THIRD PARTY INTERVENTION AND RELATIONSHIP OUTCOMES:
EXTENDING SOCIAL EXCHANGE THEORY THROUGH
THE INCORPORATION OF INTERMEDIARIES

by

Jessica Lyn Collett

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DEDICATION

For Mr. B, who is proud to tell people that his mom is a social psychologist and who thinks I am the best regardless of how much or how little I accomplish in a day’s work. For Omar, and for Ben, for doing all that they did to help me achieve this goal. And for my parents, who never questioned my ability to handle all of life’s demands with grace.
# TABLE OF CONTENTS

LIST OF ILLUSTRATIONS .............................................................................................................. 10

LIST OF TABLES .................................................................................................................................. 11

ABSTRACT ........................................................................................................................................ 12

CHAPTER ONE: INTRODUCTION ........................................................................................................... 13
   Addressing Assumptions about Mediation .............................................................................. 17
   Extending Social Exchange Theory ..................................................................................... 19
   Bringing It All Together ........................................................................................................ 23

CHAPTER TWO: THEORETICAL BACKGROUND .............................................................................. 25
   Social Exchange Theory ......................................................................................................... 25
   Alternative Dispute Resolution and Third Party Intervention .............................................. 28
   Theoretical Explanations ......................................................................................................... 32
      Procedural Justice Theory ..................................................................................................... 33
      Attribution Theory ................................................................................................................. 36
      Salience of Conflict ............................................................................................................... 40
   The Role of Relative Resources ............................................................................................. 43
      The Effect of Relative Resources ..................................................................................... 45
   Testing Predictions .................................................................................................................. 48

CHAPTER THREE: THE VIGNETTE STUDY ....................................................................................... 50
   Experimental Procedures ......................................................................................................... 52
      Design and Subjects ............................................................................................................. 52
      The Vignettes ....................................................................................................................... 53
      Manipulations ....................................................................................................................... 56
TABLE OF CONTENTS - Continued

Measures........................................................................................................................................... 57
Results ................................................................................................................................................ 60
  Testing Predictions .......................................................................................................................... 60
  Further Considerations .................................................................................................................. 65
Discussion .......................................................................................................................................... 68

CHAPTER FOUR: RESEARCH METHODS ...................................................................................... 70
  Experimental Design ..................................................................................................................... 71
  Experimental Procedures .............................................................................................................. 72
    Experimental Instructions .......................................................................................................... 73
    Solving Disputes and Making Agreements .................................................................................. 75
    Computer Simulated Behavior ................................................................................................. 78
  Manipulations ................................................................................................................................. 79
    Third Party Intervention .............................................................................................................. 79
    Relative Resource Position ......................................................................................................... 82
  Measures .......................................................................................................................................... 84
    Dependent Variables .................................................................................................................. 84
    Intervening Variables .................................................................................................................. 86
  Analyses .......................................................................................................................................... 87

CHAPTER FIVE: RESULTS ............................................................................................................. 89
  Manipulation Checks ...................................................................................................................... 89
    Level of Intervention ................................................................................................................... 89
    Relative Resource Position ......................................................................................................... 92
    Objective Disadvantage in Outcome ............................................................................................ 93
  Analyses of Variance on Dependent and Intervening Variables .................................................. 93
    Analyses of Dependent Variables .............................................................................................. 95
    Analyses of Intervening Variables ............................................................................................. 101
  Testing the Causal Models .......................................................................................................... 106
    Attribution Theory ...................................................................................................................... 107
# TABLE OF CONTENTS - Continued

Salience of Conflict........................................................................................................... 109  
Attribution and Salience of Conflict Combined................................................................. 111  

Summary .............................................................................................................................. 112  

CHAPTER SIX: DISCUSSION AND CONCLUSION .......................................................... 115  
Summary of Results .......................................................................................................... 116  
The Laboratory Experiment ............................................................................................... 116  
The Vignette Study ........................................................................................................... 119  

Other Findings .................................................................................................................. 121  
The Significance of Method.............................................................................................. 121  
A Curvilinear Relationship ............................................................................................... 123  
Insignificance of Relative Resource Position .................................................................... 124  
The Importance of Conflict .............................................................................................. 125  

Implications and Contributions ......................................................................................... 126  

Future Directions .............................................................................................................. 129  

Conclusion .......................................................................................................................... 130  

APPENDIX A: VIGNETTES ............................................................................................... 132  
Appendix A.1: Negotiation Vignette ............................................................................... 132  
Appendix A.2: Mediation Vignette .................................................................................. 133  
Appendix A.3: Arbitration Vignette ................................................................................ 134  

APPENDIX B: POST-VIGNETTE QUESTIONNAIRES ...................................................... 135  
Appendix B.1 : Negotiation Questionnaire ..................................................................... 135  
Appendix B.2: Mediation and Arbitration Questionnaire ............................................... 136  

APPENDIX C: RECRUITMENT WEBSITE ....................................................................... 138  

APPENDIX D: EXPERIMENTAL INSTRUCTIONS ........................................................ 140
TABLE OF CONTENTS - Continued

Appendix D.1: Negotiation, Equal (Disadvantaged) on Relative Resources .......... 140
Appendix D.2: Mediation, Disadvantaged on Relative Resources ......................... 156
Appendix D.3: Arbitration, Advantaged on Relative Resources .......................... 172

APPENDIX E: EXPERIMENTAL QUESTIONNAIRE ........................................... 188

APPENDIX F: POST-EXPERIMENT DEBRIEFING ........................................... 192

REFERENCES ........................................................................................................ 194
LIST OF ILLUSTRATIONS

Figure 2.1: The Procedural Justice Model of the Effect of Third Party Intervention .... 36
Figure 2.2: The Attribution Model of the Effect of Third Party Intervention .......... 40
Figure 2.3: The Salience of Conflict Model of the Effect of Third Party Intervention . 43
Figure 4.1: Experimental Factorial Design................................................................. 72
Figure 4.2: Computer Interface for Dividing Assets in Negotiation......................... 76
Figure 4.3: Computer Interface for Dividing Assets in Mediation............................ 82
Figure 5.1: Comparisons of Means of Three Outcomes of Interest, by Level of Intervention........................................................................................................................................... 94
Figure 5.2: The Interaction between Third Party Intervention and Relative Resource Position on Likelihood of Making a Situational Attribution about the Other Disputants’ Behavior .................................................................................................................. 105
LIST OF TABLES

Table 3.1: Means and Standard Deviations of Key Variables, by Level of Intervention .................................................................62
Table 3.2: Unstandardized Regression Coefficients Testing the Procedural Fairness Accounts of an Indirect Relationship between Level of Intervention and Predictions for Positive Future Interactions ..................................................................................................................................................64
Table 3.3: Attributions of Responsibility for Division Outcome ........................................................................................................67
Table 5.1: Unadjusted Means and Standard Deviations of Manipulation Checks and Intervening Mechanisms, by Experimental Factors ...........................................................................................................................................90
Table 5.2: Unadjusted Means and Standard Deviations of Dependent Variables, by Experimental Factors ........................................................................................................................................................................91
Table 5.3: Analyses of Variance on Feelings toward the Other Party, by Experimental Factors .................................................................................................................................95
Table 5.4: Analyses of Variance on Feelings toward Third Party, by Experimental Factors ..........................................................................................................................................................................................99
Table 5.5: Analyses of Variance on Perceptions of Fairness of the Outcome, by Experimental Factors ........................................................................................................................................................................101
Table 5.6: Analyses of Variance on the Intervening Variables by Experimental Factors ........................................................................................................................................................................................................102
Table 5.7: The Mediating Effect of Situational Attribution on Perceptions of Fairness of the Other Disputant, General Positive Regard toward the Other Disputant and Predictions for Positive Future Interactions ..........................................................................................................................................................................................108
Table 5.8: The Mediating Effect of Salience of Conflict on Perceptions of Fairness of the Other Disputant, General Positive Regard toward the Other Disputant and Predictions for Positive Future Interactions ................................................................................................................................................................................................................................................110
Table 5.9: Analyses of Covariance with Situational Attributions and Salience of Conflict as Covariates in the Relationship between Level of Intervention and the Outcomes of Interest ................................................................................................................................................................................................................................................112
ABSTRACT

Most dispute resolution is between employers and employees, family or friends, neighbors, and other groups who have continued contact after they leave the courtroom, mediator’s office, or agree to contract terms. Because of such ongoing relationships, a vital component of any kind of dispute resolution is how conflicting parties feel about each other after the process is over. Although previous conflict resolution research focuses primarily on the perceived fairness of the third-party, process or outcome, my dissertation centers around how the two parties engaged in the process perceive each other and their relations. Specifically, I ask how intermediaries’ intervention in a resolution process affects disputing individuals’ perceptions of fairness of one another, general positive regard toward one another, and predictions for positive future interactions with one another.

I explore the relationship between third party intervention and such relationship outcomes using two experimental methods, vignettes and laboratory research. In each experiment I vary the level of third party intervention (high, low, absent), while holding dispute resolution outcomes constant, and then measure disputants’ perceptions of one another. I also test three potential intervening mechanisms for the relationship between intervention and perceptions – procedural fairness, situational attributions, and salience of conflict.

Results indicate that third party intervention does affect perceptions disputants’ have of one another and that such results vary based on the method used. In the vignettes, the method typical of research in third party intervention, intervention is negatively related to perceptions of the other party. However, the opposite is true in the laboratory experiment. The results from the laboratory suggest that third party intervention is positively related to perceptions of the other party and that both the increased likelihood of situational attributions and decreased salience of conflict with high third party intervention partially explain this relationship.

Implications of these results, and potential areas of future research, are discussed.
CHAPTER ONE: INTRODUCTION

Trends in corporations, communities, and couples suggest that, in the United States especially, alternatives to litigation are growing in popularity and are often quite successful at settling disputes (Burgess & Burgess 1997; Morrill 2006). The broad term for these innovative resolution strategies and processes is alternative dispute resolution, or ADR. Mediation and arbitration are two of the most common types of alternative dispute resolution. Although mediation takes many forms, it represents a situation where an intermediary is involved in the resolution process by relaying requests, offers, and information between parties so that the disputants are not required to interact one-on-one. The key attribute of mediation is that in this type of conflict resolution, the disputing parties ultimately decide the outcome themselves. Arbitration, on the other hand, gives each disputant an opportunity to make their request to an arbitrator, but it is the arbitrator who ultimately decides the outcome. Although such alternatives to court-based adjudication date back hundreds of years, a relatively recent movement has brought these types of alternative dispute resolution into new realms, including the family, the workplace, and the government and its agencies.

Coinciding with the growth in the practice of alternative dispute resolution is a burgeoning literature. Over the last three decades there has been extensive research on mediation, arbitration, and other conflict resolution techniques (see Burgess & Burgess 1997 or Rebach 2001 for reviews). Researchers and practitioners alike assert that such
alternatives to courtroom proceedings have many positive benefits for the parties involved. Involvement in alternative dispute resolution is shown to increase perceptions of fairness of the *process* (e.g. Lind, Kulik, Ambrose, de Vera Park 1993; Lind, Maccoun, Ebener, Felsteiner, Hensler, Resnick & Tyler 1990), the *third party* (e.g. Arad & Carnevale 1994; Conlon & Falso 1990), and the *outcome* (e.g. Applebey 2002; Karambayya, Brett & Lytle 1992) in comparison to perceptions of fairness of these targets in litigation. However, surprisingly little attention has been devoted to how the involvement of a third party affects another important target, disputants’ feelings about *each other* after the process is over (Pillutla & Murnighan 2003; Sacks, Reichart & Proffitt 1999; see Kressel & Pruitt 1993 and Toews & McHenry 2001 for exceptions). These feelings – perceptions of fairness of one another, and general positive regard toward one another – likely play an important role in the future conflict between disputants. In addition, it is important to consider how the dispute resolution process itself may shape the tone of future interactions between disputants.

The limited work exploring life after dispute resolution finds that mediation, the most popular of the alternatives to litigation, actually causes more post-dispute conflict than heavier-handed types of third party intervention like arbitration or courtroom litigation (e.g. Pearson & Thoennes 1984; Toews & McHenry 2001). However, this research studying the effect of various dispute resolution styles on relationships is often descriptive rather than theoretical (Wall, Stark & Standifer 2001; see Baron 1990 for an exception). Drawing on recent research in social psychology, this dissertation develops
and experimentally tests three theoretical models linking third party intervention to relationship outcomes through different mediating variables using two different types of experimental methods. Experimental research allows one to make stronger inferences about the causal processes through which certain types of third party intervention might negatively affect perceptions of the other party or future interactions between the disputants. Once we identify the mechanisms related to post-dispute conflict, applied research can explore ways to counteract such an effect.

While conflict resolution research has focused almost exclusively on the fairness of the process, third party, or outcome, social psychology’s interest in perceived fairness of exchange partners and other affective and cognitive responses, including feelings of general positive regard, is increasing (Hegtvedt & Killian 1999; Molm, Collett & Schaefer 2006; Molm, Quist & Wiseley 1994; Molm, Takahashi & Peterson 2000, 2003; Schaefer, Molm & Collett 2004; Takahashi 2000). ¹ Despite this recent attention to such perceptions of disputants, and their effects, it is not surprising that the conflict resolution literature has failed to integrate or expand on sociology’s research because, to date, research in social exchange and interactional justice has focused exclusively on direct exchanges that are unmediated by a third party.

To bridge these literatures and address the gaps in both the conflict resolution research and social exchange, this dissertation specifically examines the effects of

¹ In the organizational literature, such perceptions of interpersonal fairness are referred to as interactional justice (Bies 2001; Bies & Moag 1986).
varying levels of third party intervention on important outcomes - perceptions of fairness that disputants have of one another, general positive regard disputants feel toward one another, and the disputants’ predictions for the tone of future interaction. These outcomes are important foundations of ongoing relationships of disputants and exploring the connection between such outcomes and levels of third party intervention will add valuable insight to the area of alternative dispute resolution. At the same time, extending social exchange theory to include exchanges involving an intermediary addresses a growing type of exchange relation, those involving a third party in the process. With recent research (Molm et al. 2006) emphasizing the importance of exchange context, researchers must acknowledge that even neutral parties – those who do not benefit directly from the exchange – alter the environment, and subsequently the affective outcomes, of exchange.

In this dissertation, I use social psychological theories and previous work in conflict resolution to ask: how do levels of third party intervention influence disputants’ perceptions of one another and their optimism about future interactions? Also because equal power or status positions in negotiation and dispute resolution are an ideal case (Pillutla & Murnighan 2003) – most disputants vary in their relative power – I ask, what role does advantage or disadvantage when going into the dispute resolution process play in the experience of conflict and affective processes?

In this chapter I describe in greater detail what I see as two problematic oversights: (1) the growth of alternative dispute resolution in practice, particularly
mediation, without adequate research about the ramifications of such a trend on human relationships, and (2) the failure to consider mediated exchanges as a form of exchange in sociological social psychology. I conclude with a framework for the chapters that follow.

**Addressing Assumptions about Mediation**

According to MacDougall (1984:3), there are four criteria for assessing conflict resolution processes: their effectiveness in ending the dispute, the cost of the process, the justice of the process and outcome, and the promotion of social goals. While there is substantial—although often contradictory—research on the first three criteria in mediation, the last one has been largely ignored by scholars and practitioners.\(^2\) The assumption that alternative dispute resolution (ADR), and mediation in particular,

\(^2\) **Effectiveness:** An important aspect of conflict resolution is whether conflict is ultimately resolved, measured by settlement rates (Walker 1989). Research suggests that resolution is not a given in mediation and there are a number of factors that contribute to, and inhibit, the resolution of disputes (Burgess & Burgess 1997; Wall, Stark, and Standifer 2001). **Cost:** Evidence does not support the assertion of many that mediation costs less than adjudication. Although much of the rise of alternative dispute resolution can be attributed to the stress that courts were feeling with the amount of “minor disputes” like divorce and custody cases or neighborhood squabbles that were eating away at court time and resources, research finds that mediation actually adds to the cost of resolving a legal dispute, and that out-of-court mediation is more costly than in-court mediation (Booth Committee Report 1985; Ogus, Jones-Lee, Cole & McCarthy 1990). **Justice of Process and Outcome:** Although the use of alternative dispute resolution procedures is on the rise, many question the “justness” of the procedures and outcomes, particularly as a result of the lack of procedural safeguards present in the judicial system (Bryan 1992; Bush 1992; Fineman 1991; Grillo 1991; Marshall 2002; Muggli 1996).
promotes social goals in the sense of enhancing the future relationship of disputing parties is just that – a widely accepted, and largely unchallenged, assumption (Ogus, Jones-Lee, Cole & McCarthy 1990; Walker 2002).

For instance, although Applebey, in a chapter on alternative dispute resolution and civil justice, alludes to the importance of the ongoing relationships of disputants, he *assumes* that mediation is the preferred method of conflict resolution for individuals with continuing contact (Applebey 2002). Without citing any research he asserts that when a relationship is to continue, a solution brought about, or agreed upon, by both parties is *thought to be* more acceptable than one imposed by a court of law (Applebey 2002:26). He supports this statement with the “*perception* [emphasis added] among many that litigation [exacerbates] the hostility between the parties to divorce and that this [has] a particularly harmful effect on the children involved” (Applebey 2002:36, italics added).

Moving beyond assumptions, research suggests that mediation does not improve the post-dispute climate between parties. Further, this is true in a range of types of disputes, including community disputes, divorces, and international conflicts (Kressel & Pruitt 1989; Toews & McHenry 2001; Walker 2002; Wall & Lynn 1993). In a publicly funded study of post-divorce outcomes in the United Kingdom, Walker and colleagues found that mediation “did not necessarily resolve the dispute and as one issue was settled, others seemed to emerge. At the end of [the] study, many couples were still in disagreement about a range of issues” (2002:138). Further, mediation was not as successful in improving the communication between conflicting parents or increasing
the well-being of disputants as some might assert (Burgess & Burgess 1997). Along the same lines, research in the United States by Toews and McHenry (2001) found that involvement in divorce mediation versus traditional court proceedings was actually a predictor for greater post-divorce conflict among parents. Why, then, is mediation so popular today?

Many argue that even if mediation fails at resolution, the conflicting parties can walk away feeling satisfied with the process and the outcome, because they had a chance to be involved in the process. Tyler (2002:20) asserts, “Disputants whose cases are handled using [alternative dispute resolution] procedures generally…like ADR procedures and that this is true irrespective of the outcome of those procedures.” In addition to enhancing perceptions that outcomes are fair, fair procedures also increase satisfaction with the relation, create more positive attitudes toward authorities, and produce a variety of positive behavioral reactions (Tyler, Boeckmann, Smith, & Huo 1997; Tyler, Degoey & Smith 1996; Tyler and Lind 1992). According to Porter and Taplin (1987:33) mediation epitomizes the aspects of fair procedures “because it, by definition, implies mutual consensus” and should be preferred to arbitration – a more heavy-handed form of third party intervention – in all cases.

**Extending Social Exchange Theory**

While procedural justice is important, what happens between parties post-conflict is as, if not more, important than what occurs in the midst of conflict resolution.
Therefore, procedural justice alone should not be the standard through which we measure the success of alternative dispute resolution procedures. It is important to consider that processes where the third party wields less power and the disputants more are not necessarily what is best for ongoing relationships. My dissertation answers the call to bring disputing parties back to the center of the study of conflict resolution (McEwen 1999; Pillutla & Munighan 2003) to explore how various types of resolution impacts the relationship between disputants. To do this I draw on other research in social psychology, particularly research on affect, attribution, and conflict in social exchange.

This work also adds to an extensive social exchange literature by bringing a third party into the exchange setting, whereas current and previous research focuses on direct, unmediated, exchange relations between two actors (either individual or corporate). Although social exchange research has focused solely on such unmediated exchange relations, many bargaining situations involve third parties. For social exchange to focus exclusively on unmediated exchanges exclusively ignores a large literature on third party involvement, including types of third party intervention (Rebach 2001) and their relationship with power processes (e.g. Marburger 1994; Schwochau, Feuille & Delaney 1988), outcomes (e.g. Chelius & Dworkin 1980; Wall & Lynn 1993), and perceptions of justice (e.g. Lind et al 1990, 1993).

While social exchange currently focuses on unmediated relationships, recent research in social exchange considers the context of exchange – or attributes of the
exchange settings and process. This recent work draws on social psychological theories that may help explain why a process that grants a third party decision control might be better for ongoing relationships – attributions of blame and salience of conflict.

Increasing levels of third party intervention may change the context, or the conditions under which the disputants interact, and a different context may result in different affective and cognitive outcomes. Alternative dispute resolution practices like negotiation and mediation not only allow plenty of opportunity for individuals to have their say in the process, but they also allow them to have their say in the decision. These characteristics of negotiation and mediation increase the opportunity to attribute blame for an undesirable outcome to the other disputant and for conflict to build between disputants.

Tyler (2002:20) uses divorce as an example when he asserts that in many dispute settlements, people do not fare nearly as well as they hope:

In divorce cases, for example, both parties often begin without any real awareness of the extent to which their life-style will be affected by the division of marital assets. Both parties imagine themselves unrealistically well-off after the settlement. In such a situation both are likely to end up receiving less than they expect and feel that they deserve in the settlement.

Although Tyler uses this example to support the importance of procedural justice in such disputes, it can be interpreted differently. Imagine the different perceptions an individual would have leaving a mediator’s office, where the decision was made, in part, by the person they are divorcing. Compare that to the experiences and perceptions of someone leaving a courtroom where the judge or arbitrator is the one who made the
final – and disappointing – decision. In the first situation one might feel better about the decision, because he or she had more opportunity to have a say; procedural justice research supports this. However, they can also blame the ex-spouse because they, too, had voice in the process and decision. In the second scenario, unlike the first, the individual would be able to direct their disappointment and anger to the judge, who has the authority and duty to impose such a decision (Walker 2002), rather than an ex-spouse. The ability to make these attributions and to direct anger at a target external to the disputing parties is a key element of conflict resolution. Further, the streamlined procedures in heavier-handed approaches like arbitration and adjudication compared to the back and forth nature of mediation may lessen the intensity of conflict.

Social exchange theory is also useful because of its interest in inequality. Because of the importance of access to resources in dispute resolution and the fact that equal positions of power or status going into a dispute resolution process are an ideal case (Pillutla & Murnighan 2003), it is important to include relative resource position as a consideration in the research design. More specifically, to take into account the role perceptions of advantage, disadvantage, and equality on relative resources going into the dispute process play in the experience of third party intervention and the resulting feelings individuals have toward one another. This is accomplished by varying the disputants’ perceptions of advantage, equality, or disadvantage on possession of valuable resources compared to the other disputant at each of the levels of third party intervention.
Bringing It All Together

With the growth of mediation today, largely because of assumptions about the positive effects of such dispute resolution procedures, it is important to consider the effects these experiences have on feelings individuals have toward one another and their ongoing relationships. While social psychology’s procedural justice theory is prevalent in work in conflict resolution, other social psychological work, including research on attributions, conflict, and social exchange, could add significantly to this area. At the same time, exploring situations involving a third party is an absolutely essential route for social exchange theorists who are interested in speaking to the wide variety of exchange situations present in social life today.

In the following chapters I address these issues. I begin by laying out the theoretical history and my own argument, and follow with the experimental methods, results, and a discussion of the findings. The next chapter, Chapter Two, addresses the theories and research I use to build my arguments and the research design. I begin with an explanation of social exchange research, the root of much of my theory and design, and then introduce research on conflict resolution and third party intervention. Next I lay out the three social psychological theories that I draw from - procedural justice, attribution theory, and theories regarding the negative effects of salience of conflict – to explain the link between level of intervention and disputants’ perceptions of fairness of, and general positive regard toward, one another, as well as predictions for positive future interactions. I lay out the three arguments in detail,
and generate causal models regarding the mediated relationship between third party intervention and relationship outcomes. Although a laboratory experiment is the main component of this project and the data collection, Chapter Three reports results from another experiment, a vignette study, completed prior to the laboratory experiment. The chapter includes the rationale, method, results, and implications of this vignette study for the dissertation. Chapter Four describes the experimental design and laboratory setting used in the laboratory portion of the research study in detail. Chapter Five presents the results of the laboratory experiment – both initial relationships between level of intervention and relative resource position and my dependent variables, and tests of the mediating effects of procedural fairness, attributions, and the salience of conflict. Chapter 6 discusses the results of the vignette and laboratory experiment, the limitations of this research, and a direction for future work in the areas of conflict resolution and social exchange.
CHAPTER TWO: THEORETICAL BACKGROUND

This chapter lays out the theoretical foundations of this project and posits hypotheses regarding the connections between level of third party intervention, relative resource position, and feelings disputants have toward one another and their future relationship. I am most interested in perceptions of the other disputant’s fairness, general positive regard toward him or her, and individuals’ predictions about the tone of future interactions with the other disputant. In the pages that follow I discuss social exchange theory and the various types of alternative dispute resolution. I also explore three possible intervening mechanisms to account for an effect of third party intervention on disputants’ feelings about one another and their future interaction: perceptions of procedural justice, situational attributions, and the salience of conflict in the situation. Finally I consider the importance of relative resource position and how being advantaged, disadvantaged, or even equal on resources going into the dispute process might interact with third party intervention to affect feelings toward the other disputant and future interactions between individuals.

Social Exchange Theory

Exchange – of information, advice, gifts, and other resources – is an important part of human interaction (Blau 1964; Homans 1961). Such exchange processes and their effects on individuals and social life is central to research in social exchange. Since

I model my project after research in social exchange because of social exchange’s contemporary emphasis on negotiated exchange, a type of alternative dispute resolution. In a negotiated exchange setting, actors negotiate the division of a fixed amount of
benefit within relations (Bonacich & Friedkin 1998; Cook & Emerson 1978; Cook, Emerson, Gillmore & Yamagishi 1983; Lawler 1992; Lawler & Yoon 1993, 1996, 1998; Lovaglia, Skvoretz, Willer & Markovsky 1995; Markovsky, Willer and Patton 1988; Molm et al. 2003; Molm et al. 1999; Skvortez & Lovaglia 1995; Thye, Lovaglia & Markovsky 1997). To date social exchange research has focused solely on direct unmediated negotiation, although many such bargaining situations might involve a third party. To focus on unmediated exchanges exclusively ignores a large literature on third party involvement, including types of third party intervention (Rebach 2001), and their relationship with power processes (e.g. Marburger 1994; Schwochau, Feuille & Delaney, 1988), outcomes (e.g. Chelius & Dworkin 1980; Wall & Lynn 1993), and perceptions of justice (e.g. Lind et al 1990, 1993).

With recent research in exchange (Molm et al. 2003, 2006; Schaefer et al. 2004) finding that the context of exchange, or attributes of various exchange processes, affects the affective outcomes for individuals engaged in those process – outcomes like perceptions of fairness, general positive regard, commitment, trust and solidarity – we must consider the effect that a third party has in exchange. How do levels of third party intervention influence disputants’ perceptions of procedural fairness? Do higher levels of third party intervention deflect attributions of blame for a disappointing outcome toward the third party and away from the other disputant? Does the presence of a third party ameliorate or exacerbate the salience of conflict in the situation? How do each of
these – procedural fairness, attributions and salience of conflict – influence feelings toward the other disputant and future interactions between disputants?

**Alternative Dispute Resolution and Third Party Intervention**

There are countless types of dispute resolution, with various levels of third party intervention in the settling of the dispute. The term intervention incorporates any involvement of a third party in the process or decision-making, of reaching a settlement, as well as any control over the final outcome. At one end of the continuum of intervention would be negotiation between individuals, with no third party involved in the process at all. In the middle would be mediation processes including conciliatory mediation, with minimal third party intervention as the mediator simply exchanges information for the individuals, but also processes like facilitative mediation, where the mediator takes information from one party and reframes the argument, using different words and strategies, to help disputants reach an agreement. A key aspect of mediation of all types is that in the end it is the disputants who determine what the final agreement will be. At the far end of the alternative dispute spectrum are the processes closest to court adjudication, arbitration. In a more recent form of arbitration, final offer arbitration, that is used in major league baseball, the arbitrator considers arguments from both parties on the proposed settlement of a dispute and is restricted to choosing one of the two parties’ proposals. In traditional arbitration the arbitrator is not bound to any specific frame and chooses what he or she deems most acceptable. A defining
characteristic of arbitration is that the final decision is always made by the third party, whether the proposed terms were created by a disputant or the arbitrator.

In my dissertation I examine three of these types of alternative dispute resolution, representing the most common in the literature and practice. The three procedures that I focus on in this research – direct negotiation, conciliatory mediation, and traditional binding arbitration – are detailed below. The three are ideal because they represent three distinct levels of third party intervention. Negotiation has no third party intervention, mediation represents a low level of intervention, and arbitration is marked by high third party intervention. Exploring the effects of three alternative dispute resolution processes, including a negotiation condition without a third party, allows me to compare the effects of three degrees of third party intervention.

In direct negotiation, two parties attempt to negotiate an agreement over the exchange of valuable rewards by making offers and counter-offers to one another. Many exchanges that occur in daily life, both social and economic, are of this type and this is actually how most divorces are settled in the United States (Jacob 1992). Communication between the two parties, alone, settles the dispute. An example is an employer and potential employee negotiating over the terms of hire. There is an amount of benefit for each to gain – the new hire gets financial compensation as well as benefits, and the firm gets the new hire’s productivity. The two parties negotiate the terms of how to provide mutual benefit. The employer states a salary and benefits offer, and the employee accepts that offer or provides a counter-offer. Negotiations continue back and forth until
an agreement is reached or the negotiations fail. This is the common negotiated exchange process and serves as the baseline condition for comparison with the other two forms of alternative dispute resolution.

The second process I examine, and the first to include a third party, is conciliatory mediation. Although there are many types of mediation (Wall, Stark & Standifer 2001), I chose this type for study because it is increasingly more common. While most early forms of mediation were facilitative in nature, where the third party – commonly referred to as a mediator – worked on bettering the relationship between individuals while at the same time facilitating communication between disputants, the mediator occupies a relatively minor role in conciliatory mediation. The popularity of conciliatory mediation is growing because it is inexpensive and efficient in nature. The third party takes the requests or offers from one party and presents them verbatim to the other party. The mediator then takes the conflicting party’s counter-offer and presents it, with no change, to the original party. This continues until an agreement is reached. In this process the mediator is designed to act simply as a buffer and the disputants make the final agreement. For example, rather than the employer making an offer directly to the potential employee and the employee making a counter-offer, the employer now tells the mediator, perhaps someone in human resources, the terms of hire and the mediator conveys this information to the potential employee and so forth, until an agreement is made. However, it is ultimately the employer and employee who make the decision. The
mediator simply acts as a go-between. This conciliatory type of mediation is a common alternative dispute resolution technique (Rebach 2001).

The third process, and the one with the highest degree of third party intervention, is traditional binding arbitration. In this type of arbitration, an arbitrator listens to both disputants’ proposed terms of exchange and then imposes a decision based on the “range of evidence.” This is the most common type of arbitration and is much closer to traditional court adjudication than either of the other two alternative dispute processes outlined. In traditional arbitration the arbitrator can make any decision he or she deems appropriate because the disputants’ requests are often unreasonable. A new form of arbitration emerged in response to the often unfair demands of disputants in arbitration, final offer arbitration. Unlike traditional arbitration, in final-offer arbitration the arbitrator is restricted to choosing one of the two parties’ proposed terms of exchange. This arguably makes disputants’ proposals more reasonable so as to make them more attractive to the arbitrator. Although final-offer arbitration is growing in popularity, I chose traditional arbitration for this project because it is much more common.

Continuing with the employment example, the arbitrator, an impartial or neutral third party who has the authority and the responsibility to make the final decision, considers the input from both parties and creates terms of hire that are binding for the parties involved without further negotiation.

Although there are many types of alternative dispute resolution and roles that third parties play in such processes, I chose these two styles of third party intervention
to contrast with direct negotiation because they are the most commonly used in conflict resolution research and they vary systematically on the level of third party intervention. I argue that these levels of intervention – low in mediation and high in arbitration – produce varying affective responses in exchange partners, including perceptions disputants have of one another and predictions for their post-dispute relationship.

**Theoretical Explanations**

I draw on three theories to derive predictions regarding disputants’ varying perceptions of one another and their optimism about future interaction. Each theory has a distinct hypothesis on the impact third party intervention will have on feelings toward the other disputant and the mechanism linking third party intervention and relationship outcomes. Procedural justice (Lind & Tyler 1988; Thibaut & Walker 1975) focuses on disputants’ perceptions of fairness of the process, specifically how much control individuals have over the process and the final decision. Attribution theories of justice (Heider 1958; Jones & Davis 1965; Kelley 1972), on the other hand, focus on who is to blame for any unsatisfactory outcomes. Other research (Hegtvedt & Killian 1999; Molm et al. 2006; Thompson & Loewenstein 1992) is concerned with the salience of conflict in the process – how conflictual the disputants perceive their relations to be. In the following sections I describe the logic of the arguments in these three theories and lay out their predictions regarding the effects of third party intervention in detail.
Procedural Justice Theory

Various types of dispute resolution represent different procedures for determining the allocation of benefits to the disputants. While distributive justice (Adams 1965; Homans 1962; Jasso 1980) refers to the fairness of outcomes or the benefits received by each party, procedural justice considers the fairness of the process used to allocate the resources. For instance, in addition to considering the final decision regarding the division of assets and child support (the outcomes), a woman going through a divorce might consider the justness of the procedure used by the court in deciding the outcome. She might ask herself, “Was I allowed to present my side of the story to the judge?” or “Did the process allow me to emphasize my debts, the minivan payment, and the fact that the children will be spending more time with me?” Theories of procedural justice argue that these procedures are of the utmost importance and that fair procedures are at least as important as fair outcomes to individuals seeking social justice (Van den Bos, Lind, Riël & Wilke 1997).

Procedural justice has been conceptualized in two distinct, yet arguably complementary, ways. Thibaut and Walker (1975) conceptualize procedural justice in instrumental terms and focus on the formal, structural aspect of a fair procedure, particularly disputants’ control over the process and the final decision. Formally, process control is an individual’s control over the information – particularly the order in which the information is offered, who is presenting that information, and what kind of information is discussed (Thibaut & Walker 1975). Decision control is the perceived
control an individual has over the final decision or the final outcomes. Both decision control and process control are related to the concept of instrumental voice, the input a disputant has before a final agreement, specifically input that impacts the final outcome.

The second conceptualization is Lind and Tyler’s (1988) group-values model, which also emphasizes the importance of voice but in relation to a person’s standing in a group. When people are afforded the opportunity to speak, they are more likely to consider themselves a valued member of the group (Lind & Tyler 1988). The group values relational model asserts that a procedure is fair if it indicates a positive, full-status relationship with an authority figure, and if it promotes within-group relationships. Lind and colleagues (Lind et al 1993) assert that procedural justice is more important than distributive justice on fairness decisions because of a “fairness heuristic” – the idea that outcome evaluations are almost completely an effect of a procedural justice judgment rather than either subjective or objective measures of the distribution of outcomes. However, Barrett-Howard and Tyler (1986) grant that when one type of justice is important the other is as well. Because people consider both types of justice about equally, when an individual is less concerned with the fairness of the outcomes, they are less likely to focus on the fairness of the procedures.

Previous research suggests that perceptions of procedural justice – in the form of process and decision control – are negatively related to third party intervention (Karambayya & Brett 1989). Control over the process is a zero-sum game - the more process and decision control the third party wields, the less the disputants have, and
vice-versa. People rate procedures where they have input in the process and control over the outcome as fairer than those where they do not (Tyler 2002). The work of Thibaut and Walker, Lind and Tyler, and others also asserts that if individuals perceive the process as fair or just this will have a generalizing effect toward other aspects of the dispute resolution. Fair procedures are important because they enhance perceptions that outcomes are also fair, increase satisfaction with the relation, create more positive attitudes toward authorities, and produce a variety of positive behavioral reactions (Tyler, Boeckmann, Smith, & Huo 1997; Tyler, Degoe & Smith 1996; Tyler and Lind 1992). In other words, if individuals think the process is fair – that is the way that the agreement was reached – they will likely think of the final decision as fair and the third party (if there’s one present) as fair as well.

Procedural justice theory argues that this generalizing effect is an important reason that mediation is preferred over heavier-handed approaches to dispute resolution including arbitration and adjudication (Tyler 2002). However, there is limited research examining whether or not the positive effects of procedural justice generalize to feelings about the other disputant, including perceptions of fairness of, and general positive regard toward, the other disputant (Tyler, Boeckmann, Smith & Huo 1997), and no empirical research examining how such perceptions of fairness might impact future interactions. If the generalizing effect of perceptions of procedural fairness also extend to these outcomes, as illustrated in Figure 2.1, ceteris paribus, we could infer from theories of procedural justice that negotiation, where the highest levels of process and
decision control of the disputants lead to higher perceptions of procedural fairness, would be the best for promoting positive feelings between disputants and setting the stage for positive future interactions. Mediation would be less so; and arbitration would result in the lowest levels of positive regard for the other disputant and the most dismal of predictions for positive future interactions.³

**Figure 2.1: The Procedural Justice Model of the Effect of Third Party Intervention**

Attribution Theory

In many cases, even once the dispute is resolved, people end up with less than they feel like they deserve. This is particularly true in such non-correspondent, conflictual scenarios like many solved with alternative dispute resolution processes.

³ It is important to note that the three theoretical ideas set forth in this chapter are interrelated and likely work together in affecting the relationship outcomes of conflict resolution. However, considering each, holding constant outcomes and resource positions, is an important first step in the presentation of these ideas.
Although attributions play an important role in shaping perceptions of justice, it is important to consider the effect of attribution processes alone. How might the determination of blame, or attributions of cause for an unsatisfactory outcome, affect feelings disputants have toward one another?

Throughout our daily lives we observe the behavior of individuals, and the results or effects of those actions, and we ask ourselves why it is that people do what they do. When we make inferences about why an individual behaves the way that they do, we are making causal attributions (Heider 1958). The attribution process seeks to determine the cause of the behavior and we attribute the behavior to either situational or dispositional causes (Heider 1958; Jones and Davis 1965). For example, when a colleague snaps at you at a meeting you might ask yourself why she did that. Is she overworked or overwhelmed (a situational attribution) or does she lack professional decorum (a dispositional attribution)? Such attributions are important because they shape our emotional responses to behaviors. You will likely respond differently to your colleague depending on whether you believe her actions were caused by her disposition or by situational causes.

This process is also related to disputes. Consider, for instance, someone who feels they got less than their share in a divorce settlement. They can make a dispositional attribution and blame their money-hungry ex-spouse, or they can make a situational
attribution and blame the judge who ruled on the final division of the assets.\(^4\) The latter – blaming the judge – is only possible in a situation where a third-party is present and responsible for determining the settlement.

Attribution theories of justice would suggest that in a situation where an individual fares less well than they think they deserve, which is probably the case in the majority of dispute settlements and certainly characteristic of non-correspondent disputes, they will seek out a reason external to themselves as to why this happened (Cohen 1982; Homans 1974; Shepelak 1987; Utne & Kidd 1980). That is, they will try to blame someone or something else. Such an external reason could be the disposition of another – their opposing disputant or the third party – or it could be something about the situation.

Seeking out causal attributions external to oneself stems from individuals’ self-interest. Individuals are motivated to take credit for good outcomes and blame others, or external circumstances, for bad outcomes. This self-interest shapes both the motives of actors and their perceptions of the exchange process. For instance, when someone benefits from an exchange she will tend to attribute the positive event internally, to self-as-cause. However, when someone experiences an unfavorable outcome, she may start looking for external causes to explain why she received this outcome (Shepelak 1987).

\(^4\) Of course an individual could also make an attribution about the judge’s disposition rather than the situational constraints of the judge. Either way, the judge should deflecting the blame from the other disputant.
She will look to circumstances beyond her control, either the situation at hand or the disposition of another. If we place blame on another, and make a dispositional attribution, we think of the actions as intentional and unfair. If these dispositional attributions are directed at the other disputant, these attributions about the cause of the outcome and the conflicting party’s disposition increase feelings of injustice and increase the perceived unfairness of the exchange partner (Cohen 1982).

The more third party intervention, the more accessible a source of attribution external to the two conflicting parties becomes to the participants. Blaming this situational factor (the process) or the disposition of a different target (the third party) will lessen dispositional attributions toward the other disputant. Deflecting blame to a third party should increase perceptions of the other disputant’s fairness and general positive regard toward him or her and help future interactions between disputants (Cohen 1982; Hassenbrauk 1987; Hegtvedt & Johnson 2000; Kidd & Utne 1978).

Increasing levels of third party intervention should give individuals the opportunity to place blame for unsatisfactory outcomes on factors external to the relationship and maintain a more positive view of their exchange partner. When an individual attributes responsibility for a negative outcome to the third party or the process, the blame is taken off the other individual (Blount 1995), and the third party or the dispute resolution process should shoulder the negative affective responses (Hassenbrauk 1987), resulting in more favorable perceptions of the other disputant including both general positive regard and perceptions of fairness, and predictions regarding future interactions.
between disputants. This causal model, posited by attribution theories is illustrated in Figure 2.2.

**Figure 2.2: The Attribution Model of the Effect of Third Party Intervention**

In the attribution model third party intervention is positively related to general regard for the other party, perceptions of fairness of the other party, and predictions for positive future interactions, with situational attributions as the mediating variable. Because third party intervention is positively related to situational attributions, which, in turn, are positively related to the outcomes of interest, the attribution account is a positive relationship. This theory would predict that general positive regard toward, and perceptions of fairness of, the other disputant and predictions about future interactions, would be highest in arbitration, lower in mediation, and lowest in negotiation – the opposite of the predicted ordering in the procedural justice model.

**Salience of Conflict**

It is also important to consider the salience of conflict inherent in the dispute resolution process. The more intense the conflict is in a situation – that is the more
opposed two disputants’ positions seem to be – the more likely that each disputant will view the process in a self-interested manner (Molm et al. 2003). In such situations fairness judgments become more egocentric and individuals are more concerned with the comparison of their outcome to others’ than with the absolute value of their own outcome (Thompson & Loewenstein 1992). This leads to greater levels of dissatisfaction, with the outcome and with the other party.

While negotiated exchange is often rated as a fair procedure, recent research documents the salience of conflict in negotiated exchange and asserts that this conflict may be one reason for higher levels of negative affect (toward outcomes and exchange partners) in negotiated versus other forms of exchange (Molm et al. 1999, 2003; Schaefer et al. 2004). The back and forth nature of requests and offers between conflicting parties may contribute to the salience of conflict. The nature of agreements increases conflict as well, with the benefit to one so clearly coming at the concession of another (Hegtvedt & Killian 1999; Molm et al. 2003, 2006). In negotiation actors’ outcomes are easily compared and unequal outcomes are perceived as an intentional consequence of an exchange partner’s behavior (Molm et al. 2003).

Although mediation shares some of these conflictual qualities, particularly conciliatory mediation with minimal third party involvement, third party intervention should lessen the intensity of conflict in bargaining by eliminating direct negotiations between disputants. The mediator should serve to dampen the direct conflict between the parties and lower levels of conflict should be positively related to perceptions of the
other disputant, including ratings of fairness, general positive regard, and predictions for a positive future relationship.

Arbitration should reduce this conflict further. Disputants are only allowed to make one proposal to the arbitrator, which he or she grants or does not, eliminating the back and forth process which builds conflict. Benefits for one come from the arbitrator’s decisions, not the concessions of the other. In arbitration the disputants’ positions seem opposed to the arbitrator, not one another. This should increase the focus on how the arbitrators’ settlement benefited them, and lessen thoughts of how their share compared with the other disputants’.

This model, with level of intervention negatively related to salience of conflict and salience of conflict negatively related to feelings toward the other party and predictions for positive future interactions, is outlined in Figure 2.3. Like the attribution theory causal model, this model suggests that general positive regard toward the other party and perceptions of fairness of them, as well as predictions for positive future interactions will be highest in arbitration, lower in mediation, and lowest in negotiation. This ordering suggests an overall positive effect of third party intervention on relational outcome.
Figure 2.3: The Salience of Conflict Model of the Effect of Third Party Intervention

The Role of Relative Resources

Individuals often enter a dispute in differing status positions (Pillutla & Murnighan 2003; Taylor & Beinstein Miller 1994) a man has a status advantaged over a woman; a high school drop-out often occupies a lower status position than an individual with a doctorate. In the same way, disputants may differ on power. Power, as conceptualized by Emerson (1972), is an individual’s access to alternatives in an exchange. The disputant who has more money, a higher paying job, or a network of associates who is able to assist them in the future, has more power than an individual with limited resources, no source of income, and who lacks connections that facilitate future success. Although there are distinct social psychological theories of status (Berger, Cohen & Zelditch 1966, 1972) and power (Emerson 1972), because the two are related
(Walker, Thye, Simpson, Lovaglia, Willer & Markovsky 2000), I combine them as I consider relative resource position in the exchange relation.

I focus on three relative resource positions – relatively advantaged, disadvantaged, and equal compared to the other disputant. It is important to note this variable captures resources going into the dispute – initial resource positions – and is not based on how individuals fare in the dispute. Those who are advantaged on resources possess unspecified resources that the other disputant lacks and those who are disadvantaged lack such resources and are aware that the other disputant possesses them. Those who are equal either possess or lack resources, but are aware that the other disputant has an identical level of resource access. It is important to note that in my experimental design resource position cannot affect the outcome of the dispute resolution. I hold the outcomes constant across conditions; thus, resource position can only affect affective reactions to those outcomes.

As far as outcomes are concerned, I am most interested in cases where all three relative resource groups feel disadvantaged by the settlement – when they feel they got less than they deserved from the conflict resolution. Because I focus on such cases, where individuals feel disadvantaged in the outcome, the following predictions are restricted to such situations. Relative resource position would likely have different effects on relationship outcomes in situations when individuals are satisfied with the outcomes or feel somehow over-rewarded in the dispute settlement.
The Effect of Relative Resources

The conflict inherent in non-correspondent disputes like those settled with alternative dispute resolution heightens awareness of a power relation (Bacharach and Lawler 1976, 1980, 1981; Lawler 1992). With relative resource relations made salient, level of relative resources may impact relationship outcomes. Further, this effect might be mediated by relative resource position’s effect on the three causal mechanisms – procedural fairness, situational attributions, or salience of conflict.

In situations where individuals receive a disappointing settlement outcome, one would expect that those who enter the resolution process advantaged would be the most disappointed with the outcome because they are likely to expect to be advantaged in the settlement as well (Jasso 1980; Markovsky 1985). These advantaged individuals are also likely to have high standards for both procedural and interactional fairness (Leung, Smith, Wang & Sun 1996), and when they feel that they are somehow mistreated during the process or not afforded the respect they expect, they are the most likely to be disappointed not only with the outcome, but also with the process and treatment by the others involved as they search for a way to explain the injustice (Molm et al. 2003). On the other hand, those who are disadvantaged going into the dispute likely expect outcomes that somehow disadvantage them and will be less disappointed and less likely to seek out targets to blame, or to blame available targets, for the outcome.

Drawing on the earlier discussion of my theoretical causal mechanisms, these reactions to disappointing outcomes suggest varying predictions for how relative
resource position might interact with third party intervention to affect relationship outcomes. In all cases, relative resource advantage strengthens the effect of third party intervention on the outcomes of interest, although the accounts differ on whether this has positive or negative effects on said outcomes.

**Relative Resource Position and Procedural Justice.** Those who are advantaged going into the process should expect to be afforded process and decision control (Leung, Smith, Wang & Sun 1996). These relatively advantaged individuals also expect to benefit the most from such control as their inputs and suggestions are most likely to be accepted by others (Berger et al. 1966, 1972). Therefore a loss of control that comes with increasing third party intervention has important, negative implications for their perceptions of fairness of the process (Thibaut & Walker 1975, 1978, Karambayya & Brett 1989). If the procedural justice account holds, and such perceptions of procedural fairness are negatively connected with increasing levels of third party intervention, higher levels of intervention will have the greatest negative effect on the relationship perceptions and predictions of individuals who are relatively resource advantaged, an intermediate effect on the perceptions and predictions of those who are equal on relative resources, and the most muted effect on those who enter the dispute resolution procedure disadvantaged on relative resources.

**Relative Resource Position and Attributions.** Those who are advantaged going into the process are also the most motivated to make situational attributions to maintain a positive image of themselves (Bradley 1978; Weiner 1974). Individuals who are
disadvantaged going into the process might expect a disappointing outcome and are therefore the least likely of the three groups to be motivated to make an external attribution regarding the cause of the unfair settlement. Therefore, if the attribution account is correct, and opportunities for situational attributions increase with third party intervention, and resource advantaged individuals are the most motivated to make such attributions, higher levels of intervention will have the greatest positive effect on relationship perceptions and predictions for individuals who are relatively resource advantaged, an intermediate effect on the perceptions and predictions of those who are equal on relative resources, and the most muted positive effect on those who enter the dispute resolution procedure disadvantaged on relative resources.

**Relative Resource Position and Conflict.** Conflictual situations make salient power differences between individuals (Bacharach and Lawler 1976, 1980, 1981; Lawler 1992). It follows from this that in situations where conflict is more intense, those who are advantaged on relative resources will be more aware that they were disputing with someone of lower relative resource position than those in less conflictual situations (and vice-versa). Therefore, if the individual who was relatively advantaged going into the dispute ends up getting less than they believe they deserve, they are more likely to realize the individual who fared better had less status or power than they did. This discrepancy will serve as a larger threat to the advantaged individual than those who are equal or disadvantaged on resources going into the process. This conflict, and anger, is likely to be directed by the advantaged individual toward the lower status disputant.
Therefore, if the salience of conflict account is correct, and the intensity of conflict lessens with increased third party intervention, higher levels of intervention will have the greatest positive effect on relationship perceptions and predictions for individuals who are relatively resource advantaged, an intermediate effect on the perceptions and predictions of those who are equal on relative resources, and the most muted positive effect on those who enter the dispute resolution procedure disadvantaged on relative resources.

**Testing Predictions**

The next chapter, Chapter Three, specifically addresses the predictions of the three main causal models – procedural justice, attributions, and salience of conflict – by analyzing data from a vignette experiment. The vignette study served not only as an initial test of these theories, but offered me the opportunity to refine my variables and measures, to connect my work to previous work in procedural justice which relies heavily on experimental vignettes, and also to compare the results of two methods – vignettes and laboratory research. To simplify analyses, the data collected in the vignette study measures various affective responses to level of third party intervention *without* manipulating relative resource advantage. However, after completing the vignette study, the main causal models as well as the interaction effects of relative resource position were tested in the Social Interaction Laboratory at the University of Arizona. Chapter
Four describes the methods for the laboratory experiment and Chapter Five details the results of the laboratory research.
CHAPTER THREE: THE VIGNETTE STUDY

Before beginning my research in the laboratory, I conducted a vignette study to explore the relationship between third party intervention and feelings disputants have toward one another. The vignette method presents a detailed scenario to subjects and asks them to imagine themselves in such a situation and indicate how they might feel, act or respond in a similar situation. Vignettes are considered an experimental method because of the control of key factors included in the scenarios – in this case the dispute resolution procedure, which varies on level of third party intervention – and the vignettes are randomly distributed among a group.

There are four main reasons that I ran the vignette study in addition to the laboratory experiment. The first is that vignettes constitute the majority of experimental research in procedural justice (e.g. De Cremer & Stouten 2005; De Cremer, Tyler & den Ouden 2005; Lind, Kanfer and Earley 1990; Stecher & Rosse 2005; Tyler et al. 1996; Van den Bos et al. 1997). Subjects’ responses to various scenarios allow researchers to determine people’s preferences regarding procedures, as well as fairness ratings of such processes. To use vignettes in my own research helps make my work comparable to previous research in procedural justice while studying third party intervention and its effects on relationships between disputants.
I also included vignettes in this project to explore the importance of method in this line of research. The use of two difference experimental methods allows me to examine whether the experience of a conflict resolution scenario – both the actual process and a tangible outcome – is crucial in accurately assessing how one might feel or act in a situation. The laboratory experiment is different than the vignettes in that the subject, the other party in the dispute, and the third party actually engage in the process of dividing the assets and an unequal division of assets is not hypothetical but results in a real loss of valuable resources – money. This action, and this outcome, might lead to different experiences and affective outcomes – including perceptions of the other disputants’ fairness, general positive regard toward the other disputant, and predictions for positive future interactions. There is great value in understanding the benefits and drawbacks of methods of study in this line of research.

Third, the vignette study offers an opportunity to pretest certain aspects of the laboratory experiment – specifically the scenario, the outcome, and post-experimental questionnaires and measures. Finally, the vignettes act as a preliminary test of the theoretical models. They offer an initial understanding of the phenomena of interest, in this case connections between dispute resolution procedures and positive outcomes like perceptions of fairness, general positive regard, and predictions for positive future interactions, and were helpful in refining the laboratory experiment.
Experimental Procedures

I administered the experimental vignettes and a related questionnaire to students in sociology classes during fall of 2005. Each vignette had three parts. The first briefly described a conflict situation in which two former business partners disagreed on how to divide remaining business assets between them. In all conditions, this conflict – the business dispute – was the same. The second part of the vignette described the procedure used to divide the assets. This was the only aspect of the vignettes that varied by condition, the process used to divide the assets – negotiation, mediation, or arbitration. The third part of the vignettes described the outcome of the division process. This outcome, which slightly disadvantaged the experimental subject, was also constant across conditions. All three vignettes are in Appendix A. The remainder of this chapter describes the methods in more detail, presents the data, analyses, and results, and briefly discusses the implications of this pilot study.

Design and Subjects

The vignette experiment was a between-subjects design, exposing each subject to one of three levels (negotiation, mediation, arbitration) of the single manipulated independent variable, level of third party intervention. A total of 192 subjects responded

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5 Although my laboratory experiment manipulates relative resource position, this variable was not manipulated in the vignettes. The conditions in this pilot study all assume equal standing between the disputants going into the dispute.
to the three vignettes, with women outnumbered men nearly two to one in all three conditions.

The Vignettes

In constructing the vignettes, it was important to ensure that the actors, situation, and outcome were as similar to the main laboratory experiment as possible. This not only allowed for comparability between the results of the two methods, but also served as an initial pretest of certain aspects of the laboratory situation – the most important of which is the establishment of a conflict between subjects. The scenario presented in the experimental vignettes, like the instructions for the laboratory experiments, told subjects that they had to divide remaining business assets with a previous business partner and included information on the importance of accumulating the assets.

Below is the actual text from the vignettes establishing the conflict of interests and building investment in the situation.

*Please imagine the following scenario:*
You and Taylor have been in business for three years. It is not working out and you are both ready to move on to new business ventures. There are a number of assets (e.g. supplies, parts) left from the business to divide between you. You feel that you have contributed more to the business and deserve a larger share than Taylor. Taylor believes the opposite and is asking for a larger share.

It is important to you that you accumulate as many assets as possible because you plan on trading your assets in for their cash value at the end of the division process. You will use the cash to begin your next business venture. You are unsure of Taylor’s future plans and do not know if they include trading the assets for cash or using them in the future.
It can be difficult to get subjects invested in a vignette scenario, because they are not actively experiencing the situation and thus do not stand to benefit directly from – or be hurt by – the outcome of the situation. The information on the disagreement between the subject and Taylor, the old business partner, is intended to build conflict and heighten subjects’ investment in the scenario. An explanation of how the subject would use the assets in the future also establishes the importance of the outcome. This introduction was the same in all three dispute resolution procedures.

Another important feature of the vignettes is the choice of a name for the business partner, Taylor. Giving the business partner an actual name or identity is intended to add to the authenticity of the situation and stimulate genuine reactions. Of two gender-neutral names, Taylor produced the most diverse gender assumptions among the subjects. Nevertheless, the majority of both men and women believed that Taylor was a man, most likely because the vignette focused on business (Gladwell 2005). Of 65 men, 71% imagined Taylor as a man, 29% thought of Taylor as a woman. Of 126 women, 55% assumed Taylor was a man, 45% envisioned Taylor as a woman. The difference in such assumptions between men and women is not statistically significant.

A final important element, identical in the vignettes, was the unequal division outcome of the dispute resolution process. Immediately after the description of the

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6 I also tried Chris.
process, subjects were presented with information regarding the outcome of the process. In all cases, this outcome slightly disadvantaged the subjects.\(^7\)

At the end of the negotiation process you add up your assets and compute their value, preparing to trade them in. Taylor decides to do the same. You compare the value of your assets to the value of Taylor’s accumulated assets and realize that you received less than half the total value of the assets. You acquired only 42% of the value. Taylor on the other hand, has 58%.

I chose this division outcome for a number of reasons. First, I am most interested in situations in which people receive less than they think they deserve, or more specifically, less than half.\(^8\) Second, I focus on these individuals because they are the most likely to carry this dissatisfaction with them after the process, and more likely to attempt to determine justice or make causal attributions to explain what happened (Barrett-Howard & Tyler 1986). Finally, under reward elicits a more immediate reaction than over reward (Jasso 1978).

After learning of the unequal breakdown, and considering how they would feel in that situation, the subjects completed an attached questionnaire which measured the dependent variables.

\(^7\) In pre-testing I tried a 45/55 split, still favoring Taylor, and subjects suggested that the split was not unequal enough, prompting the use of the 42/58 split.

\(^8\) It is important to note, though, that perceptions of unfairness can result even when an individual receives half, or more than half. Consider the divorce scenario mentioned in the introduction. Often each party goes into a divorce hearing thinking that their life will be much like it was before the divorce, except without their partner. The truth is, even if they end up with half the assets, life does not feel the same and they somehow feel they got less than they deserve (Tyler 2002).
Manipulations

The single experimental factor in the vignettes’ experimental design is the procedure used to solve the dispute – which varies on level of third party intervention in the process. Hence, all that varied across conditions in the vignettes was the process Taylor and the subject used to divide the assets, and the related description. Negotiation is the condition with no third party intervention, mediation represents limited intervention, and arbitration has the highest level of third party intervention.

In negotiation, Taylor and the subject exchanged offers and counteroffers between themselves until all the assets were divided:

To divide these various assets, you and Taylor engage in a negotiation process. You divide the assets one at a time until all of them have been liquidated. In this negotiation process you and Taylor exchange offers (e.g. how many sprockets you get, how many Taylor gets). After considering the offers, you each make counteroffers. These offers and counteroffers continue until the two of you agree on a division of the asset. This decision is final, and the asset is divided accordingly. This process begins again with each new asset and the negotiations continue until you and Taylor have divided all the assets.

In mediation, the process was exactly the same in that the subject and Taylor made agreements on the division of each type of asset, one by one. However, all the offers were exchanged through a mediator. The mediator acted as a go-between, relaying the offers and counteroffers from the subject to Taylor and vice-versa. The disputants, Taylor and the subject, still had control over the final decision.

To divide these various assets, you and Taylor engage in a mediation process. You divide the assets one at a time, with the help of a mediator,
until all of them have been liquidated. In this mediation process you and Taylor make offers (e.g. how many sprockets you get, how many Taylor gets) to a mediator. The mediator relays the offers to each of you. After considering the offers, you each make counteroffers. These offers and counteroffers continue through the mediator until the mediator announces that the two of you agree on a division of the asset. This decision is final, and the asset is divided accordingly. This process begins again with each new asset and the negotiations continue until you and Taylor, with the help of the mediator, have divided all the assets.

In arbitration, the final decision was no longer in the hands of the disputants, but under the control of the arbitrator. Subjects read that they and Taylor made individual offers regarding the division of the asset and the arbitrator then decided on the final division of the asset.

To divide these various assets, you and Taylor engage in an arbitration process. You divide the assets one at a time, with the help of an arbitrator, until all of them have been liquidated. In this arbitration process you and Taylor make offers (e.g. how many sprockets you get, how many Taylor gets) to an arbitrator. After considering both offers, the arbitrator decides on a division of the asset. The arbitrator’s decision is final and the asset is divided accordingly. This process begins again with each new asset and the negotiations continue until you and Taylor, with the help of the arbitrator, have divided all the assets.

In all three conditions the decisions on division were final and the asset was divided accordingly.

**Measures**

The subjects completed a questionnaire after reading the vignettes. The questions included both measures of the dependent variables of interest (perceptions of the other disputant and predictions for positive future interactions) and the intervening
mechanisms proposed in the previous chapter: perceived procedural justice, attribution of blame, and salience of conflict. Each of the questionnaire items was measured on a 7-point, bipolar, semantic differential scale, with higher values indicating more positive outcomes. The actual questionnaires are listed with the vignettes in Appendix B.

**Dependent Variables.** I measured perceptions of Taylor’s fairness with a two-item scale. Both items asked subjects, “How would you describe Taylor?” (unreasonable/reasonable, unfair/fair). With responses to these two items averaged, the resulting scale has an alpha reliability of .92. To measure general positive regard I asked subjects to: “Describe your feelings toward Taylor,” with possible responses ranging on a continuum between negative and positive. To measure predictions for positive future interactions I asked subjects: “What do you think your relationship with Taylor would be like in the future?” (hostile/friendly).

**Mechanisms.** I measured two components of procedural justice – level of process and decision control and actual ratings of fairness of the exchange process. I measured the first, sense of control, with a two item scale. The first item asked subjects, “How much input do you feel the negotiation process gave you?” (none at all/a great deal) and the second, “How much control do you feel you had in deciding this division of the assets?” (none at all/a great deal). With the responses of these two items averaged, the resulting scale has an alpha reliability of .72. To measure perceptions of fairness of the process I asked subjects to evaluate the asset division process on a 7-point scale ranging from unfair or fair. To measure attributions regarding Taylor’s behavior I asked, “Do
you think that Taylor’s behavior was influenced primarily by characteristics of Taylor (the kind of person Taylor is), primarily by characteristics of the [negotiation/mediation/arbitration]9 process, or by characteristics of both? Finally, to measure salience of conflict I asked subjects to evaluate the asset division process on a continuum between cooperative and competitive.

**Other Considerations.** Because dissatisfaction with outcomes is often a precursor to questioning the fairness of the procedures used to determine those outcomes (Barrett-Howard & Tyler 1986), I also asked about the division outcome. Although the split was the same in every condition – 42% for the subject and 58% for Taylor – I asked subjects to evaluate the outcome (fair/unfair), rate “How equal or unequal…the outcome of the asset division was” (unequal, benefiting me/unequal, benefiting Taylor) and who subjects felt was most responsible for the division outcome (I was/Taylor was).10

Also, because of my interest in the third party’s role in the affective outcome of alternative dispute resolutions, I also examined perceived fairness of the third party and general positive regard toward the third party, if one was present. To gauge perceptions of fairness I averaged subjects’ responses to two items, “How would you describe the

---

9 The questionnaire only asked about the process the vignette described.
10 In the negotiation condition questionnaire, this item was a semantic differential scale where a rating of ‘4’ suggested equal responsibility. In the mediation and arbitration conditions, this item was a multiple choice question where subjects were required to choose who was most responsible for the outcome – self, Taylor, or the third party.
mediator?” (unfair/fair, unreasonable/reasonable). The resulting scale has an alpha reliability of .93. To measure general positive regard toward the third party I asked subjects to rate their feelings toward the third party (negative/positive).

**Results**

Initial results indicate that the manipulation of level of third party intervention in the vignettes resulted in a number of statistically significant differences in subjects’ responses to the post-vignette questionnaire. Table 3.2 reports the means, standard deviations, and significant differences between conditions for all the measures. I first discuss the relationship between level of intervention and the dependent variables – perceptions of fairness of, and general positive regard toward, Taylor, and predictions for positive future interactions – without considering intervening mechanisms. Then, as I revisit the causal models proposed in the previous chapter, I address the mechanisms and other significant findings in turn.

**Testing Predictions**

I begin by examining the relationship between level of intervention and perceptions of Taylor without regard to intervening mechanisms. The results in Table 3.2 suggest that there were no significant differences between conditions in subjects’ perceptions of Taylor’s fairness or general positive regard toward Taylor. However, predictions for positive future interactions were higher in mediation than in any other dispute resolution process. Although the differences between negotiation and mediation
were not statistically significant, mediation produced significantly more optimism about future interactions than arbitration (t=2.51, p < .01). While this non-linear effect of intervention is not predicted by any of the three theories, mediation’s more positive effect on post-dispute relationships compared to arbitration provides some support for procedural justice’s view that mediation is preferable to arbitration and does not support predictions of attribution or conflict theories. Consequently, I now turn to a test of procedural justice’s full causal model.

The Procedural Justice Model. Procedural justice theories argue that perceptions of procedural fairness are positively related to perceptions of the other disputant’s fairness, general positive regard toward the other disputant, and predictions for positive future interactions because of the generalizing effect of procedural fairness. Disputants consider procedures fair when they feel that they have control over the process and the final decision; this control is higher when third party intervention is low. Procedural fairness should also generalize to perceptions of fairness of other aspects of dispute resolution, including the division outcome and third party.
Table 3.1: Means and Standard Deviations of Key Variables, by Level of Intervention

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>Negotiation</th>
<th>Mediation</th>
<th>Arbitration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N=60</td>
<td>N=62</td>
<td>N=69</td>
</tr>
<tr>
<td>Perception of Fairness (of Taylor)</td>
<td>3.60</td>
<td>3.61</td>
<td>3.52</td>
</tr>
<tr>
<td></td>
<td>(1.45)</td>
<td>(1.89)</td>
<td>(1.49)</td>
</tr>
<tr>
<td>General Positive Regard (for Taylor)</td>
<td>2.98</td>
<td>3.16</td>
<td>3.14</td>
</tr>
<tr>
<td></td>
<td>(1.02)</td>
<td>(1.10)</td>
<td>(1.27)</td>
</tr>
<tr>
<td>Predictions for Positive Future Interactions</td>
<td>3.54</td>
<td>3.81c</td>
<td>3.26b</td>
</tr>
<tr>
<td></td>
<td>(1.16)</td>
<td>(1.02)</td>
<td>(1.41)</td>
</tr>
<tr>
<td><strong>Mechanisms</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of Process and Decision Control</td>
<td>4.20</td>
<td>4.07</td>
<td>3.04a</td>
</tr>
<tr>
<td></td>
<td>(1.24)</td>
<td>(1.10)</td>
<td>(1.27)</td>
</tr>
<tr>
<td>Perception of Fairness (of Process)</td>
<td>4.21c</td>
<td>4.16c</td>
<td>3.22ab</td>
</tr>
<tr>
<td></td>
<td>(1.83)</td>
<td>(1.62)</td>
<td>(1.25)</td>
</tr>
<tr>
<td>Situational Attributions</td>
<td>4.46</td>
<td>4.31</td>
<td>4.43</td>
</tr>
<tr>
<td></td>
<td>(1.26)</td>
<td>(1.29)</td>
<td>(1.55)</td>
</tr>
<tr>
<td>Salience of Conflict</td>
<td>4.70b</td>
<td>4.12a</td>
<td>4.39</td>
</tr>
<tr>
<td></td>
<td>(1.72)</td>
<td>(1.50)</td>
<td>(1.72)</td>
</tr>
<tr>
<td><strong>Other Measures†</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of Inequality of Outcome</td>
<td>5.07</td>
<td>5.11</td>
<td>5.42</td>
</tr>
<tr>
<td></td>
<td>(1.26)</td>
<td>(1.12)</td>
<td>(1.23)</td>
</tr>
<tr>
<td>Perception of Fairness (of Outcome)</td>
<td>3.23c</td>
<td>3.24c</td>
<td>2.77ab</td>
</tr>
<tr>
<td></td>
<td>(1.44)</td>
<td>(1.35)</td>
<td>(1.49)</td>
</tr>
<tr>
<td>Perception of Fairness (of Third Party)</td>
<td>--</td>
<td>4.20c</td>
<td>3.45b</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1.49)</td>
<td>(1.64)</td>
</tr>
<tr>
<td>General Positive Regard (toward Third Party)</td>
<td>--</td>
<td>3.59c</td>
<td>2.86b</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1.31)</td>
<td>(1.52)</td>
</tr>
</tbody>
</table>

Standard deviations given in parentheses, all tests one-tailed
a Differs significantly (p<.05) from the negotiation condition mean
b Differs significantly (p<.05) from the mediation condition mean
c Differs significantly (p<.05) from the arbitration condition mean

† Responsibility for outcome results are shown in Table 3.4.
Measures of the causal mechanisms, shown in Table 3.2, provide initial support for the procedural justice account. Level of third party intervention is negatively related to perceptions of control over the process and outcome and ratings of procedural fairness. Subjects’ perceived significantly more control over both the process and outcome in negotiation and mediation than in arbitration (t=5.23, p<.001 and t=4.93, p<.001, respectively) and rated both as fairer procedures than arbitration (for negotiation, t=3.25, p<.001 and for mediation, t=3.29, p<.001). Other aspects of the generalizing effect of procedural fairness also receive initial support. The division outcome is rated as significantly fairer in the negotiation and mediation conditions than in arbitration (t=1.76, p<.05 and t=1.86, p<.05, respectively) and the mediator is seen as significantly fairer than the arbitrator (t=2.74, p<.01). In addition to being perceived as more fair, the third party also garners significantly more positive regard in mediation than in arbitration (t=2.91, p<.01).

To determine whether or not the statistically significant differences in predictions for positive future interactions found between mediation and arbitration could be accounted for by the procedural justice account, I ran an OLS regression with dummy variables for the three levels of intervention and added the mechanisms from the causal model one at a time. Representing the highest level of intervention, arbitration is the reference category. The results are shown in Table 3.3.
The first model, Model 1, simply shows that compared to arbitration (the reference category), mediation produces more positive predictions for future interactions. Because negotiation does not produce significantly more positive predictions for future interactions than arbitration this is an effect of mediation and not of the level of intervention.

Model 2 demonstrates that this positive effect of mediation is an effect of the process and decision control disputants possess in mediation. When perceived process and decision control is added in Model 2, its effect is statistically significant and the effect of mediation drops to non-significance. This shows that any positive effect of mediation on anticipated positive interactions is a product of the process or decision control that mediation affords disputants and that process and decision control mediate the relation between mediation and predictions for positive future interactions.

Table 3.2: Unstandardized Regression Coefficients Testing the Procedural Fairness Accounts of an Indirect Relationship between Level of Intervention and Predictions for Positive Future Interactions

<table>
<thead>
<tr>
<th></th>
<th>Model 1&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Model 2&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Model 3&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negotiation</td>
<td>-0.26</td>
<td>-0.30</td>
<td>-0.29</td>
</tr>
<tr>
<td></td>
<td>(0.22)</td>
<td>(0.21)</td>
<td>(0.20)</td>
</tr>
<tr>
<td>Mediation</td>
<td>0.54&lt;sup&gt;*&lt;/sup&gt;</td>
<td>0.24</td>
<td>0.23</td>
</tr>
<tr>
<td></td>
<td>(0.21)</td>
<td>(0.22)</td>
<td>(0.21)</td>
</tr>
<tr>
<td>Perception of Process and Decision Control</td>
<td>0.28&lt;sup&gt;***&lt;/sup&gt;</td>
<td>0.10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.07)</td>
<td>(0.08)</td>
<td></td>
</tr>
<tr>
<td>Perception of Fairness of Process</td>
<td></td>
<td></td>
<td>0.22&lt;sup&gt;***&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.06)</td>
</tr>
</tbody>
</table>

<sup>a</sup>Mediation is the reference category

Standard errors given in parentheses

* p<.05, **p<.01, ***p<.001
I then test procedural justice’s assertion that the benefit of perceptions of process and decision control is that they increase perceptions of procedural fairness. Model 3 suggests that the positive effect of perceptions of process and decision control is mediated by perceptions of procedural fairness. The higher perceptions of process and decision control in mediation makes disputants view mediation as more fair and this fairness of the process is positively related to their predictions for positive future interactions.

Although these results are not significant for negotiation, they do support procedural justice’s causal model for the effect of intervention on predictions for a positive future interactions in dispute resolution procedures involving a third party. The finding in this vignette experiment that mediation is preferred over arbitration with regard to relationship outcomes is an important consideration for future procedural justice research on the effects of various types of alternative dispute resolution.

Further Considerations

Although neither attribution nor salience of conflict predictions were supported in the basic relation shown in Table 3.2, it is important to revisit these theories because analyses of the intervening mechanisms are informative.

Attribution Theory. Unlike procedural justice theory, attribution theory’s causal model hypothesized that arbitration would produce the most positive feelings toward
Taylor and optimistic predictions for future interactions. In situations where disputants attribute Taylor’s behavior to situational circumstances or the third party rather than personal characteristics of Taylor, negative feelings toward Taylor should be reduced and predictions for future interactions would be most optimistic. The more control the third party has over the decision, the more likely disputants are to attribute unsatisfactory outcomes to the third party rather than the other disputant. These situational attributions should increase perceptions of the other disputant’s fairness and help the long-term relationship between disputants.

While the vignette results suggest that the effect of level of intervention on positive affective outcomes is in the reverse direction of that hypothesized by attribution theory, analyses indicate that situational attributions are positively related to perceptions of fairness of Taylor (F=2.09, p=0.06), but, such attributions are not related to level of intervention. However, attributions of blame for the outcome, tapped a measure of responsibility for the outcome and not for Taylor’s behavior (which is tapped by the situational attributions measure), garnered interesting results that varied across level of intervention. This variation in target of attributions is specified in Table 3.4.

When asked who was most responsible for the division outcome – the 58%/42% split favoring Taylor - subjects’ attributions varied widely by condition. Most importantly, attribution of responsibility to Taylor declines by one-half (23% to 12% to 6%) with each increase in level of third party intervention. The least responsibility for the outcome is placed on Taylor in the arbitration condition (6%). This coincides with a
positive relationship between third party intervention and attributing blame for the outcome to the third party. The increase in the percentage of those who name the third party as most responsible for the outcome from 56% in mediation to 82% in arbitration is statistically significant (F=27.25, df = 1, p<.03). External attributions for the outcome are highest in arbitration where the situation – heavy third party intervention – is salient and absorbs attributions of blame for the outcome.

Table 3.3: Attributions of Responsibility for Division Outcome

<table>
<thead>
<tr>
<th></th>
<th>Negotiation*</th>
<th>Mediation</th>
<th>Arbitration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N=60</td>
<td>N=59</td>
<td>N=68</td>
</tr>
<tr>
<td>Me</td>
<td>8%</td>
<td>32%</td>
<td>12%</td>
</tr>
<tr>
<td>Taylor</td>
<td>23%</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Both of Us</td>
<td>68%</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Third-Party</td>
<td>--</td>
<td>56%</td>
<td>82%</td>
</tr>
</tbody>
</table>

Ns are different due to missing data on the attribution question.

Salience of Conflict. Like the attribution model, the causal model for salience of conflict predicts the same overall relation – arbitration should result in the most positive outcomes for the subjects’ perceptions of, and future interactions with, Taylor – but bases this prediction on a different causal mechanism. This prediction assumes that

* Negotiation responses were created from responses on a 7-point semantic differential scale to the question, “Choose who you think was most responsible for the outcome of the asset division.” I coded a rating of four as equal responsibility on the part of self and Taylor. Ratings below four are coded as the subject feeling that they, themselves, were most responsible. Ratings above four are coded as the subject suggesting that Taylor was most responsible. Mediation and arbitration responses were directly coded from multiple choice selections to an identical question where there was no option for subjects to choose “Both of Us”.

conflict would be the least salient in arbitration, more salient in mediation, and most salient in negotiation and that such conflict would increase a self-serving interpretation of the resolution process and outcome, negatively affecting the subjects’ view of Taylor and optimism about the future. Results in Table 3.2 suggest that there is not a linear effect of intervention on conflict. The salience of conflict is significantly higher in negotiation than mediation, but the salience of conflict in arbitration is situated between these two rather than below mediation. Although the lower salience of conflict reported in mediation is unexpected, this lower level of conflict could account for the more positive predictions for future interactions reported by subjects in that type of intervention.

Discussion

This vignette study is important for a number of reasons. First and foremost, although my main research is based on a laboratory experiment, collecting vignette data allows me to test my models using a method that is prominent in the work currently done in the area of procedural justice – vignettes or experimental scenarios. This offers me the opportunity to speak to work that has been done in the area, but also to address the importance of method in this line of research. The laboratory experiment, which I turn to next (Chapters 4 and 5), is different in that the subject, the other party in the dispute (the equivalent of Taylor in the vignettes), and the third party actually engage in the process of dividing the assets. Also, in the laboratory, the unequal division of assets
is not hypothetical but results in a real loss of valuable resources – money – for the subject. This action and this outcome should lead to different experiences and affective outcomes, including perceptions of the other disputants’ fairness, general positive regard toward the other disputant, and predictions for positive future interactions. Further, drawing on what I learned in the vignette research, I was able to incorporate specific details into the laboratory scenario. Although the procedural justice account was supported in the vignette study and the attribution and salience of conflict accounts were not, with subjects actually engaging in the conflict resolution process, rather than drawing on assumptions about how they would experience such processes, the results are different. As we will see in Chapter Five, when subjects actually participate in the conflict resolution, both the attribution of blame and salience of conflict are related to level of third party intervention and come to the fore as concerns for relationship outcomes. This is not surprising. With recent research supporting the importance of context in affective outcomes of exchange, I believe there is something inherent in the process of actively resolving disputes or exchanging with another that is potentially lost using only vignettes. I will address this more fully in the next chapter on my research methods and design (Ch. 4) and contrast the results of the two studies in a subsequent chapter (Ch. 5).
CHAPTER FOUR: RESEARCH METHODS

After the completion of the vignette study, I conducted a laboratory experiment to, in another way, test my hypotheses and explore the effect of third party intervention on perceptions disputants have of one another and predictions for positive future interactions. Although the experimental method and the laboratory are typically underused in research on third party presence and effects (Fisher 1983), it is important to integrate this neglected setting and method because experiments are high in internal validity. Significant control over the research setting – including the participants, situations, negotiation procedures, and final outcomes – allows researchers to make causal inferences. Experimentalists can assert with confidence that experimental treatments, and nothing else, make a difference in the dependent variable.

Toews and McHenry (2001) found that couples who used divorce mediation had higher levels of conflict after the divorce was finalized than those who had used traditional court proceedings and that this conflict lowers cooperation in future interactions. Because of the research design, it is difficult to determine if these couples were somehow qualitatively different from those who chose not to take advantage of the offered mediation services. Although the authors controlled for socioeconomic status and gender, there is no way to know what the causes might have been for such a result. To conduct the same study as an experiment would yield much more useful results.
Couples could be randomly assigned to resolution procedures, and affective outcomes (including levels of conflict) could be measured and compared between these groups, producing much more telling results.\(^{11}\)

Of course, it is not the goal of this research to examine the effects of third parties in divorce proceedings. This experiment seeks a more general understanding of the effects of third parties in social exchange relations applicable to a number of areas or realms of dispute rather than just one. The use of experimental research, especially conducted in a controlled setting like the laboratory, has been cited as the most appropriate method for the construction of general theories (Zelditch 1969). These theories can then be investigated and applied in the world outside the laboratory.

In this chapter, I will provide detail regarding the design of the laboratory experiment, as well as my subject pool, manipulations, and variables of interest.

**Experimental Design**

The experiment is a 3x3 factorial design crossing level of third party intervention with relative resources in the relationship. The level of third party intervention refers to whether or not a third party was involved in the dispute resolution, and if so, the extent to which the third party had control over the procedures and outcome. Relative resource position refers to whether a subject is advantaged, equal, or disadvantaged compared to

\(^{11}\) Kitzmann and Emery (1993) did use data collected from couples randomly assigned to either litigation or mediation to settle their child custody disputes to determine effects of both on children post-divorce.
the other disputant with regard to possession of resources when going into the dispute resolution process. Figure 4.1 illustrates the factorial design.

**Figure 4.1: Experimental Factorial Design**

<table>
<thead>
<tr>
<th>Relative Resource Position</th>
<th>Negotiation (Absent)</th>
<th>Mediation (Low)</th>
<th>Arbitration (High)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advantaged</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disadvantaged</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Experimental Procedures**

The laboratory experiment involved 144 undergraduate students. There were sixteen students assigned to each of the nine conditions, and within each condition students were balanced on gender. All of the subjects were enrolled as students at the University of Arizona at the time of their participation. Subjects were recruited with an ad that ran in the campus newspaper and flyers posted around the university specifically engaging students with an interest in earning money – the valued exchange resource used in this research. Interested parties visited a website where they could learn more about the experiment (see Appendix C) and leave contact information and availability. Enrolled respondents knew little more than that they had been recruited for a “Social Interaction Experiment” and that participants would make an average of $15 for less than two hours of their time.
Once subjects arrived for the experiment, they were randomly assigned to one of the nine experimental conditions (see Table 4.1). In each condition, the subject was the only “real” person involved in the dispute resolution. Each subject was told by the experimenter that they had been randomly assigned to the position called Person W. Person X (the other disputant) and third-party, if present in the condition, were computer simulated.12 In order to maintain the illusion that subjects were, in fact, interacting with other “real” individuals, subjects were scheduled in groups and placed in adjoining rooms. Although scheduled simultaneously, the subjects were intentionally staggered in arrival times and locations, seated in isolated rooms, and debriefed separately so they never met or saw each other.

**Experimental Instructions**

Subjects were instructed that their goal in the experiment was to accumulate as much money as possible and that the experimental design would offer two opportunities to do this, two separate phases. In the first phase, subjects would interact with Person X, a previous business partner, to divide remaining assets from a business they had been running together. These assets each have a cash value and in the second phase subjects would use the cash they earned from the assets in the first phase to build

12 The other disputant was given a name, Taylor, in the pilot study vignettes to add to the realism of the scenario. However, to help limit any gender assumptions, and effects of such assumptions, in the laboratory the subjects were told that they were randomly assigned to the position of Person W and would be interacting with Person X. A name was not necessary to add to the realism of the situation.
a new business to further their profits. Below is the actual text from the instructions (full text of the instructions is included in Appendix D):

This experiment consists of two distinct phases. In the first, you and Person X are former business partners and your task is to divide a number of assets (e.g. supplies, parts) left from a business the two of you have been running together. Each asset has a cash value and as you divide the assets their worth will be transferred into money that is yours to keep. You may use this money in the second stage of the experiment where you will have the opportunity to build another business to gain more profit. At the end of the experiment you will either be paid for your total profits or $6, whichever is greater.

The conflict of interests, which required the use of a dispute resolution procedure, concerned the division of the assets. Unlike the vignettes, in the laboratory experiment instructions there was no indication that the subjects should believe that they deserved more of the assets than their business partner or vice-versa. However, it was assumed that because subjects were recruited with a desire to make as much money as possible they would be disappointed with anything less than an equal split of the assets.

Following this scenario, the instructions gave subjects specific directions that varied by condition, including information regarding the dispute resolution process they would use to divide the assets, their relative resource position, and how to use the computer in the first phase. Each of these will be covered later in this chapter when I discuss experimental manipulations.

To ensure that subjects understood how to submit requests and make agreements, three practice trials followed the instructions. The practice trials gave subjects an opportunity to explore these procedures without penalty as no money was
actually accumulated during these trials. After the practice trials were successfully completed, subjects were informed that the experiment – with actual earnings – would begin on the next screen and were invited to ask questions if they had remaining concerns. However, only a very small number of subjects took advantage of this opportunity and indicated in debriefing that the instructions were very clear.

**Solving Disputes and Making Agreements**

Although the procedures were slightly different in each condition, subjects interacted through computers using similar interfaces and were provided similar information. For each dispute resolution process there was an interface similar to the one shown in Figure 4.1 (this example is for negotiation; all three are illustrated in Appendix D). It provided information for the subject regarding the dispute resolution process and the participants’ current stage in this process, the serial number of the current asset, the monetary value of that asset, and the number of units of that asset available to divide between the subject and Person X.

In the example shown in Figure 4.2, the negotiation opportunity has just begun and the subject and Person X are in their first round of five to negotiate a division of the

---

13 To ask a question subjects could click an “Ask For Help” button on the screen at any time after the instructions. Clicking this would pause the experiment and send a message to the experimenter who would then announce to all participants that we were pausing for a help request. The experimenter would then answer the subjects’ question for everyone via an intercom system and resume the experiment.
asset. There are 20 units of “Asset 1” available for the disputants to split, valued at ten cents each.

![Computer Interface for Dividing Assets in Negotiation](image)

Figure 4.2: Computer Interface for Dividing Assets in Negotiation

In negotiation and mediation the disputants had five rounds to agree on a division of the current asset. Two disputants could agree if their proposed settlements matched or if the subject chose to accept the current offer on the table from Person X. If they did not agree within that timeframe, the asset was sent to auction, an alternative to having the asset and its worth just disappear. Auction was introduced to prevent subjects from reaching a deadlock in making agreements and to keep the exchange
opportunities comparable to those with five rounds in other exchange research (Molm et al. 1999, 2000, 2003, 2006; Schaefer et al. 2004). If the subject and Person X were unable to make an agreement in five rounds and the asset was sent to auction it would garner one-quarter of its monetary value and this amount would be split equally between the subject and Person X. For example, if there were two dollars worth of assets to divide, but the two parties were unable to make an agreement, the asset would yield one-quarter of its value at auction, in this case fifty cents. With this value divided between the two disputants, each would receive 25 cents.

In the negotiated and mediated conditions, the subjects and Person X divided a total of 25 different types of assets; in arbitration there were 50 assets to divide. The difference in amount was to produce similar amounts of time spent in dividing the assets, with the division process itself taking approximately forty-five minutes in each condition. Because arbitration, which lacks the exchange of offers and counteroffers, goes more quickly than the other two, there were more assets in arbitration and each asset was worth one-half as much as in the other conditions to produce comparable earnings.

Phase Two, in which subjects believed they would have the opportunity to use their earnings in the first phase to build a new business and earn more money, was actually just a ruse to serve two purposes. The first was to make discussions about initial resource advantage, equality, or disadvantage more salient to the subjects; the second was to encourage participants to think about their future relationship with Person X, one
of the main dependent variables, both during the experiment and while completing the questionnaire (which they believed was sandwiched between the two phases).

**Computer Simulated Behavior**

In addition to the allusions to a fictitious second phase, another type of deception in the experiment is the use of computer simulated actors. Subjects were led to believe that they were going to interact with other students much like themselves, but in each of the three dispute resolution processes, the subject was the only “real” actor. Person X and the third party, if one was present, were always computer simulated actors programmed to behave in certain ways. I chose computer simulated actors to control the outcomes in two different ways – first, to give the subjects less than half of the total assets, and second, to ensure subjects earned close to the same amount. The former is important because I am most interested in situations where individuals feel that they are getting less than they deserve, both because this perception is common among those involved in disputes and because individuals who are dissatisfied with their outcomes are more likely to make self-serving attributions. One of the primary reasons for choosing the experimental method for this dissertation was to control for the outcomes of various dispute resolution procedures, a variable that complicates drawing conclusions from field research in this area.

In all three dispute resolution procedures subjects were aware of the number of units of each asset that Person X requested at the beginning of each division opportunity.
In all cases Person X suggested a division in X’s own favor, randomly selected by the computer from the range between a 50/50 to 70/30 percent split. For instance, if there were 30 sprockets available, the computer would initially suggest a division in the range between 15 for themselves and 15 for the subject and 21 for themselves and 9 for the subject. In negotiation and mediation, Person X’s initial request would decrease, randomly, between zero and three percent of the total assets on each round, resulting in what averaged to a 55/45 final split in Person X’s favor. In arbitration, after both the subject and Person X had made recommendations on the division of assets, “the arbitrator” would randomly choose a split awarding Person X a percentage of the assets ranging from between 63% to 47%, with 55% awarded to Person X, on average. Although these divisions would sometimes favor the subject, this once again averaged to a 55/45 split in Person X’s favor.

**Manipulations**

**Third Party Intervention**

I manipulated third party intervention by varying both information in the instructions (for instance, who the subjects would be sending requests to) and in the actual procedures used to make a decision. In negotiation such intervention is absent because there is not a third party involved at all; the negotiations are non-mediated. Mediation has low levels of third party intervention, with the mediator simply involved in the process by passing the offers and counter-offers between disputants. In arbitration,
where intervention in high, the arbitrator makes the final decision on how to settle the 

dispute after (presumably) considering input from the disputants.

Each subject was introduced to one of three alternative dispute resolution

procedures and told that this is how they would divide the assets in the first phase of the

experiment.

Those in negotiation were told:

On each round of a negotiation opportunity you will be able to make an

offer - a proposed division of the current asset - to Person X by sending it

through the computer. Simultaneously, Person X will send a similar

proposal to you. It may take some time, but as soon as the computer has

received both your offers, it will relay what Person X has offered you. To

agree on a division decision, two persons must make offers and requests

that match or choose to accept a proposed division. If no agreement is

reached on a round, then a new round of offers will begin. The

negotiations will continue across rounds until a decision has been

reached, or until the five rounds are up. Then, that negotiation

opportunity will end. Any decisions that you and Person X reach on the

division of assets is final. If you and Person X are unable to agree on a

division in five rounds, the assets will be sent to auction and will be sold

for one quarter of their value.

The process is similar in mediation; however, subjects are told that it occurs

through a mediator.

On each round of a mediation opportunity you will be able to make an

offer - a proposed division of the current asset - to Person X by

sending it to the mediator. Simultaneously, Person X will send a similar

proposal to the mediator to relay to you. It may take some time, but as

soon as the mediator has received both your offers, he or she will tell you

what Person X has offered you. To agree on a division decision, two

persons must make offers and requests that match or choose to accept a

proposed division. If no agreement is reached on a round, then a new

round of offers will begin. The mediated negotiations will continue across

rounds until a decision has been reached, or until the five rounds are up.
Then, that mediation opportunity will end. Any decisions that you and Person X reach on the division of assets is final. If you and Person X are unable to agree on a division in five rounds, the assets will be sent to auction and will be sold for one quarter of their value.

In addition to the inclusion of the mediator in the process and throughout the instructions, there are also indications on the computer interface for the mediation conditions (shown in Figure 4.3). The title “Negotiated Business Transactions,” in the upper left-hand corner of the computer interface for negotiation conditions, becomes “Mediated Business Transactions.” Rather than saying “Person X has returned with an offer,” as in the negotiation conditions, the interface in mediated conditions reads “The mediator has returned with an offer.” In mediation the “Transaction History” becomes a “Mediation History” and proposed settlements are entered by clicking a “Submit to Mediator” button rather than one simply marked “Submit.”

Manipulations of the interface are similar in arbitration, with reminders that these are arbitrated business transactions and that proposed settlements are submitted to the arbitrator rather than Person X. However, the process in arbitration is significantly different than negotiation and mediation. In arbitration, subjects are told:

On each arbitration round you will be able to make a proposed division of the current asset to the arbitrator. Simultaneously, Person X will send a similar proposal to the arbitrator. As soon as the arbitrator has received both proposed divisions, they will decide on the division of that asset. It may take some time, but the arbitrator will then inform each of you of their decision on the division of the assets. These decisions are final.
Relative Resource Position

Unlike third party intervention, relative resource position was manipulated solely through information given in the instructions. To create perceptions of relative advantage, disadvantage, or equality on possession of resources going into the dispute resolution, subjects were told that they either possessed or lacked a pool of resources that could help them build a profitable business in the second phase. They were also informed of Person X’s possession, or lack thereof, of similar resources, and told that everyone involved – Person X and a third party, if present – was similarly aware of the
relative resource positions of those involved. An excerpt of an arbitration condition where the subject is advantaged on relative resource position is below:

Going into this process, it is important for you to know that you possess a pool of resources from other investments which you could use to start your next business venture (in the second phase of the experiment). While your goal during this first phase, asset division, is to acquire as much money as possible, you could start your next business venture without these resources. While you will not know the exact amount of their worth, you do have other assets and connections that could facilitate your next business venture, in the second phase of the experiment.

Person X, on the other hand, lacks a pool of resources from other investments which he or she could use to start their next business venture. Their goal during this period of asset division is to acquire as much money as possible, as Person X relies heavily on these resources for the next phase. This money is important because Person X does not have any assets or connections that could help in their next business venture.

In other words, you are going into this process in an advantaged position over Person X and both the arbitrator and Person X are aware of this advantage.

Subjects were reminded of this advantage, disadvantage, or equality at three other times in the instructions, but not at any time during the actual dispute resolution process. Regardless of their relative resource position, subjects were also consistently reminded in the instructions that regardless of their advantaged position, or particularly because of a disadvantaged position, their priority during the experiment should be to make as much money as possible.

In the equal position I gave half of the subjects information leading them to believe that both they and Person X possessed such valuable resources, and the other half information that both the subject and Person X lacked resources.
Measures

At the end of the experiment subjects responded to a series of seven-point bipolar semantic differential scales measuring evaluations of the other disputant, the process, and the outcome, as well as predictions about the tone of future interactions and to check on the manipulations or creation of key variables or constants. The complete questionnaires are listed in Appendix E.

Dependent Variables

The main dependent variables of interest in both the laboratory experiment and the vignette study are relationship outcomes of the various types of alternative dispute resolution procedures, specifically perceptions of fairness of, and general positive regard toward, the other disputant, and predictions about their future interactions with the other disputant. This data was gathered in the post-experimental questionnaire. 

Perceptions of Fairness. Although the main item of interest with regard to fairness is the perception of the other disputant’s fairness, there were three targets for perceptions of fairness included in the questionnaire – the other disputant (Person X), the third party, and the outcome.

*Perceptions of the other disputant’s fairness,* Person X, was measured by averaging subjects’ responses to two items. The questions asked subjects “How would you describe Person X?” (fair/unfair and reasonable/unreasonable). All measures range in
value from 1 to 7 with higher values reflecting perceptions of targets as more fair. With
the responses of the two items averaged, alpha reliability of the measure is .82.

*Perceptions of fairness of the outcome*, the final asset division, was measured by
averaging subjects’ responses to three items. The questions asked subjects to “Please
evaluate the outcome” (fair/unfair, just/unjust, and reasonable/unreasonable). This scale,
the average of the three items, has an alpha reliability of .89.

*Perceptions of fairness of the third party* were measured by averaging responses to
two items, subjects’ responses to “How would you describe the mediator/arbitrator?”
(fair/unfair, reasonable/unreasonable). The scale from these two items has an alpha
reliability of .84.

**General Positive Regard.** General positive regard for, or positive feelings
toward, both Person X and the third party were also measured using scaled responses
to the questionnaire. General positive regard for Person X was measured by averaging
subjects’ responses to the three questions, “How would you describe Person X?”
(nice/awful, pleasant/unpleasant) and “How would you describe your feelings
toward Person X?” (positive/negative). This scale has an alpha reliability of .85.

*General positive regard for the third party* was measured by averaging subjects’
responses to the questions, “How would you describe the arbitrator?” (awful/nice) and
“How would you describe your feelings toward the arbitrator?” (negative/positive). This
scale has an alpha reliability of .81.
**Predictions for Future Interactions.** The final dependent variable, predictions for the tone of future interactions, is measured with a single item asking subjects “What do you think your relationship with Person X will be like in the next phase?” and computed from their response of pleasant/unpleasant. The variable ranges in value from 1 to 7 with higher values reflecting predictions of more pleasant future interactions.

**Intervening Variables**

Three intervening mechanisms potentially mediate the relationship between third party intervention and the dependent variables (perceptions of fairness, general positive regard, and predictions for a future relationship): procedural fairness, situational attributions, and the salience of conflict between the disputants. Like the dependent variables, these measures were constructed using subjects’ responses to a series of seven-point bipolar semantic differential scales, measuring subjects’ evaluations of the process, the causes of their partners’ behavior, and the level of conflict between the disputants.

**Fairness of the Process.** Subjects were asked to “Please evaluate the [negotiation/mediation/arbitration] process” as unfair/fair and unjust/just. A measure created by averaging subjects’ responses to these two items has an alpha reliability of .87. As expected by the procedural justice literature, this measure is positively correlated
with ratings on the control scale (.429, p<.001). The more process and decision control and input in the process that the subjects have, the more fair they rate the procedures.

**Attribution of Blame.** Situational attributions for Person X’s behavior are measured by responses to a single item: “Do you think Person X’s behavior was primarily influenced by the characteristics of Person X (the kind of person Person X is), primarily by the characteristics of the experiment, or by characteristics of both (if you think both contributed equally, mark 4 on the scale)?” The more subjects attributed Person X’s behavior to characteristics of the experiment, the higher the rating of situational attribution.

**Salience of Conflict.** Salience of conflict is also measured with responses to a single item: “How would you describe Person X?” (cooperative/competitive). The more competitive the subjects rated Person X, the more intense the conflict between them. All of the intervening variables range in value from 1 to 7 with higher values reflecting increased levels of the measured evaluation – procedural fairness, situational attribution, or salience of conflict. The analyses explore the effects of these three mediating variables on outcomes of interest – perceptions of fairness of Person X, general positive regard toward Person X, and predictions for positive future interactions with Person X.

**Analyses**

In the next chapter I use analysis of variance to test my hypotheses and causal models. These tests will determine the relative support for each of the three competing
theories. I will use a series of analyses of variance and covariance (in which intervening variables are covariates) to test the mediating effects of procedural fairness, salience of conflict, and attribution predicted in each of the causal models.
CHAPTER FIVE: RESULTS

Table 5.1 shows the means and standard deviations, by experimental factors, for my manipulation checks and the three proposed mediating variables (procedural fairness, situational attributions, and salience of conflict). In a similar format, Table 5.2 shows the means and standard deviations, by experimental factors, of my dependent variables (feelings toward the other disputant, the third party, and the outcome). I begin by summarizing the results of my manipulation checks.

Manipulation Checks

Level of Intervention

Previous research in alternative dispute resolution (Karambayya & Brett 1989) suggests that higher levels of third party intervention should decrease disputants’ perceptions of control over the process and final decision. To measure the effectiveness of the intervention manipulation I created a control scale from three questions: “How much control do you feel you had over the [negotiation/mediation/arbitration] process?” “How much control do you feel you had in deciding this outcome?” (with a reminder that the outcome is the worth of the assets that the subject and Person X received from agreements) and “How much input do you feel the [negotiation/mediation/arbitration] process allowed you?” This control scale has an alpha reliability of .85.
Table 5.1: Unadjusted Means and Standard Deviations of Manipulation Checks and Intervening Mechanisms, by Experimental Factors

<table>
<thead>
<tr>
<th>Manipulation Checks</th>
<th>Negotiation</th>
<th>Mediation</th>
<th>Arbitration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceptions of Process and Decision Control</td>
<td>3.44 (1.45) 3.96 (1.46) 3.17 (0.75)</td>
<td>2.73 (1.15) 3.56 (1.35) 3.40 (1.11)</td>
<td>2.00 (0.82) 2.17 (0.72) 2.42 (1.05)</td>
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<tr>
<td>Perceptions of Advantage (going into the process)</td>
<td>2.69 (1.66) 4.44 (1.31) 5.00 (1.50)</td>
<td>2.25 (1.73) 3.87 (1.62) 4.44 (1.79)</td>
<td>2.31 (1.54) 4.31 (1.14) 4.62 (2.03)</td>
</tr>
<tr>
<td>Perceptions of Inequality (in Person X's Favor)</td>
<td>5.62 (1.26) 4.94 (1.53) 4.68 (1.01)</td>
<td>5.75 (1.39) 5.37 (1.02) 5.44 (1.31)</td>
<td>5.44 (1.75) 5.00 (1.21) 4.62 (1.93)</td>
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Intervening Mechanisms

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<th>Negotiation</th>
<th>Mediation</th>
<th>Arbitration</th>
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<tbody>
<tr>
<td>Procedural Fairness</td>
<td>4.06 (1.54) 4.06 (1.28) 4.46 (1.31)</td>
<td>3.28 (1.58) 4.46 (1.61) 3.69 (1.69)</td>
<td>3.00 (1.26) 3.25 (1.24) 3.31 (1.39)</td>
</tr>
<tr>
<td>Situational Attributions</td>
<td>4.56 (1.63) 3.25 (1.69) 4.31 (1.40)</td>
<td>4.37 (1.54) 2.37 (1.15) 4.19 (2.07)</td>
<td>4.31 (1.07) 3.94 (1.12) 4.75 (1.29)</td>
</tr>
<tr>
<td>Salience of Conflict</td>
<td>5.94 (0.77) 6.06 (0.85) 5.94 (0.68)</td>
<td>6.00 (1.26) 6.06 (0.68) 6.06 (0.85)</td>
<td>5.00 (1.26) 5.06 (1.06) 4.75 (1.52)</td>
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Note: Numbers in parentheses are standard deviations.
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<th>Negotiation</th>
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<th>Arbitration</th>
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<tr>
<td><strong>Target – Other Disputant</strong></td>
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<td>Perceptions of Fairness</td>
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<td>Pleasantness of Future</td>
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<td>Perceptions of Fairness</td>
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<td>General Positive Regard</td>
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**Note:** Numbers in parentheses are standard deviations.
The mean levels of perceptions of control by experimental factor are shown in Table 5.1. The ordering is as expected, with those in negotiation having the highest perceptions of control (mean = 3.52, sd = 1.28), mediation slightly lower (mean = 3.23, sd = 1.24), and those in arbitration the lowest (mean = 2.19, sd = 0.87). Contrast tests indicate that the mean perception of control in arbitration is significantly lower than the means of the negotiation and mediation conditions (p<.001).

Relative Resource Position

As a check on the manipulation of relative resource position, I asked subjects if, going into the resolution process, they felt relatively disadvantaged or advantaged (as end points on a 7-point semantic differential scale). The means for the perceptions of advantage going into the process are listed by experimental factor in Table 5.1. There are significant differences between relative resource positions (F 2,141 = 29.94, p<.001). Those who are advantaged going into the process rate themselves as so (mean = 4.69, sd = 1.76), those who enter the dispute resolution process in an equal position feel slightly less advantaged (mean = 4.21, sd = 1.07), and those who are disadvantaged at the onset sense this disadvantage and rate themselves as disadvantaged compared to Person X (mean = 2.42, sd = 1.62). Contrast tests indicate that the significant differences are between perceptions of subjects who are disadvantaged and the other two resource positions, equal and advantaged (p<.001). The difference between those who are equal
on relative resources and those who are advantaged, while in the expected direction, is not statistically significant.

Objective Disadvantage in Outcome

All subjects were objectively disadvantaged in the percentage of assets they earned in the dispute resolution process (i.e., they received an average of 47% of the total assets). To check subjects’ awareness of their disadvantage I asked if they felt the outcomes were unequal, and if so, in their favor/their partners’ favor. A score of ‘1’ would represent “Unequal in my favor,” a score of ‘7’ would represent “Unequal in Person X’s favor,” and ‘4’ would represent equal outcomes. Although the ratings of the amount of inequality (shown in Table 5.1) differ by relative resource position condition ($F_{2,141} = 3.08, p<.05$), subjects in all conditions recognized that the objectively unequal outcomes favored Person X, with the averages in all conditions greater than 4.

Analyses of Variance on Dependent and Intervening Variables

Before testing the causal models that link level of intervention to the dependent variables through alternative intervening mechanisms, I examined the main and interactive effects of both level of third party intervention and relative resource position on my dependent and intervening variables. Means of these dependent variables, by experimental factors, are shown in Table 5.2, while means of the intervening factors are shown in Table 5.1.
Figure 5.1: Comparisons of Means of Three Outcomes of Interest, by Level of Intervention

a. Fairness of Other Disputant

b. Regard for Other Disputant

c. Predictions for Future
Analyses of Dependent Variables

**Target – Other Disputant.** Interestingly, the means of the three outcomes of primary interest (Fig. 5.1a-c) – perceptions of the other disputant’s fairness, general positive regard toward the other disputant, and predictions for positive future interactions – are not linear in form. As shown in Figure 5.1, all three are curvilinear, with the highest ratings in arbitration and the lowest ratings in mediation. I explore each of these below.

A series of analyses of variance on these perceptions, by experimental factors, tests the statistical significance of these differences. The results of the analyses are summarized in Table 5.3.

### Table 5.3: Analyses of Variance on Feelings toward the Other Party, by Experimental Factors

<table>
<thead>
<tr>
<th>Source</th>
<th>df</th>
<th>MSS</th>
<th>F-Ratio</th>
<th>MSS</th>
<th>F-Ratio</th>
<th>MSS</th>
<th>F-Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level Of Intervention (I)</td>
<td>2</td>
<td>17.88</td>
<td>12.78***</td>
<td>8.97</td>
<td>9.09***</td>
<td>6.59</td>
<td>4.53*</td>
</tr>
<tr>
<td>Relative Resource Position (A)</td>
<td>2</td>
<td>0.97</td>
<td>0.69</td>
<td>2.08</td>
<td>2.11</td>
<td>0.11</td>
<td>0.08</td>
</tr>
<tr>
<td>I x A</td>
<td>4</td>
<td>1.91</td>
<td>1.37</td>
<td>2.72</td>
<td>2.75*</td>
<td>0.10</td>
<td>0.07</td>
</tr>
<tr>
<td>Residual</td>
<td>135</td>
<td>1.40</td>
<td>0.99</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Perceptions of Fairness.** Although procedural justice theories argue that perceptions of fairness of the other party should *decrease* with increasing third party intervention, such perceptions actually *increase* with level of third party intervention.
Contrast tests show that ratings of perceptions of the other disputant’s fairness in arbitration (mean = 3.64, sd = 1.17) are significantly higher (p<.001) than in mediation (mean = 2.49, sd = 1.21) and negotiation (mean = 2.70, sd = 1.18), which do not differ significantly from one another. Rather than support procedural justice theory and the generalizing effect of procedural justice, these results provide initial support for a situational attribution or salience of conflict account. As shown in Table 5.3, there is neither a direct effect of relative resource position on perceptions of the other disputant’s fairness, nor an interaction effect between level of intervention and relative resource position. These results fail to support predictions regarding the interaction between relative resource position and third party intervention on perceptions of the other disputant’s fairness.

*General Positive Regard.* The same pattern holds in the case of general positive regard. As shown in Table 5.2, general positive regard toward the other disputant is highest in arbitration (mean = 3.83, sd= 0.91), lowest in mediation (mean = 2.94, sd = 1.14), with negotiation situated between the two (mean = 3.36, sd = 1.08). Contrasts tests indicate that the general positive regard in arbitration is significantly higher (p<.05) than in mediation and negotiation, which do not differ significantly from one another. Because negotiation does not differ significantly from mediation, and the higher rates of general positive regard toward the other disputant in negotiation than in mediation cannot be explained by the present theories, I interpret these results – increasing general
positive regard toward the other disputant with increasing levels of third party intervention - as initial support for theories of attribution and salience of conflict.

Although there is no direct effect of relative resource position on general positive regard, Table 5.3 indicates that there is a significant interaction effect between level of intervention and relative resource position. The positive effect of the high level of third party intervention in arbitration is least pronounced for those who enter the dispute resolution process in a disadvantaged resource position ($F_{2, 47} = 2.26, p=.106$). The positive effect of third party intervention on general positive regard toward the other disputant is much stronger for those who are equal ($F_{2, 47} = 5.45, p<.01$) or advantaged ($F_{2, 47} = 5.92, p<.01$) on relative resources.

*Predictions of Pleasantness of Future Interactions.* Also reported in Table 5.3 is an analysis of variance on subjects’ predictions for positive future interactions, by experimental factors. Such predictions also vary significantly by level of third party intervention. Once again, though, the relationship is not a linear one. Like perceptions of fairness and general positive regard toward the other disputant, predictions for the future relationship are most optimistic in cases of arbitration and lowest in mediation, with negotiation situated between the two. However, contrasts show that mediation is significantly lower than both negotiation and arbitration ($p<.05$). Once again, these results – arbitration producing the most positive predictions for future interactions – provide initial support for the attribution and salience of conflict theories.
To summarize, feelings toward the other disponent do not follow a linear pattern. Those involved in arbitration rate the other disponent as more fair, have higher general positive regard for the other disponent, and predict more positive future interactions with the other disponent, than those involved in mediation. Further, in all three cases, mediation’s ratings are lower than those in negotiation, significantly so with regard to positive future interactions.

**Target – Third Party.** Table 5.4 reports the results of an analysis of variance on perceptions of fairness of the third party and general positive regard toward the third party, comparing on the two conditions – mediation and arbitration – in which a third party is present. As the means in Table 5.2 show, ratings of both decrease with increasing level of third party intervention. Perceptions of fairness of, and general positive regard toward, the third party are significantly higher in mediation (fairness mean = 4.40, sd = 1.27; regard mean = 4.18, sd = 0.89) than arbitration (fairness mean = 2.38, sd = 0.92; regard mean = 2.80, sd = 1.06). The statistical significance of these trends is summarized in Table 5.4.
Table 5.4: Analyses of Variance on Feelings toward Third Party, by Experimental Factors

<table>
<thead>
<tr>
<th>Source</th>
<th>df</th>
<th>MSS</th>
<th>F-Ratio</th>
<th>MSS</th>
<th>F-Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level Of Intervention (I)</td>
<td>1</td>
<td>98.01</td>
<td>85.28***</td>
<td>45.37</td>
<td>13.17***</td>
</tr>
<tr>
<td>Relative Resource Position (A)</td>
<td>2</td>
<td>1.64</td>
<td>1.43</td>
<td>1.69</td>
<td>0.94</td>
</tr>
<tr>
<td>I x A</td>
<td>2</td>
<td>4.50</td>
<td>3.92*</td>
<td>6.89</td>
<td>3.83*</td>
</tr>
<tr>
<td>Residual</td>
<td>90</td>
<td>1.15</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p < .05 **p < .01 ***p < .001 (two-tailed tests)

These results are consistent with both the procedural justice and attribution accounts; however, each theory posits a different mechanism. Theories of procedural justice argue that when a process is viewed as more fair, as mediation is, then this will have a generalizing effect toward other aspects of the process. It follows, then, that in mediation, considered a fairer process, the third party will be rated as fairer by the disputants. Attribution theories suggest that increasing blame placed on an individual or situation for a negative outcome will result in lower positive affect toward that target. Therefore, in arbitration, where the third party intervention is high and an obvious source for attributions of blame, the third party will be rated more negatively than in mediation, a process with less intervention.

While there is no main effect of relative resource position on with perceptions of fairness or general positive regard toward the third party, there is a significant interaction effect between the two factors for both dependent variables (Table 5.4). The
negative effect of third party intervention on perceptions of fairness of a third party is stronger for subjects who are disadvantaged ($F_{1,31} = 57.21$, $p<.001$) or equal ($F_{1,31} = 44.04$, $p<.001$), and weakest for those who enter the process in a relatively advantaged resource position ($F_{1,31} = 7.03$, $p<.05$).

Like perceptions of fairness of the third party, general positive regard toward the third party varied the least between mediation and arbitration conditions for those who went into the process relatively advantaged on resources. The negative effect of third party intervention on general positive regard toward the third party is strongest for subjects who are disadvantaged ($F_{1,31} = 58.60$, $p<.001$) and equal ($F_{1,31} = 16.11$, $p<.001$), and weakest for those who enter the process in a relatively advantaged resource position ($F_{1,31} = 3.57$, $p=.068$).

To summarize, the ordering of positive affective outcomes directed at the third party – perceptions of fairness and general positive regard – by level of intervention is the opposite of the same affective outcomes directed toward Person X. While increasing intervention improves ratings of the fairness of Person X, general positive regard toward Person X, and predictions for positive future interactions with Person X, increasing intervention lowers perceptions of fairness of, and general positive regard for, the third party.

**Target – Outcome.** An analysis of variance on perceptions of fairness of the outcome (Table 5.5) shoes significant effects of level of intervention. Contrasts show that perceptions of fairness of the outcome are significantly greater in negotiation (mean =
3.85, sd = 1.10) than mediation (mean = 3.28, sd = 1.39) and arbitration (mean = 3.31, sd = 0.98) (p<.05). These results provide initial support for procedural justice’s “fairness heuristic”, which suggests disputants are more likely to perceive the outcome as fair in conditions where they have high process and decision control. As with perceptions of the other disputant’s fairness, there is neither a direct effect of relative resource position on perceptions of fairness of the outcome, nor an interaction effect between level of intervention and relative resource position.

Table 5.5: Analyses of Variance on Perceptions of Fairness of the Outcome, by Experimental Factors

<table>
<thead>
<tr>
<th>Source</th>
<th>df</th>
<th>MSS</th>
<th>F-Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level Of Intervention (I)</td>
<td>1</td>
<td>4.95</td>
<td>3.56*</td>
</tr>
<tr>
<td>Relative Resource Position (A)</td>
<td>2</td>
<td>1.42</td>
<td>1.02</td>
</tr>
<tr>
<td>I x A</td>
<td>2</td>
<td>0.57</td>
<td>0.41</td>
</tr>
<tr>
<td>Residual</td>
<td>135</td>
<td>1.40</td>
<td></td>
</tr>
</tbody>
</table>

Analyses of Intervening Variables

Table 5.6 summarizes the analyses of variance on the three intervening variables – procedural fairness, situational attributions, and salience of conflict. As with the dependent variables, level of intervention is significantly related to all three intervening variables. Relative resource position is also significantly related to situational attributions. There are no interaction effects between the two factors. I will address each of these relations in turn.
Table 5.6: Analyses of Variance on the Intervening Variables by Experimental Factors

<table>
<thead>
<tr>
<th>Source</th>
<th>df</th>
<th>MSS</th>
<th>F-Ratio</th>
<th>MSS</th>
<th>F-Ratio</th>
<th>MSS</th>
<th>F-Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level Of Intervention (I)</td>
<td>2</td>
<td>12.48</td>
<td>6.06**</td>
<td>5.71</td>
<td>2.63†</td>
<td>18.46</td>
<td>17.24***</td>
</tr>
<tr>
<td>Resource Advantage (A)</td>
<td>2</td>
<td>3.05</td>
<td>1.48</td>
<td>24.17</td>
<td>11.11***</td>
<td>0.26</td>
<td>0.24</td>
</tr>
<tr>
<td>I x A</td>
<td>4</td>
<td>2.05</td>
<td>.99</td>
<td>2.88</td>
<td>1.32</td>
<td>0.14</td>
<td>0.13</td>
</tr>
<tr>
<td>Residual</td>
<td>135</td>
<td>2.06</td>
<td>2.17</td>
<td>1.07</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

† p<.10, * p<.05, **p<.01, *** p<.001

Procedural Fairness. Procedural justice theory argues that increasing levels of third party intervention are negatively related to perceptions of procedural fairness because increasing third party intervention decreases disputants’ perceptions of control over the process and decision and this lack of control makes procedures seem less fair. The results shown in Table 5.6 support this hypothesis as increasing levels of intervention are negatively related to perceptions of procedural fairness (see means in Table 5.1). Negotiation (mean = 4.19, sd = 1.36) is thought of as more procedurally fair than mediation (mean = 3.81, sd =1.65), although not significantly so, and, contrasts show that both negotiation and mediation are considered significantly fairer (p<.01) than arbitration (mean = 3.19, sd = 1.28). There is no effect of relative resource position on procedural fairness and no interaction effect between the two factors.

Situational Attributions. As Table 5.6 shows, situational attributions vary marginally with level of third party intervention and significantly with relative resource advantage. While the difference in situational attributions between negotiation (mean =
4.04, sd = 1.65) and mediation (mean = 3.65, sd = 1.84) is not statistically significant, there is a significant difference between mediation and arbitration (mean = 4.33, sd = 1.19), with disputants involved in arbitration more likely to make situational attributions regarding the other disputant’s behavior (contrast p<.05). There is also a curvilinear main effect of relative resource advantage on situational attributions; contrast tests suggest that those who view themselves as either advantaged or disadvantaged are significantly more likely to make situational attributions than those who believe that they and the other disputant are equal on relative resource position (p<.001).

There was also a predicted interaction effect between level of third party intervention and relative resource position on situational attributions. While this interaction was not significant in initial tests, incorporating all three levels of intervention, I ran the analyses a second time, with only mediation and arbitration. This time, all three effects – third party intervention (F1, 96 = 5.63, p<.05), relative resource advantage (F2, 96 = 8.33, p< .001) and the interaction between the two (F2, 96 2.67, p=.075) – were significantly related to the likelihood of making a situational attribution. The interaction effect is illustrated in Figure 5.2.

The original hypothesis – that the greatest positive effect of level of intervention on the likelihood of making a situational attribution for Person X’s behavior would be for resource advantaged actors – was not supported. While there is an increase in situational attributions among those relatively advantaged on resources with increasing intervention, the intervention effect on attributions is strongest for those who believe
they are resource equals. While those who are equal on relative resource position are the least likely to make a situational attribution in either mediation or arbitration, the increase in situational attributions between mediation and arbitration is strongest for this group. It could be that the arbitrator offers this group a situational cause that was not available without a third party. Those who are advantaged, on the other hand, can make a situational attribution about being disadvantaged in a settlement as a leveling of the playing field at any level of intervention, and those who are disadvantaged can either negotiation (mean = 5.98, sd = 0.76) or mediation (mean = 6.04, sd = 0.94). These results suggest that only the level of intervention in arbitration, and not that in mediation, is able to lessen the conflict between disputants. There is no main effect of relative resource advantage or an interaction effect between resources and intervention. Therefore the hypothesized effect of relative resource position is not supported.
To summarize, the relationship between third party intervention and procedural fairness, situational attributions, and salience of conflict are all in the expected directions. Increasing levels of third party intervention are negatively related to perceptions of fairness of the process and the salience of conflict in the relation, and positively related to situational attributions. Of the three causal mechanisms, only situational attributions is affected by relative resource position, with those equal on relative resources the least
likely to make situational attributions at all levels of intervention. Initial tests with all three levels of intervention failed to support any of the predicted interaction effects.

**Testing the Causal Models**

So far the analyses offer initial support for the attribution and salience of conflict models. There is a positive relationship between level of intervention and general positive regard toward the other disputant and predictions for positive future interactions, as well as a negative relationship between level of intervention and positive regard toward a third party. Although some aspects of procedural justice theory are supported (third party intervention is negatively related to procedural fairness, and this procedural fairness generalizes to the outcome and third party), procedural fairness does not generalize to the other disputant. Because feelings toward the other disputant are my main concern here, I can reject the procedural justice account of the relationship between third party intervention and perceptions of the other disputant and test only the attribution and salience of conflict models.

I next examine whether these relationships between third party intervention and positive relationship outcomes are mediated by the causal mechanisms of these two models: situational attributions or salience of conflict. For these analyses I omit relative resource position as a variable, since it has few significant effects on the variables of interest. To test the causal models I first conduct an analysis of variance on the dependent variables by level of intervention. I then enter each of the intervening
mechanisms, one at a time, as a covariate in the analysis. If the original effect of third party intervention on the dependent variable is reduced to non-significance, that suggests that the covariate mediates the effect of third party intervention and the causal model is supported. I test each model in turn.

Because of the unexpected curvilinear effects found in the initial analyses, and because I am most interested in the effect third parties have in alternative dispute resolution, I limit these analyses to the mediation and arbitration conditions.

**Attribution Theory**

To test whether situational attributions mediate the positive relationship between level of intervention and the three dependent variables (perceptions of fairness of, and general positive regard toward, the other disputant, as well as predictions for positive future interactions), I conducted analyses both with and without situational attribution as a covariate. These analyses are shown in Table 5.7.

As demonstrated earlier, level of intervention has a direct, positive effect on perceptions of the other disputant’s fairness. Situational attributions only marginally mediate this relation, but they do have an independent effect on perceptions of fairness. When subjects perceive the other disputant’s behavior as a result of the situation, rather than that person’s disposition, this increases their perceptions of the other disputant’s fairness.
Table 5.7: The Mediating Effect of Situational Attribution on Perceptions of Fairness of the Other Disputant, General Positive Regard toward the Other Disputant and Predictions for Positive Future Interactions

<table>
<thead>
<tr>
<th>Source</th>
<th>Perceptions of Fairness of the Other Disputant</th>
<th>General Positive Regard toward the Other Disputant</th>
<th>Predictions of Pleasantness Of Future Interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ANOVA</td>
<td>ANOVA</td>
<td>MSS</td>
</tr>
<tr>
<td>Covariates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Situational Attribution Factor</td>
<td>--</td>
<td>--</td>
<td>5.32</td>
</tr>
<tr>
<td>Level of Intervention</td>
<td>31.51</td>
<td>22.25***</td>
<td>24.73</td>
</tr>
<tr>
<td>Residual</td>
<td>1.42</td>
<td>1.37</td>
<td>1.05</td>
</tr>
</tbody>
</table>

*p < .05  **p < .01  ***p < .001 (two-tailed tests)
Also shown previously, level of intervention has a direct, positive effect on
general positive regard toward the other disputant and predictions for positive future
interactions. In both cases situational attributions slightly attenuate this effect, but the
direct effects remain. The significant effect of the covariate in both analyses shoes that
when subjects perceive the other disputant’s behavior as a result of the situation, rather
than that person’s disposition, this increases their general positive regard toward the
other disputant and optimism about positive future interaction. While part of the benefit
of arbitration over mediation for these positive outcomes is tied to situational
attributions, a large part of this relationship is left unexplained.

Salience of Conflict

The last theory regarding the relationship between level of intervention and
affective outcomes takes into account the salience of conflict present in varying types of
exchange. The more third party intervention, the more the third party buffers the
conflict between the disputants. As we have already seen (Tables 5.1 and 5.6), salience of
conflict is negatively related to level of third party intervention. I conducted a series of
analyses to explore whether or not conflict serves as a mediating variable for
relationships between third party intervention and perceptions of the other disputant’s
fairness, general positive regard toward the other disputant, and predictions for positive
future interactions. These analyses are shown in Table 5.8.
Table 5.8: The Mediating Effect of Salience of Conflict on Perceptions of Fairness of the Other Disputant, General Positive Regard toward the Other Disputant and Predictions for Positive Future Interactions

<table>
<thead>
<tr>
<th>Source</th>
<th>Perceptions of Fairness of the Other Disputant</th>
<th>General Positive Regard toward the Other Disputant</th>
<th>Predictions of Pleasantness Of Future Interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ANOVA</td>
<td>ANCOVA</td>
<td>ANOVA</td>
</tr>
<tr>
<td>MSS</td>
<td>F</td>
<td>F</td>
<td>F</td>
</tr>
<tr>
<td>Salience of Conflict</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>--</td>
<td>--</td>
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</tr>
<tr>
<td>Factor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of Intervention</td>
<td>31.51</td>
<td>22.25***</td>
<td>7.62</td>
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<tr>
<td>Residual</td>
<td>1.42</td>
<td>1.15</td>
<td>1.06</td>
</tr>
</tbody>
</table>

*p < .05  **p < .01  ***p < .001 (two-tailed tests)
Results in Table 5.8 indicate that the direct effect of level of intervention on all three relationship outcomes are almost entirely mediated by the effect of salience of conflict. In other words, the positive effect of intervention on perceptions of the other disputant’s fairness, general positive regard toward the other disputant, and predictions for positive future interactions is an indirect effect, mediated by the different levels of conflict – or conflict reduction – in the procedures. Arbitration produces higher perceptions of the other disputant’s fairness because the process offers less opportunity for conflict to build between disputants. The higher general positive regard toward the other disputant that subjects report in arbitration is an effect of the lower levels of conflict perceived in the arbitration process. The pattern is similar for predictions for positive future interactions. The optimism for positive future interactions reported by subjects in arbitration is an effect of the lower salience of conflict in that process.

Attribution and Salience of Conflict Combined

Of the three theories, the salience of conflict causal model is the only one that is fully supported by the data. The situational attributions model receives limited support. Including both situational attributions and salience of conflict as covariates in a model will allow me to determine if the effects are independent or if the two are explaining the same variance in the outcomes of interest. These analyses are shown in Table 5.9.
The results suggest that both situational attributions and salience of conflict have independent effects on perceptions of the other disputant’s fairness, general positive regard toward the other disputant, and predictions for positive future interactions. With both included as covariates in the analyses, the effect of level of intervention is reduced even further, and is no longer significant in any of the analyses.

Table 5.9: Analyses of Covariance with Situational Attributions and Salience of Conflict as Covariates in the Relationship between Level of Intervention and the Outcomes of Interest

<table>
<thead>
<tr>
<th>Source</th>
<th>Perceptions of Fairness of the Other Disputant</th>
<th>General Positive Regard toward the Other Disputant</th>
<th>Predictions of Pleasantness of Future Interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covariates</td>
<td>Perceptions of Fairness of the Other Disputant</td>
<td>General Positive Regard toward the Other Disputant</td>
<td>Predictions of Pleasantness of Future Interactions</td>
</tr>
<tr>
<td>Situational Attribution</td>
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<td>8.87</td>
<td>9.45</td>
</tr>
<tr>
<td>Salience of Conflict</td>
<td>2</td>
<td>31.41</td>
<td>22.43</td>
</tr>
<tr>
<td>Factor</td>
<td>Level of Intervention</td>
<td>4</td>
<td>2.86</td>
</tr>
<tr>
<td>Residual</td>
<td>135</td>
<td>0.99</td>
<td>0.72</td>
</tr>
</tbody>
</table>

* p<.05, **p<.01, *** p<.001

Summary

I began these analyses by examining the main and interactive effects of level of third party intervention and relative resource position on disputants’ feelings toward three targets – the other disputant, the third party, and the outcome.

While all three theoretical models – procedural justice, attribution, and salience of conflict – predicted a linear ordering of the relation between third party intervention
and feelings toward the other disputant, results show a curvilinear relationship. Those involved in mediation rated the other disputant lower on all three measures – perceptions of fairness of, and general positive regard for, the other disputant, and predictions for pleasant future interactions – than in conditions with higher and lower levels of intervention. Restricting analyses to the two conditions involving a third party (mediation and arbitration) results suggest that third party intervention is positively related to positive affect for the other disputant. The reverse is true in the case of perceptions of the third party (both perceptions of fairness of, and general positive regard for, the third party) and the outcome. Third party intervention is negatively related to positive feelings toward these two targets. There were also significant interaction effects between third party intervention and relative resource position with regard to feelings toward the third party. Those who were advantaged on relative resources looked more positively on the third party than those who were equal or disadvantaged on relative resources.

I then examined the main and interactive effects of third party intervention and relative resource position on the proposed intervening mechanisms – procedural fairness, situational attributions, and salience of conflict. In all three cases, intervention had the predicted effects. Third party intervention is negatively related to perceptions of procedural fairness and salience of conflict and positively related to situational attributions. Relative resource position was only related to attributions, where those who were equal were significantly less likely to make situational, versus dispositional,
attributions for the other disputant’s behavior. There were no significant interaction
effects between the two experimental factors.

Finally, I tested the two plausible causal models (after rejecting the procedural
justice account because its main prediction – that third party intervention is negatively
related to positive affect toward the other party – was not supported) and found that
both the higher rates of situational attributions and lower levels of conflict associated
with increasing levels of intervention mediate the positive relationship between
intervention and positive affect toward the other disputant. Further, each contributes
independently to explaining the relationship between intervention and relationship
outcomes. The next chapter (Ch. 6) further discusses these results and their implications.
CHAPTER SIX: DISCUSSION AND CONCLUSION

The primary goal of this research was to bring disputants and their relationships to the center of research on the effects of various types of third party intervention. Although there has been a great effort on the part of other researchers to understand how various types of third party intervention – negotiation, mediation, and arbitration – affect disputants’ perceptions of the process or outcome, there is very little on how those same types of intervention impact individuals and their relationships with one another. Unfortunately, to date, much of the research that does concern feelings disputants have toward one another is confounded with extraneous variables that may interfere with a clean interpretation of the findings. The experimental methods I used in this study allowed me to isolate certain factors that affect how individuals feel about one another and their relationship, while controlling for the history the disputants brought in, the conflict of interests, the outcome, and other variables that fluctuate outside of the laboratory.

The experimental subjects were strangers when they entered the laboratory. None of the disputants entered the laboratory with a history of conflict. Further, if subjects themselves somehow varied on their conflictual natures or responses to conflict, random assignment helped to ensure that they were dispersed among conditions. Using two different types of experiments, a vignette series and a laboratory experiment, I
created the conflict of interests, identical in the two studies. In each I also manipulated the level of third party intervention used in solving a dispute while holding constant (to a certain degree) the division outcome.

**Summary of Results**

**The Laboratory Experiment**

**Third Party Intervention.** In the laboratory experiment there was an unexpected significant curvilinear relationship between third party intervention and the primary outcomes of interest – perceptions of the other disputant’s fairness, general positive regard toward that individual, and predictions for pleasant future interactions. In all three cases arbitration produced the most positive results and mediation the most negative, with negotiation situated between the two. In the laboratory experiment, where subjects were directly exposed to the conflict, participated in the process, and actually benefited from – or were hurt by – the outcome, mediation, which seemed best in the vignettes, was not as positive as individuals had imagined it.

If one focuses on the two conditions involving a third party, it is clear that arbitration (associated with increasing third party intervention) led to significantly more positive relationship outcomes than mediation. These findings support the direction of the relationship predicted by attribution and salience of conflict theories. Following this initial finding, I tested the two causal models predicting the positive relationship between third party intervention and positive affect by examining the effects of the two
potential mediating variables – situational attributions and salience of conflict. Both received support. The more third party intervention, the more likely disputants are to make situational attributions about the other disputant’s behavior and the less salient the conflict. Both of these mechanisms are related to positive views of the other and optimism for pleasant future interactions.

**Relative Resource Position.** Although I expected relative resource position to be related to all three mechanisms, resources had only one direct effect, on situational attributions. Those who perceive themselves as equal on relative resources with the other disputant are less likely to make situational attributions in all three conditions than those who think of themselves as relatively advantaged or disadvantaged (compared to the other disputant) on resources going into the dispute. Most importantly, such individuals are significantly more likely in mediation to attribute the other disputant’s behavior to dispositional characteristics of that individual than those who do not perceive themselves as equal in relative resources. Relatedly, the increasing level of third party intervention has the greatest positive effect on situational attributions for individuals of equal standing as the process and decision control exerted by the arbitrator finally give them a situational source for attributions.

Two other interaction effects arose, this time concerning the third party. The negative effect of increasing levels of third party intervention on disputants’ perceptions of fairness of the third party, or general positive regard toward the third party, was most
pronounced for individuals who considered themselves either disadvantaged or equal going into the dispute resolution process. For subjects who are advantaged, increasing third party intervention was less detrimental for perceptions of that third party. This could be a result of a second order effect (Burke 2006). Those who know that they have the resources to recover from a particular negative outcome (in this case, earning less in the first phase, but still having resources to use in the second phase) will experience less negative emotion than those who lack the resources to recover from the first negative outcome. It is possible that those who went into the dispute resolution process feeling advantaged were able to distance themselves from the third party’s decisions (which usually favored the other disputant) in a way that those who were disadvantaged or equal could not.

**Situational Attributions.** Situational attributions are significantly and positively related to all three outcomes of interest – perceptions of fairness of, and general positive regard toward, the other disputant, and predictions for positive future interactions – and situational attributions mildly attenuate the relationship between the relationship outcomes. However, a large part of the direct relationship between third party intervention and such positive outcomes is left unexplained.

**Salience of Conflict.** Subjects’ salience of the conflict in their relationship is negatively related to all three outcomes of interest. The more salient the conflict between disputants, the lower the perceptions of the other disputant’s fairness, the less general
positive regard for the other disputant, and the less optimistic disputants are about
positive future interactions. As expected by previous research in conflict and exchange,
conflict is more salient in mediation than in arbitration. Entering conflict as a mediating
variable between level of third party intervention and these affective outcomes shows
that in all three cases, the salience of conflict explains a significant amount of the positive
relationship. Subjects view the other disputant as more fair, have more general positive
regard for them, and predict more positive future interactions in arbitration than
mediation because conflict between the disputants is less salient in arbitrated disputes.

**Considering Situational Attributions and Salience of Conflict Together.**
Including both situational attributions and salience of conflict as covariates in an
analysis of covariance of the relationship between third party intervention and positive
affect suggests that each of these mechanisms exert independent effects in mediating the
relationship. Both partially explain the positive relationship between third party
intervention and positive affective outcomes for disputants, with each contributing to
this effect.

**The Vignette Study**

In the vignette study, subjects read vignettes – short scenarios of hypothetical
events – describing the conflict of interests leading to the dispute, the process used to
settle the dispute, and the unfavorable outcome (that subjects earned only 42% of the
total value of the assets and Taylor 58%). A key element of the vignettes was that the
subjects only imagined the dispute, process and outcome. They did not experience the conflict or the process and they earned, or lost, nothing from the outcome.

Interestingly, there is very little difference between the effects of negotiation and mediation in the vignettes. The only statistically significant difference between the two was with regard to the salience of conflict, which, as expected by salience of conflict theories, was much higher in negotiation than mediation. In general, the findings from the vignette study support the procedural justice account. The results suggest that, in theory, when it comes to views about the other disputant and predictions for the future, mediation is preferable to arbitration and this preference can be explained by perceptions of fairness of the procedure. Subjects responding to the vignettes perceive mediation as a fairer process because of their high levels of process and decision control, and these perceptions of procedural fairness have a generalizing effect.

Although the vignette results did not demonstrate a generalizing effect to perceptions of fairness of, or general positive regard for, the other disputant, subjects who imagine themselves involved in mediation perceive the outcome and third party as significantly fairer than those who imagine the same unfavorable outcome was reached through arbitration. These disputants also imagine that in mediation they would be more optimistic about their future relationship with the other disputant. This relationship outcome’s negative relationship to intervention is in the order predicted by procedural justice accounts.
Other Findings

The Significance of Method

It is important to ask why the results differed so dramatically between the vignette study and the laboratory experiment. In the vignette study, it appeared that procedural justice theory and the generalizing effect of fair procedures was supported. Subjects preferred mediation over arbitration. When individuals considered the process fair, they also rated the outcome and third party as more fair. An important caveat, though, is that perceptions of fairness of the process did not generalize to the exchange partner. However, such perceptions of fairness did correspond with significantly more optimistic predictions about the future relationship with the other disputant. These findings correspond to previous vignette research done by social psychologists.

The opposite occurred in the laboratory, supporting the view that method matters when studying the experience of conflict and conflict resolution. Arbitration, although rated as an unfair process, produced positive affect among disputants. Procedural justice was the one causal model of the three that did not receive support. Both situational attributions and reduced perception of conflict, which were evident with higher degrees of third party intervention, helped produce the positive affect in arbitration.

The main difference between the two experiments was the setting. With vignettes subjects only imagine the situation, but in the laboratory subjects experience it. I believe
that the experience of the conflict and the process, as well as feeling personally affected by the outcome, led to different affective outcomes with regard to the other disputant. The key explanation for this is not in the causal models, but was mentioned in the introduction of Chapter One. Individuals assume mediation to be a more pleasant process. The subjects, like others in our culture, believe that the facilitative nature of the mediation, which will still allow them a say in the process and the settlement, will be the most pleasant and the best for both of them as individuals, and their relationship with the other disputant. Without a tangible experience to draw from, subjects in the vignette experiment drew from these cultural expectations.

Despite the differences in results between the two studies, there was an important similarity – the apparent buffering effect of the third party. In both the vignette study and the laboratory experiment, while perceptions of the other disputant improved with increasing intervention, perceptions of the third party deteriorated with higher levels of intervention. In the vignettes higher blame of the third party for the outcome was associated with less blame directed at Taylor, and in the laboratory, the level of outcome control a subjects thought that the third party had was negatively related to the level of control that the subject thought Person X had (corr = 0.39, p<.001). This supports the idea of a buffering effect, that an involved third party absorbs the negative emotion and blame, protecting the other disputant from the negative affect.
A Curvilinear Relationship

Cultural expectations might also play into the surprising curvilinear relationship between third party intervention and relationship outcomes in the laboratory experiment, with mediation consistently resulting in more negative ratings of the other disputant than negotiation or arbitration. Although only a couple ratings were significantly lower in mediation than negotiation (predictions for positive future interactions and perceptions of fairness of the outcome), the results are surprising considering in all cases mediation was expected to be situated between negotiation and arbitration. The results are also interesting because there was a very small difference in the manipulations of the two conditions. The mediator’s role was simply to inform subjects of requests and offers, a role subjects in negotiation were told the computer would perform.

It is possible, that the subjects were unable to reconcile their cultural expectations about mediation as a positive experience where a disputant is able to exert control over the outcome (and achieve a desired settlement) with the conflictual experience in the laboratory (where subjects were often disadvantaged in the settlement). This disconnect resulted in a more negative reaction to the process. Negotiation, on the other hand, may be expected to be conflictual and the affirmation of these expectations kept deflection – and associated negative reactions – low. Although neither resulted in the desired
outcome, subjects expected more from mediation and therefore were more disappointed with the outcome and the other party.

**Insignificance of Relative Resource Position**

Another unexpected result was the virtual insignificance of relative resource position in the affective outcomes of resolving disputes. While I expected resource advantage to exacerbate the effects of the three mediating variables, only situational attributions were significantly related to resource position. Further, while resource advantaged individuals were very likely to make situational attributions, those equal on resources were the least likely, not disadvantaged individuals.

While these limited findings are important, particularly with the growing number of disputes among “equals,” I believe that discovering the full effects of resource position was hindered by the manipulation of the variable. One of the reasons for the weak effects of relative resource position in the current study could be the weak manipulation, which consisted only of variations in the information given to subjects in the instructions regarding their relative standing on resources. While the manipulation check suggests that subjects retained that information, it is unclear how powerful the manipulation really was. Future research should find a way to actually manipulate relative resource position and explore the effects of such differentiation.
The Importance of Conflict

Salience of conflict surfaced as the most important mechanism in the positive relationship between level of third party intervention and feelings the disputants have of one another. I believe that this both helps explain the conflicting results of the vignette and laboratory experiments and the main benefit of mediated disputes.

The vignettes were unable to capture the conflictual side of mediation and negotiation, the back and forth nature of negotiation and failed agreements. In the same way, only in the laboratory are subjects able to experience the shift in focus produced by arbitration. This led to the different results between the two methods. In the laboratory, the unfair settlement is blamed on the arbitrator, the process runs more smoothly, and the subjects are required to make less direct concessions than in mediation. While those in arbitration only had the opportunity to make one request for each asset, the subjects in negotiation and mediation averaged four rounds before making an agreement. Further, while those in arbitration always received some portion of the available asset, those in negotiation and mediation had the potential of earning only a small portion of the available assets value because it ended up at auction. Each of these helped make arbitration the least conflictual process for disputants which made arbitration the best process with regard to relationship outcomes.
Implications and Contributions

These findings have a number of implications for the theories and literatures that this dissertation draws from. First, varying levels of third party intervention are clearly related to the relationship between disputants and feelings they have toward one another. Procedural justice is the most popular social psychological theory in the area of alternative dispute resolution and third party intervention. However, these studies suggest that other consequences of dispute resolution processes deserve more attention. Specifically, it is time to consider the relationships of those involved in the dispute. The process will end and the outcome will lose significance, but the relationship between the disputants may last a lifetime. Consider a divorcing couple with children, siblings arguing over an estate, neighbors who disagree on the location of a fence. These disputants will have continued contact after leaving the mediator’s office or agreeing to contract terms, and research must focus on these ongoing relationships and the feelings disputants have toward one another, which greatly affect such ongoing contact.

Further, the differences between the vignette and the laboratory results are a cautionary tale for those who study procedural justice, particularly in alternative dispute resolution. While there is a great deal of research from the field – courtrooms, mediator offices, and the like – in procedural justice, the vast majority of experimental work in this area uses vignettes. While subjects in both the vignette study and the laboratory experiment rated the fairness of dispute resolution processes as procedural justice
theory would expect, with higher levels of intervention resulting in lower ratings of procedural fairness, the vignettes were not able to tap the effects of that intervention in the same way that the laboratory experiment was. To truly experience the process limits the generalizing effect of procedural fairness. It is important for researchers in this area to consider these methodological effects and further explore the potential problems with cultural expectations about mediation.

The research also makes an important contribution to social exchange theory, as well as to two of the primary literatures that recent work in social exchange and affect draws from – attribution and conflict theories. This research contributes to the discussion in social exchange regarding the importance of the context of exchange and, verifying not only that context matters, but that the presence of a third party, and the level of third party intervention, are key contextual elements. Conditions under which disputes are solved matter for the affective outcomes of such disputes. Alternative dispute resolution situations are no exception.

Previous research suggests that context is important for various subjective outcomes of exchange (e.g. Molm et al 1999, 2003, 2006). This research found this once again. A neutral third party can have an important effect on subjective exchange outcomes. Even in mediation, where the procedure was exactly the same as negotiation, simply with a mediator ostensibly conveying the offers and counter-offers, there were vast differences in the affective outcomes of the two processes. In all cases, negotiation,
like arbitration, produced more favorable results than mediation. With so many exchanges today mediated with a third party, it is important to consider the various relationships the third party has to the disputants and the effect on perceptions disputants have of the process, outcome, and one another.

The project also adds to work on attributions by exploring the importance of attributions in alternative dispute resolution and attributions of blame in cases of third party intervention. This research brought to light an important distinction between attribution of blame for an individual’s behavior and attribution of blame for the outcome. Although attribution theory focuses on explaining the causes of behavior as situational or dispositional, also important are the salient sources for attributions and if there is someone else, or something situational, to take the blame for an outcome and not necessarily a behavior.

Another significant contribution that further research should explore is the case of equal status disputants and the difficulty individuals in such positions have in making situational attributions without strong third party presence. With an increasing number of women becoming successful in the labor force, gaining power and status, and the prevalence of alternative dispute resolution in divorce cases, there could conceivably be more cases involving individuals of equal status. Although previous research (Pillutla & Murnighan 2003) calls such cases rare, clearly they are important to consider.
Finally, this research contributes to work addressing the role of conflict in producing self-serving attributions while adding insight into how third party intervention affects the level of conflict between disputants. Although previous research already established that conflict leads to self-serving attributions (e.g. Deutsch 2000; Thompson & Loewenstein 1992), this research sheds light on how this occurs in alternative dispute resolution. Further, the research shows that conflict and attributions have independent effects on the outcomes. In addition, the current work demonstrates how, despite what many believe, increasing levels of third party intervention can actually lessen conflict between disputants. This is an important lesson for those who support mediation without investigating the actual effects of such processes.

Future Directions

All of these contributions should be approached with caution as there are limitations to the current research. It is important to remember that these results should not be taken directly from the laboratory and applied to actual alternative dispute resolution settings and procedures. It is imperative that there be further investigation of the findings presented here in applied settings, along with further tests in the laboratory.

One of the key limitations of the current study is the three, abstract, levels of intervention. There were only three ways that the individuals could settle the dispute, although there are hundreds of varieties of third party intervention. Some of the most important variations are variants of mediation, including facilitative mediation where
the mediator explicitly works on facilitating discussions and agreement between disputants and lessening the conflict. The drawbacks of the type of conciliatory mediation in the current study should not be assumed of other types of mediation; further work should investigate the differences between conciliatory and facilitative types.

Also, subjects were assigned to a type of dispute resolution and not given a choice as they sometimes are in actual disputes. It is important to consider how such choices affect satisfaction with processes and outcomes. In addition, all the settlements in these studies were binding versus non-binding. With previous work in social exchange suggesting that non-binding agreements result in different affective outcomes than binding agreements (Molm et al. 2004), future work should explore the power of such differences in alternative dispute resolution processes. Future research should also explore how individuals with other objective outcomes – for instance, those who receive a larger share of benefits, or those who get an equal share – respond to various types of third party intervention.

**Conclusion**

In sum, the current work tackles an interesting and important phenomenon, the effect of third party intervention on the relationship and regard between disputants. This dissertation offers important insight into how to explore such topics and caution regarding the proliferation of mediation without research into the benefits and
drawbacks of such an approach, particularly for the individuals involved. It is time for research in alternative dispute resolution to move beyond perceptions of fairness of the process and the positive effects of such perceptions and to explore perceptions of fairness disputants have of one another and the powerful effects that those perceptions have on life after the dispute.
Appendix A.1: Negotiation Vignette

Please consider the following scenario:

You and Taylor have been in business for three years. It is not working out and you are both ready to move on to new business ventures. There are a number of assets (e.g. supplies, parts) left from the business to divide between you. You feel that you have contributed more to the business and deserve a larger share than Taylor. Taylor believes the opposite and is asking for a larger share.

It is important to you that you accumulate as many assets as possible because you plan on trading your assets in for their cash value at the end of the division process. You will use the cash to begin your next business venture. You are unsure of Taylor’s future plans and do not know if they include trading the assets for cash or using them in the future.

To divide these various assets, you and Taylor engage in a negotiation process. You divide the assets one at a time until all of them have been liquidated. In this negotiation process you and Taylor exchange offers (e.g. how many sprockets you get, how many Taylor gets). After considering the offers, you each make counteroffers. These offers and counteroffers continue until the two of you agree on a division of the asset. This decision is final, and the asset is divided accordingly. This process begins again with each new asset and the negotiations continue until you and Taylor have divided all the assets.

At the end of the negotiation process you add up your assets and compute their value, preparing to trade them in. Taylor decides to do the same. You compare the value of your assets to the value of Taylor’s accumulated assets and realize that you received less than half the total value of the assets. You acquired only 42% of the value. Taylor on the other hand, has 58%.

Consider for a moment how you would feel in this situation, and then please continue on to the next page.
Appendix A.2: Mediation Vignette

Please consider the following scenario:

You and Taylor have been in business for three years. It is not working out and you are both ready to move on to new business ventures. There are a number of assets (e.g. supplies, parts) left from the business to divide between you. You feel that you have contributed more to the business and deserve a larger share than Taylor. Taylor believes the opposite and is asking for a larger share.

It is important to you that you accumulate as many assets as possible because you plan on trading your assets in for their cash value at the end of the division process. You will use the cash to begin your next business venture. You are unsure of Taylor’s future plans and do not know if they include trading the assets for cash or using them in the future.

To divide these various assets, you and Taylor engage in a mediation process. You divide the assets one at a time, with the help of a mediator, until all of them have been liquidated. In this mediation process you and Taylor make offers (e.g. how many sprockets you get, how many Taylor gets) to a mediator. The mediator relays the offers to each of you. After considering the offers, you each make counteroffers. These offers and counteroffers continue through the mediator until the mediator announces that the two of you agree on a division of the asset. This decision is final, and the asset is divided accordingly. This process begins again with each new asset and the negotiations continue until you and Taylor, with the help of the mediator, have divided all the assets.

At the end of the mediation process you add up your assets and compute their value, preparing to trade them in. Taylor decides to do the same. You compare the value of your assets to the value of Taylor’s accumulated assets and realize that you received less than half the total value of the assets. You acquired only 42% of the value. Taylor on the other hand, has 58%.

Consider for a moment how you would feel in this situation, and then please continue on to the next page.
Appendix A.3: Arbitration Vignette

Please consider the following scenario:

You and Taylor have been in business for three years. It is not working out and you are both ready to move on to new business ventures. There are a number of assets (e.g. supplies, parts) left from the business to divide between you. You feel that you have contributed more to the business and deserve a larger share than Taylor. Taylor believes the opposite and is asking for a larger share.

It is important to you that you accumulate as many assets as possible because you plan on trading your assets in for their cash value at the end of the division process. You will use the cash to begin your next business venture. You are unsure of Taylor’s future plans and do not know if they include trading the assets for cash or using them in the future.

To divide these various assets, you and Taylor engage in an arbitration process. You divide the assets one at a time, with the help of an arbitrator, until all of them have been liquidated. In this arbitration process you and Taylor make offers (e.g. how many sprockets you get, how many Taylor gets) to an arbitrator. After considering both offers, the arbitrator decides on a division of the asset. The arbitrator’s decision is final and the asset is divided accordingly. This process begins again with each new asset and the negotiations continue until you and Taylor, with the help of the arbitrator, have divided all the assets.

At the end of the arbitration process you add up your assets and compute their value, preparing to trade them in. Taylor decides to do the same. You compare the value of your assets to the value of Taylor’s accumulated assets and realize that you received less than half the total value of the assets. You acquired only 42% of the value. Taylor on the other hand, has 58%.

Consider for a moment how you would feel in this situation, and then please continue on to the next page.
APPENDIX B: POST-VIGNETTE QUESTIONNAIRES

Appendix B.1: Negotiation Questionnaire

First, please answer these questions about Taylor:

Describe your feelings toward Taylor:

Positive 1 - 2 - 3 - 4 - 5 - 6 - 7 Negative
Hostile 1 - 2 - 3 - 4 - 5 - 6 - 7 Friendly

How would you describe Taylor?

Fair 1 - 2 - 3 - 4 - 5 - 6 - 7 Unfair
Reasonable 1 - 2 - 3 - 4 - 5 - 6 - 7 Unreasonable

What do you think your relationship with Taylor would be like in the future?

Cooperative 1 - 2 - 3 - 4 - 5 - 6 - 7 Competitive
Hostile 1 - 2 - 3 - 4 - 5 - 6 - 7 Friendly

Do you think that Taylor’s behavior was influenced primarily by characteristics of Taylor (the kind of person Taylor is), primarily the characteristics of the negotiation process, or by characteristics of both?

Taylor 1 - 2 - 3 - 4 - 5 - 6 - 7 Negotiation Process

Now, please answer these questions about the negotiation process:

Evaluate the asset division process – negotiation:

Fair 1 - 2 - 3 - 4 - 5 - 6 - 7 Unfair
Competitive 1 - 2 - 3 - 4 - 5 - 6 - 7 Cooperative

How much input do you feel the negotiation process gave you?

A great deal 1 - 2 - 3 - 4 - 5 - 6 - 7 None at all

Please answer the following questions about the outcome of the division (that you received 42% of the total value and Taylor received 58%):

Evaluate the final outcome of the asset division:

Fair 1 - 2 - 3 - 4 - 5 - 6 - 7 Unfair
Unjust 1 - 2 - 3 - 4 - 5 - 6 - 7 Just

How much control do you feel you had in deciding this division of the assets?

A great deal 1 - 2 - 3 - 4 - 5 - 6 - 7 None at all

How equal or unequal do you think the outcome of the asset division was (4 is equal)?

Unequal, benefiting me 1 - 2 - 3 - 4 - 5 - 6 - 7 Unequal, benefiting Taylor

Choose who you think was most responsible for the outcome of the asset division:

Me 1 - 2 - 3 - 4 - 5 - 6 - 7 Taylor

Finally, please answer these last two questions:

What is your gender? Male Female
What did you imagine Taylor’s gender as? Male Female
Appendix B.2: Mediation and Arbitration Questionnaire

First, please answer these questions about Taylor:

Describe your feelings toward Taylor:
- Positive 1 - 2 - 3 - 4 - 5 - 6 - 7 Negative
- Hostile 1 - 2 - 3 - 4 - 5 - 6 - 7 Friendly

How would you describe Taylor?
- Fair 1 - 2 - 3 - 4 - 5 - 6 - 7 Unfair
- Reasonable 1 - 2 - 3 - 4 - 5 - 6 - 7 Unreasonable

What do you think your relationship with Taylor would be like in the future?
- Cooperative 1 - 2 - 3 - 4 - 5 - 6 - 7 Competitive
- Hostile 1 - 2 - 3 - 4 - 5 - 6 - 7 Friendly

Do you think that Taylor’s behavior was influenced primarily by characteristics of Taylor (the kind of person Taylor is), primarily the characteristics of the mediation/arbitration process, or by characteristics of both?
- Taylor 1 - 2 - 3 - 4 - 5 - 6 - 7 Mediation/Arbitration Process

Now, please answer these questions about the mediation process and the mediator:

Evaluate the asset division process – mediation/arbitration:
- Fair 1 - 2 - 3 - 4 - 5 - 6 - 7 Unfair
- Competitive 1 - 2 - 3 - 4 - 5 - 6 - 7 Cooperative

How much input do you feel the mediation/arbitration process gave you?
- A great deal 1 - 2 - 3 - 4 - 5 - 6 - 7 None at all

Describe your feelings toward the mediator:
- Positive 1 - 2 - 3 - 4 - 5 - 6 - 7 Negative

How would you describe the mediator?
- Fair 1 - 2 - 3 - 4 - 5 - 6 - 7 Unfair
- Reasonable 1 - 2 - 3 - 4 - 5 - 6 - 7 Unreasonable

Please answer the following questions about the outcome of the division (that you received 42% of the total value and Taylor received 58%):

Evaluate the final outcome of the asset division:
- Fair 1 - 2 - 3 - 4 - 5 - 6 - 7 Unfair
- Unjust 1 - 2 - 3 - 4 - 5 - 6 - 7 Just

How much control do you feel you had in deciding this division of the assets?
- A great deal 1 - 2 - 3 - 4 - 5 - 6 - 7 None at all

How equal or unequal do you think the outcome of the asset division was (4 is equal)?
- Unequal, benefiting me 1 - 2 - 3 - 4 - 5 - 6 - 7 Unequal, benefiting Taylor
Choose who you think was most responsible for the outcome of the asset division:
Me  
Taylor  
The mediator

Finally, please answer these last two questions:
What is your gender?  
Male  
Female  
What did you imagine Taylor’s gender as?  
Male  
Female
APPENDIX C: RECRUITMENT WEBSITE

UNDERGRADUATE STUDENTS:
EARN MONEY IN AN EXPERIMENT!

You are invited to participate in a sociology experiment that Jessica L. Collett, a PhD Candidate in Sociology at the University of Arizona, is conducting this year. The experiment takes less than two hours and it is conducted on campus, in the Social Sciences Building.

The experiment is a study of social interaction. Volunteers interact with each other through computers, making choices that affect each other's earnings in the experiment. The objective is to make as much money as you can. The experiment is very simple, and it should cause you no discomfort, anxiety, or embarrassment.

**VOLUNTEERS WILL EARN AN AVERAGE OF $15 IN THE EXPERIMENT.**
YOU ARE GUARANTEED A MINIMUM OF $6 FOR YOUR PARTICIPATION, AND YOU CAN EARN UP TO $25. The exact amount you earn depends on the experimental condition to which you are randomly assigned, and the choices that you and others make in the experiment.

There are just two qualifications for participation: You must be an undergraduate student between the ages of 18-25, and **YOUR MAIN REASON FOR PARTICIPATING MUST BE A DESIRE TO EARN MONEY!**

If you are interested in participating, please complete the information at the bottom of this page and click submit.

We will telephone or email you to schedule your participation in the experiment. We will be conducting the experiment throughout the semester, so you may be contacted very soon, or not for a few weeks. Thank you for volunteering to participate.
First Name:  
Last Name:  
Email:  
Phone Number:  
Sex:  
Year in School:  
Age:  

PLEASE CHECK *ALL* OF THE TIMES THAT YOU ARE AVAILABLE TO PARTICIPATE IN THE EXPERIMENT

**Monday:**  
- 10:00-12:00  
- 1:30-3:30  
- 3:30-5:30  

**Tuesday:**  
- 10:00-12:00  
- 2:00-4:00  
- 4:00-6:00  

**Wednesday:**  
- 10:00-12:00  
- 1:30-3:30  
- 3:30-5:30  

**Thursday:**  
- 10:00-12:00  
- 2:00-4:00  
- 4:00-6:00  

**Friday:**  
- 10:00-12:00  
- 1:30-3:30  
- 3:30-5:30  

If there are other blocks of time of at least 2 hours in length during which you could participate, please indicate that in the box below:

**Other availability:**  

Finally, How did you hear about the experiment (choose all that apply)?

- Wildcat Newspaper  
- Wildcat Online  
- Flyer  
- Friend  
- In Class  

**Other:**  

Click Submit to send information:
APPENDIX D: EXPERIMENTAL INSTRUCTIONS

Appendix D.1: Negotiation, Equal (Disadvantaged) on Relative Resources

You are participating in this experiment with other students, like you, they volunteered for the experiment to earn money. Each of you has been assigned to a particular position in the experiment. Your position is Person W. Because we don’t want your interactions to be influenced by personal characteristics like sex or appearance, you will not meet or talk to each other either during or after the experiment. You will interact only through computers.

To continue the instructions, please click Next. The next screen will appear when all participants are ready to continue.
Page 2

We will now explain how the experiment works, and give you a chance to practice the procedures you will use today. The instructions will take about half an hour. Make sure that you read every screen of the instructions carefully. You won't be able to go back to previous screens. After the instructions, you will have a chance to ask questions.

PAY ATTENTION TO THE INSTRUCTIONS!!
YOU MUST UNDERSTAND THEM COMPLETELY TO MAKE MONEY.

If you wish, you can use the notepad on your desk to write down any questions as you are reading. Each screen has a page number in the upper left-hand corner. You can mention that page number in your questions if you wish.

However, after the instructions you will need to put your notepad away and participate fully in the experiment. We want you to respond to the interaction as you experience it.

To continue the instructions, please click Next.
This experiment consists of two distinct phases. In the first, you and Person X are former business partners and your task is to divide a number of assets (e.g. supplies, parts) left from a business the two of you have been running together. Each asset has a cash value and as you divide the assets their worth will be transferred into money that is yours to keep. You may use this money in the second stage of the experiment where you will have the opportunity to build another business to gain more profit. At the end of the experiment you will either be paid for your total profits or $6, whichever is greater.

To divide these various assets in the first stage, you and Person X will engage in an negotiation process using a computer program. In this negotiation process you and Person X make offers (e.g. how many sprockets you get, how many Person X gets) to one another. The computer relays the offers to each of you. After considering the offers, you each make counteroffers. These offers and counteroffers continue until the two of you agree on a division of the asset or five rounds are up. The decision is final, and the asset is divided accordingly. This process begins again with each new asset and the negotiations continue until you and Person X have divided all the assets.

To continue the instructions, please click Next.
Going into this process, it is important for you to know that you lack a pool of resources from other investments which you could use to start your next business venture (in the second phase of the experiment). Therefore, your goal during this first phase, asset division, is to acquire as much money as possible, because you could not start your next business venture without these resources. You do not have any other assets or connections that could facilitate your next business venture in the second phase of the experiment.

Person X, like you, also lacks a pool of resources from other investments which he or she could use to start their next business venture. Their goal during this period of asset division is to acquire as much money as possible, as Person X relies heavily on these resources for the next phase. This money is important because Person X does not have any assets or connections that could help in their next business venture.

In other words, you and Person X are going into this process in relatively equal positions. Person X is aware of these positions as well.

To continue the instructions, please click Next.
As we said earlier, in this first phase of the experiment there are a number of assets to divide. Each asset has a unique serial number, quantity, and cash value. You will divide these assets one at a time with until all assets have been divided. You will then move on to the next phase in the experiment.

Each time a new asset is introduced marks the beginning of a new negotiation opportunity. On each opportunity you will have up to five rounds of negotiation to reach a division decision with Person X. When the two of you agree on a division, you both will receive a share of the assets. The size of this share depends on the decision you reach.

You should try to obtain the best outcomes for yourself that you can, a division that gives you as large a share of assets as possible. In general, the larger the share that you get from a division, the smaller the other person gets; and the more the other person gets, the less that you get. Negotiating those differences, and reaching the best division decisions for yourself that you can, is your task.

To continue the instructions, please click Next.
Throughout the experiment, you will know the maximum number of any given asset that is available and its cash value. After the asset is divided, your total profits will be updated. Because we want you to be concerned only with your own profits, you will not have a running total of the profits of Person X.

At all times you should try to accumulate as many assets, or as much profit, as you can!

To continue the instructions, please click Next.
On each round of a negotiation opportunity you will be able to make an offer - a proposed division of the current asset - to Person X by sending it through the computer. Simultaneously, Person X will send a similar proposal to you. It may take some time, but as soon as the computer has received both your offers, it will relay what Person X has offered you. To agree on a division decision, two persons must make offers and requests that match or choose to accept a proposed division. If no agreement is reached on a round, then a new round of offers will begin. The negotiations will continue across rounds until a decision has been reached, or until the five rounds are up. Then, that negotiation opportunity will end. Any decisions that you and Person X reach on the division of assets is final.

If you and Person X are unable to agree on a division in five rounds, the assets will be sent to auction and will be sold for one quarter of their value. For example, if there were $10.00 worth of assets and you and Person X could not negotiate a division within the five rounds, the assets would be sold at auction and would earn $2.50. You would get half of that, or $1.25.

Clearly it is in your best interest to avoid having the assets go to auction as it drastically reduces the worth of the assets to you and Person X.

To continue the instructions, please click Next.
How much money you earn in this phase depends on the terms of the negotiated divisions. You should try to encourage divisions that give you as many assets as possible. How you do that is up to you; there are no right or wrong responses in the experiment.

**BECAUSE YOU LACK POTENTIAL RESOURCES FOR YOUR NEXT BUSINESS VENTURE, YOU SHOULD TRY AT ALL TIMES TO MAKE AS MUCH MONEY AS YOU CAN!**

To **continue** the instructions, please click Next.
With that brief overview, let's turn to a more detailed description of how you will actually use your computer to communicate with Person X.

Please open the folder on your desk and pull out the enclosed sheet.

This picture is a replication of the screen you will see during the experiment. The screen includes all the information you should need to participate in the negotiation process. On the next page, we will explain the various components of the screen and why the information is important.

To continue the instructions, please click Next.
A. At the top of the screen, in bold letters, is a message about your current stage in the process. For instance, in this example, there is a new asset to divide and the computer is waiting for you to enter a proposed division of the assets.

B. This section will tell you the asset's serial number, how much each asset is worth, and the number of the particular asset available in this round.

C. This is where you will indicate your proposed division of the asset. By clicking the up or down arrows to the right of the Your Share box, you can change the amount you are requesting. As you move your share amount up or down, Person X's share will change accordingly.

D. When you have settled on a proposed division, you will submit it by clicking the Submit Request button. At any time during the experiment, you may ask the experimenter for help by clicking the Ask for Help button.

To continue the instructions, please click Next.
E: Your transaction history box will keep you updated on the negotiation process. It will alert you when negotiation begins, report what you and Person X request on each round, and will report whether or not your offer is accepted and, if necessary, when the asset goes to auction.

F: Before the next opportunity begins, your round earnings will be calculated and your total earnings will be updated.

To continue the instructions, please click Next.
Before we begin this phase of the experiment, we're going to have a short practice exercise. It will consist of three negotiation opportunities in a row. This will give you a chance to become familiar with proposing divisions and negotiating divisions through the computer.

Because this is just practice, it probably won't be realistic. We want you and Person X to try out different choices and become familiar with reading the information on the screen. Because you all will be trying out different things, just for practice, you probably won't be interacting with each other in the same way that you will during in the experiment. So, this exercise won't tell you how Person X is likely to behave in the experiment. It will just give you practice proposing asset divisions, making agreements through the computer, and reading the screen. Also, because it's a practice, you won't be paid for any earnings you have at the end of it.

Okay, to start the three practice negotiation opportunities, please click Next. When both of you are ready, the practice exercise will begin.
X has entered an offer, please respond

Transaction History

Current Asset: Asset 1
Asset Value: 10 cents each
Number Available: 20

Proposed Division of this Asset
Your share: 12
X's Share: 8

Your Total Earnings: $0.0

Submit Request  Accept  Ask For Help
You entered a request, please wait for X.

Transaction History

New Asset: Asset 1
Round 1 of 5
You request 12
X offers you 6
Round 2 of 5
You request 10
X offers you 6
Round 3 of 5
You request 10
X offers you 7
Round 4 of 5
You request 10
X offers you 7
Round 5 of 5
You request 10
No agreement. Sent to auction.

Current Asset: Asset 1

Asset Value: 10 cents each

Number Available: 20

Proposed Division of this Asset

Your share: 10

X's Share: 10

Your Total Earnings: $0.0
Okay, that was very good. As you've just seen, your task in the first phase of the experiment is really quite simple. You just use your mouse to select and submit proposed division requests for the various assets. Remember, you should try to earn as much money as you can for building your next business in the second phase.

That concludes the instructions on the negotiation process. If you have a question at any time during the experiment, please click the Ask for Help button and the experimenter will answer it.

To begin the experiment, please click Next.
Appendix D.2: Mediation, Disadvantaged on Relative Resources
Page 2

We will now explain how the experiment works, and give you a chance to practice the procedures you will use today. The instructions will take about half an hour. Make sure that you read every screen of the instructions carefully. You won't be able to go back to previous screens. After the instructions, you will have a chance to ask questions.

PAY ATTENTION TO THE INSTRUCTIONS!!
YOU MUST UNDERSTAND THEM COMPLETELY TO MAKE MONEY.

If you wish, you can use the notepad on your desk to write down any questions as you are reading. Each screen has a page number in the upper left-hand corner. You can mention that page number in your questions if you wish.

However, after the instructions you will need to put your notepad away and participate fully in the experiment. We want you to respond to the interaction as you experience it.

To continue the instructions, please click Next.
This experiment consists of two distinct phases. In the first, you and Person X are former business partners and your task is to divide a number of assets (e.g. supplies, parts) left from a business the two of you have been running together. Each asset has a cash value and as you divide the assets their worth will be transferred into money that is yours to keep. You may use this money in the second stage of the experiment where you will have the opportunity to build another business to gain more profit. At the end of the experiment you will either be paid for your total profits or $6, whichever is greater.

To divide these various assets in the first stage, you and Person X will engage in an mediation process using a neutral mediator (a student, assigned to this position, in the same way you were assigned to the position of Person W). You will divide the assets one at a time, with the help of a mediator, until all of them have been divided. In this mediation process you and Person X make offers (e.g. how many sprockets you get, how many Person X gets) to a mediator. The mediator relays the offers to each of you. After considering the offers, you each make counteroffers. These offers and counteroffers continue through the mediator until the mediator announces that the two of you agree on a division of the asset or five rounds are up. The decision is final, and the asset is divided accordingly.

This process begins again with each new asset and the negotiations continue until you and Person X, with the help of the mediator, have divided all the assets.

To continue the instructions, please click Next.
Going into this process, it is important for you to know that you lack a pool of resources from other investments which you could use to start your next business venture (in the second phase of the experiment). Therefore, your goal during this first phase, asset division, is to acquire as much money as possible, because you could not start your next business venture without these resources. You do not have any other assets or connections that could facilitate your next business venture in the second phase of the experiment.

**Person X,** on the other hand, possesses a pool of resources from other investments which he or she could use to start their next business venture. Although, like you, their goal during this period of asset division is to acquire as much money as possible, **Person X** could build a new business without those resources. This money is less important because **Person X** does has assets or connections that could help in their next business venture.

In other words, you are going into this process in a disadvantaged position compared to **Person X** and both the mediator and **Person X** are aware of your disadvantage.

To continue the instructions, please click Next.
As we said earlier, in this first phase of the experiment there are a number of assets to divide. Each asset has a unique serial number, quantity, and cash value. You will divide these assets one at a time with the help of a mediator until all assets have been divided. You will then move on to the next phase in the experiment.

Each time a new asset is introduced marks the beginning of a new mediation opportunity. On each opportunity you will have up to five rounds of mediated negotiation to reach a division decision with Person X. When the two of you agree on a division, you both will receive a share of the assets. The size of this share depends on the decision you reach through the mediator.

You should try to obtain the best outcomes for yourself that you can, a division that gives you as large a share of assets as possible. In general, the larger the share that you get from a division, the smaller the other person gets, and the more the other person gets, the less that you get. Negotiating those differences through the mediator, and reaching the best division decisions for yourself that you can, is your task.

To continue the instructions, please click Next.
Throughout the experiment, you will know the maximum number of any given asset that is available and its cash value. After the asset is divided, your total profits will be updated. Because we want you to be concerned only with your own profits, you will not have a running total of the profits of Person X.

Particularly because you are going into this mediation process in a disadvantaged position, you should try at all times to accumulate as many assets, or as much profit, as you can!

To continue the instructions, please click Next.
On each round of a mediation opportunity you will be able to make an offer - a proposed division of the current asset - to Person X by sending it to the mediator. Simultaneously, Person X will send a similar proposal to the mediator to relay to you. It may take some time, but as soon as the mediator has received both your offers, he or she will tell you what Person X has offered you. To agree on a division decision, two persons must make offers and requests that match or choose to accept a proposed division. If no agreement is reached on a round, then a new round of offers will begin. The mediated negotiations will continue across rounds until a decision has been reached, or until the five rounds are up. Then, that mediation opportunity will end. Any decisions that you and Person X reach on the division of assets is final.

If the mediator determines that you and Person X are unable to agree on a division in five rounds, the assets will be sent to auction and will be sold for one quarter of their value. For example, if there were $10.00 worth of assets and the mediator determined that you and Person X could not negotiate a division within the five rounds, the assets would be sold at auction and would earn $2.50. You would get half of that, or $1.25.

Clearly it is in your best interest to avoid having the assets go to auction as it drastically reduces the worth of the assets to you and Person X.

To continue the instructions, please click Next.
How much money you earn in this phase depends on the terms of the mediated divisions. You should try to encourage divisions that give you as many assets as possible. How you do that is up to you; there are no right or wrong responses in the experiment.

BECAUSE YOU HAVE LESS POTENTIAL RESOURCES THAN PERSON X FOR YOUR NEXT BUSINESS VENTURE, YOU SHOULD TRY AT ALL TIMES TO MAKE AS MUCH MONEY AS YOU CAN!

To continue the instructions, please click Next.
With that brief overview, let's turn to a more detailed description of how you will actually use your **computer** to communicate with the mediator.

**Please open the folder on your desk and pull out the enclosed sheet.**

This picture is a replication of the screen you will see during the experiment. The screen includes all the information you should need to participate in the mediation process. On the next page, we will explain the various components of the screen and why the information is important.

To continue the instructions, please click Next.
A: At the top of the screen, in bold letters, is a message about your current stage in the process. For instance, in this example, there is a new asset to divide and the mediator is waiting for you to enter a proposed division of the assets.

B: This section will tell you the asset's serial number, how much each asset is worth, and the number of the particular asset available in this round.

C: This is where you will indicate your proposed division of the asset. By clicking the up or down arrows to the right of the Your Share box, you can change the amount you are requesting. As you move your share amount up or down, Person X's share will change accordingly.

D: When you have settled on a proposed division, you will submit it to the mediator by clicking the Submit to Mediator button. At any time during the experiment, you may ask the experimenter for help by clicking the Ask for Help button.

To continue the instructions, please click Next.
E: Your mediation history box will keep you updated on the mediation process. It will alert you when mediation begins, report what you and Person X request on each round, and will report whether or not your offer is accepted and, if necessary, when the asset goes to auction.

F: Before the next opportunity begins, your round earnings will be calculated and your total earnings will be updated.

To continue the instructions, please click Next.
Before we begin this phase of the experiment, we're going to have a short practice exercise. It will consist of three mediation opportunities in a row. This will give you a chance to become familiar with proposing divisions and negotiating divisions through the mediator.

Because this is just practice, it probably won't be realistic. We want you and Person X to try out different choices and become familiar with reading the information on the screen. Because you all will be trying out different things, just for practice, you probably won't be interacting with each other the same way that you will during in the experiment. So, this exercise won't tell you how Person X is likely to behave in the experiment. It will just give you practice proposing asset divisions, making agreements through the mediator, and reading the screen. Also, because it's a practice, you won't be paid for any earnings you have at the end of it.

Okay, to start the three practice mediation opportunities, please click Next. When all three of you are ready, the practice exercise will begin.
The mediator has returned with an offer.

Mediation History
New Asset: Asset 1
Round 1 of 5
You request 12
X offers you 9
Round 3 of 5

Current Asset: Asset 1

Asset Value: 10 cents each

Number Available: 20

Proposed Division of this Asset
Your share: 12
X's Share: 8

Your Total Earnings
$0.0

Submit to Mediator  Accept  Ask For Help
Your offer has been accepted. Please wait

<table>
<thead>
<tr>
<th>Mediation History</th>
<th>Current Asset</th>
<th>Asset Value</th>
<th>Number Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Asset: Asset 1</td>
<td>Asset 1</td>
<td>10 cents each</td>
<td>20</td>
</tr>
<tr>
<td>Round 1 of 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You request 12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X offers you 9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Round 2 of 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You request 10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agreement Reached</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proposed Division of this Asset</th>
<th>Your Total Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your share: 10</td>
<td>$0.0</td>
</tr>
<tr>
<td>X's Share: 10</td>
<td></td>
</tr>
</tbody>
</table>
**New Asset - Please make a division proposal**

<table>
<thead>
<tr>
<th>Mediation History</th>
<th>Current Asset: Asset 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Asset: Asset 2</td>
<td></td>
</tr>
<tr>
<td>Round 1 of 5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Value: 20 cents each</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Available: 40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proposed Division of this Asset</th>
<th>Your Total Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your share: 40</td>
<td>$1.0</td>
</tr>
<tr>
<td>X's Share: 0</td>
<td></td>
</tr>
</tbody>
</table>

Submit to Mediator  | Accept  | Ask For Help
Okay, that was very good. As you've just seen, your task in the first phase of the experiment is really quite simple. You just use your mouse to select and submit proposed division requests for the various assets. Remember, because you are disadvantaged, you should try to earn as much money as you can for building your next business in the second phase.

That concludes the instructions on the mediation process. If you have a question at any time during the experiment, please click the Ask for Help button and the experimenter will answer it.

To begin the experiment, please click Next.
Appendix D.3: Arbitration, Advantaged on Relative Resources

You are participating in this experiment with other students. Like you, they volunteered to be in the experiment to earn money. Each of you has been assigned to a particular position in the experiment. Your position is Person W. Because we do not want your interactions to be influenced by personal characteristics like sex or appearance, you will not meet or talk to each other during or after the experiment. You will interact only through computers.

To continue the instructions, please click Next. The next screen will appear when all participants are ready to continue.
Page 2

We will now explain how the experiment works, and give you a chance to practice the procedures you will use today. The instructions will take about half an hour. Make sure that you read every screen of the instructions carefully. You won’t be able to go back to previous screens. After the instructions, you will have a chance to ask questions.

PAY ATTENTION TO THE INSTRUCTIONS!!
YOU MUST UNDERSTAND THEM COMPLETELY TO MAKE MONEY.

If you wish, you can use the notepad on your desk to write down any questions as you are reading. Each screen has a page number in the upper left-hand corner. You can mention that page number in your questions if you wish.

However, after the instructions you will need to put your notepad away and participate fully in the experiment. We want you to respond to the interaction as you experience it.

To continue the instructions, please click Next.
This experiment consists of two distinct phases. In the first, you and Person X are former business partners and your task is to divide a number of assets (e.g. supplies, parts) left from a business the two of you have been running together. Each asset has a cash value and as you divide the assets their worth will be transferred into money that is yours to keep. You may use this money in the second stage of the experiment where you will have the opportunity to build another business to gain more profit. At the end of the experiment you will either be paid for your total profits or $6, whichever is greater.

To divide these various assets in the first stage, you and Person X will engage in an arbitration process using a neutral arbitrator (a student, assigned to this position, in the same way you were assigned to the position of Person W). In this arbitration process you and Person X make offers (e.g. how many sprockets you get, how many Person X gets) to an arbitrator. After considering both offers, the arbitrator decides on a division of the asset. The arbitrator's decision is final and the asset is divided accordingly. This process begins again with each new asset and the arbitration continues until you and Person X, with the help of the arbitrator, have divided all the assets.

To continue the instructions, please click Next.
Going into this process, it is important for you to know that you possess a pool of resources from other investments which you could use to start your next business venture (in the second phase of the experiment). While your goal during this first phase, asset division, is to acquire as much money as possible, you could start your next business venture without these resources. While you will not know the exact amount of their worth, you do have other assets and connections that could facilitate your next business venture, in the second phase of the experiment.

Person X, on the other hand, lacks a pool of resources from other investments which he or she could use to start their next business venture. Their goal during this period of asset division is to acquire as much money as possible, as Person X relies heavily on these resources for the next phase. This money is important because Person X does not have any assets or connections that could help in their next business venture.

In other words, you are going into this process in an advantaged position over Person X and both the arbitrator and Person X are aware of this advantage.

To continue the instructions, please click Next.
As we said earlier, in this first phase of the experiment there are a number of assets to divide. Each asset has a unique serial number, quantity, and cash value. You will divide these assets one at a time with the help of an arbitrator until all assets have been divided. You will then move on to the next phase in the experiment.

Each time a new asset is introduced is the beginning of an arbitration round. In each round the arbitrator will make a decision regarding how to divide the assets between you and Person X. Once the arbitrator reviews the proposed divisions and makes a decision, you and Person X will both receive a share of the profits from the assets. The size of this share depends on the decision the arbitrator reaches.

You should try to obtain the best outcomes for yourself that you can, a division that gives you as large a share of profits as possible. In general, the larger the share that you get from a division, the smaller the other person gets, and the more the other person gets, the less that you get. Negotiating those differences, and receiving the divisions that benefit you from the arbitrator, is your task.

To continue the instructions, please click Next.
Throughout the experiment, you will know the maximum number of any given asset that is available and its cash value. After the asset is divided, your total profits will be updated. Because we want you to be concerned only with your own profits, you will not have a running total of the profits of Person X.

Although you are going into this arbitration process in an advantaged position, at all times you should try to accumulate as many assets, or as much profit, as you can!

To continue the instructions, please click Next.
On each arbitration round you will be able to make a proposed division of the current asset to the arbitrator. Simultaneously, Person X will send a similar proposal to the arbitrator. As soon as the arbitrator has received both proposed divisions, they will decide on the division of that asset. It may take some time, but the arbitrator will then inform each of you of their decision on the division of the assets. These decisions are final.

To continue the instructions, please click Next.
How much money you earn in this phase depends on the terms of the arbitrator's decisions. You should try to encourage decisions that give you as many assets as possible. How you do that is up to you; there are no right or wrong responses in the experiment.

ALTHOUGH YOU HAVE MORE POTENTIAL RESOURCES THAN PERSON X FOR YOUR NEXT BUSINESS VENTURE, YOU SHOULD TRY AT ALL TIMES TO MAKE AS MUCH MONEY AS YOU CAN!

To continue the instructions, please click Next.
With that brief overview, let's turn to a more detailed description of how you will actually use your computer to communicate with the arbitrator.

Please open the folder on your desk and pull out the enclosed sheet.

This picture is a replication of the screen you will see during the experiment. The screen includes all the information you should need to participate in the arbitration process. On the next page, we will explain the various components of the screen and why the information is important.

To continue the instructions, please click Next.
To continue the instructions, please click Next.

1. When you have selected a proposed division, you will submit it to the administrator by clicking the Submit to Administrator button. At any time during the experiment, you may ask the experimenter for help by clicking the Ask for Help button.

2. Your share amount up or down. Person X’s share will change accordingly.

C: This is where you will indicate your proposed division of the asset. By clicking the up or down arrow on the right side of the Your Share box, you can change the amount you are requesting. As you move up or down the shares available in this round, the value of each share increases.

B. This section will tell you the asset’s serial number, how much each asset is worth, and the number of each particular asset available in this round.

A. At the top of the screen in bold letters, is a message about your current stage in the process.
E: Your arbitration history box will keep you updated on the arbitration process. It will alert you when arbitration begins, report what you and Person X request from the arbitrator, and will give you the arbitrator's decision when one is made.

F: Before the next round begins, your round earnings will be calculated and your total earnings will be updated.

To continue the instructions, please click Next.
Before we begin this phase of the experiment, we're going to have a short practice exercise. It will consist of three arbitration rounds in a row. This will give you a chance to become familiar with proposing divisions and reading arbitrator decisions.

Because this is just practice, it probably won't be realistic. We want you, Person X, and the arbitrator to try out different choices and become familiar with reading the information on the screen. Because you all will be trying out different things, just for practice, you probably won't be interacting with each other in the same way that you will during the experiment. So, this exercise won't tell you how Person X or the arbitrator are likely to behave in the experiment. It will just give you practice proposing asset divisions and reading arbitrator decisions and becoming familiar with the screen. Also, because it's a practice, you won't be paid for any earnings you have at the end of it.

Okay, to start the three practice arbitration rounds, please click Next. When all three of you are ready, the practice exercise will begin.
X has entered a request, please wait

Transaction History
New Asset: Asset 1
Arbitration Begins
You request 10
X requests 10

Current Asset: Asset 1
Asset Value: 10 cents each
Number Available: 20

Proposed Division of this Asset
Your share: 10
X's Share: 10

Your Total Earnings
$0.00

Submit to Arbitrator  Ask For Help
The arbitrator has reached a decision

**Transaction History**
- New Asset: Asset 1
- Arbitration Begins
- You request 10
- X requests 10
- Arbitrator Allocates
- You receive 11
- X receives 9

**Current Asset**
- Asset 1

**Asset Value**
- 10 cents each

**Number Available**
- 20

**Proposed Division of this Asset**
- **Your share:** 10
- **X's Share:** 10

**Your Total Earnings**
- $0.00

[Submit to Arbitrator] [Ask For Help]
Okay, that was very good. As you've just seen, your task in the first phase of the experiment is really quite simple. You just use your mouse to select and submit proposed division requests for the various assets. Remember, although you are advantaged, you should try to earn as much money as you can for building your next business in the second phase.

That concludes the instructions on the arbitration process. If you have a question at any time during the experiment, please click the Ask for Help button and the experimenter will answer it.

To begin the experiment, please click Next.
APPENDIX E: EXPERIMENTAL QUESTIONNAIRE

How would you describe Person X?
Fair - - - - - - Unfair

How would you describe Person X?
Awful - - - - - Nice

How would you describe Person X?
Reasonable - - - - Unreasonable

How would you describe Person X?
Cooperative - - - - Competitive

How would you describe Person X?
Unpleasant - - - - Pleasant

Describe your feelings toward Person X:
Friendly - - - - Hostile

Describe your feelings toward Person X:
Negative - - - - Positive

What do you think your relationship with Person X will be like in the next phase?
Hostile - - - - Friendly

What do you think your relationship with Person X will be like in the next phase?
Cooperative - - - - Competitive

What do you think your relationship with Person X will be like in the next phase?
Pleasant - - - - Unpleasant

Now we would like to ask you some questions about the asset division process - [negotiation/mediation/arbitration]. For each of the following, please select the number that best describes how you felt about the process and then click "Submit."

Please evaluate the [negotiation/mediation/arbitration] process:
Fair - - - - - - Unfair
Please evaluate the [negotiation/mediation/arbitration] process:
Unjust - - - - - - Just

Please evaluate the [negotiation/mediation/arbitration] process:
Cooperative - - - - - - Competitive

Please evaluate the [negotiation/mediation/arbitration] process:
Pleasant - - - - - - Unpleasant

Please evaluate the [negotiation/mediation/arbitration] process:
Integrative - - - - - - Divisive

How much control do you feel you had over the [negotiation/mediation/arbitration] process?
A great deal - - - - - - None at all

How much input do you feel the [negotiation/mediation/arbitration] process allowed you?
None at all - - - - - - A great deal

How much control do you feel Person X had over the [negotiation/mediation/arbitration] process?
A great deal
None at all

In general, how would you describe your feelings toward the [negotiation/mediation/arbitration] process?
Negative - - - - - - Positive

Now we’d like you to think about the outcome of the asset division. (The outcome is the worth of the assets that you and Person X received from agreements over the course of your negotiation.) For each of the following, please select the number that best describes how you felt about the outcome and then click "Submit."

Please evaluate the outcome:
Fair - - - - - - Unfair

Please evaluate the outcome:
Unjust - - - - - - Just
Please evaluate the outcome:
Reasonable - - - - - - Unreasonable

Please evaluate the outcome:
Equitable - - - - - - Inequitable

How equal or unequal do you think the outcome was? (If you think the earnings were equal, choose 4 on the scale)?
Unequal, my favor - - - - - - Unequal, Person X's favor

How much control do you feel you had in deciding this outcome?
A great deal - - - - - - None at all

How much control do you feel Person X had in deciding this outcome?
A great deal - - - - - - None at all

Before beginning the [negotiation/mediation/arbitration] process, did you consider yourself advantaged or disadvantaged compared to Person X?
Disadvantaged - - - - - - Advantaged

During the [negotiation/mediation/arbitration] process, would you describe yourself as advantaged or disadvantaged compared to Person X?
Advantaged
Disadvantaged

Who would you say was more responsible for how equal or unequal the asset divisions were (If you think that both contributed equally, choose 4 on the scale)?
I was - - - - - - - Person X was

Do you think Person X's behavior was primarily influenced by the characteristics of Person X (the kind of person Person X is), primarily the characteristics of the experiment, or by characteristics of both (if you think both contributed equally, mark 4 on the scale)?
Characteristics of Person X - - - - - - Characteristics of the experiment

In thinking about your own behavior during the first phase, were you influenced more by concerns with fairness (making agreements that were fair to everyone), or by a desire to earn money (obtaining as many points for yourself as you could)?
Fairness - - - - - - Money
Only in Mediation and Arbitration Condition Questionnaires:

Now we would like to ask you some questions about the [mediator/arbitrator]. For each of the following, please select the number that best describes how you felt about the [mediator/arbitrator] and then click "Submit".

How would you describe the [mediator/arbitrator]?
Fair - - - - - - Unfair

How would you describe the [mediator/arbitrator]?
Helpful - - - - - - Unhelpful

How would you describe the [mediator/arbitrator]?
Nice - - - - - - Awful

How would you describe the [mediator/arbitrator]?
Reasonable - - - - - - Unreasonable

How would you describe your feelings toward the [mediator/arbitrator]?
Positive - - - - - - Negative
APPENDIX F: POST-EXPERIMENT DEBRIEFING

Page 1: Finally, we would like you to write on the notepad on your desk any comments not addressed in the questionnaire. When you are done writing, please turn your notepad over and click “Next” to indicate that you are ready.

Page 2: A NOTE FROM JESSICA COLLETT: Thank you! There will not be a second phase, and that concludes today’s experiment. Now that you have finished the experiment, let me tell you a little about it so you will better understand why I had to mislead you about the second phase. The experiment is part of a research project studying the effect of various levels of third-party intervention on perceptions of fairness. I am specifically interested in how the process used to divide valuable goods affects he perceptions of fairness one party has of the other and their future relationships. In the experiment, the thing of value was money, and you earned points by dividing assets in one of three alternative dispute resolution processes. In some experimental conditions people negotiate agreements with each other through a third-party. In other conditions people negotiate directly with each other. I’m studying how these different processes affect people’s behavior, their perceptions of their exchange partner, and post-dispute relationships. Your predictions about the second phase gave me insight into your possible future relationships.

Page 3: This particular experiment had one other feature that you were probably not aware of. The other participants, Person X and the third-party (if one was present), were not real people. Their responses were made by the computer, which was programmed to act in particular ways. I used computer-programmed partners because I want to study how people - like you - respond to the division process and the process alone. Using the computer to simulate the other individuals in the experiment was the only way to ensure that the division outcomes (how much money you made) were comparable across procedures.

I am sorry that I could not tell you this in the beginning. If I had, it might have affected your behavior in some way. It was important for my research that you believed that you were interacting with real people. In most of the experiments that we do here participants DO interact with real people. Those experiments look just like this one and it is very difficult for people to tell the difference between interacting with real people and interacting with the computer. The ‘people’ you interacted with in this experiment may have been very nice, or not so nice, according to how they were programmed, just like real people!
Thank you very much for participating in the experiment. The experimenter will come into your room shortly to pay you and to answer any questions that you have about the experiment. It may be a few minutes, since we talk to each participant individually. We appreciate your patience.

Jessica L. Collett, PhD Candidate
REFERENCES


Thompson, Leigh L. and Jeffrey Loewenstein. 1992. “Egocentric Interpretations of
Fairness and Interpersonal Conflict.” Organizational Behavior and Human Decision Processes 51: 176-197.


