchise agreement renewal and termination. Mend-it franchisees were aware that only franchisees with stores that achieved above the 65% benchmark score for store audits were entitled to renew their franchise agreement. Franchisees subjected to remedial action were reminded of this franchise agreement renewal requirement. These franchisees were conscious of the need to uphold business compliance, to avoid losing their franchise licence.

HealthyPools franchisees became more motivated to maintain business compliance after learning about franchisor managers terminating some franchise agreements. In 2012 managers orchestrated organizational renewal by forcing non-compliant franchisees to leave the franchise. According to the Chief Operations Officer, the remaining franchisees that heard about the franchise agreement termination of neighbouring stores in Sydney began to “toe the line a little bit more” and maintain business compliance.

#### 4.1.3. Summary: compliance-promoting-procedures and trust

Expectancy theory explains how compliance-promoting-procedures encourage trust and brand-supportive behavior (Behling & Starke, 1973; Neider, 1980). The enabling aspect of remedial action builds trust by positively influencing franchisee expectancy and intention to adopt recommended procedures to replicate the brand standards. Remedial action provides information that develops franchisee understanding of rewards and recommended procedures for improving business compliance (Ahrens & Chapman, 2004; Wouters & Wilderom, 2008). Coercive procedures that develop a threat of punishment (losing the

**Table 3**  
Compliance-promoting-procedures.

Franchise	Examples
BatteryPower	<i>Compliance monitoring:</i> The business development review is a full audit on this store, on OH and S, WH and S... cleanliness, presentation product, mystery shopper results, it measures everything. (Franchise Development Manager)
HealthyPools	<i>Threat of punishment:</i> ... when you do use your franchise agreement it does a couple of things. It says to the rest of the group, hang on, the franchisor's serious so if I'm not meeting my obligations I too could be on the end of a breach and being asked to leave and losing my hard earned investment in this business. (Chief Operations Officer)
Mend-it	<i>Threat of punishment:</i> The bottom line is you follow the procedures and policies of the company... and any breach of it means that you're contravening an agreement.... If you're not following the rules, well then.... when you come for your renewal, they're, obviously, going to say well look, you had your opportunity but you didn't do this and you didn't do this and you didn't do this. Therefore, there's no renewal. (Franchisee B)
24–7	<i>Rewards:</i> So in the... three hour meetings I'd have with this franchisee 80% would be about coaching and getting that store compliant to performance - making it, helping it improve rather than business building. So if they can't be compliant in brand standards... you probably won't move onto business building activities until they've got the basics right. (District Manager)
SuperCharge	<i>Remedial action:</i> [Have you used some of the audit report feedback recently?] Yes I have... I've used it to pick up... my staff. They weren't using Daydots when they were cutting things up. Daydots are so that you can actually show the lifecycle of something. That was picked up and I hadn't noticed they weren't doing it on certain products so from a food safety and a quality issue that was good. (Franchisee B)

franchise licence) influence franchisees to attend to such recommendations, which promotes a positive expectancy about actions to replicate the brand standards (Neider, 1980). Given this positive expectancy, franchisees exert effort to adopt brand-supportive behavior to improve business compliance (Behling & Starke, 1973; Mitchell, 1974). The desired outcomes that underpin this motivation include receiving rewards (greater goal support) and avoiding franchise contract termination.

**Proposition 1.** Enabling and coercive compliance-promoting-procedures encourage brand-supportive behavior because they develop franchisee trust towards recommended actions to improve business compliance.

#### 4.2. Marketing-trust-building-procedures and trust

The enabling marketing-trust-building-procedures provided system information that developed a positive expectancy about franchisor-recommended marketing activities. That is, system information (about suitable business goals, marketing activities, and performance monitoring data) shaped franchisee beliefs that recommended marketing activities contribute to business goals. Given this positive expectancy, franchisees exerted effort to adopt such marketing activities. Table 4 provides quotes illustrating marketing-trust-building-procedures, which

**Table 4**  
Marketing-trust-building-procedures.

Franchise	Examples
BatteryPower	<i>Goal setting and planning:</i> There's a review of the business plan that is originally presented for a new franchise and feedback is... provided... the idea is... to make sure that... it meets benchmarks so there's individual internal benchmarks of staffing, what you plan to spend... operating expenses, etc., so if these figures don't look you know in alignment to our benchmarks across the country questions would be asked to work with that franchisee to ensure that... they are representing their business truly. (Network Development Manager)
HealthyPools	<i>Goal setting and planning:</i> We do projections and they see that we have these set benchmarks that we have to meet to make sure that our business is going forward, growing even bigger and therefore theirs is too... [who sets the benchmarks?] HealthyPools sets that. They always ask... our optimism I suppose and what we think we can do and then they say... on a national level if the whole HealthyPools was growing up at 6% and we are only thinking about two then we would have to rethink that and maybe look at why we can't do the 6%. (Franchisee A) <i>Manager communications:</i> ... We show them the process and how simple it was and we did some test emails to people in the room live during the event and they got to see from being onscreen to being on someone's phone how quick and easy that actually was. Then started building up some case studies based on some good results that we had seen from some earlier adopters and so demonstrated their return-on-investment. (Franchise Operations Manager)
Mend-it	<i>Goal setting and planning:</i> Our business plan - a template is sent out from Mend-it... we need to fill out that template and have our business strategy in there... by [the] end of March every year.... They'll submit it to your Regional Manager... and if there's any gap or anything that he may find, he'll come back to us and say, look, I've noticed you've put this into your business plan. How are you going to do it? Elaborate on it a little bit more. When are you going to have it done by? (Franchisee A)
24–7	<i>Goal monitoring:</i> ... for example 24–7 day today, we have so many sales, what is our goal, try to serve how many customers, and which sale, which store they're doing particularly good, and look after customer in a very expert and they've got a high volume, people turn up to the site. They [franchisor managers]... manually communicate [by email and newsletters]... [to] let other people know how's my neighbour or how's other shops, the performance. (Franchisee C)
SuperCharge	<i>Goal monitoring:</i> ... we were the number one store in the State for the highest sales for the cold pressed juice.... that data is available as a generic email... that basically... talk about store one with the percentage and store two and store three and their performance. [And how did that make you feel?].... it gives you that feeling that the brand is on the right track with the introduction of a new product, that it is well received by the consumers and the improvement to your bottom line by putting that extra effort in. (Franchisee D)

comprised: goal setting and planning, goal support and monitoring, and manager communications.

##### 4.2.1. Goal setting and planning

The foundation for a positive expectancy about recommended marketing activities was brand-supportive business goals. Goal setting and planning procedures influenced franchisees to develop business goals and a positive expectancy about marketing activities that would help to achieve them. Formalized planning processes, such as setting templates, scheduled discussions, and benchmark goals, provided information that enabled franchisees to develop business plans aligned with the brand vision (all cases).

Managers utilized information system data to recommend benchmark goals, which franchisees often adopted (all cases except SuperCharge). Franchisees understood that managers set benchmark goals based upon analysis of the previous years' cross-unit business performance, which gave them confidence that their goals were achievable. HealthyPools Franchisee A explained that the manager-recommended performance benchmarks were sometimes set higher than those she had initially planned for her business.

##### 4.2.2. Goal support and monitoring

Goal support procedures developed franchisee appreciation of marketing activities that could help to reduce the gap between business



**Table 5**  
Social-comparison-activating-procedures.

Franchise	Examples
BatteryPower	I am the worst in the country for mystery shopper [audit].... So yeah so that's one area that I'm number 78 out of 90 so that's definitely an area that I need to work on. (Franchisee B)
HealthyPools	[... why do you think that the franchisee awards are important?] It creates a little bit of a goal for people that are new and starting out or haven't been doing so well. It is made a fairly big deal of with prizes and so forth for winning those awards, but people you know look at it and say it would be nice to be able to do that. It just adds a bit of motivation I am pretty sure. (Franchisee B)
Mend-it	Ted... he's been [the number one performer in audit scores]... for a while, the guy in Victoria now has outdone him he just wants to outdo him again this year. So it just drives that kind of competition so it's all, that's all great but really who benefits by that, it's really the customer because they get the better service because they're focused on the results of the customer. (National Human Resource Manager/National Franchise Manager)
24-7	I think they're [franchisee awards are] important because... they set standards and benchmarks as well.... so I think it's good for setting that base and that standard. It's good... as an engagement tool... for example the Franchisee of the Year this year is actually in my district, so is one of my franchisees... all of my stores are talking about the fact that he won. So there's that kind of buzz in the air. So it's motivating others who were moderately performing to perform better. (District Manager)
SuperCharge	The State managers... put somebody up for who they think is the best performing store in an area or had the greatest change around in sales.... You know somebody who they feel has achieved something for the brand. (Franchisee B)

goals and actual performance (all cases). This involved routine meetings during which field managers discussed with franchisees their progress towards achieving business goals. For example, SuperCharge Franchise Operations Manager, Ted, influenced Franchisee Z “that didn't believe in marketing their business” to introduce and develop “one of the fastest growing loyalty card databases... in the country” (Franchise Operations Manager). Ted made it easy for the franchisee to adopt his recommendation by proposing short-term goals for the loyalty program launch, and by coaching his employees on behavior to promote it.

Performance monitoring information developed franchisee appreciation that certain marketing activities had contributed to business goals. Franchisors disseminated this performance monitoring information, alongside the implementation of marketing activities, in the form of weekly or monthly emails, newsletters, meeting discussions, and performance figures displayed on portal screens (all cases, see Appendix B photograph). For example, SuperCharge Franchisee D explained how an email report developed his appreciation that campaigns like the cold press juice launch contributed to profit goals. The email reported on cross-unit percentage sales increases during the cold press juice launch campaign period.

#### 4.2.3. Manager communications

Certain manager communications developed a positive expectancy with the franchisees that a recommended marketing innovation would contribute to business goals (all cases). These manager communications provided information about implementation procedures and the value of the innovation. For example, HealthyPools managers presented a “simple” process to implement digital marketing communications and explained how the innovation would provide a return-on-investment. Given their new appreciation of the value of digital marketing communications and the accessible implementation process, many HealthyPools franchisees had since adopted them within their businesses.

#### 4.2.4. Summary: marketing-trust-building-procedures and trust

Expectancy theory explains how the enabling marketing-trust-building-procedures (goal setting and planning, goal support and monitoring, manager communications) promote trust and brand-supportive behavior. This trust includes a positive expectancy and behavioral intention to adopt franchisor recommended marketing activities. Goal setting and planning procedures lay the foundation for developing this expectancy by encouraging franchisees to adopt brand-supportive goals. Manager discussions encourage franchisees to develop desired outcomes in the form of business goals aligned with the brand vision (Neider, 1980). Franchisees develop confidence to adopt benchmark business goals, especially when they appreciate that franchisor analysis of cross-unit business performance trends underpin them. Subsequent

procedures provide information (marketing recommendations and within-unit and cross-unit performance monitoring), which shapes a positive expectancy that recommended marketing activities contribute to business goals (Behling & Starke, 1973; Fudge & Schlacter, 1999). Given this positive expectancy, franchisees are motivated to exert effort to adopt brand-supportive behavior that includes recommended marketing activities (Behling & Starke, 1973; Mitchell, 1974). Franchisees develop a positive expectancy that recommended marketing activities will help to achieve business goals based on their interpretation of past experiences and discussions with franchisor managers (Fudge & Schlacter, 1999; Neider, 1980; Tesluk & Jacobs, 1998).

**Proposition 2.** Enabling marketing-trust-building-procedures encourage brand-supportive behavior because they develop franchisee trust towards recommended marketing activities.

#### 4.3. Social-comparison-activating-procedures and trust

Social-comparison-activating-procedures promoted trust and brand-supportive behavior by influencing franchisees to develop a positive expectancy and intention to use cross-unit branding performance monitoring information. Franchisors disseminated cross-unit performance monitoring information (about sales outputs and business standards, see Appendix C), which encouraged franchisees to make social comparisons that motivated competitive brand-supportive behavior (all cases). Table 5 provides quotes illustrating the enabling social-comparison-activating-procedures, which developed franchisee understanding of branding performance abilities across units. For example, the main goal for HealthyPools was to become the fastest growing and most recognized spa and pool maintenance service provider in Australia. In accordance with this goal, managers commended franchisees that had achieved the highest sales for mobile and shop businesses and “top 10 total sales” at (monthly and annual) award ceremonies (Franchise Operations Manager). This information encouraged franchisees to compare their ability to achieve high sales outputs with that of the award winners, which motivated them to improve performance in this area. According to Franchisee A, information about the HealthyPools awards fostered competitive behavior to “... get on with beating the guy next door. It is that sort of mentality” (Franchisee A).

Although franchisees with successful businesses were receptive to cross-unit branding performance monitoring information, franchisees with poorly performing businesses paid little attention to it. This was the case for some SuperCharge franchisees that thought that award information commending branding performance achievements of the top performing stores (in business standards and sales outputs) was not relevant to them. For example, Franchisee A explained that: “... our performance like [for] two years... it's really bad so....I am not paying attention to the awards.”

In summary, enabling social-comparison-activating-procedures promote brand-supportive behavior by influencing franchisees to develop a positive expectancy and intention to use cross-unit branding performance monitoring information (Adler & Borys, 1996; Jordan & Messner, 2012). Social comparison theory explains how these enabling procedures operate to influence franchisee trust and co-operation (Christy & Fox, 2014; Kidwell & Nygaard, 2011). When franchisors disseminate cross-unit performance monitoring information (about sales outputs and business standards), this prompts franchisees to compare themselves to better performing network operators, which in turn motivates brand-supportive behavior (Kidwell & Nygaard, 2011). This motivation is underpinned by franchisee appreciation of a similarity in their branding abilities with better performing unit operators (Christy & Fox, 2014; Festinger, 1954). However, when franchisees perceive that they do not have similar branding abilities to better performing unit operators, they disregard cross-unit performance monitoring information. This situation applies to franchisees that have poorly performing businesses.

**Proposition 3.** Enabling social-comparison-activating-procedures develop franchisee trust to use cross-unit performance monitoring information, which enhances brand-supportive behavior.

## 5. Discussion

Our study makes two main contributions to research on the complementary relationship between formal and social control within strategic alliances in general, and franchise networks in particular. It moves this research beyond the present emphasis on the degree and content of formalization. Instead, we examined how formalization intent shapes franchisee trust and brand-supportive behavior. Grounded in the work of organizational theorists (Adler & Borys, 1996; Stansbury & Barry, 2007) as well as in expectancy (Behling & Starke, 1973; Fudge & Schlacter, 1999) and social comparison theories (Argo et al., 2006; Kidwell & Nygaard, 2011), our data demonstrate that coercive and enabling features of controls shape the way in which trust promotes partner co-operation in general, and in particular, brand-supportive behavior that is crucial for franchise networks. Our key contribution is to draw attention to this overlooked dimension of formalization intent, which permits a deeper understanding of the complementary relationship between formal and social control. This includes appreciation of how complex multi-dimensional control systems operate to influence trust and co-operation in alliances and networks.

Our data demonstrate that when franchisees have positive evaluations of franchisor technical competence and benevolence three systems of formal controls promote trust and brand-supportive behavior (compliance-promoting-procedures, marketing-trust-building-procedures, and social-comparison-activating-procedures - see Fig. 1 and Propositions 1, 2, 3). This applies to the cognitive dimension of trust, which includes a positive expectancy and behavioral intentions to use cross-unit performance monitoring information, and franchisor recommended activities for marketing and improving business compliance.

We show that some formal controls have enabling as well as coercive dimensions, both functioning in complimentary ways to promote franchisee trust, and brand-supportive behavior. For example, coercive compliance-promoting-procedures that develop a threat of punishment (losing the franchise agreement) encourage franchisees to attend to enabling dimensions of remedial action. This includes manager recommendations that develop a positive expectancy and intention to adopt procedures to improve business compliance. As a result, franchisees adopt brand-supportive behavior to enhance uniformity in franchisor standards across the retail network.

Our second key contribution is to demonstrate how theories from social psychology can explain the relationship between formal control, trust and co-operation. Poppo and Zenger (2002) suggest the need for

theoretical perspectives from social psychology to better explain how controls influence partner behavior, to extend the then dominant transaction cost economic theory perspective. In support, our framework demonstrates that social psychology theory is useful for developing explanations about how formal controls operate to promote trust and co-operation in strategic alliances and, in particular, in franchise networks. This includes the exposition of cognitive dimensions of trust processes. This differs from cross-sectional studies that measure the complementary relationship between discrete aspects of formal control and trust in explaining performance within strategic alliances (Cao & Lumineau, 2015; Li et al., 2010; Poppo & Zenger, 2002). Our study instead builds on theoretical work that suggests the expectancy dimension of trust precedes the behavioral one (Morgan & Hunt, 1994; Singh & Sirdeshmukh, 1998). Our data demonstrate how expectancy and social comparison theories provide an understanding of trust processes, which include past experiences and formal controls that are antecedents to a positive expectancy (about using cross-unit performance monitoring information and franchisor recommended activities). This positive expectancy influences a behavioral intention that includes motivation to adopt brand-supportive behavior to; improve self-evaluation, achieve business goals, or avoid franchise contract termination. As such, our study addresses recent calls for research to develop the so far limited understanding of “cognitive micro-foundations” within alliance governance (Lumineau, 2017, p. 1571).

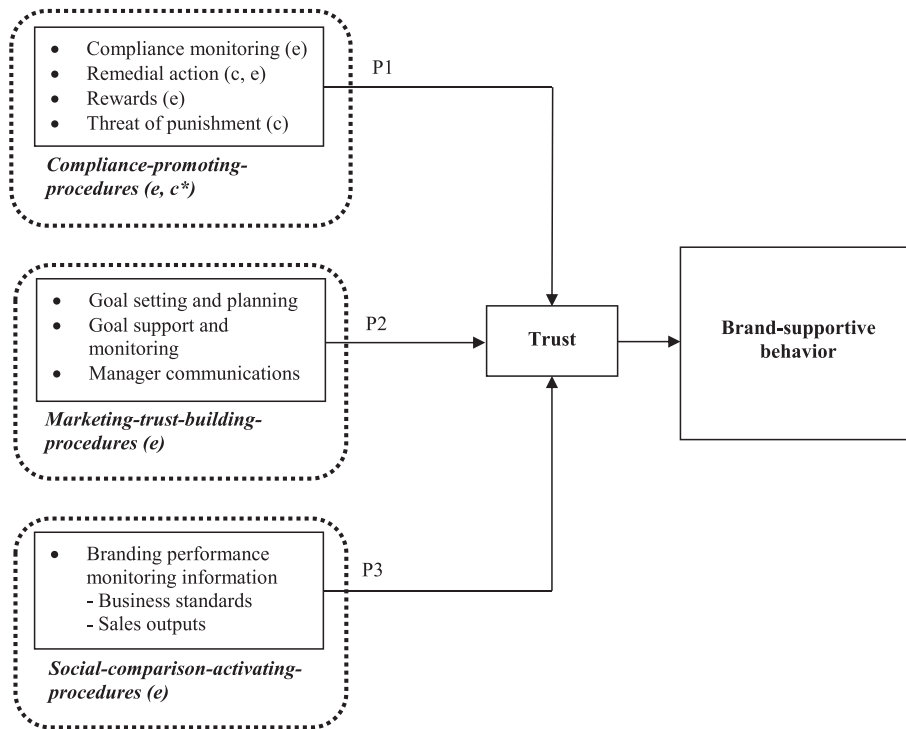
## 6. Conclusion

Our study extends prior research on the complementary relationship between formal and social control by investigating how formalization intent promotes trust and brand-supportive behavior within franchise networks. Rather than measure associations between discrete aspects of formal control and trust, we adopted a case study methodology involving five retail franchises to capture how formalization intent works to shape trust processes and brand-supportive behavior. As such, our study moves beyond the present preoccupation with formalization degree and content (i.e. in the form of formal contracts).

Considering the qualitative nature of this research, generalizations must be made with care. Our study is based on a small sample of Australian retail franchises potentially limiting the implications of the research to a particular sector and national context. One key issue is whether our theoretical insights are transferrable to other retail franchise networks. Our sample comprised mature Australian retail franchises that have managed franchisees for 10 or more years and that had won or been nominated for industry awards recognizing best practice. As the data may be biased towards franchise networks in mature and stable markets with more sophisticated formal controls, future studies might explore the interplay of formal and social controls and the role of formalization intent within less mature retail franchises. This might include franchisors with very limited experience in managing franchisees that have only few formal controls in place. This research could investigate processes to develop formal controls within relatively new retail franchises that have fewer than three years of experience in managing franchisees. As developing efficient formal controls takes time, this research should adopt a longitudinal design.

Our study does not detail the specific dimensions of trust (i.e. competence, benevolence) that formal controls enhance (as this was not a study aim). Investigations of how formal controls influence competence and benevolence trust may deepen our understanding of effective formalization intent processes. For instance, we might expect that certain enabling controls may enhance the competence and benevolence dimensions.

In other strategic alliances and networks (c.f. Sydow et al., 2016), we might expect other complementary relationships between formal and social control in influencing partner co-operation, but most likely a similar role of formalization intent. Accordingly, we would encourage researchers to investigate the complementary relationship between



**Fig. 1.** Formal control influence on franchisee trust and brand-supportive behavior.  
 \* e = enabling features, c = coercive features.

formal and social control on promoting partner co-operation in other types of alliance or network governance. We anticipate that investigating formalization intent within other types of alliances and networks will shed new insights on this complementary relationship.

While our research demonstrates a relationship between formal control and trust when franchisees have positive expectations about franchisor technical competence and benevolence, our study explores few additional contextual influences. Yet we expect powerful organizational conditions are facilitating and constraining the application of coercive and enabling formal controls. For example, factors such as professional training and organizational socialization might affect field manager motivation and ability to apply these controls. Field managers may learn the application of formal controls through different means, such as direct experience and organizational training. We anticipate that a practice-based approach (that attends to socially embedded and recurrent activities that provide meaning and order) may produce new insights into other contextual factors that influence the relationships between formal control, trust, and co-operation (Berthod, Grothe-Hammer, & Sydow, 2017). Such a study might involve ethnography to examine the process of learning and executing formal controls and the

influence on franchisee behavior in day-to-day practice.

Finally, our data is specific to domestic alliances, and therefore our findings might be challenged in an international context. It is logical to expect national culture and institutional conditions affect the choice and efficacy of formal controls, and related interaction with social controls. For example, coercive controls might be less popular or viable in countries where managers are less goal orientated or where there are poor levels of contract enforceability. As a result, alliance managers in general and franchise managers in particular may rely heavily on enabling controls from the outset. With this in mind, future studies, taking a formalization intent perspective could examine how institutions influence the way formal and social control interact to promote partner co-operation.

**Funding**

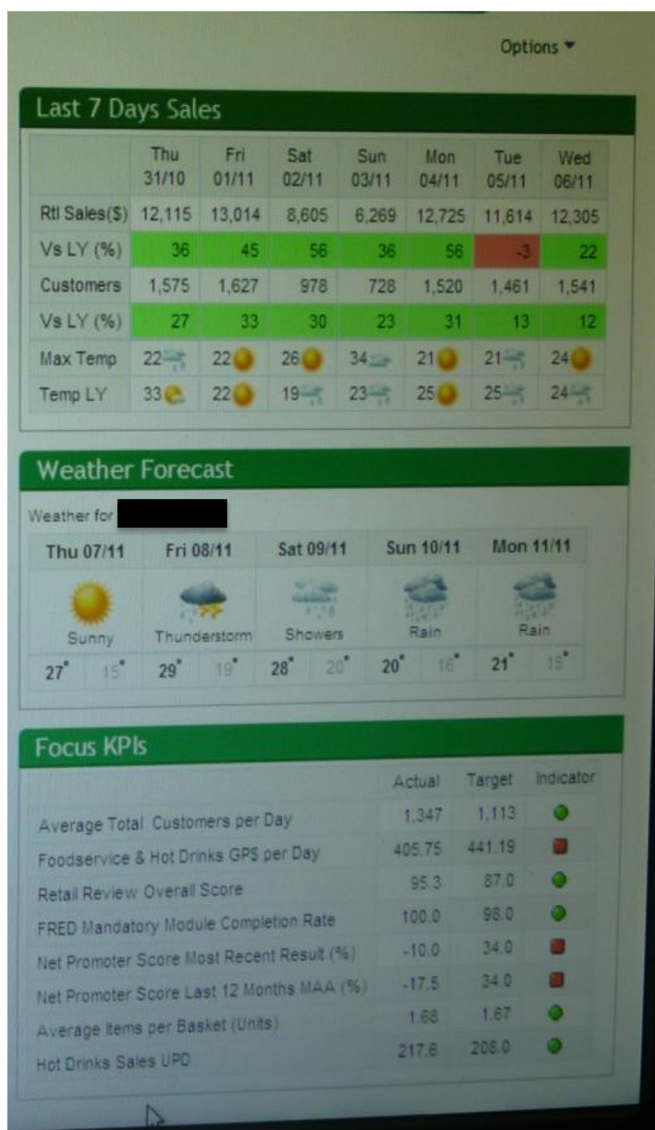
This work was supported by seeding grants from Griffith Business School (Griffith University) and The University of Bradford Faculty of Management and Law.

**Appendix A. Informant role titles**

Franchise	Role title	Number of interviews
BatteryPower	Network Development Manager	1
	Franchise Development Manager	1
	Franchisee A	1
	Franchisee B	1
	Franchisee C	1
	Franchisee D	1
HealthyPools	Chief Operations Officer	2
	Franchise Operations Manager	1
	Franchisee A	2
	Franchisee B	1

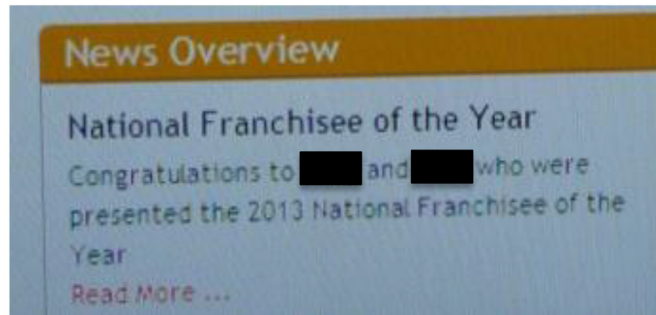
Mend-it	National Marketing Manager for Australia	1
	National Human Resource Manager/National Franchise Manager	1
	Regional Manager for Victoria	1
	Franchisee A	1
	Franchisee B	2
24-7	Franchisee C	1
	District Manager	1
	Senior Franchise Development Manager	1
	Franchisee A	1
	Franchisee B	1
SuperCharge	Franchisee C	1
	Franchise Operations Manager	1
	National Marketing Manager	1
	Franchisee A	1
	Franchisee B	1
	Franchisee C	1
	Franchisee D	1

Appendix B. Photograph of business output information shown on 24-7 online portal front screen





## Appendix C. Photograph of award information displayed on 24–7 online portal front screen



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**Raisa Yakimova** is a Senior Lecturer in Marketing at the University of Huddersfield Business School. She received a PhD from Monash University in Melbourne. Her research focus is corporate branding, internal branding, and inter-firm co-operation.

**Martin Owens** is a Senior Lecturer in International Business at Sheffield Hallam University. His research interests are in the areas of international joint ventures and strategic alliances.

**Jörg Sydow** is a Professor of Management and Chair for Inter-firm Cooperation at the School of Business & Economics at Freie Universität Berlin, Germany, and a Visiting Professor at Strathclyde Business School, Glasgow. Moreover, he is currently the director of the Research Unit “Organized Creativity”, sponsored by the German Research Foundation (DFG) and a founding co-editor of two leading German journals, *Management-forschung und Industrielle Beziehungen – The German Journal of Industrial Relations*. He also serves or served on the editorial boards of *Organization Science*, *Organization Studies*, *Academy of Management Journal*, *Academy of Management Review*, *Journal of Management Studies*, and *The Scandinavian Journal of Management*. He co-authored two recently published books: Lundin, R./Arvidsson, N./Brady, T./Eksted, E./Midler, C./Sydow, J. (2015): *Managing and Working in Project Society – Institutional Challenges of Temporary Organizations*. Cambridge: Cambridge University Press, and Sydow, J./Schüßler, E./Müller-Seitz, G. (2016): *Managing Inter-organizational Relations – Debates and Cases*. London: Palgrave-Macmillan.