Consequences of Third Party Observers' Perceptions of Labor Disputes:
An Examination of Distributive and Procedural Justice

Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Science in Applied Psychology (Industrial/Organizational)

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August, 2003
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0-612-85293-8
Acknowledgements

I would like to thank:

Dr. Catano for his invaluable research expertise, patience, and kindness; Dr. Kelloway for his remarkable knowledge of statistics and his friendly guidance; Dr. Cameron for his feedback and advice; Dr. Wagar for his constructive criticism; Danielle for her never ending encouragement, understanding, and assistance, all of which made this thesis much more pleasant; my mother and father for their continuous guidance in every way possible; my aunt Margie for her continuous reassurance; and finally, to all friends and family who have provided me with love, inspiration, and encouragement throughout the years.
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Consequences of Third Party Observers' Perceptions of Labor Disputes: An Examination of Distributive and Procedural Justice

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Submitted August 29, 2003

Abstract

This study examined third party observers' fairness judgments of the reasons and the procedures used during labor negotiations and their retributive intentions towards the employer as prospective employees and clients, as well as their retributive intentions and support for strike. Participants (n = 248) were randomly assigned to 1 of 16 conditions representing a 2 x 2 x 2 x 2 design: the Fairness of the Demands (unfair vs. fair) X the Seriousness of the Negotiations (not serious vs. serious) X Type of Dispute (strike vs. lockout) X Type of Sector (private/construction workers and public/nurses). The general union attitude scale was also added to the study as a covariate. Third party observers reported higher perceptions of distributive and procedural justice when they were placed in conditions representing fair demands and fair procedures. Observers also reported higher levels of support for strike when they were presented with a fair reason for the underlying dispute and higher levels of retributive intentions towards the employer when either party did not seriously negotiate.
Consequences of Third Party Observers’ Perceptions of Labor Disputes:
An Examination of Distributive and Procedural Justice

Media coverage, be it via television, newspapers, or magazines, has long been known to influence the public’s perception of unions and organizations (Schmidt, 1993; Walsh, 1988). Recently, labor disputes have received an increased amount of media attention due to the public’s fascination with confrontations between these two parties (Flynn, 2000). More often than not the media tends to project a negative image of the organized labor movement (Puette, 1992). Interesting as it may seem, there is very little research that examines how media coverage influences the public’s perceptions and actions towards the union and the employer who are involved in labor dispute. Past labor negotiation research has typically been geared towards those who are directly involved with the situation: the employer, the union and its members. Yet very little attention has been given to how third party observers, such as the public, develop their perceptions of the union and the employer during labor disputes.

Third party observers are individuals who are not directly associated with the outcomes, but are still in a position to make a judgment about the fairness of a situation (Skarlicki, Ellard, & Kelln, 1998). Although these individuals are not directly associated with the situation or the final outcome, as they are not employed by the organization or members of its union, they are still an important asset to organizations and unions. After all, they represent prospective clients, employees, and union members. Since these individuals are not directly associated with the union or the organization, they will likely develop their opinions of these two parties based on the information that they receive via the media. Thus the image that is projected via the media can influence third party
observers' opinions, which in turn can influence their behaviors towards the union and the organization. These behaviors can be crucial to the wellbeing of organizations and unions.

*Image and Retributive Intentions*

The public image of organizations and unions can have an important role in determining whether these parties meet with success or failure (Leung, Chiu, & Au, 1993). Obviously, a negative public image can have serious repercussions for either party. A negative image projected by the media may influence a third party observer's retributive intentions towards the employer and the union and these intentions may negatively influence both parties' prosperity.

*Retributive Intentions towards the Organization*

A tarnished organizational image can potentially diminish an organization's profits and stock values, its public approval rate and its present and future work force. Martha Stewart’s organization, Martha Stewart Living Omnimedia, represents an excellent example of how bad press can have a tremendous impact on an organization’s image and stock value. Before Martha Stewart was accused of insider treading, her company’s stock was selling at $19.23 a share; following her highly publicized indictment, her company’s stock value had dropped to a little over $9.00 a share, a decline of around 51 percent within a one year time frame (ABC news.com, 2003). This is just one example of how the press can influence an organization's profits.

During labor negotiations, organizations also receive a significant amount of media attention (Flynn, 2000). Third party observers are placed in a context where they can take information provided by the media and use it to develop either a positive or
negative perception of the organization. More important, third party observers are given sufficient information in the media to judge whether an organization is treating its employees in a fair and decent manner or if it is trying to take advantage of them. Organizations that mistreat their employees during labor negotiations may actually be creating a public image that will hinder their future selection and recruitment efforts. After all, how many people want to work for an organization that mistreats its employees? Recruitment and selection can be extremely costly for organizations (Cascio, 1982; Darmon, 1990; Hall, 1981). When an organization has a tarnished image, recruitment and selection become even more expensive as the organization may have difficulties attracting above-average workers.

An organization's image becomes even more important when considering recent labor shortages. Canada's unemployment rate has recently reached near-record lows and certain sectors have even been forced to increase wages to keep up with labor demand (Statistics Canada, 2002). Because so many people are presently employed, it is more difficult for organizations to recruit high-performing employees. One way of overcoming this obstacle is to project a positive organizational image. Companies who treat their employees fairly will not have as much difficulty recruiting new employees as companies with a tarnished image, because individuals want to work for companies that treat them well. It is highly doubtful that an individual, as a prospective employee or client, would want to deal with an organization that is known for mistreating its employees. Dealing with labor negotiations in a fair and decent manner can possibly help organizations overcome some of these recruitment problems as the organization will be projecting a positive image to third party observers. Consequently, this positive image should
increase the candidate pool and diminish the necessity of hiring head-hunters/recruiters to find candidates to fill empty positions. From a long term perspective, projecting a positive and fair image could potentially decrease the cost associated with recruitment.

*Retributive Intentions towards the Union*

Over the past twenty years, the North American labor movement has witnessed a steady decline in membership. Goeghegan (1991) would go so far as to suggest that this decline is an understatement and that the labor movement has in fact become obsolete in today's post-industrial, service-sector economy. A major challenge facing unions has been to recruit new members in the service-sector (Kelloway, Barling, & Harvey, 1998). Although unions have a high concentration of members in the governmental service-sector, it has yet to capitalize on the private service-sector (Galarneau, 1996). The private sector is largely composed of part-time employees (Belanger & Murray, 1994) and as Kumar (1993) noted, unions have been relatively unsuccessful in organizing a labor movement for these employees.

Authors have linked the union's recruitment problems to numerous factors, including organizations placing more emphasis on human resources which has changed the nature of labor-management relations (Kelloway et al., 1998) and/or employers using part-time work as a way to avoid unions (Nollen, 1982). Another overlooked factor that could have an affect on these recruitment problems is how third party observers develop their perceptions of unions. As third party observers are not directly associated with unions, they may have no other way to develop their opinions of them than through the media. Unfortunately, unions tend to receive heightened media attention when they are in labor negotiations with management (Flynn, 2000) and they are also more apt to be
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portrayed negatively by the media (Pucette, 1992). Rarely do labor unions receive any media attention outside of labor negotiations (Flynn, 2000). Third party observers, who are placed in a context where the media depicts the union as requesting unreasonable demands during the negotiations or who have commenced an illegal strike, may develop a negative perception of the union. If these individuals are placed in a context where they can vote for a union, they may be unwilling to do so because they have developed negative pre-conceptions about unions.

Image is certainly important to the recruitment procedures of organizations and unions. However, public image may be even more crucial for unions as opposed to organizations, especially during labor disputes.

*Image and Public Support for Strikes*

Unions recognize the importance of their public image. Before and during negotiations, unions will invest time and money into developing media campaigns that inform the public of the facts surrounding the present dispute. By transmitting this information they hope to build public support for the union during their strike. Unfortunately, very little is known about what type of effects these media campaigns have on third party observers.

Third party observers' attitudes towards labor disputes can play an important role in the final outcome for the union and the organization. Kelloway, Francis, and Catano (2003) provided two reasons why public support is essential to unions and organizations prior to and during these negotiations. First, unions and organizations will take the time before and during the dispute to express the legitimacy of their position to the public, while expressing the other party's unreasonable demands. The union frequently tries to
gather public support by passing out flyers to the public, informing them that their strike is legal and of good cause. Unions will also direct time and money into creating media campaigns. For example, the Canadian Association of University Teachers emphasized the need for faculty associations on strike to obtain public support for a quick resolution of the dispute (Canadian Association of University Teachers, 1996).

Public support becomes even more important if the strike takes place in a public sector context. Public sector strikes can have tremendous consequences on individuals who are not involved in the dispute but who will be directly affected by it. For example, when municipal public transportation employees go on strike thousands of citizens can be left without means of transportation. A more recent example can be taken from the city of Toronto where garbage disposal employees went on strike in the summer of 2002. The strike lasted several weeks and citizens were left helpless to watch their roads and parks become bombarded with garbage. Obviously citizens who depend on such services can become frustrated if these strikes become prolonged. This frustration can be directed towards the employer (the government) or the union, whomever the public holds accountable for the ongoing strike. Negative attitudes towards governmental parties can be extremely hazardous to their approval ratings, especially during an electoral year.

A second reason that third party observers are so important to strike action is that unions believe that the success of a strike will largely depend on the amount of public support (Kelloway et al., 2003). Employees on strike not only refuse to report to work, but they also actively try to disrupt their employer's daily business activities by setting up picket lines in front of their employer's offices. Moreover, as striking employees walk these picket lines, it is not uncommon for them to be joined by other union members in a
show of solidarity. Members of the public may even join these lines or honk their horns as they pass them in a show of support for striking union members. Other individuals or union members may even choose to write a letter to their government officials or to local newspapers expressing their frustration with the employer for not resolving the dispute more quickly. Such support from members of the general public can possibly encourage union members' morale and may even affect the duration and outcome of the strike. In addition, support from third party observers can exert pressure on government officials to assign an external mediator to help resolve the dispute more quickly. Leung et al. (1993) have even stated that both parties may succumb and resolve the strike more quickly due to intense public support.

Obviously public support is an important factor in determining the final outcome of a strike, but there is very little known about how the public decides whether they are going to support the union or the employer. Third party observers receive sufficient information via the media to develop an opinion on the union and the organization. The media depicts several factors during labor negotiations that can influence third party observers' retributive intentions towards the organization and union, as well as their level of support for the union. These factors include perceptions of the fairness of the demands and the seriousness of the negotiations, or in scientific terms, elements of organizational justice, both distributive justice (i.e., the fairness of the demands) and procedural justice (i.e., the fairness of the procedures used during the negotiations, such as if the negotiations are serious or not serious), the type of dispute (i.e., strike or lockout), and the type of sector (i.e., white collar/public vs. blue collar/private). Surprisingly, there is very
little research that examines the impact that these factors have on third party observers' perceptions of unions and organizations.

Organizational Justice

Over the last decade, organizational justice has received an increased amount of attention in the fields of industrial/organizational psychology, human resource management, and organizational behavior (Cropanzano & Greenberg, 1997). Organizational justice can be defined as how individuals perceive and react to fairness in organizations. Individuals will have their own perceptions of the organization, making their perceptions completely subjective. Organizational justice is not only subjective; it is also a social construct as the individuals will collectively determine whether an organization's actions are fair (Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Cropanzano & Greenberg, 1997).

As noted in Colquitt et al. (2001), scientific research examines two different types of fairness perceptions that individuals may have towards organizations: (a) distributive justice which examines the fairness of the final outcome distributions (Adams, 1965; Deutsch, 1975; Homans, 1961; Leventhal, 1976) and (b) procedural justice which examines the fairness of the procedures used to achieve the final outcome (Leventhal, 1980; Leventhal, Kauza, & Fry, 1980; Thibault & Walker, 1975). Past research has tried to link perceptions of organizational justice to numerous organizational outcomes, including organizational commitment, withdrawal, job satisfaction, and organizational citizenship behavior (Colquitt et al., 2001). Most of these studies are based on employees' perceptions of their organization; very few of these studies examine how third party observers perceive an organization. Third party observers, thanks to the
media, are placed in a position where they can subjectively determine whether a judgment was fair or unfair by examining the reasons underlying the labor negotiations (i.e., distributive justice) and by examining the fairness of the procedures used during the bargaining period, in other words whether the negotiations were serious or not serious (i.e., procedural justice).

**Distributive Justice**

Distributive justice stems from the social exchange theory (Adams, 1965). According to this theory, individuals are more concerned about the degrees of fairness of the final outcome as opposed to the amount of the final outcome. Adams believed that individuals could decide whether an outcome was fair or unfair by examining the ratio of one's contributions to one's outcomes and then comparing this ratio to another ratio in the same context. Comparing one ratio to another similar ratio is the basis for Adam's equity theory. Adams suggested that individuals will be motivated to avoid tense situations where these ratios are unequal. Although this is an objective theory, Adams was very clear in stating that its entire process was subjective, as it is based on an individual's perceptions of what actions are considered fair or unfair. Studies examining distributive justice have demonstrated that there are negative consequences for organizations whose employees perceive that they are being rewarded unfairly for their work (Colquitt et al., 2001).

Distributive injustice has been associated with such negative outcomes as a decline in work performance (Cowherd & Levine, 1992; Pfeffer & Langton, 1993) and higher rates of turnover and absenteeism (Hulin, 1991; Schwarzwald, Koslowsky, & Shalit, 1992). During layoff procedures, employees who were not given an opportunity
to voice their opinions reported lower levels of distributive justice and higher levels of retributive intentions towards the employer (Skarlicki et al., 1988; Veinotte, 2001). All of these outcomes, which are extremely expensive for an organization, are actions that are committed by the organization’s employees. There are very few studies that examine what type of effects distributive injustice has on third party observers during labor negotiations. Third party observers who perceive an organization as treating its employees unfairly could possibly boycott the organization or create public support for the employee’s union.

In some disputes, third party observers are given sufficient information via the media to determine whether the ratio of contributions (i.e., competencies, skills, and hours worked) that employees give to their organization is equivalent to the outcomes (i.e., salary and benefits) that they receive from it. It should be noted that the media mostly portrays a negative image of the organized labor movement (Puette, 1992), which in turn can influence how third party observers perceive the union. If the media reported a labor dispute (free from bias or distortion) where employees are receiving wages that are far below average for that type of work, then third party observers will likely see the organization as taking advantage of its employees. In this scenario, third party observers should demonstrate higher levels of support for the union and higher levels of retributive intentions towards the organization:

*First hypothesis:* Third party observers will report higher levels of distributive justice for the party in a labor dispute whose reasons for its position are seen as fair.
Second hypothesis: Third party observers will report higher levels of support and lower levels of retributive intentions towards the party in a labor dispute whose demands are seen as fair.

Procedural Justice

Thibault and Walker (1975) first introduced the processes involved in organizational justice while examining how disputants reacted to legal procedures. During legal procedures it is relatively common to have third parties as mediators or arbitrators. Thibault and Walker (1975) examined the procedures and decisions that are involved in these mediations (i.e., mediator is assigned to the negotiations to assist both parties in settling the dispute) and arbitrations (i.e., sole arbitrator is selected by both parties or by a minister to resolve the dispute). They suggested that disputants had a certain amount of influence or control during the arbitration/mediation stages, but that disputants would be willing to give up their control during the decision stage as long as the processes used during the mediation/arbitration were fair. In other words, disputants had a tendency to perceive the final decision as fair as long as they had a certain amount of control over the mediation processes (e.g., they were given a fair opportunity to present their arguments with sufficient time during the mediation). When people are given an opportunity to express their views and opinions during the mediation process, they are said to have a “voice” in the final decision (e.g., Folger, 1977; Lind & Tyler, 1988).

Leventhal and his colleagues took the concept of procedural justice and applied it to such non-legal settings as organizations (Colquitt et al., 2001). Leventhal (1976, 1980; Leventhal et al., 1980) suggested that voice is only one of many factors that can
determine whether a process is fair or unfair. In order for a process to be fair, Leventhal argued that it must be free from bias, applied consistently, correctable, accurate, representative of all concerns, and based on existing ethical standards (Colquitt et al., 2001). Although research on procedural justice has evolved over the years, it can still be defined as how an individual perceives the fairness of the processes used to determine the outcomes of a specific situation, regardless of the favorability of the outcome (Lind & Tyler, 1988; Tyler 1987).

Procedural justice has been linked to numerous positive outcomes for organizations, including making employees more apt to accept disciplinary actions (Ball, Treviño, & Sims, 1994) and pay freezes (Schaubroeck, May, & Brown, 1994). It comes as no surprise that organizations that use fair procedures are more likely to have their employees accept their decisions in comparison to those who use unfair procedures. The fact that employees are more likely to accept these decisions can save organizations a great deal of money, such as a decrease in employee theft (Greenberg, 1990).

More importantly, employees will use their experience with fair or unfair procedures from the organization to determine how they perceive their organization as a whole (Cropanzano & Greenberg, 1997). Organizations that use fair procedures, as opposed to unfair ones, are more likely to develop strong relationships with their employees, consequently increasing their employees' loyalty to the organization and their willingness to work on its behalf (Tyler & Lind, 1992). Employees who perceive their organization as using fair procedures, as opposed to unfair ones, are more likely to exhibit greater trust in management (Konovsky & Pugh, 1994), display higher levels of organizational commitment (Tyler, 1991), have lower likelihoods of litigation (Bies &
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Tyler, 1993), exhibit lower turnover intentions (Dailey & Kirk, 1992), and have more general citizenship behavior (Konovsky & Pugh, 1994; Organ & Moorman, 1993). All of these findings have important implications for organizations that can help them deal with pay increases or freezes, promotions, and disciplinary actions, yet very little is known about how employees react to unfair procedures during labor negotiations. The only research that has been done in a similar context pertains to layoffs.

When organizations use fair procedures during layoff (e.g., providing employees with regular and accurate information), the employees tend to report lower levels of procedural injustice (Bies & Moag, 1986; Brockner, Dewit, Grover, & Reed, 1990; Folger, Rosenfield & Robinson, 1983; Shapiro, 1991). As a result, individuals who perceive the situation more fairly reported lower levels of retributive intentions towards the employer (Rousseau & Anton, 1998; Veinotte, 2001). Again, providing employees with sufficient information regarding layoff procedures seems to diminish negative consequences to the employer. Surprisingly, there are very few studies that examine the impact of procedural justice elements on labor negotiations or on third party observers’ perceptions of labor negotiations.

During labor negotiations, one party is required to voice their demands clearly as the other party takes the time to seriously listen and consider these demands before accepting or refusing them, or presenting counter proposals to which the first party re evaluates. This is represents a simplistic view of labor negotiations, but it does emphasize that the these procedures contain elements of procedural justice, such as giving one party an opportunity to “voice” their concerns, giving them sufficient time to voice these concerns, and ensuring that both parties have an opportunity to re-submit
their demands (Leventhal et al., 1980; Lind & Tyler, 1988; Thibault & Walker, 1975; Tyler, 1987).

With the media attention that labor negotiations often receive, third party observers are placed in a position to make fairness judgments of the situation. Third party observers, based on the media coverage, can judge whether both parties received sufficient and accurate information from one another, whether they were given an equal opportunity to voice their concerns and demands, whether their demands were seriously taken into consideration, and whether all concerned parties had an opportunity to appeal the decision. All of these are factors of procedural justice (Leventhal et al., 1980; Lind & Tyler, 1988; Thibault & Walker, 1975; Tyler, 1987).

A procedurally just labor negotiation could be characterized in terms of the two parties seriously negotiating with one another and taking the time to listen and consider their mutual demands. If an employer did not take the time to seriously listen to the union’s demands, then third party observers may perceive the employer as unfair and taking advantage of its employees. In this scenario, third party observers should demonstrate higher levels of support for the union and higher levels of retributive intentions towards the organization.

Third hypothesis: Third party observers who perceive either the union or the employer to use fair procedures during the labor dispute (e.g., both parties seriously negotiated and made several concessions before being unable to find an agreement) will report higher levels of procedural justice.

Fourth hypothesis: Third party observers who perceive either the union or the employer to use unfair negotiation procedures (e.g., the union or the employer were
unwilling to modify their position during negotiations), will offer more support for the party that was treated unfairly and express more retributive intentions towards the other party.

*Type of Dispute*

If unions and organizations are unable to come to a mutual agreement during the negotiations, two types of outcomes can arise, a strike or a lockout. A strike is a common agreement amongst employees to stop working, or refuse to work in order to disrupt their employer’s daily activities and outputs. In order for a strike to occur, the majority of the union’s members must agree, by secret vote/ballot, that the employer’s offer is unsatisfactory. For a strike to be deemed legal the union officials must administer the strike vote prior to actively striking and the union officials are also obliged to give a written notice to the organization prior to the strike (Human Resource Development Canada, 2002).

A lockout happens when the employer cannot agree a mutual consensus with the union, and to compel their employees to accept their terms of employment opts to close their organization, suspend their employees from working, and stop employing a number of their employees. In order for a lockout to take place, the employer must hold a secret ballot vote among the organization’s board of directors and the majority of the board must vote in favor of a lockout. For a lockout to be legal the employer has to hold this secret vote prior to locking out its employees and it must also written notice to the union prior to the lockout (Human Resource Development Canada, 2002).
Repercussions of Strikes and Lockouts

Strikes and lockouts can be extremely costly for society, organizations and employees. Repercussions from strikes and lockouts can have significant effects on the economy. For example, the American economy suffered a loss of $2 billion a day when Pacific Maritime Association, a company that owns several commercial ports in America’s west coast, opted to lock out its port workers in the fall of 2002 (Coffin, 2002).

From an organizational perspective, strikes can be financially devastating for an organization, as they may lose a significant amount of money during all three strike phases (i.e., pre-strike, strike, and post-strike). Organizations risk losing money due to diminished productivity, lost contracts, lost profits, wasted executive time, loss of clientele and low retention amongst employees (Imberman, 1979). Long after a strike is resolved, a company can still feel its financial impact from paying legal fees, closing plants, and repairing damaged equipment that has been sabotaged by bitter employees (Bluen, 1994). Strikes can also create some financial insecurity among the companies shareholders. Davidson, Worrel, and Garrison (1988) note that it is not uncommon for a company’s share price to drop significantly as soon as a union publicly declares that it will strike; often these shares do not recover until long after the strike has ended. In fact, Becker and Olson (1986) noted that a strike can diminish an organization’s shareholder equity by 4.1% (on average). Strikes can also influence the industrial relation climate between management and labor (Bluen, 1994). After an air traffic controller strike, Bowers (1983) reported a negative organizational climate between employees and management.
From a personal perspective, strikes and lockouts can also have significant effect on employees. As an organization's employees do not normally work during a labor disputes, it is not uncommon for them to suffer some type of financial loss (Gennard, 1982). More important, labor disputes can be extremely stressful for employees as they deal with conflict and change (Bluen & Barling, 1988). Thus, it is not uncommon for employees to suffer a great deal of psychological distress during labor disputes. There can be little doubt that organizations and union members can suffer tremendous financial and psychological consequences due to prolonged labor dispute; however, these disputes can also have a tremendous impact on third party observers.

Although they are not directly associated with the dispute, some third party observers become incredibly inconvenienced due to strikes and lockouts when they are no longer receiving services that they rely on. Take, for example, individuals who are forced to withdraw from healthcare services due to an ongoing strike or dispute. As Bluen (1994) noted, care giver strikes do not seem to influence individuals who receive critical treatments, as these patients are generally given an alternative arrangement during the strike. Unfortunately, care giver strikes seem more likely to affect individuals who are not diagnosed with a critical illness, as these individuals are not given any alternative services and are forced to wait until the strikes have ended to receive medical attention. Since the majority of third party observers will likely be able to find another alternative for the crucial services that they require, it is highly doubtful that they will perceive the union or the organization negatively. On the other hand, during the Major League Baseball Players' Strike of 1994-1995 certain individuals became so irritated with the strike that they were prepared to boycott the games if the season was to resume (Mellor,
Public support for a strike or a lockout can be crucial in determining the duration of a dispute. Very little research, if any, has been done to examine whether the type of dispute, a strike or a lockout, will influence the amount of public support or retributive intentions towards the union and organization from third party observers.

Research Question 1: Will the type of dispute, a strike or a lockout, influence third party observers' retributive intentions towards the organization or the union and support for the union?

Public and Private Sector Disputes

Labor negotiations can take place in two types of settings, the public service sector and the private sector. The public sector can be defined as all individuals who are employed by the government, be it federal, provincial, or municipal. The public sector has a long list of employees, which includes politicians, social service workers, military personnel, police officers, psychiatrists, doctors, and nurses (just to name a few). It should be noted that this sector has an extremely high rate of unionized employees. The public service sector represents 75% of all unionized employees in Canada (Galanneau, 1996). The private sector, on the other hand, is mostly composed of non-unionized employees who work for private organizations. Pharmacist, bank and grocery clerks, waitresses, and construction workers are amongst a long list of examples of individuals who are employed by the private sector.

People rely on public and private sector services on a daily basis. Although both types of services are important to individuals, services provided by the public sector may have a greater impact on a greater number of people. For example, there is a greater
chance that far more individuals would be inconvenienced if health care (e.g., doctors, nurses) or educational workers (e.g., high school teachers) were to go on strike, than if a local construction company or transportation company (e.g., truck drivers) were to go on strike. This is because there are other construction or transportation companies that are not on strike that can provide their services to the public, whereas there are fewer alternatives to public services.

Public support for a strike may depend on the reasons underlying the dispute. There can be little doubt that services provided by public sector nurses would have a greater impact on a greater number of people than private sector services. The public recognizes that nurses and doctors receive a high salary; however, they also recognize that hospitals in Canada are understaffed, forcing nurses and doctors to work tremendously long hours. Thus, if third party observers recognize that both nurses and construction workers are underpaid, they will report higher levels of support for the nurses as they can be directly affected if they cannot receive health care services. Public support may depend on the reasons underlying the dispute, but one thing is certain, there can be two types of public reactions to a strike or a lockout. First, third party observers may openly support the strike or the lockout, supporting the employees or the organization, or just hoping for a quick resolution so that they may continue receiving their services; or secondly, they may openly object to the dispute by boycott the organization or the union. Very little research, if any, has examined whether the type of profession will influence how third party observers' perceive the organization and the union.
Perceptions of Labor Disputes

Research Question 2: Will the sector, public (i.e., one involving nurses) or private (i.e., one involving construction workers), influence third party observers’ retributive intentions towards the organization and the union, as well as support for the union?

Other Factors

Distributive and procedural justice, the type of dispute, and the sector are but a few factors that can influence whether an individual will have any retributive intentions towards organizations and unions who are undergoing labor disputes.

Obviously, when encountering a labor dispute there are many factors that may influence an individuals’ judgment. One of these may be pre-existing attitudes toward unions. Individuals who are pro-union may be unwilling to accept that a union did not deal fairly with the employer, while those who are anti-union may be predisposed to perceiving the union as unfair. One thing is certain, general union attitudes have been found to predict support for strike action (Kelloway et al., 2003). Since these general union attitudes may influence perceptions of distributive and procedural justice, retributive intentions towards the organization and union, as well as support for the union, they must be controlled in a study investigating these justice issues.

Research Goals

This study examines how elements of distributive and procedural justice, the types of disputes, and the type of sector presented during labor negotiations influence third party observers’ perceptions of the employer and the union. More specifically, the study observes how the fairness of the demands (i.e., unfair or fair demands underlying a labor dispute), the seriousness of the negotiations (i.e., not seriously or seriously negotiating during the bargaining process), the type of dispute (i.e., strife or lockout), and
the type of sector (i.e. nurses/public sector or construction workers/private sector) may influence retributive intentions that third party observers develop towards the employer and union, and to what extent third party observers may be willing to support a strike while controlling for union attitudes.

**Summary of Hypotheses**

H1: Third party observers will report higher levels of distributive justice for the party in a labor dispute whose reasons for its position are seen as fair.

H2: Third party observers will report higher levels of support and lower levels of retributive intentions towards the party in a labor dispute whose demands are seen as fair.

H3: Third party observers who perceive either the union or the employer to use fair procedures during the labor dispute will report higher levels of procedural justice.

H4: Third party observers who perceive either the union or the employer to use unfair negotiation procedures will offer more support for the party that was treated unfairly and express more retributive intentions towards the other party.

The study also investigated the following research questions:

Research Question 1: Will the type of dispute, a strike or a lockout, influence third party observers’ retributive intentions towards the organization or the union and their support for strike?

Research Question 2: Will the type of profession/sector, public (i.e., nurses) or private (i.e., construction workers), influence third party observers’ retributive intentions towards the organization and the union, as well as support for the union?
Method

Participants

Participants \((N = 271)\) in this study were students from an Atlantic Canadian University, recruited with notices placed throughout the campus and transparencies presented in classrooms. Respondents were rewarded with a bonus point for a psychology class of their choice.

Twenty-three cases were deleted due to responses that did not satisfy the manipulation checks. Of the 248 respondents who remained in the study, 158 (64.2%) were female and 88 (35.8%) were male. Participants' ages ranged from 17 to 55, with the mean age of 20.08 years \((SD = 5.14)\). Table 1 presents the descriptive statistics (number, age, sex) for participants in each experimental condition. Five of the conditions had high standard deviations (e.g., above 5.00). Examination of these conditions found one or two outliers per cell. These outliers were not excluded from the study, as additional analyses found that they did not influence the final results.

Only 29 participants (11.7%) reported being a union member either presently or at one time in their lives. Nine individuals (3.6%) stated that they were previously unable to work due to a strike, while 49 respondents (19.8%) declared that they had previously participated in a strike (e.g., walk the picket line or hand out brochures for the union).

Procedure and Design

Testing took place in a small classroom on campus. The experimenter was present during all aspects of the data collection to deliver all instructions pertaining to the study. Informed consent was obtained upon the participant's arrival. Once the
participant signed the written consent, the experimenter gave brief instructions on how to properly complete the survey.

Table I

*Number, Age, and Standard Deviations of Participants per Cell*

<table>
<thead>
<tr>
<th>Cell</th>
<th>N</th>
<th>Age (SD)</th>
<th>Sex</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>M(n)  F(n)</td>
<td></td>
</tr>
<tr>
<td>1- Fair, Seriously Neg., Lock Out, Nurses</td>
<td>16</td>
<td>19.31 (1.82)</td>
<td>8</td>
</tr>
<tr>
<td>2- Fair, Seriously Neg., Lock Out, Constr. Workers</td>
<td>17</td>
<td>20.06 (2.56)</td>
<td>5</td>
</tr>
<tr>
<td>3- Fair, Not Seriously Neg., Lock Out, Nurses</td>
<td>14</td>
<td>19.36 (1.79)</td>
<td>3</td>
</tr>
<tr>
<td>4- Fair, Not Seriously Neg., Lock Out, Constr. Workers</td>
<td>15</td>
<td>22.60 (9.68)</td>
<td>6</td>
</tr>
<tr>
<td>5- Fair, Seriously Neg., Strike, Nurses</td>
<td>14</td>
<td>20.21 (5.79)</td>
<td>5</td>
</tr>
<tr>
<td>6- Fair, Seriously Neg., Strike, Constr. Workers</td>
<td>15</td>
<td>19.13 (1.85)</td>
<td>8</td>
</tr>
<tr>
<td>7- Fair, Not Seriously Neg., Strike, Nurses</td>
<td>16</td>
<td>18.81 (1.91)</td>
<td>4</td>
</tr>
<tr>
<td>8- Fair, Not Seriously Neg., Strike, Constr. Workers</td>
<td>16</td>
<td>23.06 (11.51)</td>
<td>7</td>
</tr>
<tr>
<td>9- Unfair, Not Seriously Neg., Lock Out, Nurses</td>
<td>15</td>
<td>19.13 (1.30)</td>
<td>4</td>
</tr>
<tr>
<td>10- Unfair, Not Seriously Neg., Lock Out, Constr. Workers</td>
<td>18</td>
<td>20.65 (5.60)</td>
<td>5</td>
</tr>
<tr>
<td>11- Unfair, Seriously Neg., Lock Out, Nurses</td>
<td>16</td>
<td>20.13 (5.18)</td>
<td>4</td>
</tr>
<tr>
<td>12- Unfair, Seriously Neg., Lock Out, Constr. Workers</td>
<td>15</td>
<td>19.00 (2.80)</td>
<td>3</td>
</tr>
<tr>
<td>13- Unfair, Not Seriously Neg., Strike, Nurses</td>
<td>17</td>
<td>19.94 (4.48)</td>
<td>10</td>
</tr>
<tr>
<td>14- Unfair, Not Seriously Neg., Strike, Constr. Workers</td>
<td>15</td>
<td>19.40 (1.92)</td>
<td>5</td>
</tr>
<tr>
<td>15- Unfair, Seriously Neg., Strike, Nurses</td>
<td>14</td>
<td>19.29 (3.05)</td>
<td>3</td>
</tr>
<tr>
<td>16- Unfair, Seriously Neg., Strike, Constr. Workers</td>
<td>13</td>
<td>19.62 (2.96)</td>
<td>7</td>
</tr>
</tbody>
</table>

*Note. N = 246. Conditions 4, 5, 8, 10, and 11 had standard deviations above 5.00. These extreme standard deviations are caused by one or two participants in each cell who were over 35 years of age. All analyses for this study were completed with these outliers removed and no statistical differences were found.*
Participants were then randomly assigned to one of sixteen experimental conditions determined by a $2 \times 2 \times 2 \times 2$ research design: the Fairness of the Demands (unfair vs. fair) X the Seriousness of the Negotiations (not serious vs. serious) X Type of Labor Dispute (strike vs. lockout) X Type of Sector (private/construction workers vs. public/nurses). Sixteen different versions of a newspaper article/vignette that manipulated all four variables were expressly written for this study (see Appendix A through P). Participants read the vignette that applied to their assigned condition. The scenarios, designed to resemble short newspaper articles (average of 140 words), gave a brief explanation of the labor negotiations, including both parties' demands. All information in the articles was kept consistent, other than the information pertaining to the four manipulated variables. The Fairness of the Demands was manipulated by presenting the participant with one of two situations. In the unfair condition, employees were demanding an unreasonable salary increase that would place their salary well above the Canadian average: “Presently, the (construction workers/nurses) are receiving $20 per hour which is below the industry average by $1. Their new demands would increase their salary to $25 an hour over the next three years, making their salary higher than the Canadian average for (construction workers/nurses)”. In the fair situation, their salary is below the Canadian average and their demands would place their salary within this average: “Presently, the (construction workers/nurses) are receiving $20 per hour which is below the industry average by $5. Their new demands would increase their salary to $25 an hour over the next three years, making their salary competitive with other Canadian (construction workers/nurses)”.
To manipulate the Seriousness of the Negotiations, participants were presented with one of two different situations. In the not serious negotiating condition, organizations or unions officials were unwilling to modify their negotiating positions. This situation was represented by the following statement: "(Construction company/hospital officials or union officials) were unwilling to modify their position during the negotiations". In the serious negotiation procedures, both parties seriously negotiated and made concessions to try and come to an agreement. This situation was depicted with the following declaration: "Although both parties had negotiated seriously and have made several concessions over the past week, they were still unable to find an agreement".

Participants were presented with one of two different types of labor disputes: a strike where the union votes to end negotiations or a lockout in which the organization officials see no other option but to lockout its employees. The strike was represented by the following statements: "Seven hundred and fifty (construction workers/nurses) at a local (construction company/hospital) have unanimously voted to go on strike due to an ongoing labor dispute" and "Union officials believed that a strike was the only way to resolve the dispute". The lockout was depicted in the following statements: "A local (construction company/hospital) has locked-out 750 of its (workers/nurses) due to an ongoing labor dispute" and "(Construction company/hospital) officials believed that the lockout was the only way to resolve the dispute". Participants were also presented with one of two different sector contexts: (a) construction workers, a private profession, or (b) nurses, a public service profession, which was manipulated in each of the previous conditions.
After reading their vignette, participants completed questionnaires designed to assess their perceptions of distributive justice, procedural justice, retributive intentions towards the employer and the union, their attitudes and level of support towards the union and biographical data. No time constraints were placed on participants to complete these questionnaires, although it took most individuals about 20 minutes to complete the survey. After completion of the survey, individuals were given a feedback form, which thanked them for their participation, summarized the research goals, and provided contact information.

*Measures*

*Distributive Justice Scale.* A six-item scale was developed to assess distributive justice for the union and the employer. It contained three questions pertaining to unions (e.g., "The union’s demands are fair considering today’s labor market") and three questions pertaining to the employer (e.g., "Before the negotiations, the organization was offering its employees a fair salary"; see Appendix Q). Items were rated on a 7-point Likert scale, ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). Since the scale contained items directed towards the union and the employer, certain items had to be reverse-coded to maintain directionality. Logically, only one party could be perceived as fair and the other as unfair. Furthermore, in a negotiation context, usually the union will approach the organization with their demands. With this in mind, all items examining the organization (i.e. questions 4, 5, and 6) were reverse coded so that high scores on the scale reflected higher degrees of distributive justice for the union. The internal consistency of the Distributive Justice Scale was $\alpha = .74$. 
**Procedural Justice Scale.** A 4-item scale was developed to measure elements of Procedural Justice for the Union. This scale had four questions measuring Procedural Justice for the union (e.g., “The union used fair procedures during the negotiations”; see Appendix R). All items were rated on a 7-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree). High scores represented greater perceptions of procedural justice for the union. The internal reliability of the Procedural Justice for Union scale was $\alpha = .72$.

A 4-item scale measured elements of Procedural Justice for the Organization, (e.g. “The organization used fair procedures during the negotiations”; see Appendix S). High scores represented greater perceptions of procedural justice for the organization. The internal consistency of the Procedural Justice for the Organization scale was $\alpha = .75$.

**Retributive Intentions towards the Employer Scale.** Retributive intentions that third party observers, as a customer or as a potential employee, may have towards the employer were assessed by a 6-item scale (see Appendix T). The scale included two items from the 5-item employee retributive scale used in Skarlicki et al’s (1998) study: “If an appropriate job was offered to me in the organization that was described in the previous article, I would not accept the position”, and “I would look at other organizations before applying to the one that was represented in the previous article”. Two items were taken for the Skarlicki et al’s (1998) two item customer retribution scale. These items included: “Because of the way this organization treats its employees, I as a customer would prefer to do my business elsewhere”, and “I would have a problem recommending this organization to a friend or relative”. The following two questions were developed for the present study: “If I had a friend or a relative who was applying for
a job at the organization described in the previous article, I would advise him or her to apply elsewhere” and “I would not be afraid to tell everyone I know to avoid doing business with the organization described in the previous article”. All six items were rated on 7-point Likert scales, ranging from 1( strongly disagree) to 7 (strongly agree). Higher scores represented higher degrees of retributive intentions towards the employer. The internal consistency of the Retributive Intentions towards the Employer scale was $\alpha = .86$.

*Retributive Intentions towards the Union Scale.* Retributive intentions that third party observers may have towards the union depicted in the article were measured by using a modified version of the scale originally presented in Skarlicki et al. (1998). The original scale was used to measure retributive intentions that individuals may have towards a company that was laying off its employees. The present scale was modified to a labor context by replacing “company” with “union”: “I would look at other unions before becoming a member of the one that was described in the previous article”, “If I could become a member of the union described in the previous article, I would not accept the position”. An additional item was added to the original scale: “I would have a problem recommending this union to a friend or family who is searching for a union to represent their workers” (see Appendix U). All three items were rated on a 7-point Likert rating, ranging from 1( strongly disagree) to 7 (strongly agree). Higher scores reflected greater retributive intentions towards the union. The internal consistency of the Retributive Intentions Member/Union Scale was $\alpha = .74$.

*Support for Strike Scale.* Seven items from the Support for Strike Scale (Kelloway, Francis, & Catano, 2003) were used to determine whether participants would be willing to support striking unions. The scale measures an individual's intent to follow
through on various actions that would display support for striking employees. Certain questions pertained to passive actions (e.g., "Would you accept literature from striking/locked-out workers"); while others depicted more active behaviors (e.g., "Join the striking/locked out workers on the picket line as a show of support"). The scale was slightly modified to correspond with workers who were not only on strike, but also locked out. All items were rated on a 7-point Likert rating scale, with responses ranging from 1 (very unlikely) to 7 (very likely). Higher scores represented higher degrees of support for the union. The Support for Strike Scale had an alpha coefficient of .84.

*Union Attitude Scale.* This 8-item questionnaire, originally developed by Brett (1980), was used to identify any positive or negative attitudes that individuals may have towards unions. For example, one item asks participants if they believe that unions are a positive force in this country. Each item is rated on a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), with higher scores reflecting higher/positive attitudes towards unions. The internal consistency of the Union Attitude Scale was $\alpha = .85$.

*Biographical Data.* Participants were asked their age, sex, highest level of education, and previous work experience. The six-items on past union affiliations were incorporated into the study for descriptive purposes (See Appendix V).

*Manipulation Checks.* Manipulation checks were included to confirm that participants correctly understood the vignettes that they read. If participants were assigned to a condition that depicted nurses on strike, then they should acknowledge that they read a vignette that depicted that situation. To assess if participants understood the manipulation, they were asked two questions: "In the article that you have just read,
were the labor negotiations described as a strike or a lockout”, and “Did the previous article you just read describe labor negotiations between nurses and a hospital or construction workers and a construction company” Individuals who did not correctly respond to these questions (e.g., they were assigned to a strike condition, but reported that the vignette depicted a lockout) were excluded from the study.

Crosstab Analyses/Frequencies were used to confirm whether participants were aware of the different conditions (i.e., type of dispute and sector) that were presented in the vignettes. As previously reported, 23 participants were excluded from the study due to incorrect responses. With respect to Negotiations, 121 participants correctly reported reading an article depicting a strike, while 127 participants correctly responded that they read an article describing a lockout. With respect to the type of sector, 124 individuals correctly responded to reading an article that described nurses in a labor dispute, while 124 correctly reported reading an article that described negotiations with construction workers.

Data Analysis Strategy

Exploratory Factor Analyses (EFAs) were conducted to determine whether the measures developed for the present study were actually measuring four distinct variables: distributive and procedural justice, retributive intentions towards the employer, and retributive intentions towards the union. Crosstab analyses were conducted to confirm that the four independent variables were properly manipulated. Pearson correlations were used to examine any existing relationships between the variables corresponding to the hypotheses. A Multivariate Analysis of Covariance (MANCOVA) was used to investigate whether the manipulations of the demands, negotiations, type of dispute, and
type of profession/sector used during the dispute had significant effects on the dependent variables while using scores on the union attitude scale as a covariate.¹

Results

Preliminary Analysis

A preliminary analysis, following guidelines presented in Tabachnick and Fidell (2001), showed that the database was clean and that no variable required transformation. A correlation matrix based on all 23 items used to assess Distributive Justice, Procedural Justice for the Union, Procedural Justice for the Organization, Retributive Intentions towards the Employer, and Retributive Intentions towards the Union confirmed the factorability of the scales; several correlations were above .30 (Tabachnick & Fidell, 2001).

Factor Analysis

Exploratory Factor Analyses (EFAs), principal components analysis with varimax rotation, determined the number of initial factors. For this analysis, factor loadings above .40 were considered. There were 5 factors with eigenvalues greater than one. However, there was very little variance between the fourth (eigenvalue = 1.36) and fifth factor (eigenvalue = 1.16); furthermore, the scree plot (see Figure 1) indicated that there could very well only be four factors.

A second EFA, also using principal components analysis with varimax rotation, extracted four factors. The five-factor model accounted for 59.22% of the observed variance, while the four-factor model accounted for 54.18%. The four-factor model did not have any items that cross-loaded, as opposed to the five-factor model where several

¹ Although results from the MANCOVA are reported here, a MANOVA was also conducted; there were no differences between the two analyses.
items loaded onto more than one factor. Therefore, the four-factor solution was used for subsequent analyses. The results of the four-factor model are presented in Table 2. The four factors were interpreted as follows:

*Factor 1* contained 6 items related to retributive intentions towards the employer as either a prospective employee (e.g., If an appropriate job was offered to me in the organization that was described in the previous article, I would not accept the position) or potential customer (e.g., Because of the way this organization treats its employees, I as a customer would prefer to do my business elsewhere). The first factor accounted for 22.55% of the total variance.

*Figure 1.* Scree Plot for 23-Item Questionnaire

![Scree Plot for 23-Item Questionnaire](image)

*Factor 2* contained 8 items associated with procedural justice (e.g., the union used fair procedures during the negotiations). It accounted for 13.75% of the total variance.
Factor 3 contained 6 items related to distributive justice (e.g., the union's demands are fair considering today's labor market). It accounted for 11.99% of the total variance.

Factor 4 contained 3 items associated with retributive intentions towards the union (e.g., I would look at other unions before becoming a member of the one that was described in the previous article). It accounted for 5.89% of the total variance.

Table 2

Rotated Factor Loadings for Exploratory Factor Analysis for all Measures

<table>
<thead>
<tr>
<th>Item</th>
<th>Retributive Intentions</th>
<th>Procedural Justice</th>
<th>Distributive Justice</th>
<th>Retributive Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The union's demands are fair considering today's labor market</td>
<td>.16</td>
<td>.08</td>
<td>.71</td>
<td>-.18</td>
</tr>
<tr>
<td>2. The union's demands are realistic considering today's labor market</td>
<td>.26</td>
<td>.09</td>
<td>.68</td>
<td>-.16</td>
</tr>
<tr>
<td>3. The union is requesting a fair salary increase</td>
<td>.28</td>
<td>.15</td>
<td>.67</td>
<td>-.10</td>
</tr>
<tr>
<td>4. Before negotiations, the organization was offering its employees a fair salary</td>
<td>.15</td>
<td>-.11</td>
<td>.45</td>
<td>.11</td>
</tr>
<tr>
<td>5. Before the negotiations, the organization was offering a salary that was competitive to the industry average throughout Canada</td>
<td>-.15</td>
<td>-.06</td>
<td>.67</td>
<td>.25</td>
</tr>
<tr>
<td>6. The organization is prepared to offer its employees a realistic salary considering today's labor market</td>
<td>-.09</td>
<td>-.22</td>
<td>.57</td>
<td>-.07</td>
</tr>
<tr>
<td>7. The union used fair procedures during the negotiations</td>
<td>-.07</td>
<td>.57</td>
<td>.30</td>
<td>-.13</td>
</tr>
<tr>
<td>8. The union seriously negotiated with the organization</td>
<td>.06</td>
<td>.73</td>
<td>.25</td>
<td>-.09</td>
</tr>
<tr>
<td>9. The union tried to accommodate the organizations' demands during the negotiations</td>
<td>-.02</td>
<td>.68</td>
<td>.20</td>
<td>-.05</td>
</tr>
<tr>
<td>10. The union was willing to modify their original offer during the negotiations</td>
<td>.19</td>
<td>.63</td>
<td>-.18</td>
<td>-.21</td>
</tr>
<tr>
<td>11. The organization used fair procedures during the negotiations</td>
<td>-.34</td>
<td>.50</td>
<td>-.15</td>
<td>.21</td>
</tr>
<tr>
<td>12. The organization seriously negotiated with the union</td>
<td>-.24</td>
<td>.70</td>
<td>-.18</td>
<td>.13</td>
</tr>
</tbody>
</table>
Table 2 (Continued)

<table>
<thead>
<tr>
<th>Item</th>
<th>Retributive Intentions</th>
<th>Procedural Justice</th>
<th>Distributive Justice</th>
<th>Retributive Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. The organization was prepared to accommodate the unions' demands during negotiations</td>
<td>-.17</td>
<td>.57</td>
<td>-.33</td>
<td>.14</td>
</tr>
<tr>
<td>14. The organization was willing to modify their original offer during the negotiations</td>
<td>-.10</td>
<td>.68</td>
<td>-.25</td>
<td>-.02</td>
</tr>
<tr>
<td>15. If an appropriate job was offered to me in the organization that was described in the previous article, I would not accept the position</td>
<td>.54</td>
<td>.07</td>
<td>.26</td>
<td>.32</td>
</tr>
<tr>
<td>16. I would look at other organizations before applying to the one that was represented in the previous article</td>
<td>.58</td>
<td>.02</td>
<td>.19</td>
<td>.33</td>
</tr>
<tr>
<td>17. If I had a friend or a relative who was applying for a job at the organization described in the previous article, I would advise him or her to apply elsewhere</td>
<td>.70</td>
<td>-.05</td>
<td>.21</td>
<td>.37</td>
</tr>
<tr>
<td>18. I would look at other unions before becoming a member of the one that was described in the previous article</td>
<td>.15</td>
<td>.04</td>
<td>-.14</td>
<td>.73</td>
</tr>
<tr>
<td>19. If I could become a member of the union described in the previous article, I would not accept the position</td>
<td>.25</td>
<td>-.06</td>
<td>.03</td>
<td>.77</td>
</tr>
<tr>
<td>20. I would have a problem recommending this union to a friend or family who is searching for a union to represent their workers</td>
<td>.26</td>
<td>-.04</td>
<td>-.08</td>
<td>.72</td>
</tr>
<tr>
<td>21. Because of the way this organization treats its employees, I as a customer would prefer to do my business elsewhere</td>
<td>.80</td>
<td>-.16</td>
<td>.12</td>
<td>.12</td>
</tr>
<tr>
<td>22. I would have a problem recommending this organization to a friend or a relative</td>
<td>.78</td>
<td>-.12</td>
<td>.19</td>
<td>.25</td>
</tr>
<tr>
<td>23. I would not be afraid to tell everyone I know to avoid doing business with the organization described in the previous article</td>
<td>.80</td>
<td>-.14</td>
<td>.01</td>
<td>-.04</td>
</tr>
</tbody>
</table>

The procedural justice factor contained items that related to both union and organization, thus this factor was considered to involve two independent factors:
procedural justice for the union and procedural justice for the organization. Unlike the distributive justice scale, which only contained distributive justice for the union (e.g., high scores representing higher levels of distributive justice for the union and lower scores signifying lower levels of distributive justice for the union), the procedural justice scale as is would be unable to determine whether the organization or the union acted in a justly manner. With this in mind, an EFA with varimax rotation was set to extract 2 factors, with all 8 items associated with procedural justice. The analysis reported two factors with eigenvalues above 1. Both factors accounted for 57.61% total variance. One item (i.e., “The union was willing to modify their original offer during the negotiations”) cross-loaded on both factors, however, it loaded more strongly on factor 2 (.46). The results of the two-factor model of procedural justice are presented in Table 3. The two factors were interpreted as follows:

Factor 1 contained 4 items associated with procedural justice for the organization (e.g., “The organization used fair procedures during the negotiations”). It accounted for 41.60% of the total variance.

Factor 2 contained 4 items associated with procedural justice for the union (e.g., “The union tried to accommodate the organizations’ demands during the negotiations”). It accounted for 16.01% of the total variance.
Table 3

*Rotated Factor Loadings for Exploratory Factor Analysis for Procedural Justice*

<table>
<thead>
<tr>
<th>Item</th>
<th>Procedural Justice for Organization</th>
<th>Procedural Justice for Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The union used fair procedures during the negotiations</td>
<td>.05</td>
<td>.76</td>
</tr>
<tr>
<td>2. The union seriously negotiated with the organization.</td>
<td>.15</td>
<td>.84</td>
</tr>
<tr>
<td>3. The union tried to accommodate the organizations’ demands during the negotiations.</td>
<td>.22</td>
<td>.74</td>
</tr>
<tr>
<td>4. The union was willing to modify their original offer during the negotiations.</td>
<td>.40</td>
<td>.46</td>
</tr>
<tr>
<td>5. The organization used fair procedures during the negotiations.</td>
<td>.69</td>
<td>.07</td>
</tr>
<tr>
<td>6. The organization seriously negotiated with the union.</td>
<td>.69</td>
<td>.35</td>
</tr>
<tr>
<td>7. The organization was prepared to accommodate the unions’ demands during negotiations.</td>
<td>.82</td>
<td>.04</td>
</tr>
<tr>
<td>8. The organization was willing to modify their original offer during the negotiations.</td>
<td>.72</td>
<td>.26</td>
</tr>
</tbody>
</table>
Correlations

Table 4 presents the means, standard deviations, intercorrelations between variables, and sub-scale item correlations for the dependent variables. Inspection of the correlation table suggested several associations that were expected in the hypotheses. Correlations between the variables showed a significant positive relationship between the fairness of the demands underlying the dispute and participants' perceptions' of distributive justice ($r = .41, p < .01$). Third party observers assigned to conditions with fair demands had reported higher scores on the distributive justice scale than those assigned to unfair demands. The fairness of the demands was also significantly associated with participants' level of support for the union ($r = .14, p < .05$). Third party observers assigned to conditions depicting fair demands had reported higher levels of support for the union than those assigned to unfair demands.

There was a significant relationship between the seriousness of the negotiations and procedural justice for the union ($r = .41, p < .01$). Third party observers assigned to conditions where both parties seriously negotiated had reported higher levels of procedural justice for the union than those who were assigned to conditions where one party, either the union or the employer, did not seriously negotiate. There was a negative significant relationship between the seriousness of the negotiations and procedural justice for the organization ($r = -.37, p < .01$). Third party observers assigned to conditions where both parties did not seriously negotiate had reported higher levels of procedural justice for the employer than those assigned to conditions where both parties seriously negotiated.
Table 4

Means, Standard Deviations, Intercorrelations, and Item Correlations

<table>
<thead>
<tr>
<th>Variable</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>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
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<tr>
<td>1. Demands</td>
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<td>.50</td>
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<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>2. Negotiations</td>
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<td>.02</td>
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</tr>
<tr>
<td>3. Dispute</td>
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<td>.03</td>
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<tr>
<td>4. Profession</td>
<td>1.50</td>
<td>.50</td>
<td>-.02</td>
<td>.01</td>
<td>-.02</td>
<td>1.00</td>
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</tr>
<tr>
<td>5. Distributive</td>
<td>29.13</td>
<td>5.58</td>
<td>.41**</td>
<td>-.10</td>
<td>.08</td>
<td>-.03</td>
<td></td>
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</tr>
<tr>
<td>6. Procedural</td>
<td>15.20</td>
<td>4.26</td>
<td>.12</td>
<td>.41**</td>
<td>-.10</td>
<td>-.01</td>
<td>.14*</td>
<td></td>
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<tr>
<td>Justice – Union</td>
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<td></td>
<td></td>
<td></td>
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</tr>
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<td>7. Procedural</td>
<td>17.91</td>
<td>4.33</td>
<td>.02</td>
<td>-.37**</td>
<td>.23**</td>
<td>.06</td>
<td>.28**</td>
<td>-.47**</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>8. Retributive</td>
<td>27.10</td>
<td>6.84</td>
<td>.12</td>
<td>-.12</td>
<td>.27**</td>
<td>-.08</td>
<td>.36**</td>
<td>-.05</td>
<td>.31**</td>
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</tr>
<tr>
<td>9. Retributive</td>
<td>13.29</td>
<td>3.60</td>
<td>.05</td>
<td>-.10</td>
<td>.07</td>
<td>-.13*</td>
<td>-.02</td>
<td>-.14*</td>
<td>.00</td>
<td>.44**</td>
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<tr>
<td>Intentions – Union</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10. Support for Strike</td>
<td>30.07</td>
<td>7.95</td>
<td>.14*</td>
<td>.04</td>
<td>.04</td>
<td>.07</td>
<td>.32**</td>
<td>.10</td>
<td>.06</td>
<td>.32**</td>
<td>.02</td>
<td></td>
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<tr>
<td>11. Attitudes</td>
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<td>4.97</td>
<td>.08</td>
<td>.00</td>
<td>.00</td>
<td>.12</td>
<td>.34**</td>
<td>.12</td>
<td>.05</td>
<td>.10</td>
<td>-.28**</td>
<td>.27**</td>
<td></td>
</tr>
</tbody>
</table>

Note. \( N = 246 \). Fairness of Demands is coded 1 = Unfair Demands and 2 = Fair Demands; Seriousness of Negotiations is coded 1 = Not Seriously Negotiating and 2 = Seriously Negotiating; Type of Dispute is coded 1 = Strike and 2 = Lockout; Type of Sector is coded 1 = Construction Workers and 2 = Nurses. Internal reliability (Cronbach’s alpha) for each scale is reported along the diagonal in parentheses. * \( p < .05 \), two-tailed. ** \( p < .01 \), two-tailed
There was a positive significant relationships between the type of dispute and retributive intentions towards the employer ($r = .27, p < .01$). Third party observers assigned to conditions depicting a lockout had reported higher levels of retributive intentions towards the employer in comparison to those who were assigned to conditions depicting a strike. Also, there was a significant relationship between the type of dispute and procedural justice for the union ($r = .23, p < .01$). Third party observers assigned to conditions depicting a lockout had reported higher levels of procedural justice for the union than those assigned to conditions depicting a strike. Finally, there was a negative significant relationship between the type of profession/sector and retributive intentions towards the employer ($r = -.13, p < .05$). Third party observers assigned to conditions depicting a nurses’ labor dispute had reported higher levels of retributive intentions towards the employer than those assigned to conditions describing a construction workers labor dispute.

MANCOVA

A multivariate analysis of covariance (MANCOVA) determined if there were statistically reliable mean differences on distributive justice, procedural justice, retributive intentions towards the employer, retributive intentions towards the union, and support for strike scales across the four independent variables: Fairness of Demands (unfair vs. fair), Seriousness of Negotiations (not seriously vs. seriously), Type of Dispute (strike vs. lockout), and Type of Sector (construction workers/private vs. nurses/public) after adjusting for differences on the union attitude scale. Table 5 displays the adjusted means and standard deviations for each condition in regard to their scores on the dependent measures.
Table 5

Adjusted Means and Standard Deviations of all Dependent Variables for Each Condition

<table>
<thead>
<tr>
<th>Ind. Variable</th>
<th>Condition</th>
<th>n</th>
<th>M</th>
<th>SD</th>
<th>M</th>
<th>SD</th>
<th>M</th>
<th>SD</th>
<th>M</th>
<th>SD</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair</td>
<td>121</td>
<td>31.39</td>
<td>5.02</td>
<td>15.68</td>
<td>4.12</td>
<td>18.07</td>
<td>4.38</td>
<td>13.37</td>
<td>3.94</td>
<td>27.84</td>
<td>7.15</td>
</tr>
<tr>
<td>Negotiation</td>
<td>Not Seriously</td>
<td>123</td>
<td>29.68</td>
<td>5.55</td>
<td>13.47</td>
<td>4.03</td>
<td>19.59</td>
<td>3.90</td>
<td>13.60</td>
<td>3.93</td>
<td>27.93</td>
<td>7.38</td>
</tr>
<tr>
<td>Dispute</td>
<td>Lockout</td>
<td>123</td>
<td>29.54</td>
<td>5.21</td>
<td>15.02</td>
<td>4.30</td>
<td>19.08</td>
<td>4.53</td>
<td>13.54</td>
<td>3.62</td>
<td>28.96</td>
<td>6.00</td>
</tr>
<tr>
<td>Profession</td>
<td>Constr. Workers</td>
<td>122</td>
<td>29.34</td>
<td>5.34</td>
<td>15.25</td>
<td>4.47</td>
<td>17.70</td>
<td>4.22</td>
<td>13.75</td>
<td>3.37</td>
<td>27.63</td>
<td>6.95</td>
</tr>
<tr>
<td></td>
<td>Nurses</td>
<td>117</td>
<td>28.91</td>
<td>5.88</td>
<td>15.05</td>
<td>4.10</td>
<td>18.37</td>
<td>4.35</td>
<td>12.82</td>
<td>3.79</td>
<td>26.63</td>
<td>6.74</td>
</tr>
</tbody>
</table>

Note. N = 239
The results of the MANCOVA indicated the presence of significant multivariate differences for Demands (Wilk’s $\Lambda = .81, F (6, 217) = 8.32, p = .001$), Negotiations (Wilk’s $\Lambda = .76, F = 11.72 (6, 217), p < .001$), and Type of Dispute (Wilk’s $\Lambda = .83, F (6, 217) = 7.20 p < .001$), but not for the Type of Sector (Wilk’s $\Lambda = .96, F (6, 217) = 1.38, p > .05$). There were no interactive multivariate effects between variables. The effects for Demands, Negotiations, and Type of Dispute on the DVs, after adjustment for the covariate, were investigated through univariate analyses.

*Fairness of Demands.* Table 6 presents the univariate analyses for each of the dependent measures. The demands made by either party to the labor dispute, whether they were fair or unfair, had a significant effect on distributive justice ($F (1, 222) = 47.64, p < .001, \eta^2 = .18$). Third party observers assigned to conditions where the union had made fair demands during bargaining process reported higher levels of distributive justice (adjusted $M = 31.39, SD = 5.02$) than those who were assigned to conditions where the union had made unfair demands (adjusted $M = 26.82, SD = 5.22$), supporting Hypotheses 1.

The fairness of the demands also affected the third party observers’ support for the strike ($F (1, 222) = 4.01, p < .05, \eta^2 = .02$). Third party observers assigned to conditions where the union had made fair demands, offered more support for the strike (adjusted $M = 31.20, SD = 8.31$) than those who were assigned to conditions where the union had made unfair demands (adjusted $M = 28.75, SD = 7.57$), supporting Hypotheses 2.
Table 6

Analysis of Variance of all Dependent Variables on the Fairness of the Demands

<table>
<thead>
<tr>
<th>Source</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice</td>
<td>1</td>
<td>1099.04</td>
<td>47.64</td>
<td>.000</td>
</tr>
<tr>
<td>Procedural Justice – Union</td>
<td>1</td>
<td>42.45</td>
<td>2.84</td>
<td>.093</td>
</tr>
<tr>
<td>Procedural Justice – Organization</td>
<td>1</td>
<td>3.41</td>
<td>.24</td>
<td>.627</td>
</tr>
<tr>
<td>Retributive Intentions – Union</td>
<td>1</td>
<td>7.65</td>
<td>.65</td>
<td>.422</td>
</tr>
<tr>
<td>Retributive Intentions – Employer</td>
<td>1</td>
<td>141.84</td>
<td>3.34</td>
<td>.069</td>
</tr>
<tr>
<td>Support for Strike</td>
<td>1</td>
<td>239.55</td>
<td>4.01</td>
<td>.047</td>
</tr>
</tbody>
</table>

Seriousness of Negotiations. Table 7 presents the univariate analyses for each of the dependent measures. The type of negotiation procedure used by either party, whether serious or not serious, had a significant effect on procedural justice for the union ($F (1, 222) = 48.28, p < .001, \eta^2 = .18$). Third party observers assigned to conditions where either the union or the employer had seriously negotiated, reported higher levels of procedural justice for the union (adjusted $M = 16.94, SD = 3.81$) than those who were assigned to conditions where either party had not seriously negotiated (adjusted $M = 13.47, SD = 4.03$), supporting part of Hypotheses 3.

The seriousness of the negotiations also affected the third party observers’ perceptions of procedural justice for the organization $F (1, 222) = 44.51, p < .001, \eta^2 = .17$. Third party observers assigned to conditions where either the union or the employer had seriously negotiated, reported lower levels of procedural justice for the organization (adjusted $M = 16.36, SD = 4.06$) than those assigned to conditions where either party had
not seriously negotiated (adjusted $M = 19.59$, $SD = 3.90$), not supporting part of Hypotheses 3. It was anticipated that third party observers assigned to seriously negotiating conditions would express higher levels of procedural justice for the organization.

To further investigate this result a post hoc comparison recoded negotiating into a new variable with three values: (a) both parties seriously negotiated, (b) the hospital/construction company did not seriously negotiate, and (c) the union did not seriously negotiate. A post hoc comparison was deemed necessary to examine if third party observers would report higher levels of procedural justice for the organization when they were assigned to one of three groups. Post hoc comparisons using Scheffe's test showed that participants assigned to conditions where the union had not seriously negotiated during the dispute reported higher levels of procedural justice for the organization ($M = 18.13$, $SD = 3.52$) than those assigned to conditions where both parties had seriously negotiated ($M = 16.36$, $SD = 4.06$). For those cases where the employer did not seriously negotiate, third parties reported even higher levels of procedural justice for the organization ($M = 21.03$, $SD = 3.74$) than when they were assigned to conditions where the union had not seriously negotiated or where both parties had seriously negotiated.

The seriousness of the negotiations made by either party during the dispute also had a significant main effect on retributive intentions towards the employer ($F (1, 222) = 4.38$, $p < .05$, $\eta^2 = .02$). Third party observers assigned to conditions where either party had not seriously negotiated during the dispute reported higher levels of retributive intentions towards the employer (adjusted $M = 27.93$, $SD = 7.38$) than when they were
assigned to conditions where either party seriously negotiated (adjusted $M = 26.31$, $SD = 6.17$), supporting part of Hypotheses 4. However, third party observers assigned to conditions where both parties had not seriously negotiated did not report greater levels of retributive intentions towards the union ($F(1, 222) = 2.20, p > .05, \eta^2 = .01$), not supporting part of Hypotheses 4; nor did those allocated to conditions where both parties had seriously negotiated offer greater support for strike ($F(1, 222) = .26, p > .05, \eta^2 = .00$), not supporting party of Hypotheses 4.

The seriousness of the negotiations also affected the third party observers perceptions of distributive justice ($F(1, 222) = 4.86, p < .05, \eta^2 = .02$). Third party observers assigned to conditions where either party had seriously negotiated reported higher levels of distributive justice (adjusted $M = 29.68$, $SD = 5.55$) than those assigned to conditions where either party had not seriously negotiated (adjusted $M = 28.54$, $SD = 5.62$). This result was not anticipated in the hypotheses.

Table 7

Analysis of Variance of all Dependent Variables on the Seriousness of the Negotiations

<table>
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<th>Source</th>
<th>df</th>
<th>MS</th>
<th>$F$</th>
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<td>.028</td>
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<td>Procedural Justice – Union</td>
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<td>720.48</td>
<td>48.28</td>
<td>.000</td>
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<tr>
<td>Procedural Justice – Organization</td>
<td>1</td>
<td>642.31</td>
<td>44.51</td>
<td>.000</td>
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<tr>
<td>Retributive Intentions – Union</td>
<td>1</td>
<td>26.06</td>
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<td>Retributive Intentions – Employer</td>
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<td>186.23</td>
<td>4.38</td>
<td>.037</td>
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<tr>
<td>Support for Strike</td>
<td>1</td>
<td>15.67</td>
<td>.26</td>
<td>.609</td>
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</table>
Type of Dispute. Table 8 presents the univariate analyses for each of the dependent measures. The Type of Dispute, whether a strike or a lockout, had a significant effect on retributive intentions toward the employer ($F(1, 222) = 20.54, p < .001, \eta^2 = .09$).

Third party observers assigned to conditions where the employer had locked out its employees had higher levels of retributive intentions towards the employer (adjusted $M = 28.96, SD = 6.00$) than when the employees were on strike (adjusted $M = 25.22, SD = 7.19$), which was anticipated in Research Question 1. However, the type of dispute did not affect third party observers' retributive intentions towards the union ($F(1, 222) = 1.67, p > .05, \eta^2 = .01$), nor did it affect their support for the union ($F(1, 222) = 1.26, p > .05, \eta^2 = .01$).

Table 8

Analysis of Variance of all Dependent Variables on the Type of Dispute

<table>
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<tr>
<th>Source</th>
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<th>MS</th>
<th>$F$</th>
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<td>.461</td>
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<td>.198</td>
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<td>20.54</td>
<td>.000</td>
</tr>
<tr>
<td>Support for Strike</td>
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<td>75.50</td>
<td>1.26</td>
<td>.262</td>
</tr>
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</table>

The Type of Dispute also affected the third party observers' perceptions of procedural justice for the organization ($F(1, 222) = 21.44, p < .001, \eta^2 = .09$). Those who observed a lockout reported higher levels of procedural justice for the organization.
Perceptions of Labor Disputes

(adjusted $M = 19.08$, $SD = 4.53$) than those who observed a strike situation (adjusted $M = 16.91$, $SD = 3.72$). This relationship was not anticipated in any research question.

Discussion

The results of this study provide considerable support for the notion that third party observers will consider the fairness of the bargaining procedures when they are developing their perceptions of the union and the employer. These perceptions can have serious implications for unions and organizations. As anticipated, third party observers' perceptions of the fairness of the demands, the seriousness of the negotiations, and the type of profession can have influence on third party observers' retributive intentions towards the employer and support for strike.

**Fairness of the Demands**

Third party observers were expected to report higher levels of distributive justice when the union’s requested fair demands during the negotiations than when they requested unfair demands. These expectations were confirmed, supporting Hypothesis 1 and Adams' (1965) equity theory. Adams believed that individuals are more concerned about the fairness of the final outcome as opposed to the amount of the final outcome. In this study, participants were assigned to one of two conditions and were asked to evaluate the fairness of the demands underlying a fictitious labor dispute. As previously mentioned, third party observers who believed that the union used fair demands during the bargaining process (i.e., employees who were receiving a salary below the Canadian average and who are requesting an increase that would place their salary within this average) reported higher levels of distributive justice than those who saw the demands as being unfair (i.e., employees who were receiving a salary below the Canadian average...
Perceptions of Labor Disputes

and who are requesting an increase that would place their salary above this average). These findings support the notion that third party observers will take into consideration the fairness of the demands when they are developing their perceptions of the organizations and the union who are involved in a labor dispute.

Third party observers were also expected to report higher levels of support and lower levels of retributive intentions towards the union when they were assigned to conditions depicting the union’s demands as fair as opposed to those who were assigned to unfair demand conditions. These expectations were confirmed, supporting Hypotheses 2 and findings found by Kelloway et al. (2003), which reported that third party observers’ perceptions of distributive justice were a strong predictor of support for strike action. Both of these studies indicate that third party observers are more likely to have support for strike action if the union has fair demands. This finding was an extension of previous research that examined employees’ reactions to distributive injustice. Past studies have shown that there is more likely to be an increase in employee turnover and absenteeism (Hulin, 1991; Schwarzlald et al., 1992) and a decline in work performance (Cowherd & Levine, 1992; Pfeffer & Langton, 1993) when an employer does not offer its employees a fair salary for their work. The present and previous studies have two things in common. First, they all emphasize the importance of fairness when employees/third party observers are required to develop perceptions of the organization or union. Secondly, they all demonstrate that distributive justice has fewer negative outcomes than distributive injustice.

Implications for Practice and Research. Confirmation of Hypotheses 1 and 2 demonstrate that third party observers will take into consideration the fairness of the
demands when they are developing their perceptions of an organization and a union who are undergoing labor negotiations. These findings can have significant implications for unions who are preparing or currently undergoing labor negotiations. If unions can convey to the general public that their demands are fair and reasonable, they may be able to gather greater public support. It may be beneficial for unions to place full page ads in local newspapers in the form of a written letter to the public. By using such ads, the union is not only increasing public awareness, but they are also eliminating the possibility that the media will distort the information pertaining to the negotiations and project a negative image of the union in question, which the media has been known to do (Puette, 1992). Increased public support can be a crucial factor in determining whether a union will win or lose a strike (Kelloway et al., 2003). Greater public support for striking employees can also put pressure on both parties to resolve the dispute in a more timely fashion (Leung et al., 1993), consequently diminishing union members' anxiety towards the possibility of a prolonged dispute. Greater public support may also help increase striking union members' morale.

In regards to future research, it would be interesting to examine if third party observers would actually go through with their intent to support a strike. Although third party observers expressed a greater willingness to support strikes for unions with fair demands, how many of these individuals would actually be willing to go out of their way and support striking employees and/or at exactly what level would they be willing to offer this support? This problem is consistent with any study that relies on self-reports for measures. Nevertheless, measures that could determine the extent of actual supporting strike behaviors would give unions a better of understanding of the publics
support. Unions who know that third party observers would be more willing to offer active support (e.g., walk the picketing line) as opposed to passive support (e.g., wear a strike support pin) may be able to place more pressure on organizations to resolve the dispute quickly. From an organizational perspective, it would be beneficial to examine how third party observers' react to unions demands if they are perceived as unfair. If the organization can convey to the public that the union's demands are unfair and unreasonable it may place greater pressure on the union to resolve the dispute more quickly.

**Seriousness of Negotiations**

Third party observers were expected to report higher levels of procedural justice when they saw both parties as seriously negotiating than when either party, the union or the organization, was perceived as not seriously negotiating (i.e., organization or union officials were unwilling to modify their position during negotiations). These expectations were confirmed, supporting the first part of Hypotheses 3. The results were also consistent with the literature suggesting that when organizations' use fair layoff procedures (i.e., providing their employees with regular and accurate information) their employees will report higher levels of procedural justice (Bies & Moag, 1986; Brockner et al. 1990; Folger et al., 1983; Shapiro, 1991). This study successfully replicated these findings in a labor negotiation context.

Results did not confirm the second part of Hypotheses 3 which predicted that third party observers would report higher levels of procedural justice for the organization when both parties seriously negotiated, than when either party negotiated unfairly. Surprisingly, results indicated the exact opposite. Third party observers who believed
that both parties seriously negotiated reported significantly lower levels of procedural justice than those who saw either party, be it the union or the organization, as not negotiating seriously.

In order to clarify this unanticipated result, negotiation which was originally coded into two groups (i.e., group 1 - seriously negotiating and group 2 - not seriously negotiating) was recoded into a new variable with three groups (i.e., group 1 - both parties seriously negotiated, group 2 - the employer did not seriously negotiate and opted to lock out its employees, and group 3 - the union did not seriously negotiate and opted to strike). After recoding the negotiation variable for the post hoc analysis a flaw was discovered. The section of the vignettes describing negotiations were originally written to describe: (a) both parties as seriously negotiating (i.e., although both parties had negotiated seriously and have made several concessions over the past week, they were still unable to find an agreement), and (b) one party, either the union or the organization, as not negotiating seriously (i.e., construction company/hospital or union officials were unwilling to modify their position during the negotiations). Although these statements successfully described the parties as seriously negotiating, they do not depict situations where: (a) the union did not negotiate seriously and the organization opted to lock out its employees; and (b) the organization did not negotiate seriously and the union’s members opted to strike. Because these two situations were not properly described in the vignettes for the negotiation variable, it is impossible to determine whether third party observers reported greater levels of procedural justice for the organization for locking out its employees if in fact the union was not negotiating seriously or if third party observers would report greater levels of procedural justice for the union, if the union voted to strike
when the organization was not negotiating seriously. To rectify this problem, sections of
the vignettes depicting the variable negotiation would have to re-written to include the
two situations depicted above and would have to be re-administered to participants. To
examine the effect that the flawed "seriousness of negotiations" vignettes may have had
on the other conditions, a post hoc MANCOVA was conducted with the three remaining
independent variables. This analysis excluded all variables associated with the
seriousness of the negotiations condition (e.g., the independent variable seriousness of
negotiations, and the dependent variables procedural justice for the organization and
procedural justice for the union). The seriousness of the negotiations condition did not
have an influence on the other findings. There were no differences in the outcomes on
the remaining dependent measures from those reported for the MANCOVA with the
inclusion of seriousness of negotiations. All significant findings remained significant.

Results also supported part of Hypotheses 4, which expected that third party
observers would report higher levels of retributive intentions towards the employer when
they saw one party, either the union or the organization, as not seriously negotiating, than
when they saw both parties as seriously negotiating. This finding is consistent with
Veinotte’s (2001) and Skarlicki et al.’s (1998) results. Both of these studies found that
third party observers’ reported higher levels of retributive intentions when organizations’
did not use fair procedures during layoffs. This study replicated similar findings but in a
labor negotiation context. However, third party observers did not report higher levels of
retributive intentions towards the union when they perceived that both parties were not
seriously negotiating, contradicting the second part of Hypotheses 4. These results are
somewhat puzzling for two reasons. First, third party observers who saw both parties as
not seriously negotiating reported greater levels of retributive intentions towards the employer, but for some reason they did not report higher levels of retributive intentions towards the union. Secondly, when third party observers saw both parties as not seriously negotiating they reported higher levels of procedural justice for the organization, but yet they also reported higher levels of retributive intentions towards the employer. It would seem odd that third party observers would perceive the organization’s procedures as fair, while simultaneously reporting greater retributive intentions towards the employer.

There are three possible explanations for these conflicting results. First, third party observers may have reported higher levels of procedural justice for the organization because they believed that the employer was not given any other alternative but to lock out its employees and simply did what it had to do. Although they perceived the organization as using fair procedures, they would still not want to work for that organization, thus explaining the higher levels of retributive intentions. Secondly, third party observers may have displayed greater retributive intentions towards the employer since its employees were not receiving a competitive salary to begin with; consequently increasing third party observers’ retributive intentions. Finally, these results may indicate an anti-establishment mentality that is shared by a group of young adults. Third party observers may identify themselves more with the employees than with the employer, thus explaining why they would report greater retributive intentions towards the employer. This explanation is consistent with Klandermans (2002) results, who found that people are more likely to participate in a protest when they perceive a group, in which they identify with, is being treated unfairly.
It was also hypothesized that third party observers would report greater support for the union when they perceived that both parties seriously negotiated as opposed to when they believed that one party, either the union or the organization, did not seriously negotiate. There were no significant differences between these two groups, which suggest that third party observers may place more emphasis on the fairness of the demands as opposed to the fairness of the negotiations when determining if they would be willing to support a strike.

Third party observers also reported higher levels of distributive justice when they saw that both parties seriously negotiated than when they saw one party, either the union or the organization, not seriously negotiating. This relationship was not expected; however, Skarlicki et al. (1988) and Veinotte (2001) reported similar findings in their research which examined elements of procedural justice. In both of these studies, participants assigned to conditions where employees were not given an opportunity to voice their opinions during layoff procedures (i.e., procedural injustice) reported lower levels of distributive justice than those who were assigned to conditions where employees were given the opportunity to voice their concerns. Logically, third party observers who saw both parties as seriously negotiating should report higher level of distributive justice than those who believed that either party was not seriously negotiating, as perceptions of distributive justice are determined by the fairness of the situation.

Implications for Practice and Research. Although there was a minor flaw in describing negotiations in the vignettes, this study still provides valuable information to unions and organizations. Unions who can convey to the public that they are using fair negotiations procedures (e.g., seriously negotiating) are more likely to be seen as being
procedurally just, which in turn can diminish third party observers' retributive intentions towards them. Third party observers who saw both parties as seriously negotiating also reported higher levels of distributive justice than those who saw one party as not seriously negotiating. Although this study did not show higher levels of support for the union, higher levels of distributive justice were found to be associated with higher levels of support for the union. Greater public support can be crucial in helping unions win strikes (Kelloway et al., 2003) and it also puts more pressure on both parties to resolve the dispute more quickly (Leung et al., 1993). As previously stated, it may be beneficial for unions to take out full page adds in local newspapers in the form of an open letter explaining to the public that they have seriously negotiated by using fair procedures.

Organizations, on the other hand, seem to be faced with a win/lose situation. Even if third party observers perceived the organization as being procedurally just, they still reported greater retributive intentions toward them. These findings could be explained by the minor flaw reported in the sections describing negotiations in the vignettes. Future research should rectify this problem in order to see how third party observers react to all negotiations procedures. Third party observers could be expected to report greater retributive intentions towards the party that did not seriously negotiate (e.g., the union did not seriously negotiate, so the organization opted to lock out its employees). These findings could also be explained by a common anti-establishment belief shared by young participants. Klandermans (2002) suggested that people will be more willing to participate in protest if: (a) they perceive that a group has been treated unjustly, (b) they are convinced that their actions can change the situation, and c) they identify with the group. If third party observers share this anti-establishment belief and
perceive an organization as using unfair procedures, it may be more difficult for that organization to recruit new employees and customers, as well as to maintain its existing clientele. Consequently, organizations may be forced to invest more money into recruitment and selection programs and publicity. Future research should examine whether re-written vignettes, as suggested above, would rectify these findings or if organizations can develop some type of damage control campaign aimed at diminishing these retributive intentions.

The Type of Dispute

With respect to Research Question 1, results indicated that the type of dispute, either a strike or a lockout, would have an influence on third party observers’ retributive intentions towards the employer or the union and their support for the union. Participants assigned to conditions where the organization locked out its employees reported higher levels of retributive intentions towards the employer than those who were assigned to conditions where the employees were on strike. Participants may have reported higher levels of retributive intentions towards the employer because the employer was not offering its employees a fair salary that was within the Canadian average to begin with. It is also possible that participants reported greater retributive intentions towards the employer because they perceived the organization as being responsible for putting a large number of employees out of work for an undisclosed amount of time. Since the majority of the union’s employees had to vote to go on strike, participants may have perceived the employees working conditions or salaries to be so unbearable that they had no other option but to strike, consequently creating higher retributive intention towards the employer and lower retributive intentions towards the union. It is also possible that third
party observers did not expect the employer to lock out its employees, therefore making third party observers report greater retributive intentions towards the employer.

Organizational procedural justice was higher when the organization locked out its employees than when the union opted to strike. However, retributive intentions towards the employer who locked out its employees were greater than those towards the union, establishing that third party observers may express greater retributive intentions for a lockout than a strike. Perhaps third party observers simply perceived that the employer did what it had to do and acted in a fair manner given the situation. The type of dispute did not have any effect on the support for strike scale. Participants probably placed more weight on the fairness of the demands rather than the type of dispute when determining if they would be willing to support for strike.

Implications for Practice and Research. Although exploratory, support for Research Question 1 demonstrates that third party observers report higher levels of procedural justice and retributive intentions towards the organization when it locks out its employees. Again, these findings support the notion that third party observers may possess greater anti-establishment beliefs against organizations that are perceived as treating their employees unjustly. Organizations should become conscientious of these beliefs and try to create publicity campaigns that emphasize how well they treat their employees. In other words, although the organization may not be perceived as treating their employees unfairly during the negotiation procedure, it does not necessarily mean that they always treat their employees unjustly. Companies may wish to develop public awareness campaigns during negotiation procedures that highlight their employees’ benefits. It may also be beneficial for organizations to examine how third party observers
develop these anti-establishment beliefs. Future research could even examine if third party observers would report lower retributive intentions towards the employer if they had a greater understanding of lockout procedures. Perhaps third party observers with a greater understanding of bargaining procedures would not perceive the organizations actions as being unjust.

*Type of Profession/Sector*

With respect to Research Question 2, the type of profession/sector, private or public, did not have an influence on third party observers' retributive intentions towards the organization and the union, as well as support for strike. More likely, intentions to support or not support an organization or a union are based on the fairness of the demands and the seriousness of the negotiations as opposed to the type of profession. Third public observers are familiar with nurses because they have obviously been assisted by one in the past. It would be interesting to examine how third party observers would react to an employee from the public service sector who has less visibility than a nurse, for example a federal government employee who works a white collar job in an office.

*Potential Limitations of Research*

This study had few limitations which must be addressed in order for individuals to completely understand the accuracy of its findings. First and foremost, the sections describing negotiations in the vignettes would have to be re-written to include the two situations previously discussed (e.g., union had not seriously negotiated, organization opted to lock out its employees; and organization had not seriously negotiated, union voted to strike). It was a minor error that these two conditions were not included in the vignettes; however, as previously stated this error only influences results associated with
the seriousness of the negotiations variables. By including these two additional
descriptions in the segments of the vignettes describing negotiations, it will be possible to
examine whether third party observers report greater levels of retributive intentions
toward the party that did not negotiate seriously and if they would also report greater
levels of support for the party that was treated unfairly.

Secondly, this study used 16 different vignettes which were developed for the
present study in order to control for the 4 independent variables. The vignettes described
a fictitious labor negotiation scenario. Participants only read the vignette once, which
may not have given them sufficient information or time to develop a well founded
judgment of both parties involved in the negotiations. During a real labor dispute, third
party observers would have access to more information pertaining to the strike as the
media would probably offer negotiation coverage on a daily basis. Third party observers
would also have a greater opportunity to get different perspectives of the negotiations via
numerous media outlets, thus giving them a better understanding of the union’s and
organization’s perspectives. Third party observers would also have more time to absorb
the information surrounding the negotiations that is presented to them via the media. All
of the above could have an impact on how third party observers perceive the union and
the organization, consequently influencing their decisions to support or to develop
retributive intentions towards them. However, these problems are common with all other
research that use vignettes in their studies. Future research should examine how third
party observers perceive organizational and union support during a real labor dispute.
With this type of research, the negotiations would possibly receive more media attention
over a prolonged period of time, thus making third party observers more aware of all the
factors surrounding the negotiations. The only problem examining labor negotiations is that it is time sensitive as the exact time of a strike or a lockout can be difficult to predict, thus making it more challenging to prepare the study, receive ethics approval, and collect data before the negotiations end.

Thirdly, the scales used to measure distributive and procedural justice, as well as retributive intentions were developed for the present study. Although procedural justice was measured via two scales: (a) procedural justice for the union, and (b) procedural justice for the organization; distributive justice was only measured with one scale, which was directed towards unions. It only seemed logical to measure distributive justice for the union since the union was the only party that had made demands (e.g. unfair or fair demands) throughout all sixteen vignettes. Furthermore, if distributive justice were measured via two scales, both scales would have had internal consistencies below .30. Therefore, it was best to measure distributive justice with one scale directed towards the union. While all scales developed for the present study had reliability coefficients exceeding the suggested cut-off of .70 (Crocker & Algina, 1986), it may be beneficial to develop specific scales that are validated to measure these variables. This would diminish the problem of conducting more than one factor analyses.

Fourthly, the type of sector, either public (i.e., nurses) or private (i.e., construction workers), did not have an influence on third party observers’ perceptions of the organization and union. However, there is a possibility that the professions chosen for the present study (e.g., nurses and construction workers) may not have been representative of a real public or private labor dispute. Third party observers may offer less support for a profession that is not viewed as positively as nurses, for example postal
workers. It would be interesting to examine whether third party observers would report different levels of support for different types of professions.

Finally, the sample size for the present study was largely composed of female participants which could have influenced the results. Females may have been more apt to support the party that was perceived as the underdog in the bargaining process. It may be beneficial for organizations and unions to examine whether the type of sex would influence public support.

Summary

Overall, this study demonstrates that third party observers consider elements of fairness surrounding labor disputes when they are developing their perceptions of unions and organizations. Unions who are capable to convey to the public, via the media (e.g., taking out full page adds in local newspapers in the form of an open letter to the media), that the reasons underlying the dispute is fair, are likely to gather greater support for strike from third party observers. Organizations on the other hand seem to be faced with a win/lose situation. Even if organizations seriously negotiate, third party observers are still more likely to have greater retributive intentions towards them. These findings may be indicating an anti-establishments belief that is shared by university students. It may be beneficial for future research to examine whether publicity campaigns aimed at diminishing these retributive intentions towards the organization (e.g., damage control) would have any effect on third party observers.
References


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Canada Press

Seven hundred and fifty construction workers at a local construction company have unanimously voted to go on strike due to an ongoing labor dispute. The main issues surrounding the dispute are salary increases. Presently, the construction workers are receiving $20 per hour which is below the industry average by $1. Their new demands would increase their salary to $25 an hour over the next three years, making their salary higher than the Canadian average for construction workers.

Although both parties had negotiated seriously and have made several concessions over the past week, they were still unable to find an agreement. The union officials believed that a strike was the only way to resolve the dispute. The union and construction company officials are hoping that both parties will return to the negotiation table some time next week.
Appendix Q

Distributive Justice Scale

Directions: You have just read an article pertaining to labor negotiations. Please read the following questions carefully and use the scale that is presented below each question to select the most appropriate answer that describes your perceptions or feelings towards the labor negotiations.

Please use the following key to answer the following questions:

Key:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Mildly disagree</td>
<td>Neutral</td>
<td>Mildly agree</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

1. The union’s demands are fair considering today’s labor market.

   1  2  3  4  5  6  7

2. The union’s demands are realistic considering today’s labor market.

   1  2  3  4  5  6  7

3. The union is requesting a fair salary increase.

   1  2  3  4  5  6  7

4. Before the negotiations, the organization was offering its employees a fair salary.

   1  2  3  4  5  6  7

5. Before the negotiations, the organization was offering a salary what was competitive to the industry average throughout Canada.

   1  2  3  4  5  6  7

6. The organization is prepared to offer its employees a realistic salary considering today’s labor market.

   1  2  3  4  5  6  7
Appendix R

Procedural Justice for the Union Scale

Directions: You have just read an article pertaining to labor negotiations. Please read the following questions carefully and use the scale that is presented below each question to select the most appropriate answer that describes your perceptions or feelings towards the labor negotiations.

Please use the following key to answer the following questions:

Key:

<table>
<thead>
<tr>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Mildly disagree</th>
<th>4 Neutral</th>
<th>5 Mildly agree</th>
<th>6 Agree</th>
<th>7 Strongly agree</th>
</tr>
</thead>
</table>

1. The union used fair procedures during the negotiations.
   1 2 3 4 5 6 7

2. The union seriously negotiated with the organization.
   1 2 3 4 5 6 7

3. The union tried to accommodate the organizations’ demands during the negotiations.
   1 2 3 4 5 6 7

4. The union was willing to modify their original offer during the negotiations.
   1 2 3 4 5 6 7
Appendix S

Procedural Justice for the Organization Scale

*Directions:* You have just read an article pertaining to labor negotiations. Please read the following questions carefully and use the scale that is presented below each question to select the most appropriate answer that describes your perceptions or feelings towards the labor negotiations.

Please use the following key to answer the following questions:

<table>
<thead>
<tr>
<th>1</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Mildly disagree</td>
<td>Neutral</td>
<td>Mildly agree</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

1. The organization used fair procedures during the negotiations.

   1  2  3  4  5  6  7

2. The organization seriously negotiated with the union.

   1  2  3  4  5  6  7

3. The organization was prepared to accommodate the unions’ demands during negotiations.

   1  2  3  4  5  6  7

4. The organization was willing to modify their original offer during the negotiations.

   1  2  3  4  5  6  7
Appendix T

Retributive Intentions towards the Employer Scale

Directions: You have just read an article pertaining to labor negotiations. Please read the following questions carefully and use the scale that is presented below each question to select the most appropriate answer that describes your perceptions or feelings towards the labor negotiations.

Please use the following key to answer the following questions:

<table>
<thead>
<tr>
<th>1</th>
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<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Mildly disagree</td>
<td>Neutral</td>
<td>Mildly agree</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

1. If an appropriate job was offered to me in the organization that was described in the previous article, I would not accept the position.

   1  2  3  4  5  6  7

2. I would look at other organizations before applying to the one that was represented in the previous article.

   1  2  3  4  5  6  7

3. If I had a friend or relative who was applying for a job at the organization described in the previous article, I would advise him or her to apply elsewhere.

   1  2  3  4  5  6  7

4. Because of the way this organization treats its employees, I as a customer would prefer to do my business elsewhere.

   1  2  3  4  5  6  7

5. I would have a problem recommending this organization to a friend or relative.

   1  2  3  4  5  6  7

6. I would not be afraid to tell everyone I know to avoid doing business with the organization described in the previous article.

   1  2  3  4  5  6  7
Appendix U
Retributive Intentions towards the Union Scale

*Directions:* You have just read an article pertaining to labor negotiations. Please read the following questions carefully and use the scale that is presented below each question to select the most appropriate answer that describes your perceptions or feelings towards the labor negotiations.

Please use the following key to answer the following questions:

<table>
<thead>
<tr>
<th>Key:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Mildly disagree</td>
<td>Neutral</td>
<td>Mildly agree</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

1. I would look at other unions before becoming a member of the one that was described in the previous article.

1 2 3 4 5 6 7

2. If I could become a member of the union described in the previous article, I would not accept the position.

1 2 3 4 5 6 7

3. I would have a problem recommending this union to a friend or family who is searching for a union to represent their workers.

1 2 3 4 5 6 7
Directions: Listed below are characteristics that describe working environments and your personnel history. Please read the following questions carefully and answer as each question as honestly as possible. Remember, all answer will be kept confidential.

1) Are you or have you previously been a union member?
   Yes_____ No_____

2) Are you working or have you previously worked in a unionized environment?
   Yes_____ No_____

3) Do you have any family members (e.g. mother or father) who are or who have been a member of a union?
   Yes_____ No_____ 

4) Have you previously been unable to work due to a strike?
   Yes_____ No_____ 

5) Have you previously actively participated in a strike (e.g. walk the picket line or hand out brochures for the union)?
   Yes_____ No_____ 

6) Do you have a family member (e.g. mother or father) who has previously participated in a strike (e.g. walk the picket line or hand out brochures for the union)?
   Yes_____ No_____ 

7) Age: _____

8) Sex: ______

9) Please mark an “X” next to the option that characterizes your highest level of education that you have completed thus far.
   _____ Post-graduate degree
   _____ Graduate degree
   _____ Bachelor degree or college degree
   _____ Some university or college
   _____ High school diploma