Functional and dysfunctional retention: The impact of trust and cynicism

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Functional and dysfunctional retention: The impact of trust and cynicism

Abstract

In light of current workforce demographics, such as an aging workforce and increasingly dynamic and competitive labour markets, retention is a major concern to organizations, yet the concept of retention is not well defined in organizational theory. The purpose of this study was to explore the role of trust and cynicism in functional and dysfunctional retention. It was expected that trust and cynicism were components of the same underlying latent factor. Models of functional and dysfunctional retention that featured trust and cynicism as predictors of important performance outcomes were tested on a sample of 1,472 members of the Canadian Forces from various occupations across Canada who had indicated their intentions to stay with the organization for the next three to five years. Trust was elemental in encouraging the functional retention outcomes of initiative and organizational citizenship behaviour, and in discouraging the dysfunctional retention outcome of psychological withdrawal. Cynicism was also a significant predictor of psychological withdrawal. The results emphasize the need to build and maintain trust in organizations and to prevent the development of cynicism in order to have functionally retained employees that contribute to organizational effectiveness.
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Functional and dysfunctional retention: The impact of trust and cynicism

In light of current workforce demographics, such as an aging workforce and increasingly dynamic and competitive labour markets, organizations are concerned with the retention of people with talent and skills (Ruiz, 2006). Although retention is a major concern to organizations (Vaiman, 2006), the concept of retention is not well defined in organizational theory. There is a general understanding of retention as the absence of employee turnover or the opposite of attrition, but these characterizations of retention fail to capture the full scope of the construct and its influence on organizations.

Attrition, the reduction in numbers of employees, is often viewed as organizational malfunction (Hom & Griffith, 1995), and conversely, retention is equated with organizational effectiveness, but these perceptions do not reflect the reality of all retention. As noted by Williams (2000) “organizations incur opportunity costs (i.e., dysfunctional consequences) when below average performers stay” (p. 552). In light of this retention reality, there is a need to develop a comprehensive explanation of functional and dysfunctional retention, including an understanding of the basis of these two kinds of retention. The purpose of this study was to expand the definition of functional and dysfunctional retention by identifying the foundation of these two kinds of retention and to identify key indicators of each kind of retention. This expanded understanding of retention can aid organizations in assessing their current retention profile and in designing retention strategies that would result in functional consequences.

Functional and Dysfunctional Turnover
The notion of functional and dysfunctional retention has its origins in theoretical explanations of employee turnover. Employee turnover has been defined as “voluntary terminations of members from organizations” (Hom & Griffeth, 1995, p.1). Although turnover can also be involuntary (e.g., dismissals, exits due to illness or death; Price, 2004), organizational research has generally been concerned with developing models of voluntary turnover because these kinds of employee exits can be costly and may be preventable. Indeed, a great deal of effort has gone into understanding the antecedents and consequences of voluntary turnover for organizations (Hom & Griffith, 1995).

Early models regarded voluntary turnover as an entirely negative and costly organizational phenomenon (Staw, 1980). Later, researchers recognized that benefits as well as costs could result from turnover, depending on who leaves the organization (Dalton & Todor, 1979; Muchinsky & Morrow, 1980; Staw, 1980). From this perspective, Dalton, Todor, and Krackhardt (1982) introduced a framework for classifying voluntary turnover that was dependent upon the employer’s evaluation of the quality of the departing employee. They divided voluntary turnover into two distinct categories: in dysfunctional turnover, the individual wants to leave the organization, but the organization would prefer to retain the individual; in functional turnover, the individual wants to leave the organization and the organization is unconcerned with the loss of this person because the organization has a negative evaluation of the individual (Dalton, Krackhardt, & Porter, 1981). In such cases, turnover is functional because it benefits the organization to let such a person go. Dysfunctional turnover is linked to the negative consequences traditionally associated with voluntary turnover such as economic
costs for replacement and training, lost productivity, impaired quality of goods or services, and the demoralization of organizational members left behind (Horn & Griffeth, 1995). Although functional turnover is also linked to some costs similar to those of dysfunctional turnover, it can also have positive consequences such as the removal of poor performers, infusion of new knowledge and technology by replacements, and new opportunities and empowerment for remaining employees (Horn & Griffeth, 1995).

Functional and Dysfunctional Retention

It may be possible to apply the functional/dysfunctional dichotomy of turnover to retention. Specifically, functional retention may represent the continuing employment of high performing employees, whereas dysfunctional retention may represent the continuing employment of poor performing employees (Williams, 2000). Distinguishing between functional and dysfunctional retention expands the understanding of retention beyond simply “the percentage of employees remaining in the organization” (Phillips, & O’Connell, 2003, p. 2) and the basic projection on organizational wellbeing that goes along with it (i.e., high retention means the organization is well). Retention is desirable when employees demonstrate positive workplace behaviours and make positive contributions, but when this is not the case, retention may have a negative impact on the organization. The functional/dysfunctional dichotomy recognizes the possibility that not all employees who remain with the organization will contribute positively to organizational functioning. Functional retention adds value to the organization because employees work well together, work gets done efficiently, and organizational interests are furthered. On the contrary, retained employees who neglect to engage in important
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workplace behaviours or who engage in deviant behaviours correspond to dysfunctional retention. Dysfunctional retention may be costly to the organization not only because effort is withheld and morale among all employees may be negatively influenced, but also because deliberate acts intended to harm the organization may ensue.

Dimensions of Performance

In essence, the definition of functional and dysfunctional retention is based on the idea of good or poor employee performance; therefore, it is essential to understand what is meant by performance and what employees must contribute in order to be deemed good performers. Although evaluating the quality of employee performance may be a subjective judgment (Dalton et. al., 1982), the expectations that an organization has in terms of job performance are presumed to be based on scalable criteria, including behaviour and outcomes linked to the realization of organizational goals (Viswesvaran & Ones, 2000). The specific criteria that constitute the construct of job performance may vary for different work roles within an organization, yet the dimensions of job performance can be generalized across roles (Viswesvaran & Ones, 2000).

Various models of job performance have been proposed (e.g., Borman & Motowidlo, 1997; Campbell, 1990; Murphy, 1990). Although the names and number of job performance dimensions differ, these models have considerable overlap with respect to content. For example, Campbell (1990) proposed that job performance comprised eight dimensions including job-specific task proficiency, non-job-specific task proficiency, written and oral communication, demonstrating effort, maintaining personal discipline, facilitating peer and team performance, supervision, and management and
Murphy (1990) defined job performance using just four dimensions denoted as downtime behaviours (e.g., effort exerted or lack thereof), task performance, interpersonal behaviours (e.g., helping others, teamwork, prosocial behaviour) and destructive behaviours.

It can be seen that there is overlap among these (and other) models in that they similarly distinguish between performance factors pertaining to task proficiency and other non-task specific performance factors also known as contextual factors. Contextual factors are important because these behaviours go beyond simply doing one's job by contributing to the overall organization (Borman & Motowidlo, 1997). The contextual behaviours contained in the Campbell (1990) and Murphy (1990) models are further elaborated as part of Borman and Motowidlo's (1997) taxonomy of contextual performance which contains elements of organizational citizenship behavior (discretionary helping behaviour) and soldier effectiveness (teamwork, determination, allegiance). Borman and Motowidlo listed behaviours such as persisting with enthusiasm and extra-effort when necessary, volunteering to carry out tasks that are not formally role-prescribed, helping and cooperating with others, following rules and procedures, and, endorsing, supporting, and defending organizational objectives in their catalogue of contextual performance. Due to the current amount of flux in organizations and the ongoing importance of organizational change, receptivity and orientation to change has also been recognized as a key contextual component of the performance construct (Campbell, 1999).
Albeit expressed somewhat differently, all of these models of job performance incorporate factors above and beyond simply the execution of one’s assigned tasks. Job performance includes many dimensions that contribute to the overall functioning of the organization and the ability of colleagues to do their jobs including engaging in leadership behaviours, adhering to rules and accepting authority, cooperating, communicating and working well with others, demonstrating effort through initiative, adapting to change, and engaging in voluntary prosocial behaviours. Although job performance would seem to comprise a diverse set of factors, taken as a whole, these factors embody the essential behaviours and outcomes that lead to organizational effectiveness; therefore, there is an underlying unity and cohesiveness to the set.

Performance Trust, and Functional Retention

When examining the common threads of the proposed dimensions of job performance, it becomes evident that a particularly important underlying commonality is an association with trust. Trust is not a simple concept to define because it manifests itself in many different forms, depending on the context. However, one dictionary describes trust as “assured reliance on the character, ability, strength, or truth of someone or something” (Merriam-Webster, 1991). For the most part, the elements of performance deemed essential for the realization of organizational goals either require trust or are facilitated by trust. Indeed, many of the performance elements also promote trust. It makes sense that behaviours that foster trust should also be valued by organizations in order to encourage crucial behaviours that are influenced by trust. The section below
demonstrates the interrelationship between trust and the organizationally-valued work behaviours that comprise good performance.

Engaging in leadership behaviours involves influencing others to accept organizational decisions, to comply with organizational regulations, and to act in ways that further organizational goals (Leadership in the Canadian Forces: Doctrine, 2005; Tyler & Degoe, 1996). In order for leadership behaviours to be accepted by others, leaders need to be trusted (Tyler & Degoe, 1996). When people trust their leaders, leaders are more effective and team members are more likely to exert discretionary effort (Dirks & Ferrin, 2002; Gillespie, & Mann, 2004). Transformational leadership, one prevailing model of effective leadership in organizational research (Gillespie & Mann, 2004), is strongly predictive of trust (Dirks & Ferrin, 2002). Transformational leadership behaviours, such as the communication of values and vision, consultative decision-making, and the delegation of authority, build trust in and of themselves; moreover, engaging in these behaviours requires and conveys a trust in team members on the part of the leader, which in turn is reciprocated (Gillespie & Mann, 2004). Therefore, not only does good leadership promote trust, the basis of good leadership itself is trust. It is important for leaders to behave in ways that foster trust, because trust lends itself to furthering organizational objectives.

Cooperation and teamwork, including the sharing of resources and knowledge, and mutual problem solving (Abraham, 2000), contribute to the efficiency of achieving organizational goals. The positive link between trust and cooperation has been widely recognized (Gambetta, 1988; Jones & George, 1998; Lewicki & Bunker, 1996; Mayer,
Davis, & Schoorman, 1995). Trust enables cooperation, and in turn, cooperation itself encourages trust as part of a mutually reinforcing cycle (Putnum, 1992; Tyler, 2003).

The mutually reinforcing relationship between trust and cooperation also occurs between trust and communication. Communication in organizations has been identified as a coordinating mechanism, a purveyor of organizational culture, and the foundation for successful organizational change initiatives, and thus is critical to organizational functioning (Church, 1994). Studies have shown that trust has positive effects on openness in communication in inter-organizational relationships (Smith & Barclay, 1997) as well as positive effects on the amount of information that is communicated to superiors (O’Reilly, 1978). For its part, regular communication among and across inter-organizational relationships facilitates mutual understanding and predictability of others, which contributes to trust (Lewicki & Bunker, 1996).

Innovation fuels productivity (Sankey, 2006) and trust supports innovation by encouraging initiative and receptiveness to change. Trust embodies positive expectations about the future as well as positive expectations about another’s motive in situations involving risk (Lewicki & Bunker, 1996, Mayer et al., 1995). As a result of its very nature, trust sets the stage for innovation to take place. Trust promotes initiative because it encourages people to risk putting forth new ideas and to risk trying new ways of accomplishing their goals by reducing the fear of reprimand should things go awry (Gibb, 1965). Trust further promotes the acceptance of change by others in organizations because it predisposes people to taking a chance on something new, in believing there are
good motives behind the proposed change, and in having positive expectations about the success of the undertaking (Mishra, 1996).

Voluntary prosocial behaviours, also known as organizational citizenship behaviours (Deluga, 1995), are constructive behaviours that go beyond job specific requirements and therefore are not formally recognized or rewarded by the organization (Konovsky & Pugh, 1994), yet are vital to organizational effectiveness (Katz, 1964). Examples of organizational citizenship behaviours include attending non-mandatory organizational functions that promote organizational interests, showing pride in the organization, and coming to the organization’s defence when it is criticized (Lee & Allen, 2002). Many studies have found a positive relationship between trust and organizational citizenship behaviours (Dirks & Ferrin, 2001). Trust in co-workers (McAllister, 1995), supervisors (Konovsky & Pugh, 1994), and the organization (Robinson, 1996) have positive effects on organizational citizenship behaviours.

In sum, trust is inherently linked to the organizationally-valued work behaviours that are indicators of good performance. If functional retention is defined by having high performing employees stay, and high performance is based in trust, then trust should be a fundamental building block of functional retention.

Performance and Dysfunctional Retention

Just as functional retention is characterized by the positive job behaviours linked to good performance, dysfunctional retention is typified by negative job behaviours associated with poor performance. Dysfunctional retention, which represents the continuing employment of poor performing employees (Williams, 2000), encompasses
performance that is detrimental to organizations. One of the four dimensions identified in Murphy’s (1990) model of performance is destructive behaviours, which incorporates behaviours that are counterproductive to the goals of the organization. Employee deviance has been defined as voluntary behaviour that violates organizational norms and is harmful to the organization or its members (Robinson & Bennett, 1995). Deviant behaviour in organizations can take many forms and range from lack of compliance with rules, to aggression, theft, and sabotage (Fox & Spector, 1999; Viswesvaran & Ones, 2000). These and other deviant behaviours in the workplace have been the subject of a considerable amount of organizational research in recent years due to concern over their prevalence and cost to organizations (Lee & Allen, 2002).

Deviant behaviour in the workplace has been categorized along two dimensions: minor versus serious deviance, and directed at either organizational or personal targets (Fox & Spector, 1999; Robinson & Bennett, 1995). Minor organizational deviance corresponds to behaviours that disrupt productivity, such as arriving late or leaving early, intentionally working slower, daydreaming instead of working, failing to help a co-worker, or withholding work-related information from a co-worker. In comparison, serious organizational deviance relates to behaviours targeted at property, such as damaging or stealing equipment. Minor interpersonal deviance corresponds to petty acts against individuals in the workplace, such as gossiping about co-workers or blaming co-workers. Serious interpersonal deviance refers to acts of aggression or violence directed at individuals in the workplace. Sexual harassment and verbal or physical abuses are examples of serious interpersonal deviance.
According to the classification system mentioned above, the category of minor organizational deviance includes many behaviours that comprise the concept of psychological withdrawal. Psychological withdrawal amounts to putting little effort into the job. It can manifest itself as daydreaming, doing personal tasks at work, chatting excessively with co-workers, and letting others do the work (Lehman & Simpson, 1992). Although psychological withdrawal behaviours may be considered minor deviances when compared to the wilful harm of property or persons, Skarlicki and Folger (1997) suggest that mild negative behaviours can still have dramatic consequences on organizational functioning and therefore should not be ignored. Psychological withdrawal behaviours have a progressive tendency, whereby one withdrawal behaviour influences subsequent withdrawal behaviours (Sagie, Birati, & Tziner, 2002). Diminished effort on the job can lead to lateness or leaving early, which can then progress to greater levels of withdrawal such as absenteeism and turnover. Moreover, similar to a ripple effect, the withdrawal behaviour of one employee influences behaviours of other employees (Sagie, et al., 2002). For example, if one employee arrives late or slacks off, others may be inclined to respond in kind. As a result, other people in the organization may become psychologically and behaviourally withdrawn, thereby hampering productivity even further.

The subtle withdrawal behaviours that may be manifested through psychological withdrawal are likely to go undetected for quite some time as they are not the kind of behaviours that attract attention. Withdrawal behaviour can also present itself in terms of diminished initiative toward improving the organization and withdrawal of organizational
citizenship behaviours. Withdrawal behaviours are precisely the kind of behaviours that get overlooked when all retention is equated with positive organizational functioning. From the narrow perspective that all retention is good retention, all employees who do not physically withdraw from the organization become part of a rose-coloured interpretation of retention, even though some may be neglecting to contribute in important ways and may actually be costing the organization a great deal in terms of lost productivity and diminished group morale.

Performance, Cynicism, and Dysfunctional Retention

When examining the common threads of the dimensions of poor performance, it seems that an important underlying commonality may be an association with cynicism. Cynicism, according to one dictionary definition, is a "cynical character, attitude or quality" and in turn the term cynical is defined as "contemptuously distrustful of human nature and motives" (Merriam-Webster, 1991). Cynicism in organizations is often characterized as an attitude comprising elements of distrust (Andersson & Bateman, 1997), suspicion of the motives of others (Stanley, Meyer, & Topolnytsky, 2005) and pessimistic expectations about the future (Wanous, Reichers & Austin, 1994). Cynicism may hinder organizational functioning, not only by suppressing many of the positive job behaviours linked to good performance and functional retention, but also by promoting negative job behaviours associated with poor performance and dysfunctional retention. The section below discusses the likely suppressing influence of cynicism on positive behaviours, as well as its potential role in increasing counterproductive behaviours in the workplace.
Researchers have long considered organizational cynicism to be a multidimensional construct that contains belief and affect (Andersson & Bateman, 1997; Kanter & Mirvis, 1989); more recently, behaviour has been included in the definition (Dean, Brandes, & Dharwadkar, 1998). The belief component of cynicism has been described by some researchers as mistrust (Abraham, 2004; O'Connell, Holzman & Armandi, 1986) and distrust (Andersson & Bateman, 1997). As previously demonstrated, trust promotes the organizationally-valued work behaviours that are indicators of good performance and functional retention. If trust encourages these behaviours, then it follows that mistrust and/or distrust would have the opposite effect. Therefore cynicism, if comprised of mistrust and/or distrust, should discourage good performance, and, indeed, as indicated below, cynicism has been found to discourage many of the indicators of good performance.

Just as transformational leadership conveys trust in team members, which in turn is reciprocated, cynical leadership conveys distrust in team members which is reciprocated and subsequently discourages acceptance of leader decisions and interferes with leader effectiveness (Abraham, 2004; Kanter & Mirvis, 1991). Cynicism hinders cooperation and teamwork in part due to the tendency for cynical employees to consciously cut themselves off from values of the organization, which can cause them to isolate themselves from their peer group (Cutler, 2000). Often cynicism becomes a self-fulfilling prophecy because decreased positive interaction with others serves to reinforce cynical beliefs (Hardin, 1993). Cynicism has been found to discourage effort toward change initiatives (Reichers, Wanous & Austin, 1997), compliance with organizational
rules, and intent to engage in organizational citizenship behaviours (Andersson & Bateman, 1997).

Instead of promoting the organization by engaging in organizational citizenship behaviours, individuals who are cynical make critical, disparaging comments against the organization (Dean et al., 1998). Some researchers have found that cynicism negatively influences organizational citizenship behaviours through alienation (Abraham, 2000) and emotional exhaustion (Johnson & O’Leary-Kelly, 2003).

Besides suppressing productive organizational behaviours as outlined above, it is likely that cynicism promotes counterproductive organizational behaviours due mainly to its affective components. The principal affective components of cynicism are frustration, disillusionment, powerlessness (Anderson, 1996), and alienation (Abraham, 2000). It has been suggested that the emotional elements of cynicism, along with motivational and cognitive processes, may encourage employees to engage in antisocial behaviour in the workplace (Bies, Tripp, & Kramer, 1997).

Although studies that address cynicism and deviant behaviour are scarce, there have been studies that link elements of cynicism to deviant behaviour. A significant relation exists between experienced frustration, lack of perceived control, and engaging in antisocial behaviours in the workplace (Fox & Spector, 1999). People are more likely to engage in deviant behaviour in the workplace, such as aggression, complaining, sabotage and withdrawal, when they feel they do not have personal control over the source of frustration (Storms & Spector, 1987). Essentially people strive to maintain a positive personal and social identity (Brewer, 1991) and sense of self-efficacy and control...
over their world (Bandura, 1986) and, therefore, a lack of perceived control exacerbates
the frustration response to negative events. The findings that link frustration and
perceived control to deviant behaviour may be applied to cynicism because these same
elements are present in cynicism. As stated previously, cynicism is associated with
frustration and powerlessness. A feeling of powerlessness is indicative that one perceives
a lack control over their circumstances and, thus coupled with frustration, would
encourage frustration-induced deviant behaviour. Furthermore, it has also been
suggested that alienation may reduce a person's inhibitions against engaging in deviant
behaviour (Hogan & Hogan 1989; Spector, 1997), and, because alienation is a component
of cynicism, it is likely that cynicism would also reduce a person's inhibitions against
engaging in deviant behaviour.

The disillusionment of cynicism in conjunction with a cognitive process known as
dysphoric thinking may also contribute to counterproductive behaviour. "Dysphoric
rumination involves the negative framing and editing of social information" (Bies et al.,
1997, p. 25), which leads to a pessimistic attributional style (Kramer, 1998) and
contributes to the development of revenge cognition (Bies et al., 1997). Revenge
cognition is further encouraged if an individual reinforces their pessimism and suspicions
by ruminating with co-workers (Morril, as cited in Bies et al., 1997). Cynicism in
organizations follows a similar pattern. The disillusionment of cynicism results when
individuals' expectations go unmet and individuals are disappointed by events in the
workplace. This disappointment leads to pessimistic attributions about the cause of the
negative event (Wanous et al., 1994) and to ruminating and complaining openly with co-
workers (Dean et al., 1998) thereby reinforcing their pessimism and suspicions which serves to fuel revenge cognitions in the workplace. Thus, in the absence of studies that link cynicism and deviant behaviour in the workplace, nevertheless, there is some evidence to suggest that cynicism may promote these negative indicators of poor performance.

Trust and Cynicism

Based on this review, it appears that trust and cynicism in organizations have opposing roles, in that, just as trust facilitates good performance and therefore contributes to positive retention, cynicism detracts from good performance and may be at the root of dysfunctional retention. Given these apparent parallels, it is important to explore the association of trust and cynicism. Such a comparison, although important, is difficult to make directly because of the lack of consistency in the many definitions of both of these constructs (Kramer, 1999; Stanley, et al., 2005). Some of the forms of trust described in organizational settings include knowledge-based trust (Lewicki & Bunker, 1996), category-based trust (Kramer, 1999), swift trust (Meyerson, Weick & Kramer, 1996), conditional trust (Jones & George, 1998) trust in managers (Bijlsma & van de Bunt, 2003), and organizational trust (Nyhan & Marlowe, 1997). Among the conceptualizations of cynicism within organizational contexts are work cynicism (Abraham, 2000), employee cynicism (Andersson & Bateman, 1997), organizational change cynicism (Reichers, et al., 1997) and organizational cynicism (Dean et al., 1998). Fortunately there is considerable agreement with respect to the fundamental elements of trust and cynicism which enables comparisons.
Although there is no universal definition of trust (Bigley & Pearce, 1998; Connell, Ferres, & Travaglione, 2003; Kramer, 1999), there is agreement that trust can be either dispositional or situational. Dispositional trust is an individual trait that has been described as a generalized expectancy that others can be relied upon (Rotter, 1980) or a general belief in human benevolence (Bhattacharya, Devinney, & Pillutla, 1998; Yamagishi & Yamagishi, 1998). Situational trust, by contrast, is context and target specific, such that in a particular situation, with a particular person or entity, there is a belief that the person or entity is trustworthy. Some people are generally trusting in all situations, whereas others rely on their level of dispositional trust when encountering a novel situation, then as their experience with that situation grows, they rely increasingly on situational trust (McKnight, Cummings, & Chervany, 1998; Rotter, 1980). Hence, in organizational contexts, after the initial socialization of employees in which dispositional trust is important, with additional experience with leaders and colleagues, situational trust gains value.

Trust is influenced by past experiences, yet is applied to the present or focused forward with the expectation of future interactions (Bijlsma & Koopman, 2003; Bijlsma, & van de Bunt, 2003). In a situation in which a person is faced with a decision to trust or not trust, the extent to which trust develops is largely dependent on attributions. The individual must decide whether the other person/entity is competent, has integrity, and cares about his or her well-being, based on past behaviour or situational characteristics. When people are trusting, they make attributions of integrity, competence, and benevolence for that individual or entity (Mayer, et al., 1995).
Although trust involves positive expectations regarding future outcomes (Bhattacharya, et al., 1998) the potential for these expectations to go unmet is always present. It is generally accepted that all decisions to trust involve some degree of uncertainty (Bhattacharya, et al., 1998; Gambetta, 1988; Huff & Kelley, 2003) and vulnerability (Baier, 1986; Mayer et al., 1995; Mollering, Bachman, & Lee, 2004). Uncertainty arises out of an inability to predict outcomes, whereas vulnerability refers to the potential amount of risk in an interaction and the amount at stake (Heimer, 2001).

Similar to the concept of trust, the concept of cynicism has resisted universal definition and has been mainly defined according to the context in which it is expressed (Dean et al., 1998), yet there is agreement that cynicism also can be either dispositional or situational (Andersson & Bateman, 1997). With dispositional cynicism, individuals have a general lack of faith in humanity (Abraham, 2000) or have a general suspicion of the motives of others (Kanter & Mirvis, 1991), whereas with situational cynicism there are target-specific negative expectations and suspicion of the motives of particular people or entities. Similar to the roles of dispositional and situational trust, dispositional cynicism exerts its greatest influence in novel situations for which the individuals have little specific knowledge on which to base their responses. As familiarity and experience increases in a particular situation, cynicism begins to become more target-specific. Hence, someone who is generally cynical may become less cynical toward a particular supervisor after working with that person for a period and a non-cynical person may become more cynical after experience in a particular job or organizational setting (Abraham, 2004). In organizations, just as with trust, it is more important to consider situational cynicism.
because this is the aspect of cynicism over which the organization has some control (Wanous, Reichers & Austin, 2000)

Congruent with trust, cynicism has a developmental component. Cynicism is based on past experience and applied to present or future interactions and the extent to which cynicism develops towards a specific target is largely dependent on attributions. People who are cynical toward a specific person or entity generally have made attributions that the person or organization lacks integrity (Dean et al., 1998) is acting in self-interest with little concern for others (Kanter & Mirvis, 1991), and is incompetent in that particular situation (Wanous, et al., 1994).

Further similarities between trust and cynicism may be seen through their associations with perceived organizational support and organizational fairness. Perceived organizational support is the belief that an organization values an individual’s contributions and will treat them favourably (Eisenberger, Huntington, Hutchison, & Sowa, 1986). Organizational fairness comprises employee perceptions of fairness in three main areas. Distributive fairness involves perceptions about the fairness of organizational outcomes. Procedural fairness corresponds to perceptions about whether organizational procedures used to make decisions are fair. Interactional fairness relates to perceptions regarding the way organizational agents treat people.

When individuals enter into an employment contract, there is an expectation of reciprocal obligation between the employee and the organization (Rousseau, 1989). In exchange for their efforts and contributions, employees expect to be valued by the organization and to be treated fairly by the organization in terms of outcomes, procedures,
and interpersonal treatment (Andersson, 1996). When an individual’s expectations of reciprocity are met by the organization, it results in perceived organizational support and perceptions of fairness. These, in turn, contribute to the development of positive attitudes and behaviours (Abrecht & Travaglione, 2003), such as trust in the organization and its agents, that ultimately result in functional retention outcomes.

At the heart of organizational factors known to contribute to the development of cynicism (e.g., infrequent or insufficient communication, limited opportunity to voice opinions, disrespectful interpersonal treatment, inequitable recognition and reward systems, fear of downsizing, the reduction of training and mentoring programs; Andersson, 1996; Feldman, 2000; Kanter & Mirvis, 1991) are unmet expectations of organizational support and perceived violations of codes of fairness. When employees perceive a lack of organizational support and deem organizational conditions to be unfair, cynicism sets in because they perceive a value incongruence between the self and the organization (Abraham, 2004), which may ultimately result in dysfunctional retention outcomes. Hence just as perceived organizational support and perceptions of organizational fairness are antecedents of organizational trust (Albrecht & Travaglione, 2003; Konovsky & Pugh, 1994; Mayer & Davis, 1999), the lack of perceived organizational support and organizational fairness can be antecedents of cynicism in organizations (Albrecht & Travaglione, 2003).

Although there are clear similarities between trust and cynicism, some scholars (e.g., Dean et al., 1998; Stanley, et al., 2005) have suggested that while closely related, there are fundamental differences between trust and cynicism that make these constructs
distinct. Dean et al. (1998) argue that the element of vulnerability inherent in trust is absent with cynicism. It is possible to make a case for a different rationale, however. Trust is not being vulnerable, per se, but rather it is the willingness to be vulnerable (Mayer et al., 1995). Correspondingly, it is quite likely that cynicism is simply an unwillingness to be vulnerable in situations of uncertainty. Cynicism has been described as a defence mechanism (Abraham, 2000) or shield (Kanter & Mirvis, 1991) to protect against disappointment and frustration in the workplace. This need for a shield or defence mechanism suggests that the person is in a situation in which he or she feels vulnerable and wants protection, thereby demonstrating an unwillingness to be vulnerable. Indeed, the feeling of powerlessness is a noted characteristic of cynicism (Abraham, 2004), which may include a sense of helplessness and vulnerability.

Stanley et al. (2005) also hypothesized that trust is related to, but distinct from, cynicism. They argued that although cynicism and trust share antecedents, the two constructs are not the same because, to their way of thinking, cynicism in and of itself can cause mistrust. They supported this argument with their results that change-cynicism was distinguishable from trust in management. Using their results, however, the same association was not found for management cynicism and trust in management, which were highly correlated. In fact, their confirmatory factor analysis revealed that a model combining management cynicism and trust in management fit the data just as well as the one that treated them as separate factors. These findings suggest that a distinction can be made between forms of organizational trust and cynicism that differ in terms of focus; however, similar forms of trust and cynicism are not easily distinguished from each other.
In the past, scholars (e.g., Andersson & Bateman, 1997; Dean et al., 1998) reasoned that trust and cynicism were distinct from one another based simply on the understanding of trust as a unidimensional construct, as opposed to the multidimensional nature of cynicism. This viewpoint may no longer be applicable. Although research has tended to operationalize trust as a unidimensional construct by focusing on its cognitive component (Dirks, 1999), affect has also been recognized as a fundamental component of the experience of trust (Abraham, 2004; Jones & George, 1998; Lewicki, & Bunker, 1996). Furthermore, there is increasing acknowledgment that trust, just as cynicism, is a multidimensional construct (Bhattacharya, et al., 1998; Connell et al., 2003; Kramer, 1999). Indeed, the Organizational Trust Inventory (Cummings & Bromiley, 1996) assesses trust across three components, including trust as an affective state, as a cognition, and as an intended behaviour.

Although the conceptual similarity between trust and cynicism seems evident when their core features are considered, tests of their actual similarity are rare. Thompson, Joseph, Bailey, Worley, and Williams (2000), and Stanley et al. (2005) attempted to distinguish these two constructs. However, the Thompson et al. study only used a measure of change cynicism. Both Thompson et al. and Stanley et al. found some support for a distinction between one form of cynicism, change cynicism, and trust in specific groups; however, Thompson et al. suggested that their results may well have been different had they used additional measures of cynicism. Moreover, Stanley et al. found that management cynicism and trust in management were actually highly correlated. Both studies were based on relatively small samples (i.e., 70 respondents for
Thompson et al., 2000 and 60 respondents for Stanley et al., 2005) and were inconclusive. Therefore, there is a need to undertake a more rigorous test to determine whether trust and cynicism are indeed similar constructs. One way to do this is to explore their effects on functional and dysfunctional retention outcomes.

The Present Study

The goal of the present study was to examine the role of trust and cynicism in the prediction of functional and dysfunctional retention outcomes, as well as to establish whether trust and cynicism were similar or distinct constructs (see Figures 1 and 2). Trust was expected to encourage the functional retention outcomes of initiative and organizational citizenship behaviour, and discourage the dysfunctional retention outcomes of psychological withdrawal and organizational deviance. Cynicism was expected to have the opposite pattern. Initiative and organizational deviance were chosen in order to investigate the effects of trust and cynicism on active, deliberate discretionary behaviours (positive and negative). Organizational citizenship behaviour and psychological withdrawal, on the other hand, were chosen to explore the effects of trust and cynicism on more reflexive, responsive performance outcomes (positive and negative).

Perceived organizational support and procedural fairness were expected to be antecedents of trust and cynicism, such that more perceived organizational support and more procedural fairness were anticipated to lead to higher levels of trust and lower levels of cynicism. It has been suggested that fairness concerns in hierarchical organizations are particularly focused on procedural issues (Ambrose & Schminke, 2003).
The models were tested using a field study of members from the Canadian Forces who had indicated their intentions to remain with the organization in the years ahead. Because the models were intended to specifically explore retention in the workplace and for the findings to speak to retention, it was important not to confound the results with people who were considering leaving.

Figure 1. Proposed Model of Functional Retention

Figure 2. Proposed Model of Dysfunctional Retention
The specific hypotheses were:

*Hypothesis 1a:* Perceived organizational support and procedural fairness would have a direct positive association with organizational trust.

*Hypothesis 1b:* Perceived organizational support and procedural fairness would have a direct negative association with organizational cynicism.

*Hypothesis 2a:* Trust would be positively associated with the functional retention outcomes of initiative and organizational citizenship behaviour.

*Hypothesis 2b:* Trust would be negatively associated with the dysfunctional retention outcomes of psychological withdrawal and organizational deviance.

*Hypothesis 3a:* Cynicism would be negatively associated with the functional retention outcomes of initiative and organizational citizenship behaviour.

*Hypothesis 3b:* Cynicism would be positively associated with the dysfunctional retention outcomes of psychological withdrawal and organizational deviance.

*Hypothesis 4:* Trust and cynicism were two components of the same underlying latent factor.

In the proposed models, the impact of the antecedents of organizational trust and cynicism on functional and dysfunctional retention outcomes are fully mediated. Although full mediation was expected, partial mediation in this case was also a possibility (Albrecht & Travaglione, 2003; Moorman, 1991; Rhoades, & Eisenberger, 2002). Therefore, alternative models were tested. These models allowed for direct effects of perceived organizational support and organizational fairness on functional and
dysfunctional retention outcomes as a check whether the fully mediated models were the best fit to the data.

Research Context

The Canadian Forces is one of Canada's largest employers with nearly 65,000 regular force members. Upon employment with the Canadian military, individuals must enter into service agreements in which they must commit to a time period of service in exchange for membership and employment. Because members have agreed to a period of service, it may not seem like retention would be a concern for the organization. However, members can and do request voluntary release prior to completing their terms of service. Formally, it is at the discretion of the Canadian Forces to grant such a release and to determine the timing of it, taking into consideration the needs of the organization and the circumstances surrounding the request. While the timing is not certain, for the most part members are not prevented from leaving before completing their terms of service.

As such, just as in other organizations across Canada, retention is a key human resources consideration for the Canadian Forces. In addition to factors facing the broader federal public service, such as an aging workforce and difficulty in attracting new employees, the Canadian Forces is particularly affected by retention issues given additional factors such as drastic budget cuts in the past and decreased recruiting in the early to mid 1990s (Dobreva-Martinova, Villeneuve, & Currie, 2004). This has created a current human resource profile whereby many members are coming upon retirement eligibility at twenty years of service and there are far fewer seasoned members coming up through the ranks with sufficient skills and experience to take their place. Because many
of the skills and experience required for the Canadian Forces are not taught elsewhere, it is often not possible to hire people from the outside already able to step in. New recruits have to be trained in order for them to acquire the necessary skills over time. Therefore retaining members beyond the twenty year point is desirable for maintaining effective organizational functioning in the short term. However, the organization needs to be mindful of the implications of retaining employees who are not putting forth the kind of effort and contributions linked to good performance. Recall that employees who are psychologically withdrawn likely have a wider influence on the organization than simply not doing their share, because of the potential for their behaviour to have a detrimental affect on the morale and behaviour of those around them.

Method

Sample

The current research used data from the 2006 Canadian Forces Retention Survey, conducted by the Canadian Forces Attrition and Retention team. Twenty-one Canadian Forces occupations that included both Officer and Non-Commissioned Member occupations from the Air Force, Army, Navy, Health, and Support were surveyed. These occupations were selected by the Canadian Forces Attrition and Retention team and/or by the management authorities based on increased attrition rates or anticipated increases in attrition rates as compared to other occupations.

The Canadian Forces Retention Survey was administered via the internet between February 2006 and April 2006 to 9,166 potential respondents. Completed surveys were received from 4,413 people for a response rate of 48%. The sub-sample selected for this
study was 1,646 individuals who indicated that they would definitely be staying with the
organization for the next 3 to 5 years. The sub-sample of individuals intending to stay
with the organization was representative of the larger sample in terms of occupations,
gender, rank, and first official language.

Procedure

Twenty-five participants took part in a pre-test of the French and English versions
of the survey to ensure that the survey was easy to read, easy to complete, and neutral.
The pre-test participants included individuals from various Canadian Forces groups (Air
Force, Army, Navy, Health, and Support), with various rank, gender, and first official
language profiles. The pre-test was also intended to test technical aspects of the
electronic administration of the survey, therefore the administration and instructions were
identical to that of the actual survey. Pre-test participants were asked to reflect on these
characteristics and to note any items they found difficult to understand or items they felt
used inappropriate language and terminology. The feedback received from the pre-test
was incorporated into the final survey.

Distribution lists were constructed based on membership in the designated
occupations. Efforts were made to locate all trained members of the occupations across
the country for participation in the survey. Members were notified by email that they had
been selected to participate in the survey and directed to click on the URL of their
preferred language to complete the on-line survey.

Participants were allowed to complete the survey during work hours, but
participation in the survey was voluntary. Informed consent was obtained at the outset of
the survey. Upon clicking on the URL, members were presented with the purpose of the study and the consent information. Members were informed that there were no personal consequences to career or job whether they decided to complete the survey or not, that the survey was anonymous, and that information provided would be kept confidential at all times. Having read this information, participants who wished to continue clicked on the “Next” button in order to proceed with the survey.

The survey took approximately 50 minutes to complete. Completion of the survey implied consent. Respondents were provided with contact information in the event that they had questions or concerns regarding the research. Upon completion of the survey, the data were transmitted directly to a database for subsequent analysis.

Measures

All of the measures employed in the present study were self-report. Higher scores on each of the measures were indicative of greater levels of the construct. Due to space and time constraints, many of the scales utilized in the Canadian Forces Retention Survey were shortened from longer versions of organizational instruments and/or contained items selected from more than one validated scale. All items are listed for each measure in Appendix A.

Organizational trust. The items used to measure organizational trust were written specifically for the Canadian Forces Retention Survey in order to address the nature of organization and the military career. Five items measured organizational trust directly (e.g., I trust senior leaders to make the right decisions for the CF members). Five organizational components, including strategic leadership, operational leadership, health
care providers, the military justice system, and career management and administration, were addressed in terms of members' trust in these organizational entities. Six-point agreement scales, ranging from completely disagree (1) to completely agree (6), were used to capture responses.

Organizational cynicism. Organizational cynicism was measured using three items from the 14-item Organizational Cynicism Scale developed by Brandes, Dharwadkar, & Dean (1999), adapted to suit the Canadian Forces (e.g., The CF expects one thing of its employees, but rewards another). An additional item was selected from the Organizational Change Cynicism Scale (I am skeptical about the likelihood of success for any future change efforts; Wanous et al., 2000). Participants indicated their level of agreement with the statements on 6-point scales that ranged from completely disagree (1) to completely agree (6).

Initiative. Initiative was measured using three items from the 10-item Taking Charge Scale (e.g., I often make constructive suggestions for improving how things operate within my work environment; Morrison & Phelps, 1999). Taking charge, as described by Morrison and Phelps (1999), is inherently change-oriented and involves discretionary efforts by employee to improve organizational functioning. Six-point agreement scales, ranging from completely disagree (1) to completely agree (6), were used to capture responses.

Organizational citizenship behaviour. Organizational citizenship behaviour was measured, in part, using items from the Organizational Citizenship Behaviour Scale developed by Lee and Allen (2002). Two items were taken from the 8-item
Organizational Citizenship Behaviour measure directed at the organization (e.g., *I willingly attend functions where attendance is not required*). An additional 3 items were selected from the Job Involvement Scale developed by Paullay, Alliger, and Stone-Romero (1994) and adapted for the Canadian Forces (e.g. *I am willing to put a great deal of effort beyond that normally expected for the good of the CF*). Job involvement is defined as “the degree to which one is cognitively preoccupied with, engaged in, and concerned with one’s present job” (Paullay et al., 1994, p. 224), hence it fits with the construct of organizational citizenship behaviour. Six-point agreement scales ranging from completely disagree (1) to completely agree (6) were used to capture responses.

*Psychological withdrawal.* Psychological withdrawal was measured using five items developed by Mantler (unpublished ms, 2006; e.g., *My focus on my job has changed from being something I am proud of to simply being a means to a paycheck, and, My body goes to work; my mind does not*). Participants indicated their level of agreement with the statements on 6-point scales that ranged from strongly disagree (1) to strongly agree (6).

*Organizational deviance.* The three-item measure of organizational deviance was based on a measure of organizational deviance developed by Bennett and Robinson (2000). Two of the items came directly from the Bennett and Robinson scale (e.g., *I intentionally work slower than I could work*) and a third item (*I deliberately cause problems for my organization*) written for the Canadian Forces Retention Study and meant to be a general item encompassing a range of deviant behaviours, was modeled.
after items from the Bennett and Robinson scale. Six-point agreement scales ranging from completely disagree (1) to completely agree (6) were used to register responses.

*Perceived organizational support.* Perceived organizational support was measured using four items from the Perceived Organizational Support scale developed by Eisenberger, et al., (1986). The items were adapted to include Canadian Forces appropriate language (e.g., *The CF strongly considers my goals and values*). Participants indicated their level of agreement with the statements on 6-point scales that ranged from completely disagree (1) to completely agree (6).

*Procedural fairness.* The four items used to measure procedural fairness were written for the Canadian Forces Retention Survey. Individuals were asked to indicate their level of satisfaction with the fairness of procedures related to their career in the Canadian Forces (e.g., satisfaction with *the fairness of merit processes related to promotions*). Participants responded to each item on a 6-point scale that ranged from completely dissatisfied (1) to completely satisfied (6).

Results

*Preliminary Analyses*

Preliminary analyses involved an examination of the pattern of missing data, screening for outliers, and testing whether the data met the assumptions for structural equation modeling. Tests for the internal reliabilities (Cronbach alpha) and correlations among the research variables were also conducted. Additionally, exploratory factor analyses and multiple regression analyses were conducted.
All indices included in the models contained fewer than 3% missing data. The pattern of missing data for the variables was examined using SPSS Missing Value Analysis module, which indicated that the missing data were random (Little’s MCAR test $\chi^2(90870) = 91100.78$, ns) and suitable, therefore, for the Expectation Maximization (EM) method to impute missing data. Unlike pairwise or listwise deletion methods, EM does not discard any information, and provides unbiased and efficient parameter estimates when data are missing completely at random.

The data were screened in order to ensure compliance with the basic assumptions of the correlational, multiple regression, and structural equation modeling analyses. Departures from normality were found and appropriate steps were taken.

Normality of the items and constructs were tested using statistical and graphical methods. Skewness and kurtosis statistics were calculated for the 40 items that made up the 8 constructs included in the retention models. Eight items (2 items from the initiative scale, 2 items from the organizational citizenship scale, 3 items from the neglect scale, and 1 item from the psychological withdrawal scale) were found to exceed the acceptable values for skewness and/or kurtosis of plus or minus two (Coakes & Steed, 1999). Consequently z scores were calculated for these 8 items to assess the quantity and influence of univariate outliers. Cases with standardized scores in excess of 3.29 ($p < .001$, two tailed) were considered univariate outliers and were deleted from the data set (Tabachnick & Fidell, 2001). Deletion of the univariate outliers associated with the items from the initiative, organizational citizenship behaviour, and psychological withdrawal scales (60 cases in total) succeeded in normalizing their distributions.
Deleting the univariate outliers associated with the organizational deviance items however, failed to normalize the distribution of these items. Indeed, all 3 of the items comprising the organizational deviance scale failed to meet the assumption of normality required for structural equation modeling. An examination of these responses revealed that few participants reported any deviant behaviour resulting in insufficient variation of scores for predictive purposes. Consequently, the organizational deviance construct was dropped from the hypothesized models and all further analyses.

The remaining seven variables (perceived organizational support, organizational fairness, organizational trust, organizational cynicism, initiative, organizational citizenship behaviour, and psychological withdrawal) were then assessed for multivariate outliers. Multivariate outliers were identified using the Mahalanobis statistic and the chi-squared distribution. As required, multivariate outliers were deleted in order to meet the assumptions of structural equation modeling. In total, 114 cases were deleted as dictated by the Mahalanobis statistic.

Reliability Analyses

To establish the internal consistency of the scales, Cronbach’s alpha reliability coefficient was calculated for each index. Consistent with Nunally’s (1978) recommendations, a reliability coefficient criterion of .7 was established for retaining the scales for further analysis and all scales met the established criterion (see Table 1).
Table 1

*Cronbach Alpha Coefficients for the Measured Variables*

<table>
<thead>
<tr>
<th>Scale</th>
<th>No. of Items</th>
<th>Alpha Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizational trust</td>
<td>5</td>
<td>.80</td>
</tr>
<tr>
<td>2. Organizational cynicism</td>
<td>4</td>
<td>.87</td>
</tr>
<tr>
<td>3. Perceived organizational support</td>
<td>4</td>
<td>.80</td>
</tr>
<tr>
<td>4. Organizational fairness</td>
<td>4</td>
<td>.86</td>
</tr>
<tr>
<td>5. Initiative</td>
<td>3</td>
<td>.80</td>
</tr>
<tr>
<td>6. Organizational citizenship behaviour</td>
<td>5</td>
<td>.73</td>
</tr>
<tr>
<td>7. Psychological withdrawal</td>
<td>5</td>
<td>.92</td>
</tr>
</tbody>
</table>

*Correlational Analyses*

Before conducting the main analyses, the Pearson product-moment correlations for each of the conceptual variables in the study were examined (see Table 2). The strength and direction of all correlations were consistent with expected associations with organizational trust and organizational cynicism, with the exception of initiative. While the direction of the relations between trust and initiative, and cynicism and initiative were according to expectations, the strength of these relationships were somewhat lower than was anticipated. Perceived organizational support and organizational fairness, the proposed antecedents of organizational trust and organizational cynicism, were significantly positively associated with trust and negatively associated with cynicism. With respect to the proposed outcomes, initiative and organizational citizenship behaviour were positively associated with organizational trust and negatively associated with organizational cynicism. Conversely, psychological withdrawal was negatively
associated with organizational trust and positively associated with organizational
cynicism. Correlations between the distal antecedents and outcome variables were
consistent with expected relations with each other.

It is important to keep in mind that with large data sets there is a lot of power,
which has implications for the significance of the correlations, such that large samples
may reveal differences that are not meaningful. For this reason it is good to keep in mind
the rules of thumb established by Cohen (1988) for interpreting effect size. A correlation
of .10 corresponds to a small effect size, .30 corresponds to a medium effect, and .50 and
above is indicative of a large effect.

Table 2

Means, Standard Deviations, and Correlations for the Measured Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Trust</td>
<td>4.00</td>
<td>.95</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Cynicism</td>
<td>3.69</td>
<td>1.07</td>
<td>-.57***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Perceived support</td>
<td>3.91</td>
<td>.85</td>
<td>.68***</td>
<td>-.58***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Fairness</td>
<td>3.72</td>
<td>1.09</td>
<td>.61***</td>
<td>-.48***</td>
<td>.60***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Initiative</td>
<td>4.76</td>
<td>.76</td>
<td>.17***</td>
<td>-.12***</td>
<td>.17***</td>
<td>.09***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Citizenship behaviour</td>
<td>4.95</td>
<td>.59</td>
<td>.33***</td>
<td>-.26***</td>
<td>.36***</td>
<td>.22***</td>
<td>.52***</td>
<td></td>
</tr>
<tr>
<td>7. Psychological withdrawal</td>
<td>1.98</td>
<td>.94</td>
<td>-.47***</td>
<td>.48***</td>
<td>-.50***</td>
<td>-.41***</td>
<td>-.29***</td>
<td>-.50***</td>
</tr>
</tbody>
</table>

Note: Means based on 6-point scales

*** $p < .001$
Association of Organizational Trust and Cynicism

As it was theorized that organizational trust and organizational cynicism were similar rather than distinct constructs, it was expected that these variables would be highly, negatively associated. As previously stated, a correlation of .50 or above is considered to be a large effect size (Cohen, 1988). As indicated in Table 2, the correlation between organizational trust and organizational cynicism, \(-.57, p < .001\), corresponds to a large effect size, however, it accounts for a shared variance of only 32% between organizational trust and organizational cynicism, which is somewhat less than was expected.

Exploratory Factor Analysis

As part of the test of whether organizational trust and organizational cynicism are components of the same latent factor, exploratory factor analysis was conducted on the trust and cynicism items. A one-component factor solution would lend support to the hypothesis that organizational trust and organizational cynicism are equivalent.

In order to evaluate the suitability of the data for factor analysis, the Kaiser-Meyer-Olkin (KMO) measure and Bartlett’s test of sphericity were used. KMO values of .6 and above are required for factor analysis (Tabachnick & Fidell, 2001). The KMO statistic for the data was .918, well above the acceptable value. A significant result for Bartlett’s test of sphericity indicates that the correlation matrix was not an identity matrix and thus was suitable for factor analysis (Advanced Statistical Analysis Using SPSS, 1999) and, in this case, Bartlett’s test of sphericity was significant.
There are several factor extraction techniques, all of which calculate the correlation matrix between the variables, extract factors, and employ rotation for solution interpretability. It has been suggested that solutions are comparable irrespective of extraction technique when data sets are large and, in practice, different techniques are applied to the same data set as a test of solution stability (Tabachnick & Fidell, 2001).

Four factor extraction techniques including Principal Components Analysis with varimax rotation, Principal Component Analysis with oblimin rotation, Maximum Likelihood with varimax rotation, and Maximum Likelihood with oblimin rotation were employed. Both of the Principle Component Analyses resulted in a two-component solution, with eigenvalues for these two components greater than 1; the organizational trust items loaded on one component and the organizational cynicism items loaded on a second. Similarly, both Maximum Likelihood analyses resulted in two factors being extracted (eigenvalues > 1), with the organizational trust items loading on one factor and the organizational cynicism items loading on the second factor.

The results in Table 3 display the solution derived by using PCA with varimax rotation (see Appendix C for the other three solutions), which accounted for 63.4% of the variance in the items. All items had factor loadings above .6 with low cross loadings. Contrary to expectations, the concurrence of all four exploratory factor analysis solutions suggests that the organizational trust and organizational cynicism items used in the current study comprise distinct factors.
Table 3

Exploratory Factor Analysis of Trust and Cynicism Items

<table>
<thead>
<tr>
<th>Items</th>
<th>Cynicism</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am skeptical about the likelihood of success for any future change efforts.</td>
<td>.80</td>
<td>-.18</td>
</tr>
<tr>
<td>2. The CF expects one thing of its employees, but it rewards another.</td>
<td>.80</td>
<td>-.22</td>
</tr>
<tr>
<td>3. When I think about how the CF acts, I feel frustrated.</td>
<td>.83</td>
<td>-.23</td>
</tr>
<tr>
<td>4. When I hear our leaders talking about how great things are going to be, I exchange ‘knowing’ looks at coworkers.</td>
<td>.81</td>
<td>-.23</td>
</tr>
<tr>
<td>5. I trust senior leaders to make the right decisions for the CF members.</td>
<td>-.49</td>
<td>.62</td>
</tr>
<tr>
<td>6. I trust my unit leaders to make the right decisions for the unit.</td>
<td>-.35</td>
<td>.63</td>
</tr>
<tr>
<td>7. I trust the health care providers in the CF to look after my health and well-being.</td>
<td>-.04</td>
<td>.74</td>
</tr>
<tr>
<td>8. I trust the military justice system to apply the Code of Service Discipline fairly.</td>
<td>-.21</td>
<td>.76</td>
</tr>
<tr>
<td>9. I trust career managers and administrators to strike a fair balance between service requirements and my personal circumstances</td>
<td>-.23</td>
<td>.72</td>
</tr>
<tr>
<td>Variance explained</td>
<td>49.4%</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

Note: N = 1,472.
Loadings representing their primary factors are presented in boldface.

Regressions of Outcome Behaviours on Trust and Cynicism

Multiple regression analysis was done as a further test of whether trust and cynicism belonged to the same underlying latent factor. In separate regression analyses, each of the retention outcomes were entered as the dependent variable with trust and cynicism entered together as predictors. Table 4 presents the findings.

Table 4

Regression Analyses

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Predictor</th>
<th>β</th>
<th>t</th>
<th>$r^2$</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiative</td>
<td>Trust</td>
<td>.15</td>
<td>4.92***</td>
<td>.02</td>
<td>.03***</td>
</tr>
<tr>
<td></td>
<td>Cynicism</td>
<td>-.04</td>
<td>-1.14</td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>Citizenship Behaviour</td>
<td>Trust</td>
<td>.27</td>
<td>8.99***</td>
<td>.05</td>
<td>.12***</td>
</tr>
<tr>
<td></td>
<td>Cynicism</td>
<td>-.11</td>
<td>-3.72***</td>
<td>.01</td>
<td></td>
</tr>
<tr>
<td>Psychological Withdrawal</td>
<td>Trust</td>
<td>-.29</td>
<td>-10.67***</td>
<td>.06</td>
<td>.29***</td>
</tr>
<tr>
<td></td>
<td>Cynicism</td>
<td>.32</td>
<td>11.90***</td>
<td>.07</td>
<td></td>
</tr>
</tbody>
</table>

***p < .001.
As indicated by the Betas, both trust and cynicism were significant predictors of organizational citizenship behaviour and psychological withdrawal, however, only trust was a significant predictor of initiative. The semi-partial correlations squared ($r^2$), are an indication of the measure of unique variance explained by each predictor. Regarding the initiative outcome, trust accounted for 2% of unique variance. With respect to organizational citizenship behaviour, trust accounted for 5% of unique variance and cynicism accounted for 1%. Finally for psychological withdrawal, trust accounted for 6% of unique variance compared to 7% by cynicism. Contrary to expectations, trust and cynicism each explained some unique proportion of variance in the outcome behaviours.

*Structural Equation Modeling*

In order to test the conceptual models, structural equation modeling was conducted using AMOS 6.0. As a first step to testing the conceptual models, confirmatory factor analyses for each of the latent constructs (perceived organizational support, procedural fairness, organizational trust, organizational cynicism, initiative, organizational citizenship behaviour, and psychological withdrawal) were conducted. The conceptual models of functional and dysfunctional retention, as well as the proposed alternative models, were tested in the next step.

When conducting structural equation modeling, there are several possible goodness of fit indices that can be used to evaluate the statistical model (Byrne, 2001; Cheung & Rensvold, 2002). Because each index provides somewhat different information, in the present study the following fit indices were utilized: (a) the chi square
goodness of fit statistic, (b) the normed chi-square (Wheaton, Muthen, Alwin, & Summers, 1977), (c) the root mean square error of approximation (RMSEA, Browne and Cudeck, 1993), (d) the comparative fit index (CFI; Bentler, 1990), (e) the incremental fit index (IFI, Bollen, 1989), (f) Tucker-Lewis Index (TLI, Tucker & Lewis, 1973), (g) the goodness of fit index (GFI, Joreskog & Sorbom, 1996) and (h) the root mean square residual (RMR, Byrne, 2001).

The $\chi^2$ statistic is an absolute index, or measure of overall fit, and a high $\chi^2$ value (i.e., a significant $p$-value) indicates the model does not fit the data well. This statistic, however, is sensitive to sample size and tends to be substantial when the sample size is large. To address the issue of sensitivity, the normed chi square statistic ($\chi^2$/degrees of freedom ratio) is also used to assess model fit. A normed chi-square value of 4 or less is indicative of good model fit (Wheaton, et al., 1977). The GFI, another absolute fit index, represents the proportion of variance in the sample covariance matrix that is accounted for by the estimated model (Byrne, 2001). Values for the GFI range from 0 to 1.00 with values above .95 indicating good fit (Byrne, 2001). The CFI is a measure of relative fit that indicates how much better the proposed model fits the data as compared to a baseline worst fitting model. Values for the CFI range between 0 and 1.00. A CFI value from .90 to .95 indicates an acceptable fit, whereas a value greater than .95 is indicative of good fit (Hu & Bentler, 1999). The IFI is also a measure of relative fit, designed to address issues of parsimony and sample size (Byrne, 2001). The IFI has the same fit criteria as the CFI. RMSEA, another measure of relative fit, estimates the lack of fit in a model compared to a perfect model. It reflects the size of the residuals that result when using the model to
predict the data. The RMSEA would be zero if the fit was perfect. RMSEA values less than or equal to .05 indicate a close fit, between .05 and .08 indicate a reasonable fit, and .10 or greater indicates a poor fit (Browne & Cudeck, 1989). It is also advisable to report the 90% confidence interval around the RMSEA value in order to assess its precision (MacCallum, Browne, & Sugawara, 1996), and to report the p-value or the probability value associated with this test of close fit, which should be >.50 in a close fitting model (Joreskog & Sorbom, 1996). The TLI is also a measure of relative fit, with values ranging from 0 to 1.00, and values above .95 indicate good model fit (Hu & Bentler, 1999). The RMR represents the average value across all standardized residuals with possible values ranging from 0 to 1.00. In a well fitting model, the RMR value will be .05 or less (Byrne, 2001).

Confirmatory Factor Analyses

As an initial step in testing the conceptual models, the suitability of the measured variables must be assessed. Accordingly, confirmatory factor analyses were conducted on each of the constructs using AMOS 6.0. The results of the CFA indicated that all estimates fell within the acceptable range and no excessively large or small standard errors appeared (Byrne, 2001). As shown in Table 5, the factor structure of each measurement model fit the data and all fit indices met the respective criteria with the exception of the normed chi-square value and the pclose associated with the RMSEA indice for the cynicism model. However, as all other fit indices for the cynicism model were indicative of good fit, it was retained.
### Table 5

**Fit of the Measurement Models**

<table>
<thead>
<tr>
<th>Measurement Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>$\chi^2$/df</th>
<th>RMR</th>
<th>GFI</th>
<th>IFI</th>
<th>TLI</th>
<th>CFI</th>
<th>RMSEA</th>
<th>pclose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Support</td>
<td>5.07</td>
<td>2</td>
<td>2.54</td>
<td>.012</td>
<td>.998</td>
<td>.998</td>
<td>.995</td>
<td>.998</td>
<td>.032</td>
<td>.748</td>
</tr>
<tr>
<td>Fairness</td>
<td>2.21</td>
<td>2</td>
<td>1.10</td>
<td>.008</td>
<td>.999</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>.008</td>
<td>.931</td>
</tr>
<tr>
<td>Trust</td>
<td>5.59</td>
<td>4</td>
<td>1.40</td>
<td>.016</td>
<td>.998</td>
<td>.999</td>
<td>.998</td>
<td>.999</td>
<td>.016</td>
<td>.976</td>
</tr>
<tr>
<td>Cynicism</td>
<td>8.51</td>
<td>2</td>
<td>4.26</td>
<td>.015</td>
<td>.997</td>
<td>.999</td>
<td>.999</td>
<td>.998</td>
<td>.047</td>
<td>.490</td>
</tr>
<tr>
<td>Initiative</td>
<td>3.02</td>
<td>1</td>
<td>3.02</td>
<td>.020</td>
<td>.999</td>
<td>.999</td>
<td>.996</td>
<td>.999</td>
<td>.037</td>
<td>.571</td>
</tr>
<tr>
<td>Citizenship Behaviour</td>
<td>7.63</td>
<td>5</td>
<td>1.53</td>
<td>.008</td>
<td>.998</td>
<td>.998</td>
<td>.997</td>
<td>.998</td>
<td>.019</td>
<td>.983</td>
</tr>
<tr>
<td>Psychological Withdrawal</td>
<td>18.09</td>
<td>5</td>
<td>3.62</td>
<td>.011</td>
<td>.995</td>
<td>.997</td>
<td>.995</td>
<td>.997</td>
<td>.042</td>
<td>.694</td>
</tr>
</tbody>
</table>

$N = 1,472$

### Functional Retention

To test the conceptual models, beginning with the models pertaining to functional retention, structural equation modeling was conducted using AMOS 6.0. First, the functional retention model, which hypothesized perceived organizational support and fairness as antecedents to trust, and in turn, trust as an antecedent to the organizational outcomes of initiative, organizational citizenship behaviour, and lower psychological withdrawal, was tested. Second, a direct effects model that only tested the direct effects from perceived organizational support and fairness to initiative, organizational citizenship behaviour, and psychological withdrawal (i.e., trust was absent from the model) was assessed. Third, an alternative functional retention model, which allowed for direct effects of perceived organizational support and fairness on the retention outcomes as well as indirect effects through trust, was assessed. The functional retention model is represented in Figure 3, the direct effects model in Figure 4, and the alternative functional retention model in Figure 5.
Functional Retention Model

The results for the conceptualized functional retention model demonstrated that standard errors were of appropriate size and all path parameters were significant and in the expected direction; however, none of the fit indices suggested a good fit to the data:

\[ \chi^2 (289, N = 1472) = 1,452.38, p < .001, \chi^2/df = 5.03, \text{RMR} = .07, \text{GFI} = .93, \text{IFI} = .94, \text{TLI} = .93, \text{CFI} = .94, \text{RMSEA} = .052 \text{ (90\% confidence interval} = .050 \text{ to .055, pclose} = .076). \]

Accordingly, modification indexes were used to identify areas of misfit and to respecify the model in order to better represent the data. Modification indexes for the regression weights (i.e., factor loadings) revealed a number of parameters indicative of cross-loadings and therefore respecification entailed the deletion of these regression paths (Byrne, 2001). Table 6 shows the items that were removed from the model, as suggested by the modification indexes.

Once these modifications were made, the revised model was tested to assess the goodness of fit to the data. The results demonstrated that all path parameters were significant and in the expected direction and all of the fit indices suggested a good fit to the data:

\[ \chi^2 (161, N = 1,472) = 629.961, p < .001, \chi^2/df = 3.913, \text{RMR} = .044, \text{GFI} = .959, \text{IFI} = .968, \text{TLI} = .962, \text{CFI} = .968, \text{RMSEA} = .044 \text{ (90\% confidence interval} = .041 \text{ to .048, pclose} = .993). \]
Table 6

*Items removed from Functional Retention Model due to Re-specification*

<table>
<thead>
<tr>
<th>Measurement Model</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Support</td>
<td>Even if I did the best possible job, the CF would fail to notice.</td>
</tr>
<tr>
<td>Fairness</td>
<td>Fair treatment by the career system (i.e., feedback, resolution of</td>
</tr>
<tr>
<td></td>
<td>complaints, my career preferences).</td>
</tr>
<tr>
<td>Trust</td>
<td>I trust the health care providers in the CF to look after my health</td>
</tr>
<tr>
<td></td>
<td>and well-being.</td>
</tr>
<tr>
<td>Citizenship behaviour</td>
<td>I do only what my job requires, no more, no less.</td>
</tr>
<tr>
<td>Citizenship behaviour</td>
<td>I willingly attend functions where attendance is not required.</td>
</tr>
<tr>
<td>Psychological withdrawal</td>
<td>My body goes to work, my mind does not.</td>
</tr>
</tbody>
</table>

The improvement in fit between the two models was tested statistically by examining the difference in the $\chi^2$ statistics for these models (Byrne, 2001; Salanova, Agut, & Peiro, 2005). The difference between the $\chi^2$ statistic associated with the original model and the revised model was statistically significant, $(128, N = 1,472) = 822.42, p < .001$, thereby indicating a substantial improvement in model fit. Thus, all subsequent analyses maintained these modifications.

![Functional Retention Model](image_url)

*N = 1,472.

* *** $p < .001$

*Figure 3. Functional Retention Model*
The final estimates of squared multiple correlations provided an estimate of the amount of variance explained by the predictors in the model. The predictors of trust (i.e., perceived support and fairness) explained 77% of its variance, and trust, the predictor of initiative, organizational citizenship behaviour, and psychological withdrawal explained 6%, 16%, and 37%, respectively, of their variance.

**Direct Effects Model**

The second model tested proposed that trust was not a mediator and instead, the distal variables influenced functional retention outcomes through direct effects on the outcomes. To test the direct effects model, indirect pathways from the antecedent variables to the outcome variables were eliminated by removing trust as a mediator. All of the fit indices suggested a good fit: $\chi^2 (94, N = 1,472) = 347.817, p<.001, \chi^2/df = 3.7$, RMR = .037, GFI = .971, IFI = .978, TLI = .972, CFI = .978, RMSEA = .043 (90% confidence interval .038 to .048, pclose .993), and standard errors were of the appropriate size. An examination of the parameter estimates, however, revealed some insignificant paths.

With trust removed from the model, all parameter estimates from perceived organizational support to the organizational outcomes were significant and in the correct direction. However, the parameter estimates between fairness and initiative, and fairness and organizational citizenship behaviour were not significant. The parameter estimate between fairness and psychological withdrawal was significant and in the correct direction. This model explained 5% of the variance in initiative, 13% of the variance in
organizational citizenship behaviour, and 30% of the variance in psychological withdrawal.

![Diagram of the Direct Effects Model](image)

Figure 4. Direct Effects Model

**Alternative Functional Retention Model**

Next, the alternative functional retention model that allowed for direct effects of perceived organizational support and fairness on the retention outcomes, as well as indirect effects mediated by trust, was assessed. As the direct effects model revealed insignificant paths from fairness to initiative, as well as fairness to organizational citizenship behaviour, these paths were not included in the partial mediation model.

All of the fit indices suggested good model fit: $\chi^2 (157, N = 1472) = 617.62, \ p < .001, \chi^2/df = 3.934, \text{RMR} = .044, \text{GFI} = .959, \text{IFI} = .969, \text{TLI} = .962, \text{CFI} = .969, \text{RMSEA} = .045 \ (90\% \text{ confidence interval .041 to .048, pclose .991}),$ and the standard errors were of appropriate size. Contrary to the direct effects model, none of the direct
Functional and Dysfunctional Retention

paths between perceived organizational support and the organizational outcomes were significant when trust was in the model. However, the direct link between fairness and psychological withdrawal remained significant with trust in the model. This model explained 76% of the variance in trust, 6% of the variance in initiative, 16% of the variance in organizational citizenship behaviour, and 36% of the variance in psychological withdrawal.

Figure 5. Alternative Functional Retention Model
According to Kenny, Kashy and Bolger (1998) certain conditions must be met in order to establish mediation. The first two conditions are that the independent variable(s) must be significantly related to the mediator, and that the independent variable(s) must be significantly related to the outcome(s). These first two conditions were met with respect to perceived organizational support, trust and all of the retention outcomes (see Table 7 for significance and changes in parameter estimates). Both of these conditions were not met for fairness, trust, and two of the retention outcomes, as fairness failed to have significant direct effects on initiative and organizational citizenship behaviour (accordingly these paths were not tested in the partial mediation model). However, both conditions were met in regards to fairness, trust, and psychological withdrawal. A third required condition is that the mediator must affect the outcome variable(s) while controlling for the initial variable(s). In this case, the third condition was met as trust had significant links to the outcomes when the direct effects of perceived organizational support and fairness were also estimated.

The extent of the mediation is determined by the change in the relationship between the independent variable(s) and the outcome(s). Partial mediation is established if the direct relationship between the independent variable(s) and the outcome(s) becomes smaller when the mediator is included in the model. Full mediation is established if the direct relationship between the independent variable(s) and the outcome(s) are rendered insignificant when the mediator is included in the model.
Table 7

Comparison of Parameter Estimates for Functional Retention Models

<table>
<thead>
<tr>
<th>Variable</th>
<th>Variable</th>
<th>Functional Model SP</th>
<th>Alternative Functional Model SP</th>
<th>Direct Effects Model SP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Perceived Support</td>
<td>.70***</td>
<td>.70***</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>Fairness</td>
<td>.26***</td>
<td>.25***</td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td>Trust</td>
<td>.25***</td>
<td>.25**</td>
<td></td>
</tr>
<tr>
<td>Citizenship Behaviour</td>
<td>Trust</td>
<td>.40***</td>
<td>.32***</td>
<td></td>
</tr>
<tr>
<td>Psychological Withdrawal</td>
<td>Trust</td>
<td>-.61***</td>
<td>.41***</td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td>Perceived Support</td>
<td>-.003</td>
<td>.23***</td>
<td></td>
</tr>
<tr>
<td>Citizenship Behaviour</td>
<td>Perceived Support</td>
<td>.09</td>
<td>.40***</td>
<td></td>
</tr>
<tr>
<td>Psychological Withdrawal</td>
<td>Perceived Support</td>
<td>-.12</td>
<td>-.42***</td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td>Fairness</td>
<td>-.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizenship Behaviour</td>
<td>Fairness</td>
<td>-.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological Withdrawal</td>
<td>Fairness</td>
<td>-.11**</td>
<td>-.18***</td>
<td></td>
</tr>
</tbody>
</table>

Note. SP = Standardized parameter  
** p < .01, *** p < .001

All direct effects from perceived organizational support to the retention outcomes were rendered insignificant, therefore trust fully mediated the effects of perceived organizational support on the outcomes. In contrast, the direct effect of fairness on psychological withdrawal was reduced but remained significant, therefore trust partially mediated the effect of fairness on psychological withdrawal.

Considering the parameter estimates, fit indices, and explained variance of the above tested models, it was determined that the best model was the functional retention model with an added link between fairness and psychological withdrawal. Accordingly, the functional retention model was respecified to include a direct link from fairness to psychological withdrawal. The final trust model is represented in Figure 6.
The resulting fit indices suggested good model fit: $\chi^2 (160, N = 1472) = 621.64$, $p < .001$, $\chi^2/df = 3.885$, $RMR = .044$, $GFI = .959$, $IFI = .969$, $TLI = .963$, $CFI = .969$, $RMSEA = .044$ (90% confidence interval .041 to .048, $p_{close} .995$), and the standard errors were of appropriate size. All paths were significant and in the expected direction. The final trust model explained 77% of the variance in trust, 6% of the variance in initiative, 16% of the variance in organizational citizenship behaviour, and 36% of the variance in psychological withdrawal.

![Final Trust Model](image)

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As hypothesized, respondents with higher levels of perceived organizational support and procedural fairness reported higher levels of organizational trust. The strength of the association between perceived organizational support and trust was much stronger (.71, \( p < .001 \)) than the association of fairness and trust (.24, \( p < .001 \)). Also as expected, respondents with higher levels of organizational trust reported higher levels of initiative and organizational citizenship behaviours, and lower levels of psychological withdrawal. The strongest association existed between trust and psychological withdrawal (-.53, \( p < .001 \)). The link between trust and organizational citizenship behaviour was not as high (.40, \( p < .001 \)) and the weakest predictive power was between trust and initiative (.25, \( p < .001 \)).

**Dysfunctional Retention**

The next set of analyses tested the models pertaining to dysfunctional retention. The respecification of the perceived organizational support, procedural fairness, organizational citizenship behaviour, and psychological withdrawal measures that occurred in the functional retention analysis was carried over to the dysfunctional retention models.

First, the dysfunctional retention model, which hypothesized perceived organizational support and procedural fairness as antecedents of cynicism, and, in turn, cynicism as a predictor of initiative, organizational citizenship behaviour, and psychological withdrawal, was tested. Second, an alternative dysfunctional retention model, which allowed for direct effects of perceived organizational support and fairness on the retention outcomes as well as indirect effects through cynicism, was assessed. A
direct effects model that only tested the direct effects from perceived organizational support and fairness to initiative, organizational citizenship behaviour, and psychological withdrawal (i.e., cynicism was absent from the model) was previously tested in the functional retention analysis. The dysfunctional retention model is represented in Figure 7, and the alternative dysfunctional retention model in Figure 8.

**Dysfunctional Retention Model**

Results for the dysfunctional retention model established standard errors of the appropriate size and all parameter estimates were significant and in the expected direction (see Figure 7). The majority of the fit indices indicated that the hypothesized model fit the data well: \( \chi^2 (161, N = 1,472) = 632.95, p < .001, \chi^2/\text{df} = 3.93, \text{RMR} = .067, \text{GFI} = .959, \text{IFI} = .969, \text{TLI} = .963, \text{CFI} = .969, \text{RMSEA} = .045 \) (90% confidence interval = .041 to .048, pclose = .992). Only the RMR statistic was above the .05 criterion suggested by Byrne (2001). In cases of contradiction between fit indices, it is appropriate to consider what the overall evidence suggests (Weston & Gore, 2006). In this instance, more evidence suggested that the model fit well, and as such, no modifications were pursued. The squared multiple correlations for this model indicated that the predictors of cynicism explained 43% of its variance, and cynicism explained 3% of the variance of initiative, 8% of the variance of organizational citizenship behaviour, and 34% of the variance of psychological withdrawal.
Next, the alternative dysfunctional retention model that allowed for direct effects of perceived organizational support and procedural fairness on the retention outcomes, as well as indirect effects through cynicism, was assessed. An examination of the fit indices suggested good model fit to the data: $\chi^2 (155, N = 1,472) = 509.76, p < .001, \chi^2/df = 3.289, \text{RMR = .039, GFI = .967, IFI = .977, TLI = .971, CFI = .977, RMSEA = .039}$ (90% confidence interval .036 to .043, pclose 1.00).

Unlike the fully mediated dysfunctional retention model, the parameter estimates between cynicism and initiative, and cynicism and organizational citizenship behaviour were not significant (see Figure 8).
The path between cynicism and psychological withdrawal, however, did remain significant and in the correct direction. The parameter estimates for the direct effects of perceived organizational support on all of the organizational outcomes were significant, as well as the parameter estimate of the direct effects of fairness on psychological withdrawal. The model accounted for 40% of the variance in cynicism, 5% of the variance in initiative, 13% of the variance in organizational citizenship behaviours, and 38% of the variance in psychological withdrawal.

The conditions set forth by Kenny, Kashy and Bolger (1998), as discussed in the functional retention analysis, were used to determine the mediating role of cynicism. As
indicated by the insignificant paths between cynicism and initiative, and, cynicism and organizational citizenship behaviour, cynicism was not a mediator for the effects of perceived organizational support on these outcomes. The significant but reduced direct paths from perceived organizational support and fairness to psychological withdrawal indicated that cynicism was a partial mediator for the effects of perceived organizational support and fairness on psychological withdrawal. Recall that in the direct effects model, the parameter estimates from perceived organizational support and fairness to psychological withdrawal were higher. A comparison of the parameter estimates for the dysfunctional retention model, alternative dysfunctional retention model and direct effects models are displayed below in Table 8.

Table 8

*Comparison of Parameter Estimates for Dysfunctional Retention Models*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Variable</th>
<th>Dysfunctional Model SP</th>
<th>Alternative Dysfunctional Model SP</th>
<th>Direct Effects Model SP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cynicism</td>
<td>Perceived Support</td>
<td>-.47***</td>
<td>-.45***</td>
<td></td>
</tr>
<tr>
<td>Cynicism</td>
<td>Fairness</td>
<td>-.25***</td>
<td>-.25***</td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td>Cynicism</td>
<td>-.17***</td>
<td>-.05</td>
<td></td>
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<tr>
<td>Citizenship Behaviour</td>
<td>Cynicism</td>
<td>-.28***</td>
<td>-.08</td>
<td></td>
</tr>
<tr>
<td>Psychological Withdrawal</td>
<td>Cynicism</td>
<td>.58***</td>
<td>.33***</td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td>Perceived Support</td>
<td>.18***</td>
<td>.23***</td>
<td></td>
</tr>
<tr>
<td>Citizenship Behaviour</td>
<td>Perceived Support</td>
<td>.31***</td>
<td>.40***</td>
<td></td>
</tr>
<tr>
<td>Psychological Withdrawal</td>
<td>Perceived Support</td>
<td>-.26***</td>
<td>-.42***</td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td>Fairness</td>
<td>-.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizenship Behaviour</td>
<td>Fairness</td>
<td>-.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological Withdrawal</td>
<td>Fairness</td>
<td>-.12**</td>
<td>-.18***</td>
<td></td>
</tr>
</tbody>
</table>

*p < .05, **p < .01, ***p < .001*
Considering the parameter estimates, fit indices, and explained variance of the above tested models, it was determined that the best model was the alternative dysfunctional retention model without the links between cynicism and initiative, and cynicism and organizational citizenship behaviour. Accordingly, the alternative dysfunctional retention model was respecified. The final cynicism model is represented in Figure 9. The resulting fit indices suggested good model fit: $\chi^2 (159, N = 1472) = 517.57, p < .001, \chi^2/df = 3.26, RMR = .041, GFI = .966, IFI = .976, TLI = .972, CFI = .976, \text{RMSEA} = .039 (90\% \text{ confidence interval } .035 \text{ to } .043, \text{pclose} 1.00)$, and the standard errors were of appropriate size. All paths were significant and in the expected direction.

Figure 9. Final Cynicism Model

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The final cynicism model explained 40% of the variance in cynicism, 5% of the variance in initiative, 13% of the variance in organizational citizenship behaviour, and 37% of the variance in psychological withdrawal.

As hypothesized, perceived organizational support and procedural fairness had a significant negative relationship to cynicism. The strength of the association between perceived organizational support and cynicism was stronger (-.46, \( p < .001 \)) than the association of fairness and cynicism (-.25, \( p < .001 \)). Also as expected, respondents with higher levels of cynicism reported higher levels of psychological withdrawal (.31, \( p < .001 \)). Contrary to expectations, cynicism was not significantly associated with initiative or organizational citizenship behaviour in the final cynicism model that represented the best fit to the data.

**Exploratory Analysis**

In light of the findings regarding the best fitting trust and cynicism models determined by the main analyses, and the evidence to suggest that trust and cynicism as measured in the current study are distinct constructs, an exploration into the synthesis of these two models was conducted. The sample used to test the exploratory model was the same sample used to conduct the main analyses of the study. As a result, all findings related to combining the models are strictly for investigative purposes and no conclusions may be drawn from these explorations except to stimulate areas of future research.

An exploratory model, incorporating all of the organizational variables included in the functional and dysfunctional retention models, was tested. The exploratory model,
(see Figure 10), proposed perceived organizational support and procedural fairness as antecedents to both trust and cynicism. Additionally, procedural fairness was proposed to have a direct effect on psychological withdrawal. Trust was proposed to predict initiative, organizational citizenship behaviour, and psychological withdrawal, and cynicism was proposed to predict psychological withdrawal. The residuals for cynicism and trust were correlated.

Initial model assessment revealed appropriateness of standard errors and feasibility of parameter estimates. All of the parameter estimates were significant and in the expected direction. The full range of fit statistics suggested that the model fit the data well: \( \chi^2 (238, N = 1,472) = 839.05, p < .001, \chi^2/df = 3.53, \text{RMR} = .045, \text{GFI} = .954, \text{IFI} = .967, \text{TLI} = .962, \text{CFI} = .967, \text{RMSEA} = .041 \) (90% confidence interval .038 to .044, pclose .999).

The exploratory model accounted for 76% of the variance in trust, 40% of the variance in cynicism, 6% of the variance in initiative, 16% of the variance in organizational citizenship behaviour, and 39% of the variance in psychological withdrawal.
In today’s changing workplace, talent flows in and out of organizations more than ever before (Ruiz, 2006). The increasing workforce mobility and diversity poses a challenge for organizations trying to maintain high operating standards, high service and expertise. Naturally the current climate has sparked an interest in retention, but the focus thus far has been on who is leaving and how to predict turnover. Strangely, the neglected aspect of retention is the people who are staying. Often, analysis of the stayers merely consists of adding them up, resulting in an understanding of retention as simply a percentage or benchmark as to how the organization is doing in terms of managing turnover.
Just as the framework of functional and dysfunctional turnover distinguishes between the value of leavers to the organization, so too can the dichotomy be applied to retention. Analyzing retention in terms of functionality to the organization recognizes that the contributions of people that stay are not all equal (Williams, 2000). Functional retention refers to the continuing employment of good performers and leads to positive consequences for the organization by contributing to organizational effectiveness. Dysfunctional retention, on the other hand, refers to the continuing employment of poor performers and results in negative consequences that diminish organizational effectiveness, which can be costly, perhaps as costly as turnover. Therefore, the purpose of the present study was to expand the idea of functional and dysfunctional retention (Williams, 2000) by testing models involving organizational trust and organizational cynicism as predictors of functional (initiative, organizational citizenship behaviour) and dysfunctional performance outcomes (organizational deviance, psychological withdrawal).

It is important to note that this was a sample of people who were all ‘retained,’ at least for a few years. In the present study, only Canadian Forces members who had indicated that they would be staying for at least 3 more years, and in many cases at least 5 more years, were included in the analyses. In essence, these participants represented “retention” for the organization and the findings speak to the relationships between the perceptions, attitudes, and behaviours of the employees who will be responsible for the execution of organizational strategies and the realization of organizational goals and objectives in the years to come. According to the current findings, the retention profile
for next few years looks good for the Canadian Forces. The relationships established in
the models and the mean scores for the retention outcomes suggest that these people have
been functionally retained. It is essential to note, however, that if members are not
treated with support and fairness, they could easily become more cynical and lose trust in
the organization, and if their trust drops, so too will their organizational initiative and
organizational citizenship behaviour, and even more worrisome, they are likely to
become psychologically withdrawn. In other words, some good performers will
inevitably become poor performers if they lose trust in the organization and develop
cynicism in its place.

Trust and Cynicism

The second purpose of the present study was to examine the association of
organizational trust and cynicism. There is no standard definition for either trust or
cynicism, as definitions of these constructs tend to be context specific and correspond to
different forms. However, by taking the core aspects of trust into consideration, it can be
summarized as optimistic expectations toward future outcomes based on positive
attributions regarding the character and motives of a trustor or entity. The core elements
of cynicism are just the opposite and can be described by pessimistic expectations toward
future outcomes based on negative attributions regarding the character and motives of a
person or entity. Based on parallels between their core features and associations with key
variables, it was expected that trust and cynicism would have similar, but opposite,
patterns of association with functional and dysfunctional retention, indicating they are
two observed variables belonging to the same underlying latent factor. Contrary to these
expectations, trust and cynicism, although closely related, did not appear to be components of a common underlying latent factor; rather, various analyses conducted on the constructs provided support for their distinction.

The association between trust and cynicism (\(-.57, p < .001\)) corresponded to a large effect size (Cohen, 1988) however it only accounted for a shared variance of 32%, indicating that although there was some association, these constructs are different. Consistent with the correlations, the items for cynicism and trust loaded on two distinct factors (one for trust, the other for cynicism). The regression analysis demonstrated that both trust and cynicism were significant predictors of organizational citizenship behaviour and psychological withdrawal, and each were explaining some unique variance in these outcomes, further evidence for their distinction. Finally, tests of the retention models using structural equation modeling indicated that trust and cynicism had different mediating roles in the prediction of functional and dysfunctional retention outcomes, such that trust fully mediated the effects of perceived organizational support on all the outcome variables and partially mediated the effects of fairness on psychological withdrawal, whereas cynicism partially mediated the effects of perceived organizational support and fairness on psychological withdrawal but had no mediating effects on the other outcomes.

These results are in agreement with those who have debated the theoretical distinction between trust and cynicism (Andersson & Bateman, 1997; Dean et al., 1998) and consistent with others who have tested the theory (Thompson et al., 2000; Stanley et al., 2005) and found fragile support for it. However, their research was limited in that
they established a distinction between trust and cynicism using a measure of ‘change cynicism’ in comparison to ‘trust in managers’. Thompson, et al., (2000) suggested that another measure of cynicism may well have produced different results and therefore did not conclude that trust and cynicism were distinct, only that they were related in a predictable manner. Moreover, Stanley et al., (2005) also found a strong association between ‘trust in managers’ and ‘management cynicism’, and a model that treated them as one factor fit the data as well as a model that treated them as separate factors.

As discussion of the previous tests (Thompson et al., 2000; Stanley et al., 2005) illustrate, methodological issues play a key role and have to be considered in comparisons of this nature. It is possible that the measures of trust and cynicism used in the present study may not have accurately reflected the true nature of each construct and so may have negatively influenced the results.

First, the trust scale was developed for the present research and consisted of items that measured trust directly through statements targeted at various organizational entities. The organization wanted to assess member trust in particular groups (trust in senior leaders, unit leaders, health care providers, the military justice system, and career managers) regarding particular functions; therefore items pertaining to these groups were developed. Consequently, the focus of measurement is not solely at the organizational level. Although trust in these groups may equate to trust in the organization for members of the Canadian Forces, it is not known for certain. In general, the measure of trust in the present study had good internal consistency and was associated with most variables as
expected, but future research needs to use a measure that is exclusively at the organizational level.

In contrast to the internally-developed measure of trust, the cynicism scale was comprised of items from two different organizational cynicism scales (Organizational Cynicism Scale, Brandes et al., 1999; Organizational Change Cynicism Scale, Wanous et al., 2000) that did not directly address members' cynicism towards the various Canadian Forces entities in the way that the trust items did. Rather, the cynicism scale, which was focused entirely at the organizational level, was more in keeping with the multidimensional approach of the Organizational Trust Inventory (Cummings & Bromiley, 1996) in that cynicism was measured indirectly across three components, including belief, affect and behaviour. Perhaps the discrepant nature of the measurement approaches (i.e., direct, multi-level trust scale versus indirect, multidimensional, organizational level cynicism scale) of the scales made them unsuitable for comparison and negatively influenced the findings.

Also, it is possible that the belief component of cynicism was not being tapped into as well as its affective component and that as a result organizational cynicism was not being sufficiently captured by the measure. Therefore, some of the outcome variance that was truly attributable to cynicism was not being assessed. Many explanations of cynicism in the workplace define its belief component as distrust. For example, Andersson (1996) defines employee cynicism as “an attitude characterized by frustration, hopelessness, and disillusionment, as well as contempt toward and distrust of business organizations, executives, and/or other objects in the workplace” (p.1395). In contrast,
the particular stance of Brandes et al. (1999) on the distinctiveness of these constructs is reflected in their definition of organizational cynicism and consequently in their organizational cynicism scale. Note that three of the four items used to measure cynicism in the present study originated from the Brandes, et al. scale. They defined the belief component of organizational cynicism as, the belief that the organization lacks integrity. Not surprisingly, the other belief components tied to trust (i.e., competence and benevolence) were absent from their definition and were not addressed by the measure. It is suggested that the belief component of cynicism negatively linked to extra-role behaviours was not sufficiently represented while the affective component of cynicism linked to psychological withdrawal was salient. Even if we subscribe to the notion that the belief component of organizational cynicism is simply the belief that the organization lacks integrity, this aspect may not have been sufficiently represented by the one item used in the current measure.

The cynicism scale also did not have as good a fit to the data as compared to the other measured variables. According to Kenny, Kashy, and Bolger (1998) if the measurement of the mediator variable is less than reliable, the tendency will be to overestimate the relationship between the dependent variable(s) and the independent variables(s) while underestimating the relationship between the mediator and the independent variable(s). This could have influenced the findings of the dysfunctional models. Specifically, the paths from perceived organizational support to the outcome variables may have been overestimated, while the paths from cynicism to the outcome variables were underestimated, resulting in insignificant paths from cynicism to initiative.
and organizational citizenship behaviour. Hence, trust and cynicism had different mediating roles in the retention models.

Overall the results are good, but could have been better with measures of trust and cynicism that were on par and clearly consistent in terms of the dimensions and the approach (direct vs. indirect) and were clearly both at the organizational level. A definitive conclusion regarding the true association requires further investigation. Before it can be undertaken, however, there is need to develop equivalent measures.

The Impact of Trust

It is well recognized that trust is a central element of social interaction and plays a key role in critical social processes within organizations including performance (Lewicki, & Bunker, 1996). It was clear in the present research that trust played an important role in functional and dysfunctional retention, that it significantly predicted initiative, organizational citizenship behaviour, and psychological withdrawal, and that it mediated the effects of perceived organizational support and procedural fairness on these outcomes. Consistent with expectations, the more that participants felt that the organization supported them and they were fairly treated, the more trust they reported in the organization. As well, when participants had more trust in the organization, they were more likely to take initiative and engage in extra-role behaviours and less likely to feel like withdrawing psychologically. Overall, trust appeared to be the key variable driving these outcomes. Essentially, when there was trust, there was greater likelihood of extra effort and psychological engagement.
Many studies have examined the role of perceived organizational support and procedural fairness directly on performance outcomes (Ambrose, Seabright, & Schminke, 2002; Eisenberger, Fasolo, & Davis-LaMastro, 1990; Kamdar, McAllister, & Turban, 2006; Masterson, Lewis, Goldman, & Taylor, 2000; Wayne, Shore, & Linden, 1997). The studies indicated that perceived organizational support and procedural fairness are important variables in organizational functioning. The present study demonstrates that trust may play a pivotal role in these associations. When it comes to encouraging functional retention and discouraging dysfunctional retention, it is likely that it is through their contribution to building trust that fair treatment and employee support can have the greatest impact.

As previously noted, trust underlies many organizational behaviours linked to good performance beyond the few studied here, such as, cooperation (Gambetta, 1988; Mayer, et al., 1995), communication (O’Reilly, 1978; Smith & Barclay, 1997), innovation (Tan & Tan, 2000), and acceptance of authority (Tyler & Degoei, 1996). It is possible that future research would find trust as a mediator to these other behaviours similar to the role it played in this study.

Procedural fairness was associated with increased trust, which in turn was associated with the functional retention outcomes. It also had a direct effect on psychological withdrawal and an indirect effect with trust as a mediator. It seems that the effect of procedural fairness does not directly influence people to exert extra effort, but it may keep people from withdrawing effort. Therefore the findings seem to suggest that
procedural fairness will influence people to put the required amount of effort into their job but not to go above and beyond. For that, trust needs to be present.

Much of the organizational research linking trust to performance outcomes has focused on the effects of trust in managers or trust in supervisors (Albrecht & Travaglione, 2003; Connell, et al., 2003; Deluga, 1995; Konovsky & Pugh, 1994; Pillai, Schriesheim & Williams, 1999). In the present study, trust in supervisors (i.e., trust in unit leadership) was only one element of the trust construct. As previously discussed, the trust measure used in the current study also incorporated trust in other organizational entities (senior leaders, the military justice system, career managers), and as such, the results provide evidence of the influence of trust in other organizational entities, besides supervisors, on dysfunctional and functional performance outcomes. Because it is not known to what extent the trust construct is measuring trust at the organizational level, future research should endeavor to understand the impact of trust in the organization as a whole, when exploring antecedents of functional and dysfunctional retention.

The Impact of Cynicism

There is evidence to show that cynicism has been on the rise since the early 1980's and today it is a widespread phenomenon in our society (Kanter & Mirvis, 1991; Cutler, 2000). It is not surprising then that a growing body of research is concerned with cynicism in organizations. In the present study, cynicism was significantly correlated with the functional and dysfunctional performance outcomes in the expected direction; however, its direct influence was limited to increasing psychological withdrawal.

Although the proposed dysfunctional model provided a relatively good fit to the data and
demonstrated significant relationships to the antecedents and outcomes as expected, when
direct paths were added from perceived organizational support to initiative and
organizational citizenship behaviour, cynicism no longer had any effect.

Although previous research has found cynicism to be negatively related to
functional retention behaviours, such as effort toward change initiatives (Wanous, et al.,
1994), and intentions to engage in organizational citizenship behaviours (Andersson &
Bateman, 1997), the current findings indicate that perceived organizational support has
an overriding influence. However, it is possible that the impact of cynicism on the
functional retention outcomes would have been stronger through an alternative route.
Abraham (2000) found cynicism had indirect effects on organizational citizenship
behaviour through its influence on feelings of alienation. Future studies should consider
alternate paths, such as alienation, from cynicism to the retention outcomes or consider
incorporating alienation into the measure of cynicism.

Although the direct links from perceived organizational support negated the
effects of cynicism on initiative and organizational citizenship behaviour, in contrast, the
direct links from the antecedents to psychological withdrawal did not completely negate
the influence of cynicism on psychological withdrawal; rather, cynicism partially
mediated the effects of organizational support and procedural fairness on psychological
withdrawal. In essence, if people do not feel supported by the organization or feel
unfairly treated by the organization, then their cynicism in the organization will increase,
which will increase the likelihood of psychological withdrawal. At the same time, not
feeling supported or fairly treated will also directly increase the likelihood of psychological withdrawal.

Deviant Behaviour

The dysfunctional retention outcome of organizational deviance was dropped from the retention models, in part because very few people reported having engaged in these behaviours. If incidents of deviance are this rare in the organization, it is very good news for the Canadian Forces, however, it is possible that the frequency is much higher than reported.

In a study of the prevalence of organizational deviance, Harper (1990) suggested that 33 – 75% of employees engaged in some form of deviance. According to Bennett and Robinson (2000), employees are constrained by the time period and the context of their workplace in terms of the kind of deviance in which they can engage. They also suggested that a standard scale of deviance would not necessarily be able to capture the unique forms of deviance specific to a particular workplace.

Based on the research of Harper (1990), and Bennett and Robinson (2000), it is likely that deviant behaviours were somewhat underreported in the present sample. There are many different environments and settings that correspond to the various occupations within the Canadian Forces and it is possible that in each of these contexts organizational deviance manifests itself differently according to the constraints and conditions of the situation. Thus, the broad items used to measure deviance in the current survey may not have addressed context specific violations that were occurring. Further,
although the survey was anonymous, another possibility for the lack of reporting of deviant behaviours could be due to the fear of being caught and disciplined.

_The Military Culture_

The military profession in Canada, shares many characteristics of other professions, yet it is distinct because of its collective nature and its obligation to serve the state (Duty with Honour: The Profession of Arms in Canada, 2003). Members of the Canadian Forces share a core identity that is articulated by the Canadian military ethos, which embodies fundamental beliefs and expectations (unlimited liability, fighting spirit, discipline, and teamwork), Canadian military values (duty, loyalty, integrity, and courage), and Canadian values (democratic principles, rights and freedoms, obey and support lawful authority, etc). In describing some of the defining features of the profession of arms in Canada, it is evident that trust is interwoven into its very fabric. Being part of a collective entails interdependence. Service to the country and the people of Canada involves a reciprocal relationship of confidence and good faith. Shared values can create a propensity to trust (Mayer, et al., 1995) and relationships characterized by trust (Barber, 1983). Moreover, many of the components of the military ethos, such as loyalty and integrity, are based on trust or build trust. With trust being so entrenched in the military profession, it is not surprising that trust exhibited such an important role in the functional retention model. It raises questions as to whether the findings would be transferable to organizations where trust is not such an integral part of the culture.

Upon reflection, it seems possible that the military culture could actually be dampening the effects of the antecedents on trust, as well as the effects of trust on the
organizational outcomes, and that these relationships may be even more pronounced in other organizations. For example, in other organizations, employees’ trust in the organization may be more dependent or more sensitive to changes in perceived organizational support or procedural fairness so that when there is support and fairness, employee trust in the organization increases correspondingly and extra effort and psychological engagement follow suit. In these organizations, however, if there is a lack of support or injustice, trust may erode quickly; consequently diminished effort and psychological withdrawal may swiftly ensue. In comparison, in the military where there is a trust framework, members’ trust in the organization may be more stable and not as sensitive to dips in perceived support or fairness. There is a tendency for individuals to interpret events in line with their belief systems (Fiske & Taylor, 1984) and as Robinson (1996) has shown, those with high initial trust are less likely to perceive breaches in employer obligations than those with low initial trust.

*Retention Beyond the Canadian Forces*

The participants in the present study were members of the Canadian Forces and had signed service agreements for specified terms and therefore cannot leave the organization as easily as members of other organizations. In other organizations, if there are conditions like low perceived support, and procedural injustice, it may be presumed that employees would simply leave the organization rather than becoming psychologically withdrawn. This may not be the case, however. Although it is true that members of other organizations are not held by service agreements, there are many reasons why members remain with organizations even under unsatisfactory conditions.
Some people will remain out of a sense of normative commitment, in that they have a sense of obligation to remain (Meyer & Allen, 1991). Others may stay with organizations because of continuance commitment (Meyer & Allen, 1991). For these people, it may be too costly to leave because of high salaries in their present jobs or investments in pensions. There are also times when people do not leave because there are no jobs in their industry, or their skills are not easily transferable to other jobs or organizations. In sum, employees stay in organizations for many reasons, even when they do not feel that the organization supports them or is particularly fair; therefore, the results likely generalize to many organizations and occupations.

Limitations

As with all research, there were some methodological limitations associated with the study. The first limitation involves assessing the key variables. The measures for perceived organizational support, initiative, and psychological withdrawal were shortened from their original form. The measures for organizational cynicism, and organizational citizenship behaviour were shortened and combined from more than one scale, and the measures for organizational trust and procedural fairness were developed for this research and not previously validated. Even so, the reliability tests resulted in acceptable Cronbach alpha coefficients and the confirmatory factor analyses demonstrated that the measures were a good fit to the data, although the cynicism scale was not as strong as the other measures. Future research needs to test the functional and dysfunctional models, as well as the overall model, preferably with the full measures to replicate these findings.
There may have been selection bias for participating in the survey. It is possible that those individuals who trusted the organization were more inclined to respond and that individuals with elevated levels of cynicism were less likely to respond. Recent research, however, on the topic of response bias suggests that employees who respond to organizational surveys are attitudinally similar to those who do not (Rogelberg, Conway, Sederberg, Spitzmuller, Aziz, & Knight, 2003).

The use of self-report data, collected at the same time, leads to the potential for common method variance, as it may inflate the magnitude of relationships between variables. A basic check for the occurrence of common method variance was conducted by factor analysis. A single factor solution would explain a substantial amount of variance in the variables, if sizable inflation due to common method variance has occurred (Major, Klein, & Ehrhart, 2002). Evidence for common method variance in the current study was not found, as a single factor solution only explained 33.5% of the variance in the variables. Therefore, it is not likely that the relationships established in the study were inflated.

Finally, the present study combined the data for Canadian Forces members from all occupations and ranks. It is possible that the model works in general, but additional research is required to test whether there are any group differences (for example, between officers and non-commissioned members, or junior and senior ranks).

Future Studies

Ambrose and Shminke (2003) found that procedural justice was more strongly related to organization-referenced outcomes such as organizational commitment and
turnover, whereas interactional fairness was more predictive of supervisor-referenced outcomes like organizational citizenship behaviour. In the present study, interactional justice was not incorporated into the models; however, it is likely that fair interpersonal treatment by the organization would also play a role in functional and dysfunctional retention. Future studies should incorporate interactional fairness as an antecedent to trust and cynicism in the retention models.

As previously mentioned throughout the discussion, other areas that need to be addressed in future research include testing the retention models on different groups within the Canadian Forces to determine if there are any group differences, as well as testing the models in other organizations to determine if the findings have a wider application. Additionally, future research should consider other antecedents to trust and cynicism, including leadership, as well as consider other performance outcomes not explored here.

Conclusions

These results of the current study provide a first step in understanding the role of trust and cynicism in functional and dysfunctional retention. The findings are situated within social exchange processes, the belief in reciprocal obligation between an employee and an employer, and perceived codes of fairness. When individuals enter into an employment contract, there is an expectation of reciprocal obligation between the employee and the organization (Rousseau, 1989). In exchange for their efforts and contributions, employees expect to be valued by the organization and to be treated fairly by the organization (Andersson, 1996). When an individual’s expectations of reciprocity
are met by the organization, it results in perceived organizational support and perceptions of fairness. These, in turn, contribute to the development of positive attitudes and behaviours (Abrecht & Travaglione, 2003) such as trust in the organization and its agents. Trust in turn encourages employees to exert extra effort towards organizational objectives. However when these expectations of reciprocity go unmet, and individuals perceive a lack of organizational support and organizational injustice, trust erodes and cynicism sets in, often as a result of perceived value incongruence with the organization (Abraham, 2004). The loss of trust discourages employees from contributing extra effort on behalf of the organization and encourages employees to withdraw psychologically, while the rise in cynicism also increases the likelihood of psychological withdrawal.

The exploratory model, incorporates both trust and cynicism, and shows how these constructs may be operating in conjunction with one another in organizations, with respect to functional and dysfunctional retention. While it is not clear whether these constructs are similar or distinct, it is evident that trust and cynicism are related in a reciprocal manner, such that when one is at a high, the other is at a low. As the retention models show, the conditions giving rise to trust, perceived support and fair treatment, are the very conditions that decrease the occurrence of cynicism. Conversely, the conditions giving rise to cynicism also cause the erosion of trust. Together trust and cynicism have an influence on functional and dysfunctional retention. Trust was found to contribute to functional retention while cynicism was found to promote dysfunctional retention.

Organizations need to recognize the importance of building and maintaining trust in the workplace. Trust contributes to organizational effectiveness by encouraging
organizationally-valued behaviours linked to good performance and therefore is instrumental in cultivating functional retention. In other words, when workplaces are characterized by trust, there is likely to be functional retention. On the other hand, organizations need to be aware that cynicism can be detrimental to organizational operations by prompting withdrawal behaviour linked to poor performance and therefore is conducive to dysfunctional retention. In sum, workplaces wrought with cynicism are prone to dysfunctional retention.
References


Duty with Honour: The Profession of Arms in Canada. (2003). Published under the auspices of the Chief of the Defence Staff by the Canadian Defence Academy – Canadian Forces Leadership Institute.


Leadership in the Canadian Forces: Doctrine. (2005). Published under the auspices of the Chief of the Defence Staff by the Canadian Defence Academy – Canadian Forces Leadership Institute.


Appendix A

Introduction to CF Retention Survey
Functional and Dysfunctional Retention

CF Retention 0506

Purpose

To improve conditions of service and our ability to retain people, the Canadian Forces (CF) is interested in the opinion of service members like yourself. The purpose of this survey is to explore the underlying factors of personnel retention in the CF. At the request of the Branch Advisor, this survey has been initiated by the Director Military Employment Policy (DMEP) to determine what your concerns are about your work and the organization. The survey responses will be analyzed in an aggregated format and used for developing retention initiatives.

The Importance of Your Participation

Your participation in completing this survey, or any specific question, is voluntary. However, if the survey is to provide a true picture of the organization, the participation of every member who receives an invitation to complete the survey is very important.

Recognizing the importance of the survey, the Branch Advisor has authorized the completion of the survey during working hours, should you so wish. In order for us to get your responses, it is necessary to complete the survey once you start it. So please set aside about 50 minutes to complete the survey.

For the results to be useful, it is critical that your answers be honest and accurate in reflecting your beliefs and feelings.

Confidentiality of Participant Responses

This survey is anonymous; you are not required to record either your name or service number anywhere in the survey. Further, no other demographic information will be used to identify individuals. Prior to releasing any research information in response to requests made under the Access to Information Act, the Director of Access to Information and Privacy (DAIP) screens the data to ensure that individual identities are not disclosed.

DHRRE authorizes the administration of this survey within DND/CF in accordance with CANFORGEN 145/02 ADMHRMIL 079 UNCLASS 131028Z DEC 02. Authorization number: 435/05.

I recognize that,

1. My participation in the survey is voluntary and I can at any time decide not to complete the questionnaire without having to explain why to anyone.
2. There will be no personal consequences to my career or my job whether I decide to participate in this survey or not.
3. The information that I provide will be kept confidential at all times.

If you wish additional information about this survey, please contact DMEP at NDHQ, 613-992-6648 or using local CSN procedures. Thank you very much for your participation!
Appendix B

Measures
Organizational Trust Scale

Please indicate your level of agreement with each of the following statements.

Responses:
- Strongly disagree
- Disagree
- Somewhat disagree
- Somewhat agree
- Agree
- Strongly agree

Items:
1. I trust senior leaders to make the right decisions for the CF members.
2. I trust my unit leaders to make the right decisions for the unit.
3. I trust the health care providers in the CF to look after my health and well-being.
4. I trust the military justice system to apply the Code of Service Discipline fairly.
5. I trust career managers and administrators to strike a fair balance between service requirements and my personal circumstances.
Organizational Cynicism Scale
(Brandes et al., 1999; Wanous et al., 2000)

Please indicate your level of agreement with each of the following statements.

Responses:
- Strongly disagree
- Disagree
- Somewhat disagree
- Somewhat agree
- Agree
- Strongly agree

Items:
1. I am skeptical about the likelihood of success for any future change efforts.
2. The CF expects one thing of its employees, but it rewards another.
3. When I think about how the CF acts, I feel frustrated.
4. When I hear our leaders talking about how great things are going to be, I exchange ‘knowing’ looks at coworkers.
Initiative Scale  
(Morrison & Phelps, 1999)

Please indicate your level of agreement with each of the following statements.

Responses:  
- Strongly disagree  
- Disagree  
- Somewhat disagree  
- Somewhat agree  
- Agree  
- Strongly agree

Items:  
1. I often try to improve procedures for the section or the unit.  
2. I often try to change unit rules or policies that are counterproductive.  
3. I often make constructive suggestions for improving how things operate within my work environment.
Organizational Citizenship Behavior Scale
(Lee & Allen, 2002; Paullay et al., 1994)

Please indicate your level of agreement with each of the following statements.

Responses:
- Strongly disagree
- Disagree
- Somewhat disagree
- Somewhat agree
- Agree
- Strongly agree

Items:
1. I am willing to put in a great deal of effort beyond that normally expected for the good of the CF.
2. I often try to adopt improved procedures.
3. I do only what my job requires, no more, no less.
4. I willingly attend functions where attendance is not required.
5. I show pride when representing the organization in the public.
Psychological Withdrawal Scale
(Mantler, 2006)

Please indicate your level of agreement with each of the following statements.

Responses:
   Strongly disagree
   Disagree
   Somewhat disagree
   Somewhat agree
   Agree
   Strongly agree

Items:
1. My focus on my job has changed from being something I am proud of to simply being a means to a paycheck.
2. My body goes to work; my mind does not.
3. I ask myself these days, why go out of my way to do these extra things when I really do not have to.
4. I find I fluctuate between hate and apathy when thinking about work.
5. I am less engaged in the issues at work than I used to be.
Functional and Dysfunctional Retention

Organizational Deviance Scale
(Bennett & Robinson, 2000)

Please indicate your level of agreement with each of the following statements.

Responses:
- Strongly disagree
- Disagree
- Somewhat disagree
- Somewhat agree
- Agree
- Strongly agree

Items:
1. I intentionally work slower than I could work.
2. I put little effort into my work.
3. I deliberately cause problems for my organization.
Perceived Organizational Support Scale  
(Eisenberger et al., 1986)

Please indicate your level of agreement with each of the following statements.

Responses:
  Strongly disagree
  Disagree
  Somewhat disagree
  Somewhat agree
  Agree
  Strongly agree

Items:

1. The CF tries to make my job as interesting as possible.
2. The CF strongly considers my goals and values.
3. The CF really cares about my well-being.
4. Even if I did the best possible job, the CF would fail to notice.
Procedural Fairness Scale

Please indicate how satisfied you are with the following aspects.

Responses:
- Completely dissatisfied
- Dissatisfied
- Somewhat dissatisfied
- Somewhat satisfied
- Satisfied
- Completely satisfied

Items:
1. The way competencies and promotions are linked.
2. The fairness of the personnel appraisal process (i.e., PDR, PER).
3. The fairness of the merit processes relate to promotions (i.e., all the steps in the system).
4. Fair treatment by the career system (i.e., feedback, resolution of complaints, my career preferences).
Appendix C

Factor Analyses of Trust and Cynicism Items
Exploratory Factor Analysis of Trust and Cynicism Items: Principal Component Analysis with Oblique Rotation

<table>
<thead>
<tr>
<th>Items</th>
<th>Cynicism</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am skeptical about the likelihood of success for any future change efforts.</td>
<td>-.83</td>
<td>.02</td>
</tr>
<tr>
<td>2. The CF expects one thing of its employees, but it rewards another.</td>
<td>-.83</td>
<td>-.01</td>
</tr>
<tr>
<td>3. When I think about how the CF acts, I feel frustrated.</td>
<td>-.86</td>
<td>-.02</td>
</tr>
<tr>
<td>4. When I hear our leaders talking about how great things are going to be, I exchange ‘knowing’ looks at coworkers.</td>
<td>-.83</td>
<td>-.02</td>
</tr>
<tr>
<td>5. I trust senior leaders to make the right decisions for the CF members.</td>
<td>.37</td>
<td>.54</td>
</tr>
<tr>
<td>6. I trust my unit leaders to make the right decisions for the unit.</td>
<td>.21</td>
<td>.61</td>
</tr>
<tr>
<td>7. I trust the health care providers in the CF to look after my health and well-being.</td>
<td>-.16</td>
<td>.81</td>
</tr>
<tr>
<td>8. I trust the military justice system to apply the Code of Service Discipline fairly.</td>
<td>.01</td>
<td>.78</td>
</tr>
<tr>
<td>9. I trust career managers and administrators to strike a fair balance between service requirements and my personal circumstances</td>
<td>.05</td>
<td>.73</td>
</tr>
</tbody>
</table>

Variance explained 49.4 % 14.0 %

Note: N = 1,472. Loadings representing their primary factors are presented in boldface.

Exploratory Factor Analysis of Trust and Cynicism Items: Maximum Likelihood with Varimax Rotation

<table>
<thead>
<tr>
<th>Items</th>
<th>Cynicism</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am skeptical about the likelihood of success for any future change efforts.</td>
<td>.71</td>
<td>-.24</td>
</tr>
<tr>
<td>2. The CF expects one thing of its employees, but it rewards another.</td>
<td>.73</td>
<td>-.26</td>
</tr>
<tr>
<td>3. When I think about how the CF acts, I feel frustrated.</td>
<td>.79</td>
<td>-.27</td>
</tr>
<tr>
<td>4. When I hear our leaders talking about how great things are going to be, I exchange ‘knowing’ looks at coworkers.</td>
<td>.73</td>
<td>-.29</td>
</tr>
<tr>
<td>5. I trust senior leaders to make the right decisions for the CF members.</td>
<td>-.43</td>
<td>.63</td>
</tr>
<tr>
<td>6. I trust my unit leaders to make the right decisions for the unit.</td>
<td>-.31</td>
<td>.61</td>
</tr>
<tr>
<td>7. I trust the health care providers in the CF to look after my health and well-being.</td>
<td>-.12</td>
<td>.55</td>
</tr>
<tr>
<td>8. I trust the military justice system to apply the Code of Service Discipline fairly.</td>
<td>-.22</td>
<td>.67</td>
</tr>
<tr>
<td>9. I trust career managers and administrators to strike a fair balance between service requirements and my personal circumstances</td>
<td>-.24</td>
<td>.62</td>
</tr>
</tbody>
</table>

Variance explained 49.4% 14.0 %

Note: N = 1,472. Loadings representing their primary factors are presented in boldface.
Exploratory Factor Analysis of Trust and Cynicism Items: Maximum Likelihood with Oblique Rotation

<table>
<thead>
<tr>
<th>Items</th>
<th>Cynicism</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am skeptical about the likelihood of success for any future change efforts.</td>
<td>.75</td>
<td>.00</td>
</tr>
<tr>
<td>2. The CF expects one thing of its employees, but it rewards another.</td>
<td>.77</td>
<td>-.01</td>
</tr>
<tr>
<td>3. When I think about how the CF acts, I feel frustrated.</td>
<td>.85</td>
<td>.01</td>
</tr>
<tr>
<td>4. When I hear our leaders talking about how great things are going to be, I exchange ‘knowing’ looks at coworkers.</td>
<td>.75</td>
<td>-.04</td>
</tr>
<tr>
<td>5. I trust senior leaders to make the right decisions for the CF members.</td>
<td>-.25</td>
<td>.58</td>
</tr>
<tr>
<td>6. I trust my unit leaders to make the right decisions for the unit.</td>
<td>-.12</td>
<td>.59</td>
</tr>
<tr>
<td>7. I trust the health care providers in the CF to look after my health and well-being.</td>
<td>.09</td>
<td>.61</td>
</tr>
<tr>
<td>8. I trust the military justice system to apply the Code of Service Discipline fairly.</td>
<td>.02</td>
<td>.72</td>
</tr>
<tr>
<td>9. I trust career managers and administrators to strike a fair balance between service requirements and my personal circumstances</td>
<td>-.03</td>
<td>.65</td>
</tr>
</tbody>
</table>

Variance explained 49.4% 14.0%

Note: N = 1,472. Loadings representing their primary factors are presented in boldface.