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A NONUNION FIRM:
A CONCEPTUAL AND EMPIRICAL ANALYSIS

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LOYALTY, VOICE, AND INTENT TO EXIT A NONUNION FIRM: A CONCEPTUAL AND EMPIRICAL ANALYSIS

It is well known that grievance procedures are pervasive in unionized firms (U.S. Bureau of Labor Statistics, 1981; Lewin and Peterson, 1988), but such procedures are also common to nonunion firms (Delaney, Lewin, and Ichniowski, 1989) and appear to have become widespread in recent years (Ichniowski and Lewin, 1988). Scholarly work in this area has focused on identifying the characteristics of grievance filers, assessing the effectiveness of grievance procedures, linking grievance procedures to organizational outcomes such as employee turnover and productivity, and measuring individual outcomes, such as performance appraisal ratings and promotion rates, in the post-grievance settlement period (Lewin and Peterson, 1988; Lewin 1991b; Peterson and Lewin, 1991b). In the case of nonunion grievance procedures, recent research has also focused on union avoidance and other rationale for the emergence of such procedures (Feuille and Delaney, 1992).

The bulk of this research has been conducted by organizational behavior and economics specialists, with the latter emphasizing organizational outcomes associated with grievance procedures and the former emphasizing determinants of grievance filing and individual outcomes associated with grievance procedure usage. Rarely have these two perspectives been combined in single studies, and rarely have large-scale intrafirm data sets been used to conduct such studies. This paper attempts partially to overcome these limitations by incorporating concepts of organizational justice and exit, voice, and loyalty in a single study, and by testing these concepts with a large-scale data set drawn from a prominent U.S.-based nonunion firm. In particular, the importance of this study stems from our efforts to construct a measure of loyalty and to distinguish between employees who have and have not experienced unfair workplace treatment. Section I of the paper develops and identifies the conceptual framework used to guide the study, Section II describes the data set and the estimation procedures used in the study, Section III presents and discusses the empirical findings of the study, and Section IV summarizes the study's main conclusions and identifies selected implications of the study for future research.

CONCEPTUAL FRAMEWORK

Hirschman's (1970) exit-voice-loyalty model has been used by labor economists primarily to analyze the behavior of labor unions (Freeman and Medoff, 1984; Freeman, 1980). The dominant finding that emerges from this work is that, by providing employees a "voice" mechanism, unionism reduces voluntary employee turnover,

that is, quits. Other, related outcomes associated with unionism in this research include increased job tenure (experience), training human capital), and productivity. However, only a small portion of this research treats grievance procedures (as distinct from unionism) as a voice mechanism, and the standard empirical approach in this regard is to compare quit rates within industries among workers who are and are not covered by grievance procedures. In this work, little conceptual attention is given to the distinction between grievance procedure coverage and usage (Ichniowski and Lewin, 1987), and none of the work appears to test for the effects of grievance procedure usage (or grievance issues, settlements, and outcomes) on employee quits--that is, exit. Other omissions from this research of particular relevance to the present inquiry include the failure to distinguish between employees who have and have not experienced unfair treatment at work, and the failure to conceptualize or test for loyalty in the context of the exit-voice framework. Put differently, the work of labor economists on grievance procedures provides a comprehensive treatment of exit (quits), a partial but importantly incomplete treatment of voice, and virtually no treatment of loyalty. Hence, it is erroneous to conclude that Hirschman's well known model has been fully tested in the context of the employment relationship.

While organizational justice is in some respects an elusive concept, the literature in this area emphasizes and distinguishes procedural justice from distributive justice (Folger and Greenberg, 1985; Lind and Tyler, 1988; Sheppard, Lewicki, and Minton, 1992). Procedural justice focuses on the mechanisms or processes through which resource allocation decisions are made, while distributive justice focuses on the outcomes of such resource allocation decisions and the criteria used to make them (Feuille and Delaney, 1992). Stated another way and of particular relevance to the present paper, procedural justice refers to the perceived fairness of the procedures used to make intraorganizational decisions, and distributive justice refers to the perceived fairness of the substance and consequences of these decisions.

The concept of organizational justice appears to be supported by a body of scholarly work which indicates that fairness is a major contributor to the effective functioning of organizations. To illustrate, fairness apparently is a desirable "good" in that people want to be treated fairly and to be perceived by others as being fair (Greenberg, 1990). That this preference may be especially strong within organizational settings is suggested by the work of Kahneman, Knetsch, and Thaler (1986a; 1986b), whose respondents to a telephone survey judged numerous decisions of firms to raise prices and reduce wages to be unfair. These economists concluded that norms of fairness do indeed impose substantial constraints on the market-oriented behavior of firms.

Relatedly, individual perceptions of the fairness of resource

allocation decisions depend on both the outcomes of and the procedures used to make these decisions--that is, on distributive justice and procedural justice. For example, several studies have shown that the citizens of some nations strongly prefer an adversarial to an inquisitorial system for resolving legal disputes (Folger and Greenberg, 1985; Lind, 1982; Thibaut and Walker, 1975). Adversarial systems are used in the U.S. and Britain and in arbitration proceedings, and apparently are preferred by the parties to disputes in these settings because they allow the disputants to control the collection and presentation of evidence. Inquisitorial systems (which are widely used in continental Europe), by contrast, give judges or other authorities control over the collection and presentation of evidence as well as over decisions. In other words, disputants in the U.S. and Britain prefer the adversarial system over the inquisitorial because of the greater voice that they obtain under the former arrangement.

Research also shows that organizational members more readily accept organizational decisions which affect them when the processes used to make such decisions are perceived to be fair (Greenberg, 1990; Sheppard, Lewicki, and Minton, 1992). Perceptions of organizational fairness, in turn, significantly influence employee attitudes. For example, the perceived fairness of performance appraisals may depend more on the procedures used to make appraisals than on the actual content of the appraisals. Relatedly, employees who have meaningful input (voice) into the appraisal process perceive the process to be fairer than employees who have little or no input into the appraisal process (Folger and Greenberg, 1985). Further, Sheppard and his colleagues found that the availability of mechanisms for employees to provide input into workplace related organizational decisions were positively associated with employee attitudes toward the organization (Sheppard, Lewicki, and Minton, 1992). This finding is consistent with Sheppard's earlier (1984) work showing that the type of conflict resolution procedure used by an organization is more important in determining employee-disputant satisfaction with an outcome than is the outcome itself.

More narrowly, perceptions of fairness or justice also appear to play a key role in the context of grievance procedures. To illustrate, Ewing (1971) found that about nine out of every ten respondent subscribers to the Harvard Business Review agreed with the proposition that employees should have some type of grievance procedure to present their complaints to top management; Kochan (1979) found that union members assigned grievance handling the highest priority in ranking issues and activities that unions should pursue; and Fryxell and Gordon (1989) concluded that an employee belief in the procedural and distributive justice afforded by grievance systems was a strong predictor of employees' satisfaction with the unions that represented them.

Nevertheless, scholarly work on the application of organizational

justice concepts to grievance procedures gives relatively little attention to the determinants of employee perceptions of the grievance procedure (Peterson and Lewin, 1991b), and gives virtually no attention to the relationship between employee perceptions of the grievance procedure and employee use of the procedure--that is, the exercise of voice in the employment context. Instead, the organizational justice literature concentrates on the positive influence of perceived procedural fairness on employee attitudes--analogous, perhaps, to the dominant emphasis in the labor economics literature on the positive effects of grievance procedures (a form of organizational justice) on employee turnover.

In order to overcome these conceptual and related empirical limitations, we focus the bulk of our attention in this paper on three dimensions of the grievance procedure: employee perception of unfair treatment in the workplace, employee loyalty to the work organization, and employee perception of the quality of the grievance procedure. The importance of the first of these dimensions, employee perception of unfair treatment in the workplace, is underscored by the aforementioned failure of both organizational behavior and labor economics researchers to distinguish between employees who do and do not believe that they have been unfairly treated at work. Indeed, even recent leading studies of grievance procedure usage, settlement, and post-settlement outcomes fail to make this distinction (Ichniowski and Lewin, 1987; Lewin and Peterson, 1988; Peterson and Lewin, 1991a). Yet, as Boroff (1990) has shown, the distinction is a critical one because it concentrates analytical attention on those organizational members who (believe that they) have experienced unfair treatment, rather than on organizational members as a whole. Empirically, and as will be more fully described later, this distinction means that we eliminate from our sample of employees all those who indicated that they did not experience unfair workplace treatment when responding to the survey instrument used in this research. The subsequent analysis of grievance procedure usage thus is limited only to employees who believe that they have experienced unfair treatment at work.

As with organizational justice, employee loyalty to the work organization is a somewhat elusive concept. Various efforts have been made to conceptualize and measure employee loyalty (sometimes referred to as employee commitment), including to more than one organization--so-called dual loyalty (see, for example, Fullagar and Barling, 1987). However, it is unclear whether employee loyalty should be modeled as a positive or negative influence on grievance filing--the use of voice--in the employment context. Hirschman's (1970) treatment of loyalty, which is set in the context of customers' relations with the firm, implies that loyalty will be positively associated with the exercise of voice. As Birch (1975) puts it, "The...concept 'loyalty' is brought in (by Hirschman) to

explain why customers who have an (exit) alternative nevertheless prefer to stay with the same firm in the hope of improving it." From this perspective, the greater the loyalty of customers to the firm, the more likely that they will protest--raise their voice--to management "...when things deteriorate" (Birch, 1975). By extension to the employment context, the greater the loyalty of employees to the firm, the more likely they will be to exercise voice through, for example, the grievance procedure.

Alternatively, and from a political science perspective, loyalty may be unrelated or inversely related to the exercise of voice. For example, Barry (1974) criticizes Hirschman's concept of loyalty for being an "ad hoc equation filler" lacking substantive content. According to Barry (1974), loyalty cannot be recognized in itself but is merely invoked as an assumed explanation of why some people who could be expected to quit do not in fact do so. Barry (1974) further proposes that once a customer (and, presumably, and employee) decides to stay with the firm (that is, non-exit), there is an additional choice to be made between voice and silence. Under Barry's amended version of Hirschman's model, loyalty may well be uncorrelated with voice but positively correlated with silence.

Birch (1975) goes further in judging loyalty to belong to a family of concepts which also include allegiance and fidelity. He illustrates this with reference to a "loyal party member," a term which "...is normally applied to the man who accepts what his leaders decide, not to be the constant critic" (Birch, 1975). Birch further observes that when a works manager refers to one of his employees as a "loyal worker," he is unlikely to be referring to a shop steward. Birch concludes that Hirschman is "simply wrong" about the voice-inducing property of loyalty in both economic and political contexts. It follows, says Birch, that "loyalty and voice are correlated inversely rather than positively." Extended to the employment context, this formulation leads to the proposition that employee loyalty to the firm will be negatively associated with use of the grievance procedure.

Given these conflicting conceptual perspectives as well as the meager empirical evidence about the effects of loyalty on voice, we choose not to offer an explicit hypothesis about the relationship between employee loyalty to the firm and the use of the grievance procedure. In fact, and as will be more fully described later, the focus of our attention in testing for the effects of loyalty on voice in a nonunion firm will be on developing and measuring a construct of loyalty. And, as will also become evident, an employee's intent to leave (exit) the firm is a potentially important component of our construct of loyalty.

Employee perception of the quality of the grievance procedure refers to an employee's overall assessment of this dispute resolution mechanism. Recall that the organizational justice

literature strongly distinguishes procedural from distributive justice, and emphasizes the importance of the former to employees' judgments about the overall fairness of intraorganizational dispute resolution systems. In light of the large body of research on organizational justice, it is surprising that relatively little scholarly work has attempted to measure employees' perceptions of the grievance procedure. An exception in this regard is Lewin and Peterson (1988), who found union members' ratings of the effectiveness of grievance procedures to be significantly positively related to such characteristics as multiple levels of review, the speed of grievance settlement, and the perceived importance of issues treated by the grievance procedure. Further, Fryxell and Gordon (1989) have shown that procedural due process is positively related to union members' overall assessment of the grievance procedure, while Clark and Gallagher (1988) found that union members who file grievances have systematically different overall assessments of the grievance procedure from union members who do not file grievances.

The aforementioned research has occurred almost exclusively in unionized settings, and constructs of fairness, effectiveness, and satisfaction have all been used as overall or global measures of perceptual assessments of the grievance procedure. In this study, we conceive of such an overall assessment as a quality of procedure variable (in part to avoid confusion with the concept of perceived unfair treatment in the workplace), and we operationalize this variable in a nonunion setting. Because the relationship between perceived quality of the grievance procedure and use of the procedure is theoretically unclear, and because little evidence about this relationship exists, either in unionized or nonunion settings, we pose no a priori expectation about this relationship in the present study.

In sum, the conceptual model which guides this work distinguishes among employees who have and have not experienced unfair workplace treatment, specifies grievance procedure usage (the exercise of voice) among those who have experienced unfair workplace treatment as the main dependent variable, incorporates employee loyalty to the firm and employee perception of the quality of the grievance procedure as main independent variables, and includes other control variables which are described below. Employee intent to leave the firm (exit) initially enters the model as a control variable. Later, however, it becomes a dependent variable as we extend the model to examine the effects of voice and other independent variable on employee intent to exit the firm.

DATA SET AND ESTIMATION PROCEDURES

In order to test the aforementioned conceptual model, we study a

single, large, nonunion, U.S.-based firm that has had a grievance system in place for almost two decades. We refer to this system as the Company Complaint Procedure or CCP (in fact, the company's procedure uses neither the term complaint nor the term grievance). The CCP was instituted in part for the purpose of maintaining a nonunion organization, and managerial personnel as well as employees are eligible to file written complaints under the CCP. The procedure contains several steps, each of which enables complainants to air their grievances to peers, company officials, or both. The decisions made by highest level company officials at the last step of the procedure are final and binding on the respective parties.

The data used in this study were derived from a survey questionnaire which was designed and administered in 1987 to 1300 nonmanagerial employees of the firm(1). Of this total, 950 surveys were randomly distributed to 950 employees regardless of their use of the CCP. The remaining 400 surveys were randomly distributed to known employee users of the CCP(2). Special procedures were taken to ensure the confidentiality of the CCP users as well as the anonymity of all respondents. All surveys were distributed on company premises and contained a cover letter from the company's Chief Executive Officer encouraging respondent cooperation with the study. Completed surveys were returned directly to the researchers in pre-addressed envelopes. A total of 579 fully usable surveys were completed and returned by the respondents, or a response rate of 42.9 percent. We were able to determine from these surveys who among the respondents perceived themselves to have experienced unfair workplace treatment and who actually used the CCP in the face of unfair treatment(3). In addition, all respondents irrespective of CCP use were asked to rate the quality of the CCP(4).

Initially we test the conceptual model outlined above and refer to it as Model 1. The dependent variable in this model is the probability of using voice [$P(\text{VOICE})$]. By combining responses to the questions concerning respondents' experiencing unfair workplace treatment and respondents' filing CCPs, we are able to construct a "true" behavioral measure of VOICE. As noted earlier, other researchers have typically included in their samples large proportions of nonusers of voice without first determining if a subset of these nonusers ever had a reason--such as experiencing unfair workplace treatment--to file a grievance or complaint. Hence, we are able to measure a heretofore omitted variable in grievance procedure research. In this study, [$P(\text{VOICE})$] = 1 if the respondent experienced unfair treatment and filed a CCP, and [$P(\text{VOICE})$] = 0 if the respondent experienced unfair treatment but did not file a CCP.

The operationalization and construction of the independent variable LOYALTY is described in detail in the Appendix to this paper. In

brief, this variable measures the respondent employee's degree of loyalty to the firm on a 16 point scale, ranging from 1 = least loyal to 16 = most loyal. The independent variable PERQUAL measures the respondent employee's perceived quality of the CCP, and the values for this variable range from 1 = lowest quality to 10 = highest quality.

The control variables included in Model 1 are based on a review and assessment of the literature on grievance procedure usage and filing (Peterson and Lewin, 1991a). In particular, this literature indicates that the likelihood of employees using voice is moderated by age (Ash, 1970; Lewin and Peterson, 1988), sex (Lewin, 1987), education (Lewin and Peterson, 1988), occupational status (Lewin, 1987; Lewin, 1991b), and race (Ash, 1970; Lewin, 1987; Lewin and Peterson, 1988). Each of these demographic characteristics of the respondents is controlled for in estimating Model 1.

Before proceeding actually to estimate Model 1, the potential influence of an employee's intent to leave the firm (exit) on the filing of a CCP (the exercise of voice) merits attention. Perhaps because of the widespread use by labor economists of Hirschman's exit-voice-loyalty framework, exit (or quitting or intent to leave) is overwhelmingly treated as a dependent variable. However, intent to leave may itself moderate relationships between other independent variables and the use of voice in the employment context. On the one hand, such intent may spur employees to file grievances because they are less likely than those who do not intend to leave to be concerned about potential negative consequences of grievance decisions. On the other hand, intent to leave may reduce the likelihood of grievance filing because employees who have such intent are less concerned than employees who do not have such intent about the potential positive consequences of grievance decisions (Feuille and Delaney, 1992). In any case, previous work by Boroff (1990) suggests that employees' intent to leave the work organization does influence the likelihood of grievance filing. Consequently, we include the intent to leave variable [EXITINT] in a second estimate of Model 1, with [EXITINT] = 1 if the respondent employee intends to leave the firm, and [EXITINT] = 0 if the respondent employee does not intend to leave the firm(5). Unlike [P(VOICE)], which measures actual behavior, [EXITINT] reflects the attitudes of respondent employees. Because the dependent variable [P(VOICE)] is binary, the correct functional form of the estimating equation is one which constrains the probability function from zero to one (Aldrich and Nelson, 1984). Note that all of the variables used in our empirical work are listed and briefly described in Table 1.

RESULTS AND DISCUSSION

Model 1

Table 2 presents the results of estimating equations 1a (without [EXITINT]) and 1b (with [EXITINT]). Observe that LOYALTY is significantly inversely associated with the probability of using voice [P(VOICE)]. In other words, among employees who (believe that they) have experienced unfair treatment in the organization studied here, the more loyal the employee, the lower the likelihood of using the CCP. This finding is contrary to the proposition (claimed by some to be embedded in Hirschman's (1970) model) that loyalty and the use of voice are positively correlated, but is consistent with Birch's (1975) expected relationship between these two variables and with evidence produced by Boroff (1991) in a related study.

Also observe from Table 2 that PERQUAL is inversely (though insignificantly) associated with the probability of using voice. In other words, the higher the perceived quality of the CCP, the less likely is the employee to file a written complaint. It is possible that this relationship is moderated by employees' previous experiences with the CCP. Specifically and consistent with a companion study by Boroff (1991), employees who previously filed written complaints and "lost" the decisions made about those complaints may rate the CCP lower than employees who "won" their decisions or who didn't file complaints. It is not possible to test this relationship here because Model 1 will not converge if decision outcome (OUTCOME) is included as a right-hand side variable (OUTCOME varies only when [P(VOICE)] = 1, and there are no outcomes when [P(VOICE)] = 0. Nevertheless, this finding is consistent with (1) concepts of procedural justice (Sheppard, Lewicki, and Minton, 1992), (2) the distinction between coverage and use of certain third party dispute settlement procedures, such as arbitration (Delaney, 1983), and (3) other empirical evidence drawn from studies of grievance procedure effectiveness in unionized settings (Lewin and Peterson, 1988).

The results of estimating equation 1(b) show that (EXITINT) is significantly positively associated with the use of voice. In other words, among employees who have experienced unfair treatment, those who intend to leave the firm are more likely to file a written complaint than those who intend to stay with the firm. As before, this finding is contrary to the expected relationship derived from Hirschman's (1970) model. Using this data set, it is not possible to determine whether the propensity to exit (stay with) the firm preceded the use of voice or whether the actual use of voice influenced employee-complainants' intent to exit (stay with) the firm(6). In any case, these caveats do not negate the finding of a positive relationship between (EXITINT) and [P(VOICE)] or the judgment that this finding is contrary to expectations derived from the exit-voice model.

Of the control variables included in Model 1, only the results for AGE are statistically significant (equation 1(a)). The older the

employee, the lower the likelihood of filing a written complaint under this firm's CCP. This finding is consistent with previous empirical research on the relationship between age and the exercise of voice in unionized and nonunion settings (Ash, 1970; Lewin and Peterson, 1988; Peterson and Lewin, 1991a; Lewin, 1987).

Model 2

In this model, (EXITINT) serves as the dependent variable, and we estimate the effects of LOYALTY and PERQUAL on employees' intent to leave the firm. We do so because of the (1) lack of explicit attention to the loyalty-exit relationship in Hirschman's (1970) elaboration of his exit-voice-loyalty model, (2) lack of (explicit or implicit) attention to the concept of loyalty in labor economists' studies of the effects of unionism on employee exit (Freeman and Medoff, 1984; Freeman, 1980), (3) notion that perceptions of procedural justice influence employees' intent to leave (stay with) their employers, and (4) the relatively rare availability of intent to leave (as distinct from quit and separation) data.

The control variables included in the equation for estimating Model 2 are similar to those used in the equation for estimating Model 1. The differences are that the variable SERVICE, or years of work experience with the firm, is included in the Model 2 equation, while the variables AGE and MINORITY are excluded from this equation. Prior research has documented a strong negative relationship between employee job tenure and quitting behavior (Blau and Kahn, 1981). Further, sex, education, and occupation have also been shown to be significantly related to employee quits (Blau and Kahn, 1981; Viscusi, 1982; Weiss, 1984)(7).

The results of estimating Model 2 are shown in Table 3 (equation 2(a)). Observe that both LOYALTY and PERQUAL are significantly inversely associated with the probability of an employee's intent to leave the firm. In other words, the more loyal the employee and the higher the employee's perceived quality of the CCP, the lower is the employee's intention to leave the firm. Of the control variables included in equation 2(a), only the coefficient on EDUCATION is statistically significant. Other variables held constant, the intent to leave (exit) this firm is positively related to the level of schooling among the firm's employees.

This study also provides an opportunity to examine the effect of voice (filing a written complaint) on putative exit (intent to leave) from this nonunion company. Clearly, the central proposition derived from Hirschman's (1970) work is that the use of voice will be negatively correlated with exit, and (just as clearly) the central finding from labor economists' studies of unionism is that unions reduce employee quits. Is this prior theoretical reasoning and empirical evidence supported by the findings from this study?

The answer to this question is "no," based on the results of estimating equation 2(b), which are also shown in Table 3. They indicate that the use of voice (more precisely, the probability of using voice) is significantly positively associated with intent to leave the firm. This finding is consistent with the results of other recent studies of nonunion grievance systems (Lewin, 1987, 1991a; Boroff, 1991). Note, further, from Table 3 that the inverse relationships between LOYALTY and (EXITINT) and between PERQUAL and (EXITINT), but not the positive relationship between EDUCATION and (EXITINT), remain statistically significant when [P(VOICE)] is included in the estimating equation (2(b)).

As with the empirical findings from testing the [P(VOICE)] equations (1(a) and 1(b)), the findings from testing the (EXITINT) equations may be moderated by employees' experiences with using the CCP--specifically, by the outcomes of decisions rendered under this grievance system. However, a separate regression estimate of equation 2(b) which incorporated this variable found no significant association between OUTCOME and (EXITINT) (t -value = .50). In addition and because PERQUAL and OUTCOME were significantly positively correlated ($r = .38$, $\alpha = .0001$), another (EXITINT) equation was estimated which included OUTCOME and excluded PERQUAL. Again, no significant association between OUTCOME and (EXITINT) resulted from this estimate.

CONCLUSIONS

The findings from this study provide some new insights into the relationships among exit, voice, and loyalty in an employment context. Using behavioral and perceptual data from a sample of employees in a large nonunion firm who have experienced unfair workplace treatment, we found consistently strong negative relationships between employee loyalty and actual use of the grievance procedure (the CCP). This relationship is opposite of that derived from Hirschman's (1970) exit-voice-loyalty model. However, we also found consistently strong negative relationships between employee loyalty and employee intent to leave (exit) the firm. This relationship is consistent with that derived from the exit-voice-loyalty model. Putting these two sets of findings together, we conclude that employee loyalty translates into "silence." Further, because this analysis is one of the first to have focused exclusively on employees who (believe that they) have experienced unfair treatment, it may be concluded that loyal employees "suffer in silence" rather than exercise voice.

We also found that employees of this firm who have actually used the grievance procedure have a significantly higher intent to leave the firm than employees who have not used the procedure. No only is this finding opposite of that derived from Hirschman's (1970)

theoretical framework, it is contrary to empirical findings from those studies of union effects on turnover which are grounded in the exit-voice-loyalty framework (Freeman, 1980; Freeman and Medoff, 1984). However, and as noted earlier, these studies do not fully specify or test the exit-voice-loyalty framework. In particular, they ignore loyalty altogether (or assume that it is somehow embodied in voice), rarely examine the actual use (as distinct from the coverage) of grievance procedures, and fail to distinguish between employees who have and have not experienced unfair workplace treatment. Consequently, the findings of this study (and related studies: Boroff, 1990, 1991; Lewin, 1987, 1991; Lewin and Peterson, 1988, 1991) call into question both the conceptual foundations and the empirical validity of the exit-voice-loyalty framework.

The findings from this study also have certain implications for concepts of organizational justice. Recall that employee perceptions of the quality of the CCP (PERQUAL) were insignificantly associated with [P(VOICE)] and significantly inversely associated with (EXITINT). These findings may be interpreted to mean that the more employees perceive the CCP to be procedurally "just," the less likely they are to (intend to) leave the firm and to use the CCP. This interpretation accords closely with this firm's stated objectives in adopting the CCP, which included providing a fair procedure for the settlement of individual workplace complaints. More generally, the adoption of such procedures by nonunion firms has been claimed by some researchers to be motivated largely by (strongly positively correlated with) a desire to remain nonunion (Freedman, 1985; Fiorito, Lowman, and Nelson, 1987). However, recent work by Delaney and Feuille (1992) questions this claim, and finds that the proportion of managers and professionals in the firm, the importance placed by the firm on the human resource management function, and firm size (but not the desire to remain nonunion) are significantly positively associated with the adoption of grievance procedures by nonunion firms(8). In other words, the "human capital intensive" nonunion firm is particularly likely to adopt a grievance system as a way of providing procedural justice in the settling of workplace differences. The findings from this study suggest that the more employees perceive such a procedure to be just or fair, the less likely they are to (intend to) leave the firm. It is also possible, perhaps even likely, that the firm seeks (explicitly or otherwise) to reduce employee turnover by providing a system of procedural justice.

But procedural justice is different from distributive justice, and we have seen that the filing of written complaints by employees of this nonunion firm is significantly positively associated with intent to leave the firm. One "test" of distributive justice in this context is the proposition that employee-winners of complaint cases (who experience one set of outcomes of organizational

resource allocation decisions and criteria) will be less likely to intend to leave the firm than employee-losers of complaint cases (who experience a different set of outcomes of organizational resource allocation decisions and criteria). However, we found no significant association between OUTCOME and (EXITINT), which may be interpreted to mean that the filing of a written complaint in and of itself signals (or reflects) a decline in distributive justice.

However, before this or other propositions about organizational justice in the context of the employment relationship can be accepted, more conceptual and empirical work needs to be done. In this study, for example, we are unable to determine whether intent to leave the firm preceded or followed the filing of written complaints. Consider that the filing of complaints, especially by employees who are known to (say that they) have experienced unfair treatment, may reflect an accumulation of incidents about which action (complaint filing) is "finally" taken. If an "accumulation story" is at work here, then complaint filing may well signal the employee's intent to leave the firm rather than remain with the firm. This issue merits further scholarly investigation.

So, too, does the proposition that there is an inherent difference between union and nonunion complaint/grievance systems. It is often claimed that the representation in grievance handling undertaken by a union and the widespread presence of arbitration provisions in unionized grievance systems provide employees with more "justice" and protection than do nonunion grievance systems (Lawler, 1990). Further, it may be the case that the influence of voice on exit behavior in unionized settings differs significantly from the effects of voice on exit behavior in nonunion settings. Longitudinal studies of grievance/complaint systems in so-called double-breasted businesses would be especially useful in sorting out these various claims (Ichniowski and Lewin, 1988).

Finally, this study underscores the importance of distinguishing between employees who have and have not experienced unfair workplace treatment, and of perceptual data in the analysis of grievance/complaint systems. Recognition of the former should spur researchers to devise and revise existing models of workplace dispute resolution, while recognition of the latter should lead researchers to strengthen their primary research design and data collection efforts. It is also possible, and from our perspective desirable, that such initiatives will forge closer links among scholars from different disciplines, such as economics, organizational behavior, and industrial relations, who have in common theoretical and empirical interests in the phenomenon of workplace dispute resolution.

APPENDIX

The variable LOYALTY takes the form of an index which was created by combining responses to five questions from the survey instrument used to collect the data for this study. The first question asked respondents how they would react to a work order that violated government safety regulations. The literature on whistle-blowers suggests that those who decide to make public their concerns about illegal or unethical practices in a firm are often considered to be disloyal to the firm (Elliston, et. al., 1985; Westin, Kurtz, and Robbins, 1981). Therefore, we concluded that those respondents who opted to follow the work order in our hypothetical case are "loyal," those who indicated a preference for resolving the issue within the company are "less loyal," and those who chose the option of going to the media or the government to make the violation known are "least loyal."

The second and third questions used to form the LOYALTY index measure the respondents' preferences for a union or an outside attorney to represent-advocate their complaints under the firm's CCP. Those respondents who indicated a strong preference for one or the other type of representation were categorized as the most "disloyal," while those respondents who indicated a preference for no third party representation in the settlement of their complaints were categorized as the most "loyal." The inclusion of these two items in the LOYALTY index and the aforementioned categorization of responses are consistent with this firm's well-publicized strategy of avoiding the use of third parties in resolving workplace complaints.

The fourth question ranked the preferred course of actions respondents indicated they would take to resolve a workplace complaint. The company studied here has four distinct programs for dealing with workplace issues and complaints. These are (1) a suggestion box, (2) an "open door" policy whereby employees can discuss issues/complaints with management, (3) participation in attitude/climate surveys, and (4) filing complaints under the CCP. Those respondents who indicated a preference for using the suggestion box (from our perspective, the least adversarial choice) were categorized as "most loyal," while those who indicated a preference for filing a CCP (from our perspective, the most adversarial choice) were categorized as "least loyal."

Last, we included in the LOYALTY index responses to a question concerning the degree of confidence respondents had in the fairness of the firm's senior management. The greater the respondent's expressed confidence in senior management, the more "loyal" we considered him to be, and conversely. Note that Rusbult, et. al. (1985) used a similar item in constructing a measure of loyalty. For purposes of this study, the LOYALTY index ranges from 1 = least loyal to 16 = most loyal.

TABLE 1
VARIABLE IDENTIFICATION AND DESCRIPTION

Variable	Description
[P(VOICE)]	This variable measures the probability of the respondent's filing a complaint with 1 = experienced unfair treatment and filed a complaint, 0 = experienced unfair treatment and didn't file a complaint.
LOYALTY	This variable measures the degree of loyalty of the respondent on a 1 = least loyal, 16 = most loyal scale.
PERQUAL	This variable measures the respondent's perceived quality of the Corporate Complaint Procedure (CCP) on a 1 = lowest quality, 10 = highest quality scale.
AGE	This variable measures the age of the respondent in years.
SEX	This is a dummy variable with 1 = female, 0 = male.
EDUCATION	This variable measures the respondent's years of schooling.
OCCUPATION	This variable measures the respondent's occupational position in the firm on a 1 = lowest ranking, 5 = highest ranking scale.
MINORITY (model 1 only)	This is a dummy variable with 1 = racial minority, 0 = otherwise.
SERVICE (model 2 only)	This variable measures the respondent's year of work experience with the firm.
(EXITINT)	This variable measure the respondent's intent to leave the firm with 1 = intent to leave, 0 = no intent to leave.

TABLE 2
LOGIT ESTIMATES OF [P(VOICE)]
(t-values in parentheses)

Independent Variable	Dependent Variable	
	Parameter Estimates Equation 1(a)	Parameter Estimates Equation (1b)
LOYALTY	-.13 (-2.55)**	-.13 (-2.00)**
PERQUAL	-.07 (-1.53)	-.05 (-.80)
AGE	-.35 (-1.98)*	-.30 (-1.34)
SEX	.27 (1.10)	.30 (.99)
EDUCATION	.03 (.41)	-.03 (-.37)
OCCUPATION	.05 (.47)	.20 (1.67)
MINORITY	.14 (.50)	.36 (.98)
EXITINT	not tested	1.38 (2.76)**
CONSTANT	2.47 (2.16)	2.35 (1.66)
N	310	220
Chi-Square	18***	24***
Pseudo R-squared+	.05	.10

+The chi-square and pseudo r-squared are the LOGIT equivalents of the F-test and the r-squared, respectively, in multiple regression analysis (Aldrich and Nelson, 1984).

* = significant at $p < .10$.
 ** = significant at $p < .05$.
 *** = significant at $p < .01$.

TABLE 3
LOGIT ESTIMATES OF (EXITINT)
(t-values in parentheses)

Independent Variable	Dependent Variable	
	Parameter Estimate Equation 2(a)	Parameter Estimate Equation 2(b)
LOYALTY	-.25 (-3.29)***	-.25 (-2.71)**
PERQUAL	-.29 (-3.77)***	-.23 (-2.72)**
SEX	.58 (1.53)	.44 (1.03)
EDUCATION	.28 (2.70)**	.14 (1.21)
OCCUPATION	-.23 (-1.49)	-.06 (-.37)
SERVICE	-.04 (-.66)	-.10 (-1.53)
[P(VOICE)]	not tested	1.21 (2.54)**
CONSTANT	-1.34 (-.85)	-.23 (-.12)
N	406	223
Chi-Square+	343.8***	150.2***
Pseudo R-squared+	45.9	40.2

+The chi-square and pseudo r-squared are the LOGIT
s equivalents of the F-test and the r-squared, respectively,
in multiple regression analysis (Aldrich and Nelson, 1984).

* = significant at $p < .10$.
** = significant at $p < .05$.
*** = significant at $p < .01$.

FOOTNOTES

1. This survey was designed by Professor Alan Westin of Columbia University, with the assistance of Professor David Lewin. A detailed description of this firm's CCP is contained in Westin and Feliu (1988).

2. The identification of CCP users was determined by a review of written complaint files. These confidential data were provided by the firm's Vice-President of Human Resources, to whom we express our appreciation.

3. Specifically, the survey included the following question: "Within the past year, do you feel that you personally have experienced unfair treatment by management?" The answers to this question were constrained to "yes" and "no." Respondents were also asked, "Have you ever filed a CCP yourself?" Again, the answers to this question were constrained to "yes" and "no."

4. The relevant question was as follows: "Overall, on a scale of 1 to 10, with 10 being 'excellent,' 5 being 'average,' and 1 being 'poor,' how would you rate the CCP?"

5. The specific question asked whether or not the respondent expected to be working for this firm three years from now, with the answers being constrained to "yes" and "no."

6. Two factors support an inference that intent to exit the firm preceeds the decision to use voice. First, in a related study, Boroff (1991) found that nonusers of the CCP feared reprisal for filing written complaints, whereas users of the CCP did not. The absence of fear of reprisal may stem from previously formed intentions to leave the firm. Second, and as will be further discussed below, intent to leave the firm is unrelated to the outcomes of complaint settlement decisions. This may indicate that the complainant's intention to leave the firm was formed prior to using the CCP.

7. Other variables, such as wages, fringe benefits, and marital status, have been shown to be significantly correlated with employee turnover (Blau and Kahn, 1981; Viscusi, 1982; Mitchell, 1983). However, the survey used in this study did not elicit information about these control variables.

8. Note, however, that the firm studied here explicitly identifies union avoidance as one of the rationale for adopting and maintaining the CCP.

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