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Siding in a Workplace Dispute in China

The Impact of Legitimacy, Sanction, and *Guanxi*

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ABSTRACT Employees in the role of outsider can be faced with a dispute between colleagues. Taking sides is a crucially important, yet neglected tactic in handling disputes. In a study of 226 Chinese employees, we investigated the influence of employees' moral and expedient orientations on their siding intentions in a workplace dispute characterized by different distributions of legitimacy, negative sanctions and *guanxi*. Results indicate that legitimacy information leads moral-oriented employees to side with a legitimacy party whereas sanction information leads expedient-oriented employees to side with a sanction party. However, the Chinese employees also take *guanxi* into account. *Guanxi* as contrasting information decreased both the extent to which the strong-moral, weak-expedient-oriented Chinese employees sided with a legitimacy party, and the extent to which weak-moral, strong-expedient-oriented employees sided with a sanction party. Implications of these results for developing a universal theory of siding are discussed.

KEY WORDS • expedient orientation • *guanxi* • moral orientation • outsiders • siding

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Introduction

In a workplace conflict, disputants often want to involve an initially neutral third party, such as a colleague or supervisor, to help them handle the disagreement. 'Depending on the [principal parties'] type of conflict handling, they will want to enlist the third party to win and thus make the opponent lose, to reach a compromise, or to avoid, cover up, or resolve the conflict' (Van de Vliert, 1981: 497). The strategy of enlisting the third party to take sides tends to increase the differences between disputants. As a result, it can escalate the dispute more than any other strategy, at least in the short run. Therefore, examining the siding reaction made by the third party will further our understanding of how a workplace dispute may escalate.

In this study, the initially neutral third party, or outsider (O), is directly faced with a workplace dispute between individual colleagues A and B, without being an obvious coalition party or professional third party. That is, O does not feel any a priori obligation or responsibility to take sides, let alone to resolve the conflict in its early stages. With the development of the dispute, however, especially when O is faced with coalition requests from A and B, O will have to react to the conflict (e.g. Glasl, 1980). The theory of siding proposes that taking sides in these cases emerges as one of the main reactions adopted by outsiders (Van de Vliert, 1981; Van de Vliert and Mastenbroek, 1998).

In situations in which O faces opposite coalition pressures from A and B, the theory of siding (Van de Vliert, 1981) suggests that, as a first step, O will start to seek and collect more information about the dispute, particularly looking for legitimacy and sanction information held by A and B. Although the theory of siding has been developed in Western contexts (Gross et al., 1958; Grover, 1993; Laskewitz et al., 1994; Miller and Shull, 1962; Van de Vliert, 1981), it has been

implicitly conceptualized as a universal theory that can be applied around the globe. In contrast, we assume that the theory in general, and its information collection proposition in particular, may apply to some cultural situations but not to others. More specifically, we assume that the theory of siding will have to be revised for Chinese third parties, or outsiders, because they will sample and weigh information differently than Westerners do.

In sum, the research questions of this study are: (1) Generally, how does the theory of siding apply to Chinese outsiders making siding decisions in a workplace dispute? (2) Specifically, how do outsiders' personal orientation and the conflict situation combine to predict siding decisions in a dispute dilemma? In the following section, we first argue that, in addition to legitimacy and negative sanction information, Chinese outsiders influenced by Confucian culture might take another kind of information – *guanxi* with the disputants – into account when siding in a workplace dispute. Next, we discuss how Chinese outsiders with different personal orientations may choose sides in different dispute dilemmas. Finally, the results from a study using scenarios are reported to provide empirical evidence for our assumptions.

Theoretical Background and Hypotheses

The theory of role conflict management (Gross et al., 1958) and the theory of siding (Van de Vliert, 1981) both identified two kinds of siding reactions when O is confronted with incompatible pressures from A and B. First, there is legitimacy-based siding: O takes sides based on who is right or who has the most reasonable claim, A or B. Second is sanction-based siding: O chooses sides depending on what punishment A or B will apply if O does not conform to their expectations. In addition, O's personal orientation with regard to legitimacy and sanc-

tions will play a role in the dilemma in which A has a legitimate claim without sanction power, while B holds sanction power but has no legitimate claim. We will return to O's personal orientation in a later section.

Several empirical studies on role conflict management or siding reactions have further confirmed the effects of legitimacy information and negative sanction information on outsiders' siding decisions (Ehrlich et al., 1962; Grover, 1993; Laskewitz et al., 1994; Miller and Shull, 1962; Schultz, 1974). However, all samples in those studies have been taken from Western countries. Triandis (1995, 2000) argues that, as a rule, people in different cultures sample different information from a conflict situation for decision making. Notably, in a collectivistic culture, people pay more attention to context information and strive for interpersonal harmony, whereas in an individualistic culture, people base a decision mainly on content information and are prepared to sacrifice harmony for fairness. Therefore, we wonder whether Chinese outsiders also sample and weigh information about interpersonal relationships with disputants when making siding decisions, and to what extent Chinese outsiders' legitimacy-based siding and sanction-based siding are influenced by their relationships with the respective disputants.

Impact of Guanxi on Siding among Chinese Outsiders

Guanxi, literally 'interpersonal relationship' or 'interpersonal connection' in English, is an important but complicated concept in Chinese culture (e.g. Kipnis, 1997; Yan and Sorenson, 2004; Yang, 1994, 2002). There is no consensus over the definition of the term, although the importance of *guanxi* to Chinese business life and management has been explored in many empirical studies (e.g. Xin and Pearce, 1996). Most researchers agree that *guanxi* in Chinese society can be regarded as a particular kind of interpersonal relationship or connection that serves as a

form of social currency (e.g. Tsui et al., 2000). Recent empirical research on cross cultural negotiations has shown that *guanxi* is one of the most important cultural factors that influence Chinese conflict handling and negotiation behaviour (e.g. Gelfand and Cai, 2004). For example, Hui and Graen (1997) have argued that, under the influence of the *guanxi* principle, the Chinese tend to be more person oriented than problem-solving oriented in a conflict situation and that the interpretation of being right or being wrong can be subject to who the disputants are, or to what kind of relationship they have.

Yang (1997, see also Tsui et al., 2000) has identified three major categories of interpersonal relations in Chinese society: (1) *jiaren* (relationship with a family member); (2) *shouren* (relationship with a familiar person, such as a distant relative, friend, former classmate, former supervisor or colleague, neighbour, or person from the same village); and (3) *shengren* (relationship with a stranger). Chinese apply different sets of interpersonal rules and attach different social and psychological meanings to these three categories of interpersonal relations. In this research, we focus on *shouren* and *shengren* relationships because they are prevalent in many organizations. According to Tsui and Farh (1997; see also Tsui et al., 2000), in the case of a *shouren* relationship, Chinese will endorse and adopt reciprocity and generosity as the dominant principles of interaction. Favouritism is often expected as a kind of reciprocity or a return of generosity. In the case of a *shengren* relationship, Chinese will use the utilitarian exchange principle and will focus on personal gains and losses, regardless of interpersonal affection. Chinese are more willing to do a favour for people in the *shouren* category than for people in the *shengren* category. Therefore, we expect that Chinese outsiders might also take *guanxi* information into account when making a siding decision.

Considering the importance of *guanxi* in Chinese culture, we suppose that, in addition

to legitimacy and negative sanctions, Chinese outsiders making siding decisions will also sample *guanxi* information – the relationship with each of the disputants A and B – from the dispute situation. A logical next question is how *guanxi* information functions in a dispute, especially in a conflict dilemma where *guanxi* information is placed in striking contrast to legitimacy information or to negative sanction information. Do Chinese outsiders have an inclination to attach weight to some pieces of information more than others?

The Outsider's Moral and Expedient Orientation

To precisely predict an outsider's siding reaction in a dispute dilemma, the theory of role conflict management (Gross et al., 1958) proposes that an outsider's personal orientation plays a role in determining how they weigh information, particularly in conflict dilemmas where they perceive legitimacy information from A but negative sanctions from B. In this dilemma, a moral-oriented person gives primacy to legitimacy information and tends to side with A, whereas an expedient-oriented person is primarily concerned with the expected sanctions and tends to side with B.

Since Chinese outsiders are expected to also sample *guanxi* information from a dispute, this raises the question how moral- and expedient-oriented Chinese outsiders weigh *guanxi* information, especially in dispute dilemmas where they have a *shouren* relationship with one disputant, but perceive the other's claim as more reasonable or expect more negative sanctions from the other disputant. Moral orientation generally leads an outsider to weigh information on the basis of internal, ethical principles, that is, moral-oriented outsiders tend to employ a self-referencing strategy to judge right or wrong and give primacy to content-related information, rather than context-related cues. It seems that moral-oriented outsiders are equipped with a gyroscope rather than a

radar set to sample information, with the consequence that they will attach more weight to content-related legitimacy information than to context-related information, including both sanction and *guanxi* information. As we have argued, *guanxi* information is context related, rather than content related. Therefore, with *guanxi* information set against legitimacy in a dispute dilemma, moral-oriented Chinese outsiders will give primacy to legitimacy information and neglect *guanxi* information. However, with *guanxi* information set against sanction information, outsiders will not be sensitive to either because they are both context-related forms of information. Hence, we hypothesize:

Hypothesis 1a: In a dispute dilemma of legitimacy versus *guanxi*, more moral-oriented Chinese outsiders pay more attention to legitimacy information and tend to side with the disputant who has more legitimate expectations.

Hypothesis 1b: In a dispute dilemma of sanction versus *guanxi*, more moral-oriented Chinese outsiders pay less attention to both sanction information and *guanxi* information and side less with the disputant who has stronger negative sanction capacity.

In contrast to moral-oriented outsiders, expedient-oriented ones are more situation referenced than self-referenced in their reactions. They pay more attention to context information in a dispute. Since sanction information and *guanxi* information are both context based, we can assume that expedient-oriented outsiders will be sensitive to both sanction information and *guanxi* information and will attach weight to these types of information more than to legitimacy information. If faced with a dispute dilemma of legitimacy versus *guanxi*, expedient-oriented outsiders will pay attention to *guanxi* information and will tend to support the disputant they have a closer relationship with, decreasing the tendency to side with the legitimacy party. However, if the conflict contains both sanction and *guanxi* information and the outsider expects stronger sanctions from dis-

putant A while having a *shouren* relationship with disputant B, the expedient-oriented outsider will face a more serious siding dilemma. On the one hand, O will be afraid of the threat from A; on the other hand, O will be sensitive to *guanxi* with B and will be worried about harming their relationship. Gross et al.'s (1958) and Van de Vliert's (1981) predictions and empirical data suggest that in such a stalemate, there is a drastic decrease of siding. Based on these results, we therefore infer that expedient-oriented Chinese outsiders will be less likely to take sides when facing a siding dilemma between one disputant with stronger negative sanctions and the other disputant with a *shouren* relationship. In sum, we hypothesize:

Hypothesis 2a: In a dispute dilemma of legitimacy versus *guanxi*, more expedient-oriented Chinese outsiders pay more attention to *guanxi* information, and tend to take sides less with the disputant who has more legitimate expectations.

Hypothesis 2b: In the dispute dilemma of sanction versus *guanxi*, more expedient-oriented Chinese outsiders pay more attention to both sanction information and *guanxi* information, and tend to take sides less with the disputant who has stronger negative sanction capacity.

Methods

Sample and Procedure

The sample for this study was drawn from five organizations in China, consisting of one non-profit organization and four commercial companies. A total of 226 employees participated in this study. Sixty-five percent of the participants were male, and the participants' average age was 33.2 with a range from 21 to 66. There were 124 participants (44.9 percent) who received more than one year of college or university education. Sixty-six participants (29.7 percent) reported managerial functions in their position.

In three organizations, participants completed the questionnaire in a meeting room after a training course. In the other two orga-

nizations, staff from the human resources department helped us distribute the questionnaires. The questionnaire had three parts. Part 1 was a 20-item scale to measure O's moral and expedient orientations. Part 2 contained a scenario manipulating the conflict dilemma, followed by questions. The participants were randomly assigned to one out of the three dispute dilemmas described below. In part 3, they were asked to make their decision according to an 11-item scale (four items for siding reactions and seven items for integrative reactions). They were assured of the confidentiality of their responses and answered the questionnaires anonymously.

Scenario Stimulus and Manipulation

Case In order to construct a scenario for manipulating dispute dilemmas, we interviewed eight Chinese employees working in different kinds of organizations. We asked them to report on two or three disputes that occurred in their workplace. From the 18 conflict cases we collected, we chose one based on making a controversial hiring decision as this problem has wide relevance.

The central scenario described a dispute dilemma faced by a personnel officer who was in charge of selecting a trainer for the computer department. According to the job description, the position required at least five years of relevant work experience. The successful candidate could eventually be promoted to the position of director of the computer department. Three candidates A, B and C submitted applications. However, two colleagues of the personnel officer (called Arca and Barc) each favoured a different candidate and wanted the personnel officer to support their own recommendation.

Manipulation of dilemmas Out of this basic scenario, we created three dispute dilemmas and associated different legitimacy, negative sanctions and *guanxi* information

with Arca and Barc. In the 'Legitimacy versus *Guanxi*' dispute (L&G), Arca had less of a legitimate claim but had a *shouren* relationship with the personnel officer, while Barc had a more legitimate claim but a *shengren* relationship with the personnel officer. The dilemma is as follows:

Arca strongly recommends candidate A to you because Arca likes A and wants to gradually change the computer department's work approach with the help of A. But A has only one year of relevant experience as a trainer and has little potential to become the next director. Arca, who comes from the same town as you do, has been your supervisor for the past 10 years. Arca has taught you a lot, not only in your work but also in your private life.

Barc strongly recommends candidate B to you because B has six years of relevant experience as a trainer and also because Barc thinks that B has enough managerial potential to eventually become the director of the computer department. You hardly know Barc, who moved to your department just six months ago. Before that, you had heard about Barc but never had any contact.

In the 'Sanction versus *Guanxi*' dispute (S&G), Arca had weaker negative sanctions but a *shouren* relationship with the personnel officer, while Barc had stronger negative sanctions but a *shengren* relationship with the personnel officer. The dilemma is as follows:

Arca, who comes from the same town as you do and has been your supervisor for the past 10 years, strongly recommends candidate A to you. In your working relationship, Arca has taught you a lot, not only in your work but also in your life. Based on your past experience you know that Arca will respect your decision if you don't select A, and that there will be no retaliation in the future. On the contrary, Arca might even support your decision in favour of candidate B or candidate C.

Barc strongly recommends candidate B to you. You hardly know Barc, who moved to your department just six months ago. Before that, you had heard about Barc but never had any contact. Based on information you got from others, you know that Barc will be very unhappy if you don't select B and might do things to make you regret your decision in the future.

Moreover, Barc might even try to reverse your decision in favour of candidate B.

In addition, the 'Legitimacy versus Sanction' dispute (L&S) was manipulated such that Arca had a less legitimate claim but stronger negative sanctions, while Barc had a more legitimate claim but weaker negative sanctions. The corresponding dilemma is as follows:

Arca strongly recommends candidate A to you because Arca likes A and wants to gradually change the computer department's work approach with the help of A. But A has only one year of relevant experience as a trainer and has little potential to become the next director. Based on your past experience you know that Arca will be very unhappy if you don't select A, and might do things that make you regret your decision in the future. Moreover, Arca might even try to reverse your decision in favour of candidate A.

Barc strongly recommends candidate B to you because B has six years of relevant experience as a trainer and also because Barc thinks that B has enough managerial potential to eventually become the director of the computer department. Based on your past experience you know that Barc will respect your decision if you don't select B and that there will be no retaliation in the future. On the contrary, Barc might even support your decision in favour of candidate A or candidate C.

Personal Orientation

We took the following three steps to develop a moral-expedient orientation scale. First, we generated a 20-item list to describe the typical behaviour of moral-oriented and expedient-oriented outsiders based on several relevant scales (Gross et al., 1958; Van de Vliert and Cottrell, 1979). Then, we administered this questionnaire to a sample of 45 Chinese part-time postgraduate students. The Cronbach alpha coefficient was .77 for the 10 items of moral-orientation measurement and .74 for the 10 items of expedient-orientation measurement. In step three, confirmatory factor analysis was employed to validate the moral-expedient orientation

instrument on the current sample of 226 employees.

Using LISREL 8 (Jöreskog and Sörbom, 1993), we analyzed the covariance matrix of the sample with maximum likelihood solutions. The proposed two-factor model was adjusted on the basis of modification indices, residuals and item loadings on each factor provided in the LISREL output. This process determined the final model, including eight items for moral orientation and eight items for expedient orientation. The χ^2 statistic was non-significant for the final model, indicating an adequate fit of the confirmatory model to the data ($\chi^2 = 123.26$, $df = 100$, $p = .07$). Other goodness-of-fit indicators also demonstrated a high degree of fit between the data and the final model ($GFI = .93$, $CFI = .97$, $AGFI = .91$, $NFI = .87$, $NNFI = .96$, $RMSEA = .03$, $RMR = .05$). Correlation analysis further showed that moral orientation was not significantly related to expedient orientation ($r = -.04$, *ns*), but was significantly related to age ($r = .24$, $p < .01$). Table 1 provides the scale with item loadings and standard errors on each factor.

Dependent Variable

Following the scenario and the manipulation checks, participants were asked how likely they were to take sides with Arca and with Barc, respectively (1 = very unlikely to 5 = very likely). There were two pairs of statements to measure the siding reactions: 'I am going to select candidate A (B)' and 'I am going to tell Arca (Barc) that candidate B (A) is a better choice than candidate A (B)'. Cronbach's α ranged from .72 to .80 for the two items measuring siding with Arca in the three scenarios ($r_{L\&G} = .61$, $r_{S\&G} = .56$, $r_{L\&S} = .67$, $p_s < .01$), and ranged from .70 to .74 for the two items measuring siding with Barc ($r_{L\&G} = .55$, $r_{S\&G} = .54$, $r_{L\&S} = .58$, $p_s < .01$). The hypotheses in this study concern, with *guanxi* as contrast information, how moral- and expedient-oriented Chinese outsiders take sides with a legitimacy party and with a

sanction party – the two dependent variables. We used the two conflict situations containing legitimacy information, L&S and L&G, to analyze siding with a legitimacy party. Analogously, we used the conflict situations S&L and S&G, both including sanction information, to analyze siding with a sanction party.

Control Variables

Alternative siding measure There were significant correlations between siding with Arca and siding with Barc in all three conflict dilemmas ($r_{L\&G} = -.54$, $r_{S\&G} = .42$, $r_{L\&S} = -.40$, $p_s < .01$). These results suggest that the extent of siding with one disputant might be influenced by the extent of siding with the other disputant, rather than the conflict situation or the outsider's personal orientation. This appears to contradict the conclusion regarding siding in terms of conflict situation and personal orientation. For this reason, we controlled the variable of siding with the other party when we analyzed siding with a legitimacy party or with a sanction party.

Integrative tactics Apart from deciding to take sides, outsiders can also react to a dispute dilemma using integrative tactics, such as making a compromise between the two disputants or trying to resolve the dispute (Thomas, 1992). In contrast to siding reactions which maximize differences between A and B, integrative tactics will minimize differences between the two disputants. It is possible that the score on siding results from outsiders' preference for integrative tactics rather than from the dispute dilemma or personal orientation, which could also contradict the explanation of siding decisions in terms of dispute dilemma and personal orientation. In order to clearly identify the effects of moral orientation and expedient orientation on siding decisions, we therefore also included integrative tactics as a control variable in the analysis. Participants were asked, 'How likely is it that you would

Table 1 Results of confirmatory factor analysis of moral-expedient orientation items

Items	Moral orientation	Expedient orientation
The most important consideration in taking sides is the judgment of who is right and who is wrong.	.65 (.08)	
I particularly like to conform to legitimate expectations rather than illegitimate ones.	.58 (.07)	
The most important consideration in decision-making is the judgement of what is right and what is wrong.	.56 (.07)	
I prefer to support people who I think are right rather than wrong.	.53 (.08)	
I feel guilty whenever I treat someone in an unfair way.	.51 (.07)	
The more a person is in the right, the more I am inclined to be for rather than against that person.	.50 (.08)	
I sympathize with people in terms of whether they are right or wrong.	.45 (.10)	
It is difficult for me to break those justifiable rules that I think are reasonable.	.36 (.06)	
I fulfill expectations of people who will punish me rather than expectations of others who will not punish me.		.77 (.07)
I prefer to support people who will reward me.		.67 (.06)
I always give priority to requirements coming with threats.		.64 (.08)
The more rewards a person can give me, the more I am inclined to be for rather than against that person.		.60 (.08)
I always side with people in terms of whether they can punish me or not.		.56 (.06)
I feel afraid whenever I do something against a powerful supervisor's expectations.		.45 (.09)
I am sensitive to threats.		.35 (.07)
The most important consideration in decision-making is the judgement of how positively or negatively others are likely to react to it.		.30 (.08)

Note: Values enclosed in parentheses represent the standard error of the item

make a choice other than taking sides?'. A seven-item scale was employed to measure integrative tactics (1 = very unlikely to 5 = very likely, $\alpha = .69$). Examples are 'I would search for another candidate who would have the support of both Arca and Barc' and 'I would try to appoint A as the trainer and B as the successor of the director of the computer department'.

Analytic Techniques

We conducted hierarchical multiple regression analysis to test the hypotheses, following the procedure outlined by Aiken and West

(1991). Siding with a legitimacy party and with a sanction party were the two dependent variables. Moral orientation, expedient orientation, and three dispute dilemmas were the predictors. To test the hypotheses of siding with a legitimacy party, first the control variables – siding with the other party and integrative tactics – were entered into the equation. In the second step, moral orientation, expedient orientation and dispute dilemma as a dummy variable were entered into the equation (the L&S dispute was coded 0 and L&G was coded 1), followed by their two-way interaction terms in the third step.

Table 2 Information checks in the three manipulated dilemmas

	L&G ^a (n = 60)			S&G ^b (n = 54)			L&S ^c (n = 59)		
	Arca	Barc	t	Arca	Barc	t	Arca	Barc	t
Legitimacy	2.90	3.97	6.56**	—	—	—	2.63	3.95	7.28**
Negative sanctions	—	—	—	2.42	3.74	8.70**	3.58	2.64	5.46**
Guanxi	3.43	2.52	7.01**	3.72	2.33	7.33**	—	—	—

Notes: ^a Legitimacy information and *guanxi* information were manipulated

^b Information about negative sanction and *guanxi* information were manipulated

^c Legitimacy information and information about negative sanction were manipulated

— means that no information was manipulated

* $p < .05$, ** $p < .01$

Finally, the full model in the fourth step explored the effects of all predictors. To test the hypotheses for siding with a sanction party, a similar procedure was followed with the S&L dispute coded 0 and S&G coded 1.

Results

Manipulation Checks

Participants indicated to what extent they considered the scenario a dispute dilemma and how they perceived the information about Arca and Barc in the different dilemmas. Two questions checked the understanding of the dispute dilemmas: (a) 'Arca advised me to select a candidate other than the candidate Barc suggested' and (b) 'I am confronted with opposite expectations from Arca and Barc'. Participants rated both questions from 1 (strongly disagree) to 5 (strongly agree). Since the dispute dilemma is the main concern of this study, we employed a strict criterion for inclusion of participants. If participants gave a score of under 3 on either question, they were seen as perceiving no dilemma in the scenario. After exclusion of those respondents, there were 173 participants available for further analysis (60 L&G cases, 54 S&G cases, and 59 L&S cases). ANOVA analysis showed that there was no difference in understanding the incompatible expectations (question a) from Arca and Barc

across the three situations ($M_{L&S} = 3.86$, $M_{L&G} = 3.89$, $M_{S&G} = 3.93$, $F_{2, 171} = 1.87$, *ns*). However, the extent of the incompatibility (question b) was understood better in the L&S ($M = 3.95$) and L&G dilemmas ($M = 3.93$) than in the S&G dilemma ($M = 3.67$), $F_{2, 171} = 3.20$, $p < .05$.

To check whether the participants perceived the information on legitimacy, negative sanctions, and *guanxi* associated with Arca and Barc as intended, we asked the following questions: 'To what extent do you agree that (1) it is reasonable for Arca (Barc) to expect you to select candidate A (or B)? (2) Arca (Barc) will give you a hard time if you refuse to follow Arca's (Barc's) recommendation? (3) You have a good relationship with Arca (Barc)?' (1 = strongly disagree to 5 = strongly agree). The results reported in Table 2 show that all the types of information are in line with the scenario manipulation.

Descriptive Statistics

For each of the three dispute dilemmas, mean, standard deviation and inter-correlations for the independent and dependent variables are shown in Table 3.

Chinese outsiders scored higher on moral orientation than on expedient orientation. Yet, there were no significant differences on moral orientation and on expedient orientation among the participants in the three

Table 3 Descriptive statistics and intercorrelations of independent and dependent variables in each of the three manipulated dilemmas

	Legitimacy vs. <i>guanxi</i> (n = 60)						Sanction vs. <i>guanxi</i> (n = 54)						Legitimacy vs. Sanction (n = 59)											
	Siding with			Siding with			Siding with			Siding with			Siding with			Siding with								
	M	SD	EO	MO	EO	Barc (Leg.)	M	SD	EO	MO	EO	Barc (Gx.)	M	SD	EO	MO	EO	Barc (San.)	M	SD	EO	MO	EO	Barc (Leg.)
Moral orientation	3.88	.64	1.00				3.89	.53	1.00				3.96	.63	1.00				3.96	.63	1.00			
Expedient orientation	3.00	.62	-.10	1.00			3.10	.60	.10	1.00			3.27	.60	-.04	1.00			3.27	.60	-.04	1.00		
Siding with Arca	2.52	.86	-.09	.14	1.00		3.00	.86	.23	.22	1.00		2.42	.97	-.32**	.21	1.00		2.42	.97	-.32**	.21	1.00	
Siding with Barc	3.61	.81	.21	-.16	-.54**	1.00	2.86	.74	-.04	.04	.42**	1.00	3.94	.69	.40**	-.15	-.40**	1.00	3.94	.69	.40**	-.15	-.40**	1.00
Integrative tactics	3.10	.66	-.05	.25*	.29*	-.15	2.83	.66	.28*	.20	.26*	.28*	3.14	.66	-.21	.12	.39**	-.33**	3.14	.66	-.21	.12	.39**	-.33**

Note: Gx. = *guanxi*; San. = sanction; Leg. = legitimacy
 * $p < .05$, ** $p < .01$

scenario conditions (for moral orientation: $F_{2,171} = .54, ns$; for expedient orientation: $F_{2,171} = 1.8, ns$). This demonstrates that participants were randomly distributed in terms of their personal orientations. Consistent with Hypotheses 1a and 1b, correlations between moral orientation and siding with a legitimacy party in the L&G and L&S situations were significant ($r_{L\&G} = .21, p = .10$; $r_{L\&S} = .40, p < .01$). There was a marginally significant correlation between expedient orientation and siding with a sanction party in the L&S situation ($r_{L\&S} = .21, p = .09$) and a non-significant correlation in the S&G situation ($r_{S\&G} = .04, ns$), which suggests that the relationship between expedient orientation and siding with a sanction party depended on the nature of the dispute situation.

Tests of the Hypotheses

Siding with a legitimacy party The traditional theory of siding assumes that the moral-oriented Chinese outsiders will side with a legitimacy party, irrespective of negative sanctions. Our hypotheses posit that the moral-oriented Chinese outsiders will side with a legitimacy party, irrespective of *guanxi* information. Table 4 presents the corresponding results of the hierarchical regression analysis. In step two, moral orientation showed a significant effect on siding with a legitimacy party ($b = .16, p < .05$), indicating that more moral-oriented Chinese outsiders side more with a legitimacy party. However, the dispute dilemma also entered the equation as a significant predictor ($b = -.27, p < .05$), which means that sanctions as contrast information and *guanxi* as contrast information have a different effect on outsiders who take sides with a legitimacy party. We also observed the interaction effects of expedient orientation and dispute dilemma, and of moral orientation and expedient orientation, on siding with a legitimacy party ($beo*cs = .29, p < .05$; $bmo*eo = .12, p < .05$). However, when the full model was examined in the last step, the unexpected three-way interaction of

moral orientation, expedient orientation and dispute dilemma qualified those two-way interactions on siding with a legitimacy party ($bmo*eo*cs = .25, p < .05$).

As depicted in Figure 1, the three-way interaction shows that there is a positive relationship between moral orientation and siding with a legitimacy party in the L&S dilemma ($b = .19, p < .05$), and that expedient orientation has no additional effect ($bmo*eo = .02, ns$). This finding is exactly in line with the proposition given in the traditional theory of siding. In the L&G dilemma, where *guanxi* serves as contrast information, the positive effect of moral orientation on siding with a legitimacy party occurs as well, but only if there is a strong expedient orientation ($b = .42, p < .01$). If there is a weak expedient orientation, the positive effect of moral orientation on siding with a legitimacy party disappears ($b = .04, ns$). These findings are opposite to our expectations in Hypothesis 1a and Hypothesis 2a.

Most likely, the reason that a weak expedient orientation in the L&G conflict dilemma wipes out the positive effect of moral orientation on siding with a legitimacy party is that *guanxi* information contains both content- and context-related elements. Therefore, Chinese outsiders who combine strong moral and weak expedient orientations might pay attention to *guanxi* information as well, and interpret *guanxi* as a kind of legitimate expectation. As a result, in the L&G situation, moral-oriented Chinese outsiders might actually perceive a very striking siding dilemma, with the net effect that the extent of siding with a legitimacy party will decrease. For the outsiders who combine strong moral and strong expedient orientations, we suspect that the function of strong moral orientation might dominate the function of expedient orientation on siding, so that we still observe the positive effect of moral orientation on siding with a legitimacy party, even though the expedient orientation is strong.

Siding with a sanction party Traditional siding theory and our hypotheses predict that the more expediently oriented Chinese outsiders are, the more they will side with a sanction party in the S&L conflict dilemma and the less they will side with a sanction party in the S&G dilemma. The results in Table 4 show that the dispute dilemma was a significant predictor of siding with a sanction party in step two ($b = .65, p < .01$), which indicates that legitimacy as contrast information and *guanxi* as contrast information have different impacts on siding with a sanction party. Also in step two, moral orientation showed a significantly negative effect on siding with a sanction party ($b = -.17, p < .05$), but expedient orientation did not ($b = .04, ns$). However, the interaction effect of expedient orientation and conflict situation did attain marginal significance ($beo*cs = -.27, p = .08$). In step four, when the full model was explored, the three-way interaction of moral orientation, expedient orientation and dispute dilemma again stood out as a significant predictor of siding with a sanction party ($beo*mo*cs = .39, p < .05$).

Further exploration of the three-way interaction depicted in Figure 2 reveals that in the S&L dilemma (legitimacy as contrast information), when moral orientation is weak, expedient orientation has a positive influence on siding with a sanction party ($b = .47, p < .05$), which is in agreement with the proposition in traditional siding theory. However, when moral orientation is strong, expedient orientation no longer has an impact on siding with a sanction party ($b = .02, ns$). This again suggests that a strong moral orientation can overrule the effect of expedient orientation on siding with a sanction party. In the S&G situation (*guanxi* as contrast information), when moral orientation is weak, the more expediently oriented Chinese outsiders side less with a sanction party ($b = -.30, p = .10$), which supports Hypothesis 2b. However, when moral orientation is strong, expedient orientation does

Table 4 Results of regression analysis: siding with a legitimacy party, or with a sanction party

	Siding with legitimacy party ^a				Siding with sanction party ^b			
	Step 1	Step 2	Step 3	Step 4	Step 1	Step 2	Step 3	Step 4
Siding with the other party	-.33**	-.29**	-.25**	-.26**	-.13 [†]	.08	.10	.12
Integrative tactics	-.07	-.09	-.09	-.08	.24**	.28**	.27**	.27**
Moral Orientation (MO)		.16*	.15 [†]	.17*		-.17*	-.21*	-.18 [†]
Expedient Orientation (EO)		.05	-.16	-.05		.04	.19	.30*
Dispute Dilemma (DD)		-.27*	-.30*	-.26*		.65**	.72**	.74**
MO * DD			.06	.08			.11	.17
EO * DD			.29*	.16			-.27 [†]	-.43*
MO*EO			.12*	-.03			-.11	-.25*
MO * EO * DD				.25*				.39*
F	14.72**	8.99**	6.48**	6.27**	5.50**	5.30**	3.82**	4.01**
ΔR^2	.20**	.09**	.04	.03*	.10	.11**	.02	.04*
Total R ²	.20	.29	.33	.36	.10	.21	.23	.27

Note: ^a $n = 119$, including 60 cases from the Legitimacy vs. Guanxi dilemma and 59 cases from the Legitimacy vs. Sanction dilemma. ^b $n = 113$, including 54 cases from the Sanction vs. Guanxi dilemma and 59 cases from the Sanction vs. Legitimacy dilemma

[†] $p < .10$, * $p < .05$, ** $p < .01$

not show an impact on siding with a sanction party ($b = -.01$, *ns*), which supports Hypothesis 1b, and again may reflect an overruling effect of high moral orientation.

Discussion

Although coalition formation is a common tactic for handling a dispute (e.g. Glasl, 1980; Rubin et al., 1994), whether this tactic will succeed depends on the potential coalition partners' own choices. Nonetheless, researchers doing empirical studies of dispute handling have long neglected the crucial siding function of the initially neutral third parties. In this article, however, we draw attention to outsiders' siding decisions in a workplace dispute, and explore the dynamics of coalition formation from the perspective of the initially neutral third party. In addition, we focus on the dispute dilemmas in a Chinese cultural context and examine Chinese outsiders' siding decisions, thus

attempting to enrich our current understanding of siding decisions by placing it against another cultural background. The results qualify the basic postulates of both the Western theory of role conflict management (Gross et al., 1958) and the Western theory of siding (Van de Vliert, 1981). As specific contributions of this research, we will discuss moral and expedient orientations, and contrasting *guanxi* information, as determinants of Chinese outsiders' siding decisions.

Moral and Expedient Orientations

It has been acknowledged that individuals' 'natural' predispositions influence the way they handle a dispute (e.g. Barry and Friedman, 1998; Bono et al., 2002). In this research, we put forward the propositions of moral orientation and expedient orientation from the theory of role conflict management, and investigated the effect of those personal orientations on siding with a legitimacy party

and with a sanction party, respectively. The results verify Gross et al.'s (1958) propositions that morally oriented outsiders attach more weight to legitimate expectations and side more with a legitimacy party, whereas expediently oriented outsiders attach more weight to negative sanction expectations and side more with a sanction party. The findings from this study provide direct evidence that the theory can also be applied to Chinese outsiders who have to make a decision about which disputant they will join.

Recall that Gross et al. (1958) conceptualized moral and expedient orientations as opposite poles of a single dimension that have opposite behavioural effects. The findings from this research suggest that the alternative view, in which the two orientations are mutually independent and have joint effects, provides a better explanation of the siding reactions of outsiders. In China, in the absence of *guanxi* information the moral and expedient orientations do not always have opposite effects on outsiders' siding decisions. As illustrated for the legitimacy – sanction dilemma in the upper part of Figure 1, and in perfect agreement with the theory of role conflict management, siding with the legitimacy party is maximal if the moral orientation is strong while the expedient orientation is weak, is intermediate if the moral and expedient orientations are both strong or weak, and is minimal if the moral orientation is weak while the expedient orientation is strong. But, as illustrated in the upper part of Figure 2, the same sanction – legitimacy dilemma produces a different picture from the perspective of the expedient orientation. Again in agreement with the theory of role conflict management, siding with the sanction party is maximal if the expedient orientation is strong while the moral orientation is weak. However, all other conditions, including the combination of both strong expedient and strong moral orientations, show a minimal extent of siding with the sanction party, which strikingly contrasts with the theory of

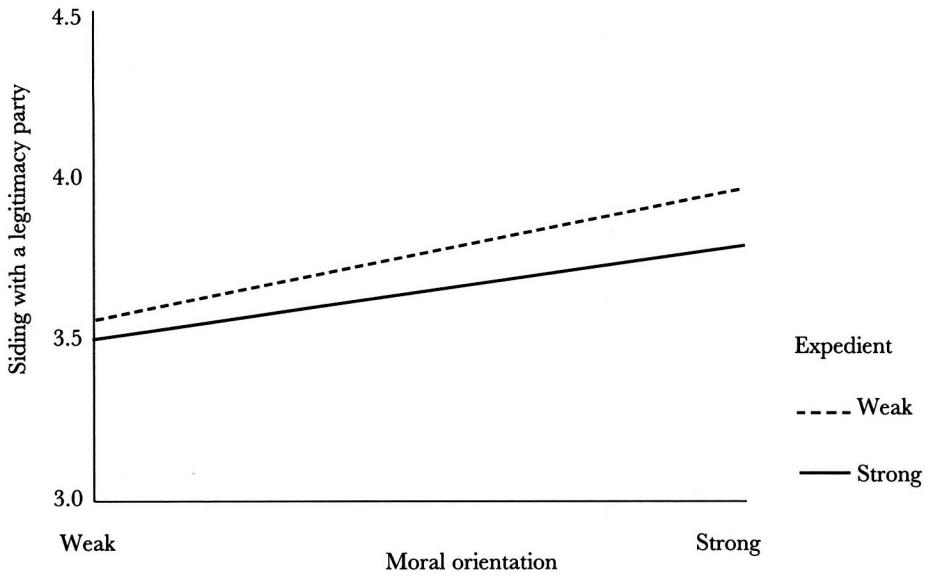
role conflict management. Perhaps this overruling effect of moral orientation provides an explanation for Van de Vliert's (1981) finding that legitimate expectations outweigh sanction expectations. Strongly moral-oriented individuals give priority to legitimacy information irrespective of the strength of their expedient orientation, whereas only strongly expedient-oriented individuals with a low moral orientation give priority to sanction information. As a result, more individuals give priority to legitimacy information, which makes legitimate expectations more important as antecedents of behaviour than sanction expectations.

Guanxi as Contrast Information in a Conflict Dilemma

The theory of role conflict management (Gross et al., 1958) and the theory of siding (Van de Vliert, 1981) both highlight the central role of information about legitimacy and expected sanctions. Both theories implicitly assume that no other information is required to predict the focal role person's behavioural choice. The present study demonstrates that this assumption is simply incorrect because *guanxi* information as contrast information also has an influence on the extent of siding with a legitimacy party or with a sanction party by moral- and expedient-oriented outsiders. A comparison of the upper (1a) and lower parts (1b) of Figure 1 reveals that the joint impact of a strongly moral orientation and a weakly expedient orientation for siding with a legitimacy party is washed away if the sanction information is replaced by *guanxi* information. Similarly, Figure 2 reveals that the joint impact of a strongly expedient orientation and a weakly moral orientation on siding with a sanction party is even reversed if the legitimacy information is replaced by *guanxi* information. Those results neatly support our assumption that Chinese outsiders do take *guanxi* information into account when they make siding decisions.

On closer consideration, our findings

1a: Legitimacy versus sanction dilemma



1b: Legitimacy versus *guanxi* dilemma

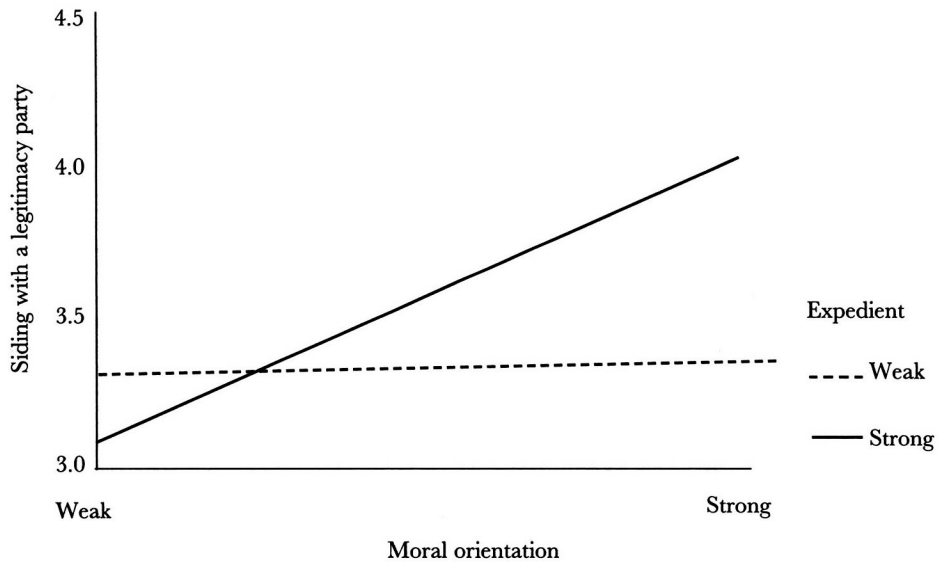


Figure 1 Three-way interaction of moral orientation, expedient orientation, and dispute dilemmas on siding with a legitimacy party

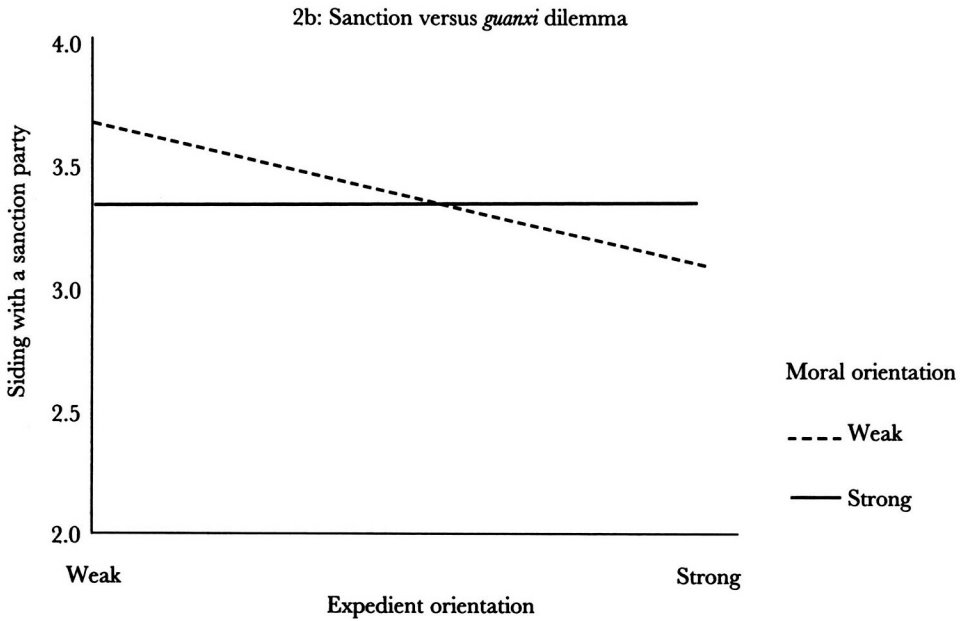
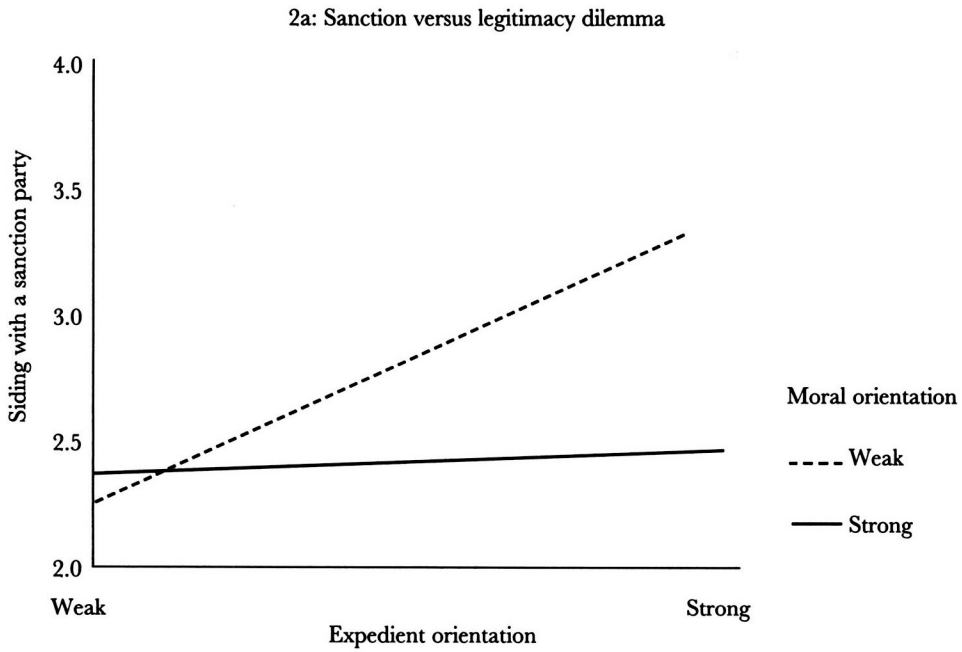


Figure 2 Three-way interaction of moral orientation, expedient orientation, and dispute dilemmas on siding with a sanction party

reflect the interesting fact that, at least for Chinese, *guanxi* information is a mixture or a transformation of legitimate information and sanction information. On the one hand, Chinese may think that it is reasonable and legitimate to help the disputant with whom they have a closer relationship; on the other hand, if Chinese do not choose sides with the closer relationship party, their relationship could break down, which may be interpreted as a potential negative sanction. If so, strongly moral-oriented Chinese will interpret *guanxi* as a kind of legitimacy information. When *guanxi* information is contrasted with legitimacy information, strongly moral-oriented Chinese outsiders will then perceive legitimacy in the expectations from both disputants, with the consequence that their intentions to side with the legitimacy party will significantly decrease. In a similar vein, strongly expedient-oriented Chinese may well regard *guanxi* as a kind of sanction capacity. When *guanxi* information is contrasted with sanction information, strongly expedient-oriented Chinese outsiders will then perceive negative sanctions in the expectations from both disputants, with the consequence that their inclination to side with the sanction party will significantly decrease as well.

Tsui et al. (2000) have argued that *guanxi* can be regarded as social currency in Chinese society, which speaks to the sanction function of *guanxi*. The findings of this research not only back up Tsui et al.'s conviction, but also seem to highlight yet another function of *guanxi*: it can also be regarded as a kind of responsibility or obligation, at least for Chinese.

Limitations

Four limitations of this study need to be addressed. First, we proposed *guanxi* as a third dimension which influences Chinese outsiders' siding reaction. However, *guanxi* is a culture-specific phenomenon, and we cannot claim that *guanxi* is an equally relevant

factor accounting for siding behaviour outside China. It is possible that contrast information other than the interpersonal relationship information in the form of *guanxi* is more important elsewhere. Second, by examining how two Western theories fared in a Chinese context, we restricted our research to hypotheses concerning siding with a legitimacy party and with a sanction party. The findings give reason to believe that Chinese outsiders will sometimes have intentions to side with a *guanxi* party. How do legitimacy information and sanction information influence Chinese outsiders' siding with a *guanxi* party? Does personal *guanxi* orientation also predict siding with a *guanxi* party? Third, although *guanxi* has three manifestations in Chinese society, we only examined *shouren* and *shengren* in this study. How does the *jiaren* relationship influence Chinese outsiders with regard to choosing sides? This question deserves more attention, especially for dispute handling in a family business setting because employees' interactions relying on the *jiaren* relationship might be more prominent. In the end, given the strong hierarchical orientation of Chinese society (e.g. Triandis, 1995), future studies should include status difference as a relevant variable, and examine how an outsider's relative status difference with the disputants influences siding decisions, in addition to the nature of *guanxi*.

Implications for Cross Cultural Management

If the disputants argue on the basis of legitimate rights or sanction power, the dispute is likely to escalate (e.g. Rubin et al., 1994). This study analyzed these dynamics of dispute escalation from the novel perspective of outsiders' individual differences with regard to the weight they attach to legitimacy and sanction capacity. The findings offer several useful suggestions for managers and professional practitioners to prevent dispute escalation through outsiders. For example, in

an intense right-versus-wrong dispute, a practical de-escalation strategy is to keep strongly 'moral-oriented' outsiders away from the dispute, since, as the results suggest, strongly moral-oriented outsiders consistently side with the legitimacy disputant. The findings also suggest that providing *guanxi* information is a useful strategy to discourage expedient-oriented Chinese outsiders to take sides on the basis of an asymmetric distribution of sanction power between the conflicting parties.

In addition, the findings are meaningful for a better understanding and management of coalition formation. Although forming a coalition, as one of the tactics for handling a dispute, often occurs in workplaces everywhere, how a coalition can be effectively formed may vary across cultures. The findings from this research suggest that, like Westerners, Chinese in the role of the outsider highly value rights in terms of legitimacy and power in terms of sanction when siding with a disputant. Universally, therefore, managers and non-managers alike who need support from others in a dispute should both make reasonable arguments and hold sanction power in their hands when trying to influence others to stand up for them. More interesting still, the findings indicate that relationship characteristics in terms of *guanxi* also significantly influence Chinese outsiders complying with coalition requests from disputants. Thus, those managers and employees who are seeking support from Chinese colleagues should take an extra question into account: do I have *guanxi* with them?

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Résumé

Prendre parti dans le cadre d'un conflit de travail en Chine : l'impact de la légitimité, de la sanction et du guanxi (Huadong Yang, Evert Van de Vliert and Kan Shi)

Les employés qui se tiennent à l'écart peuvent être confrontés à des conflits entre collègues et leur prise de parti représente l'une des tactiques possibles, mais négligée, permettant d'obtenir une issue. Dans une recherche par scénario conduite auprès de 226 employés chinois, nous avons étudié l'influence de l'orientation morale et opportuniste des employés sur leurs intentions de prendre parti dans le cadre d'un conflit au travail caractérisé des niveaux différents de légitimité, de sanction et de guanxi. Les résultats indiquent que l'information relative à la légitimité conduit des employés marqués par un fort sens moral à se ranger du côté de la partie légitime, tandis que l'information concernant la sanction conduit les employés opportunistes à se ranger du côté de la partie prônant la sanction. Néanmoins, les employés chinois considèrent aussi le guanxi : l'information relative au guanxi réduit à la fois le parti pris en faveur de la partie légitime par les employés à fort sens moral / faible opportunisme, et le parti pris en faveur de la partie prônant la sanction par les employés à faible sens moral et fort degré d'opportunisme. Les implications de ces résultats sont discutées pour favoriser le développement d'une théorie universelle de la prise de parti.