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Article

Research on the Market-Oriented Operational Mechanisms of Lawyer Mediation Organizations and the Enhancement of Their Dispute Resolution Capabilities in the Context of Optimizing the Business Environment

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Abstract: Rule of law is a key indicator for evaluating the quality of business environment, an important means to improve the business environment, and an important content and guarantee of the business environment. This paper selects 50 lawyer mediation organizations as samples. Based on the operation data of lawyer mediation organizations from 2018 to 2025, using the DEA model, DEA-Malmquist index model, and Kmeans clustering analysis method, the changes in the regulatory efficiency and operational efficiency of lawyer mediation organizations were measured. Combined with the Tobit regression model, the impact of different influencing factor indicators on the market dispute resolution ability of lawyer mediation organizations was explored. The overall operational efficiency of lawyer mediation organizations in the marketization process from 2018 to 2025 was relatively high, with an average comprehensive technical efficiency reaching 0.946. The operational efficiency indicators of lawyer mediation organizations in the marketization process are divided into 4 categories. The regression analysis results show that the mediation level, organizational management norms, and application level of informatization and digitalization have a significant promoting effect on the dispute resolution ability.

Keywords: DEA-Malmquist; Tobit regression; Lawyer mediation organization; Enhancement of dispute resolution capability; Business Environment

1. Introduction

In the context of a complex modern society with diverse interests, social disputes are showing a trend of frequent occurrence and high incidence. In China, with the enhancement of people's legal awareness and their awareness of seeking legal remedies, the number of litigation cases has soared, and courts are overwhelmed [1]. Facing the contradiction between the increase in disputes and the limited judicial resources, how to effectively prevent and resolve disputes is not only an urgent issue for the judicial system but also one that needs to be addressed in the modernization of the national governance system and governance capacity [2-4]. Therefore, China has been actively exploring the establishment of a diversified dispute resolution mechanism from the perspective of social governance. Correspondingly, the Supreme People's Court has proposed the establishment of a source-of-litigation governance mechanism, aiming to achieve the front-end handling and source control of disputes through diversified dispute resolution mechanisms, and to alleviate the pressure on courts.

In 2017, the Supreme People's Court and the Ministry of Justice jointly issued the "Opinions on

Carrying out Pilot Work of Lawyer Mediation", clearly stating that the lawyer mediation system should be improved and perfected, and lawyer mediation should be regarded as one of the means of source-of-litigation governance [5]. From the actual operation of the lawyer mediation system over the past eight years, although various regions have actively promoted it, the enthusiasm of dispute parties and lawyers is not high, and the actual number of lawyer-mediated cases is limited, and the lawyer mediation system has failed to achieve the expected goals [6-8].

In addition, the biggest problem faced by the marketization of lawyer mediation in practice is that lawyers are reluctant to serve as full-time lawyer mediators, and parties lack trust in lawyer mediation and are unwilling to entrust their cases to lawyers for mediation [9-11]. These two problems are, on the one hand, attributed to the short period of pilot implementation of the marketization of lawyer mediation and the wait-and-see attitude of lawyers and parties towards market-based dispute resolution [12]. On the other hand, they are attributed to the lack of high-level coordination among the stakeholders, namely the leaders of the Party committee, the courts, various departments, the lawyers, and the parties [13]. The marketization of lawyer mediation is a conflict prevention and resolution mechanism led by the Party committee, guided by the courts, coordinated by various departments, led by lawyers, and participated by the parties [14]. The form of multi-party co-governance clarifies that the Party committee, the government, society, and the public are all among the entities of the diversified dispute resolution mechanism. In the marketization of lawyer mediation, the courts, lawyer mediators, and parties are the main participating entities. Careful analysis of the practical difficulties of the marketization of lawyer mediation reveals that there are problems such as the absence of mediators and weak coordination among participating entities.

Based on the operation data of 50 lawyer mediation organizations, using Data Envelopment Analysis (DEA) and the DEA-Malmquist model, the changes in the mediation efficiency and operational efficiency of the lawyer mediation organization marketization from 2018 to 2025 were calculated from both static and dynamic perspectives. Based on the indicators of the dispute resolution ability of lawyer mediation organizations and using the K-means clustering method to classify the indicators of dispute resolution ability, the TOE analysis framework combined with the Tobit regression model was used to explore the impact of different indicators on the market dispute resolution ability of lawyer mediation organizations, and to conduct a collinearity test on the explanatory variables to further investigate the role of lawyer mediation organizations in resolving disputes in the eastern, central, and western regions of China.

2. Theoretical Framework and Variable Rationale

2.1. Core Constructs

Lawyer Mediation Organizations. This study encompasses three organizational types that together form a spectrum of market orientation: market-oriented mediation centers within large law firms, independently registered private non-profit mediation institutions, and public welfare mediation platforms co-established by courts and arbitration commissions. All three are considered comparable units of analysis.

Market-Oriented Operational Mechanism. The mechanism is deconstructed into three continuous dimensions: (a) service productization and pricing, (b) autonomous case-source development, and (c) market-driven mediator incentives. These dimensions can be observed in varying degrees across all organizational types and serve as the primary explanatory factors of organizational performance.

Dispute Resolution Capabilities. Dispute resolution capabilities are conceptualized as the productive efficiency with which a mediation organization transforms its inputs—such as personnel and funding—into dispute resolution outputs, including mediated cases and successful settlements.

Institutional Credibility. Institutional credibility denotes the degree to which a mediation organization is perceived as authoritative and connected to the formal justice system. It is typically reflected in the judicial confirmation rate of mediated agreements and is theorized to moderate the relationship between market-oriented mechanisms and dispute resolution capabilities.

Optimizing the Business Environment. Serving as the overarching policy context, the optimization of the business environment represents the macro-level goal to which efficient lawyer mediation is expected to contribute. Its connection to organizational-level efficiency is addressed in the overall discussion of findings.

2.2. Theoretical Anchoring

Three theoretical perspectives inform the analytical framework.

New Public Management theory provides the rationale for evaluating lawyer mediation organizations

as production units whose efficiency can be assessed. It posits that the introduction of market-like mechanisms—user orientation, performance measurement, and competitive incentives—into quasi-public service delivery enhances productive efficiency. This directly supports examining the three marketization dimensions as drivers of organizational performance.

Quasi-Public Goods Theory explains a critical demand-side condition: for marketized mediation services to be viable, users must trust that mediated outcomes are enforceable. Consequently, institutional credibility is expected to condition the effect of marketization on efficiency. When credibility is low, even well-designed market mechanisms may fail to attract sufficient demand and thus not translate into improved capabilities.

The selection of influencing factors for the Tobit regression is further structured by the Technology-Organization-Environment (TOE) framework. Within this framework, informatization and digital application (INF) represents the technological dimension; mediation expertise (PRO), organizational management norms (MAN), market revenue creation (INC), and brand credibility (REP) represent the organizational dimension; and external policy support (SUP) represents the environmental dimension. This systematic categorization ensures comprehensive coverage of potential influencing factors and is consistent with the NPM emphasis on organizational performance drivers.

2.3. Expected Relationships

This section defines the core constructs and provides the theoretical foundation for the empirical analysis. It clarifies the study's key concepts and anchors the selection of analytical variables in established theory.

Guided by the above theories, the marketization dimensions are expected to be positively associated with organizational efficiency. Institutional credibility is expected to positively moderate this relationship, strengthening the positive link between market-oriented mechanisms and dispute resolution capabilities.

3. Research Methods and Variable Selection

3.1. Data Source

Based on the establishment entity, service scope and charging mechanism, the lawyer mediation organizations are classified into three categories: market-oriented mediation centers designed by large law firms, independently registered private non-profit mediation institutions, and public welfare mediation platforms jointly established by courts and arbitration commissions. Fifty lawyer mediation organizations that have been operating continuously for at least two years and have disclosed their business data were selected for research as samples. The data came from the annual work reports of each organization, local judicial administrative authorities, etc. The operational details were obtained through questionnaire surveys, and the survey period was from 2018 to 2025.

3.2. Measurement of the Operational Efficiency of Market-based Dispute Resolution by Lawyer Mediation Organizations

3.2.1. Data Envelopment Analysis Method

Data Envelopment Analysis (DEA) is a non-parametric estimation method used to analyze and evaluate the efficiency levels of decision-making processes involving multiple variable resource inputs and outputs. In recent years, it has been widely used in various disciplines such as economics and management. The core principle of DEA in analyzing problems lies in the fact that the decision-making units (DMUs) of the evaluated object can be regarded as constituting a total of evaluated decision-making units. By calculating the proportions of input indicators and output indicators of the core elements of the decision-making units, based on the obtained production efficiency statements, the efficiency level of each DMU is calculated by calculating the distance from each DMU to the frontier.

Currently, the wide application of DEA research mainly depends on its significant advantages: Firstly, DEA does not have specific requirements for the specific form of the production function, and can more effectively evaluate in the analysis of various complex multi-variable and multi-input-output processes; Secondly, the DEA model is objective, and there is no need for subjective assignment of indicator weights during the original data analysis process; instead, the indicator weights are obtained through linear programming calculations of the original data. Moreover, the estimation results of the DEA model do not change with the changes in input-output indicators, which is also the main reason why the DEA method has been widely popular in the academic community in recent years. The basic form expression of the DEA model is:

$$\min\left[\theta-\beta\left(\sum_{i=1}^{m}s_i^{-}+\sum_{i=1}^{m}s_i^{+}\right)\right] \tag{1}$$

$$s.t.\begin{cases}\sum_{j=1}^{1}\lambda_i x_{ij}+s_i^{-}=\theta x_{ij}\\ \sum_{j=1}^{1}\lambda_i y_{ij}-s_i^{+}=y_{ij}\\ \sum_{j=1}^{1}\lambda_i=1\\ \lambda_i,s_i^{-},s_i^{+}\geq 0,j=1,2\cdots n\end{cases} \tag{2}$$

3.2.2. Malmquist Index Model

Based on the original DEA method, the Malmquist index model was constructed. Its characteristic lies in being able to conduct a static analysis of the changes in total factor productivity (TFP) during the process of DMU, and it can also decompose the changes in TFP into technical factors or efficiency factors, and further conduct analysis. The EA-Malmquist index model was used to comprehensively examine the evolution laws of the operational efficiency and dispute resolution capabilities of the lawyer mediation organization from both dynamic and static perspectives. These two methods have their own advantages in the process of efficiency assessment, but the efficiency results calculated by the model cannot directly reflect the influence path of resource input on the dispute resolution efficacy and the causal relationship between variables. Based on the practices of existing literature, the DEA data and Malmquist index analysis results were taken as the dependent variables in the second stage analysis to further explore the regulatory effect of external environmental factors on the operational efficiency of the mediation organization.

Based on existing studies, we constructed the DEA-Malmquist index. Assuming that the total input of the elements for the research problem within period t is x_i, and the output quantity is y_i, and the output on the production frontier is y_t^*, therefore, the technical efficiency of the decision-making unit (DUM) is:

$$e_t=D_{0t}(x_t,y_t)=y_t(x_i)/y_t^*(x_i) \tag{3}$$

The actual output represented by the optimal output and distance can be analyzed as follows:

$$y_t(x_t)=D_{0t}(x_t,y_t)=y_t^*(x_i) \tag{4}$$

$$D_{0s}(x_t,y_t)/D_{0s}(x_t,y_t)=\left[y_s(x_s)/y_s^*(x_s)\right]*\left[y_t(x_t)/y_t^*(x_t)\right] \tag{5}$$

Therefore, its total factor productivity is:

$$TFP=\left[D_{0s}(x_t,y_t)/D_{0t}(x_t,y_t)\right]*\left[D_{0t}(x_s,y_s)/D_{0s}(x_s,y_s)\right] \tag{6}$$

3.2.3. Selection of Input and Output Indicators

Input indicators and output indicators are the key metrics for analyzing the operational efficiency of lawyer mediation organizations through the DEA model. Input indicators focus on the basic resource investment of the organization's operation, while output indicators measure the actual effectiveness and social benefits of the mediation services. The indicators are as follows:

(1) Input indicators: Human resource investment (***HRI***), operational funding investment (***OEI***), technological and information system investment (***ITI***).

(2) Output indicators: Business scale output (***BSO***), mediation quality and efficiency output (***QMP***), economic benefit output (***EBO***), social benefit output (***SBO***).

The selection of these indicators follows the production function perspective outlined in Section 2.2: input indicators capture the three essential resources for mediation service delivery (human, financial, technological), while output indicators reflect both direct service outputs (business scale, mediation quality) and broader value creation (economic returns, social benefits). This indicator structure is consistent with prior DEA applications in legal service evaluation.

3.3. Factors Affecting the Dispute Resolution Capabilities of Lawyer Mediation Organizations

3.3.1. Basic Principles of the Tobit Model

The operational efficiency and dispute resolution capabilities of the lawyer regulatory organizations of 50 law firms were calculated using the DEA method. The calculated results are values ranging from 0 to 1 and are bounded variables. If the least squares method is used for parameter estimation, the obtained results will be biased. The Tobit model conducts regression analysis using the maximum likelihood estimation method. It is applicable when the explained variable is a censored value or truncated value. The research model on the influencing factors of the dispute resolution capabilities of lawyer regulatory organizations is as follows:

$$y_{ij} = \begin{cases} 0, If\ y_{ij}^{*} \le 0; \\ \beta_0 + \beta_{ij} x_{ij} + \varepsilon_{ij}, If\ 0 < y_{ij}^{*} \le 1 \end{cases} \tag{7}$$

Among them, y_{ij} represents the dispute resolution capability of the i th legal mediation organization in the j th year of marketization, x_{ij} is the explanatory variable, β_{ij} is the coefficient of the variable to be estimated, and ε_{ij} is the random error.

3.3.2. Variable Selection

The selection of indicators for measuring the influence of lawyers' mediation organizations on dispute resolution capabilities is shown in Table 1.

Table 1. Factors Influencing Indicators

Type of variable	Variable Name	Variable symbol
Explained variable	Regulate the body's ability to resolve conflicts.	***TE***
Explanatory variable	Mediation Level	***PRO***
	Organizational Management Standards	***MAN***
	The level of information technology and digital application adoption	***INF***
	Level of revenue generation through market mechanisms	***INC***
	Brand Credibility	***REP***
	External policy support	***SUP***

4. Empirical research results

4.1. Analysis of Efficiency Changes and Operational Efficiency Measurement

4.1.1. Analysis of Efficiency Changes in Adjustment

A statistical analysis was conducted on the changes in the number of mediated cases and the total number of client visits by the lawyer mediation organization from 2018 to 2025. The results are shown in Figure 1. It can be observed that the number of mediated cases and the total number of client visits increased slowly from 2018 to 2025, remaining in a stable state overall. Starting from 2023, both indicators accelerated their growth. Among them, the total number of client visits increased rapidly from 360,000 in 2022 to 1.54 million in 2025, with an average annual growth rate of 63.03%, and the growth curve slope was relatively steep.

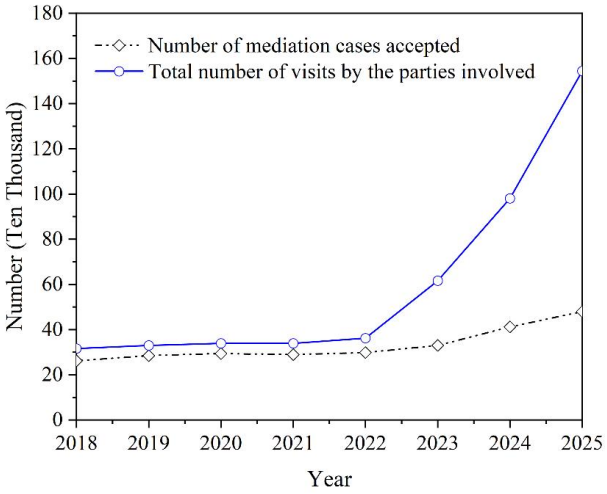

Figure 1. Change Chart of Legal Mediation Organizations from 2018 to 2025

4.1.2. DEA Measurement Analysis

Table 2 presents the operational efficiency calculation results of the lawyer mediation organizations from 2018 to 2025. Overall, the average comprehensive technical efficiency of the lawyer mediation organizations from 2018 to 2025 was 0.946, which is less than 1, indicating that the comprehensive technical efficiency is not DEA-efficient and there is room for further improvement. The two sources of comprehensive technical efficiency, the average pure technical efficiency and the average scale efficiency, were 0.987 and 0.958 respectively, not reaching technical efficiency and scale efficiency. However, the overall comprehensive technical efficiency has reached a level greater than 0.95, very close to the DEA production frontier. Meanwhile, the table shows that the years when DEA efficiency was achieved were 2019 and 2025, and the comprehensive technical efficiency in other years was less than 1 and reached the lowest point in 2023, then the comprehensive technical efficiency rose rapidly and reached DEA efficiency in 2025.

Although the overall technical efficiency of the legal mediation organizations was 1 in 2019, the overall technical efficiency from 2018 to 2025 fluctuated only around the average level and the fluctuations were entirely due to changes in scale efficiency. However, the improvement in scale efficiency from 2023 to 2025 played a promoting role in the year-on-year increase in the overall technical efficiency.

Table 2. Estimation results of operational efficiency for the period 2018–2025

Year	Comprehensive Technical Efficiency	Pure technical efficiency	Scale Efficiency
2018	0.924	1.000	0.924
2019	1.000	1.000	1.000
2020	0.952	1.000	0.952
2021	0.952	1.000	0.952
2022	0.916	1.000	0.916
2023	0.860	0.892	0.952
2024	0.966	1.000	0.966
2025	1.000	1.000	1.000
Average	0.946	0.987	0.958

4.1.3. DEA-Malmquist Index Measurement Analysis

Figure 2 shows the trend of the total factor productivity index of lawyer mediation organizations from 2018 to 2025. The change index of total factor productivity in 2019-2020, 2020-2021, and 2021-2022 was all less than 1, and it continued to decline. From 2018-2019, 2022-2023, 2023-2024, and 2024-2025, the change index of total factor productivity was greater than 1, achieving positive growth in TFPCH. Moreover, the change index of total factor productivity from 2023 to 2025 was 1.162, 1.102, and 1.229 respectively, significantly higher than that from 2018 to 2019. The combined effect of reduced input costs and improved output results is the important reason for the consecutive growth of total factor productivity from 2023 to 2025.

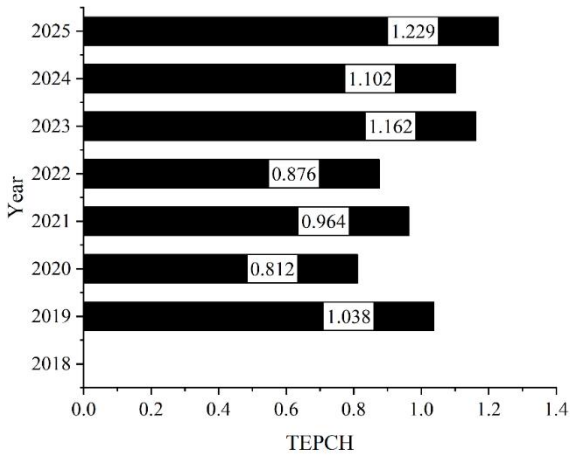

Figure 2. Trend of the Productivity Index from 2018 to 2025

4.2. Cluster Analysis of Marketized Operations of Lawyer Mediation Organizations

A K-means algorithm model was established to conduct cluster analysis on the 7 operational efficiency indicators of the marketization of the lawyer mediation organizations. The average silhouette coefficient is shown in Figure 3, and the evaluation index SSE value is shown in Figure 4. The clustering into 4 categories is more effective, and the number of samples in each category is relatively balanced.

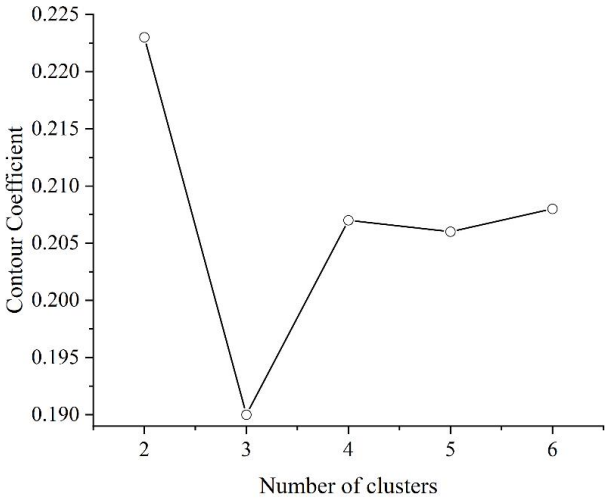

Figure 3. Changes in the average contour coefficient under different numbers of clusters

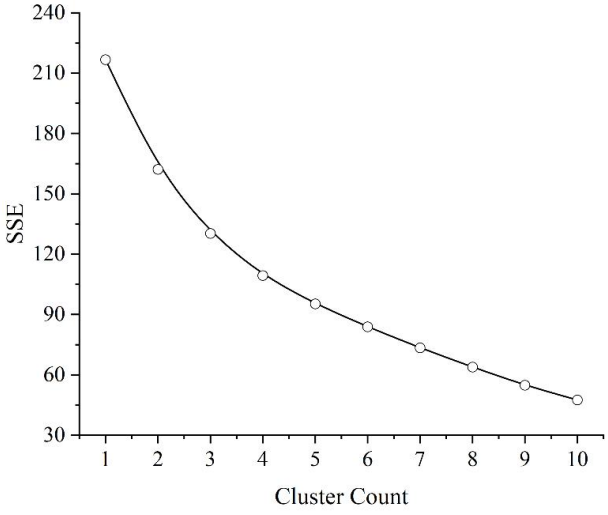

Figure 4. Changes in SSE under different numbers of clusters

Based on the operational efficiency indicators, the 7 market-oriented operation efficiency indicators of the lawyer mediation organizations were classified into 4 categories. The results are shown in Table 3.

Table 3. Results of K-means clustering analysis

	Class	Metric
1	Basic Operations	Investment in human resources; investment in operating expenses
2	Digital Support	Investment in Technology and Information Technology
3	Number of Services and Processing Time	Business scale output; mediation quality and efficiency output
4	Market Benefits and Recognition	Economic benefit output; Social benefit output

4.3. Analysis of the Enhancement of Dispute Resolution Capabilities

4.3.1. Descriptive Statistics and Correlation Analysis

To test whether there is a correlation between each explanatory variable and the dependent variable, a correlation analysis was conducted on all the variables included in the Tobit model. The results are shown in Table 4. The correlations between each explanatory variable and the dependent variable are quite significant, which verifies the rationality of the variable selection in this study. However, there are values greater than 0.5 for the Pearson correlation coefficients among the explanatory variables. Therefore, it is necessary to further examine whether there is multicollinearity among the variables. Through the collinearity test of each explanatory variable, the variance inflation factor (VIF) was obtained, and it was found that the VIF values were all less than 5. Thus, it can be concluded that there is no obvious multicollinearity among the variables.

Table 4. Results of correlation analysis and multicollinearity testing

	TE	***PRO***	***MAN***	***INF***	***INC***	***REP***	***SUP***
TE	1						
PRO	0.606**	1					
MAN	0.373**	0.276**	1				
INF	0.602**	0.607**	0.060	1			
INC	0.078	0.109	0.360**	-0.127	1		
REP	0.013	-0.071	0.114	-0.116	0.024	1	
SUP	0.605	0.567	0.339**	0.807**	0.025	-0.185*	1
VIF	-	1.794	1.633	4.241	1.211	1.105	4.102

Note: ** and * indicate significance at the 5% and 10% levels respectively.

4.3.2. Construction of Tobit Regression Model

Using Stata 16.0 software, a Tobit model regression analysis was conducted on the dispute resolution capabilities of the lawyer mediation organization based on the TOE framework. The analysis results are shown in Table 5.

From the table, it can be seen that the mediation level is significant at the 1% level, and its coefficient value is the largest among all variable coefficient values. This indicates that an increase in the mediation level can significantly enhance the dispute resolution capabilities of the lawyer mediation organization. The organizational management norms are significant at the 1% level and have a positive coefficient, indicating that organizational management norms have a positive impact on the dispute resolution capabilities of the lawyer mediation organization. The level of informatization and digital application is significant at the 1% level and has a positive coefficient, indicating that informatization and digital application levels are conducive to improving the market dispute resolution capabilities of the lawyer mediation organization. However, the impact of market revenue creation level on the market dispute resolution capabilities of the lawyer mediation organization is not significant. The brand credibility and external policy support have positive coefficients on the market dispute resolution capabilities of the lawyer mediation organization, but neither has passed the significance test.

Table 5. Results of correlation analysis and multicollinearity testing

Variable Explanation	Model 1	Model 2	Model 3
PRO	6.235***	2.884***	3.004***
	(8.304)	(3.355)	(3.416)
MAN	0.038***	0.041***	0.039***
	(3.272)	(4.103)	(3.239)
INF		0.158***	0.146***
		(6.009)	(3.461)
INC		0.000	0.000
		(0.149)	(0.168)
REP			0.135
			(1.428)
SUP			0.026
			(0.528)
Constant term	0.122	0.027	-0.244
	(1.481)	(0.374)	(-0.482)
Sample Size	50	50	50

Note: The values in parentheses are t-values; *** indicates significance at the 1% level; the Prob>chi2 for all models is 0.000.

4.3.3. Tobit Regression Analysis

To further explore the role of the dispute resolution capabilities of lawyer mediation organizations in different regions of China, regression analyses were conducted separately for the eastern, central, and western regions. The results are shown in Table 6.

The main factors influencing the dispute resolution capabilities of lawyer mediation organizations in the western region lie in the local organizational management norms and the external policy support. The current dispute resolution capabilities of lawyer mediation organizations in the western region are still at an initial stage. The imperfect organizational management norms will significantly restrict the attitude of the lawyer mediation organization market. The improvement of economic scale will also have a significant promoting effect on the efficiency of electronic government services in the western region. The external policy support can not only optimize the legal talent reserve by strengthening government investment, providing talent support for the improvement of the marketization of lawyer mediation organizations in the region, but also provide necessary support for the further expansion of organizational management norms, the implementation of management norms for the marketization of lawyer mediation organizations, and the optimization and upgrading of government support in the western region.

Table 6. Results of Tobit regression analysis

Variable Explanation	Model 4(National)	Model 5(East)	Model 6(Central)	Model 7(West)
PRO	3.019***	3.297*	3.548***	1.752
	(3.496)	(1.631)	(3.152)	(1.172)
MAN	0.038***	0.048*	-0.025	0.049***
	(3.302)	(1.642)	(-0.771)	(3.128)
INF	0.142***	0.125**	-0.439**	-0.428*
	(3.463)	(2.018)	(-2.183)	(-1.752)
INC	0.000	-0.001	0.002***	-0.006
	(0.168)	(-0.692)	(2.093)	(-1.492)
REP	0.132	0.228	-0.009	-0.074
	(1.322)	(1.018)	(-2.195)	(-0.415)
SUP	0.025	0.055	-0.218**	0.315**
	(0.522)	(0.549)	(-2.203)	(2.537)
Constant term	-0.243	0.507***	0.626***	-0.3015**
	(-0.509)	(7.832)	(7.003)	(-2.542)
Sample Size	50	30	20	40

Note: The values in parentheses are t-values; ***, **, and * indicate significance at the 1%, 5%, and 10% levels respectively; the Prob>chi2 for all models is 0.000.

5. Conclusion

This paper uses the DEA-Malmquist index model to comprehensively examine the evolution patterns

of the operational efficiency and dispute resolution capabilities of lawyer mediation organizations from both dynamic and static perspectives. By applying the K-means clustering method, the marketized operation of lawyer mediation organizations is classified. Using the TOE framework, a Tobit regression model with restricted dependent variables is established at each indicator level to analyze the influencing factors of the dispute resolution capabilities of lawyer mediation organizations. The following conclusions are drawn:

(1) The static measurement results based on the DEA model show that the average comprehensive technical efficiency of lawyer mediation organizations from 2018 to 2025 was 0.946, close to the DEA efficient frontier. From a dynamic perspective, in the years when TFPCH growth was achieved, the change indices of total factor productivity from 2022 to 2023, 2023 to 2024, and 2024 to 2025 were significantly greater than those from 2018 to 2019, indicating that the combined effect of reduced input costs and improved output effects was the important reason for the consecutive growth of total factor productivity from 2023 to 2025.

(2) Through cluster analysis, the operational efficiency indicators of lawyer mediation organizations' marketization are classified into 4 categories: basic operation, digital support, service quantity and timeliness, and market benefits and social recognition.

(3) The Tobit regression analysis results show that the mediation level, organizational management norms, informatization and digital application level have significant positive impacts on the dispute resolution capabilities. The main factors affecting the dispute resolution capabilities of lawyer mediation organizations in the western region lie in the organizational management norms and external policy support in the region.

Based on the above findings, several strategic implications emerge for lawyer mediation organizations. First, since total factor productivity growth from 2023 to 2025 was primarily driven by cost reduction and output improvement, these organizations should prioritize resource optimization over scale expansion—redirecting investment from administrative overhead to mediator training and digital platforms. Second, the four-category operational classification suggests a differentiated development path: each organization should identify its relative strengths among basic operation, digital support, service delivery, and market reputation, then benchmark against top performers within its category for targeted improvement. Third, given that mediation expertise, management norms, and informatization significantly drive dispute resolution capabilities, a systematic capacity-building framework is needed—encompassing standardized mediator certification, operational guidelines, and digital infrastructure investment. For lawyer mediation organizations in western regions specifically, strengthening organizational management norms and increasing policy support, including dedicated funding and inter-regional collaboration mechanisms, are the most urgent priorities. Ultimately, these targeted actions serve to refine the market-oriented operational mechanisms of lawyer mediation organizations and enhance their dispute resolution capabilities, thereby delivering a tangible contribution to the continuous optimization of the business environment.

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