Hochschule Neu-Ulm
University of Applied Sciences

Bachelor Thesis
in the bachelor program
Information Management and Corporate Communications
at University of Applied Sciences Neu-Ulm

The Impact of the COVID-19 Pandemic on Corporate Communications in Multinational Businesses in China: A Cultural Perspective

1st examiner: Prof. Dr. Ulrike Reisach

2nd examiner: Prof. Dr. Stefanie Schöberl

Author: Nele Kortemeyer (Enrollment number: 274839)

Topic received: 01.07.2023
Date of submission: 31.10.2023

Abstract

This thesis delves into the multifaceted effects of the COVID-19 pandemic on corporate communications within the context of multinational businesses operating in China. Employing a cultural perspective, the research explores how the pandemic, combined with cultural nuances, has reshaped communication strategies, influenced work dynamics, and impacted business operations. Findings suggest that while the pandemic has accelerated the acceptance of digital communication tools and introduced hybrid work models, long-term relationships and in-person interactions remain integral for effective communication in a Chinese business environment. Furthermore, the study reviews and discusses challenges stemming from new data regulations and the declining acceptance of foreigners in China following the pandemic, offering insights into the future collaboration between the West and China. This research contributes to a deeper understanding of the dynamics of corporate communication within a global, culturally diverse landscape, offering practical implications for multinational corporations operating in or with China.

The motivation behind this thesis stems from the author's decade-long experience of living in China. Residing there with her family, particularly her father employed in a multinational corporation in China, sparked the author's interest in exploring this topic.

Keywords: Corporate Communication, Multinational Corporations, COVID-19 Pandemic, Chinese Culture

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List of Abbreviations

GDP	Gross Domestic Product
COVID-19	Corona Virus Disease 2019 caused by SARS-CoV-2
GLOBE	Global Leadership and Organizational Behavior Effectiveness
MNC	Multinational Corporation
CEO	Chief Executive Officer
PRC	Peoples Republic of China
TA	Thematic Analysis

1. Introduction to the Impact of the Pandemic on Communication in China

1.1. Thesis and Motivation

The COVID-19 pandemic has had a significant impact on people's well-being and the economic development both in China and globally.[1] Following China's sudden reopening after the COVID-19 outbreaks in December of 2022, GDP growth was projected to rise to 5.2% in 2023, led by a recovery in consumer demand, particularly for services. Even after this year's recovery, future growth is expected to decline.[2]

As the world's second-largest economy, China is a lead player in the global economy with growing influence on other developing economies through trade, investment, and innovations. According to the International Monetary Fund (IMF), China and India are expected to contribute around half of this year's global growth, with 34.9% and 15.4% respectively.[3]

In 2015, one of the Big Four accounting firms, PricewaterhouseCoopers (PwC), produced a report which provides insights into CEO's current priorities and future plans across a wide spectrum of areas. According to this survey: "CEOs and senior executives of many large organizations and MNCs (Multinational Corporations) nowadays consider protecting their company's reputation to be 'critical' and as one of their most important strategic objectives."[4] This objective of building, maintaining, and protecting the company's reputation is the core task of corporate communication practitioners. Therefore, the impact of the pandemic on a company's communication needs to be investigated thoroughly.

Many companies have been forced to adapt their communication strategies to meet the changing needs of stakeholders. However, it is important to recognize that the cultural context of China has always played a significant role in shaping communication strategies. Briefly, it can be said that Chinese culture is characterized by collectivism, hierarchy, and face-saving, which may have influenced the way businesses have responded to the pandemic. This thesis will explore the role of culture in shaping corporate communication since the COVID-19 pandemic in MNCs operating in China, and thus, provide recommendations for the future.

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[1] adapted from China (2020) p.1

[2] adapted from Chowdhury (2023)

[3] adapted from Petrescu and Xu (2023)

[4] Snowden and Cheah (2015)

1.2. Research Questions and Objective

Two research questions have been formulated to support and provide structure to the thesis. These questions offer opportunities to explore how cultural differences influence communication decisions and strategies, therefore providing valuable insights into effective communication approaches in a cross-cultural business environment:

1. How do cultural values influence communication in MNCs operating in or with China?
2. What has been the impact of the pandemic on MNCs and to what extent have they adapted their communication strategies?

The first research question explores 'The Role of Culture' in a Chinese business environment. The aim is to investigate how cultural dimensions and perspectives shape a company's communication decisions, internally and externally. It focuses on how cultural differences impact communication practices and strategies for businesses operating in and with China and compares these to western companies. It also analyzes the level of cultural adaptation in communication efforts and identifies specific cultural elements that are considered and integrated into companies' communication practices. The objective of this question is to deliver an explanation for certain behavioral patterns (often influenced by cultural norms), so firms can understand and adjust their practices accordingly.

The second research question explores the extent to which MNCs operating in and with China have modified their communication strategies since the COVID-19 pandemic. Diving deeper, the research question explores implications for future cooperation between the Westerns and Chinese. Furthermore, the question explores how these changes resonate with Chinese cultural norms and values, building upon the information collected from the first research question.

The objective of this paper, after exploring the research questions and analyzing the results from the methodology, is to find out: *What do these implications mean for future strategy development and international cooperation?*

1.3. Structure of the Paper

To provide a proper foundation of knowledge, the paper starts with the definition of key terms. This is followed by an in-depth literature review of the impact of culture on a Chinese business environment and compares this impact to Western business culture, with the help of Hofstede's cultural dimensions. The literature review also explains how or why firms adapt their communication strategy in China as well as the increased data restrictions since the pandemic. To generate new data on this topic, the researcher has conducted several semi-structured interviews with experts in the field of communication with China. Following the methodology, a qualitative data analysis is used to identify best practices that help organizations in communicating effectively in a post-pandemic environment. These results are presented and analyzed and as part of the conclusion, implications for the future as well as possible research limitations are discussed.

2. Literature Review of Chinese Culture, MNCs and Corporate Communication

2.1. Defining Key Terms

2.1.1. Corporate Communication

Corporate communication is known to be complex in nature, especially in organizations with a wide geographical range, such as MNCs (Multinational Corporations), where the coordination of communication is a balancing act between corporate headquarters and the various divisions and business units involved.[5] Factors, which need to be considered are the size of the company, business model, companies' history as well as the purpose of cooperation and respective goals.

Joep Cornelissen, author of "Corporate Communication: A Guide to Theory & Practice", defines Corporate Communication as "a management function that offers a framework for the effective coordination of all internal and external communication with the overall purpose of establishing and maintaining favorable reputations with stakeholder groups upon which the organization is dependent."[6] The functions of corporate communication include:

1. Advocating or engineering any public opinion about the corporation
2. Managing and overseeing the corporate reputation, identity, and image
3. Counsel to the CEO and the corporation[7]

This research paper considers any communication within a business-related setting, not only within a company's corporate communication division but also any form of communication related to the company as a whole and between the employees. It must be kept in mind, that forms of communication also include nonverbal communication.

2.1.2. Communication Strategy

Effective corporate communication management requires the development of a communication strategy, outlining the organizational direction and detailing the actions carried out by communication professionals to enhance or preserve the organization's standing with its stakeholders.[8] A communication strategy aims at developing strategies and communication programs to achieve a certain vision. This strategy is based on an assessment of the gap between the current reputation and the vision of a company. A strategy usually aims to align stakeholders' reputation with the vision of the

[5] adapted from Cornelissen (2020c) p. 5

[6] Cornelissen (2020c) p. 5

[7] adapted from Goodman and Hirsch (2015c) p. 80

[8] adapted from Cornelissen (2020a) p. 109

organization or, if already achieved, to reinforce the existing reputation.[9] The following steps should take place when developing a strategy:

1. Analysis of the global environment: political, economic, historical, and physical
2. Understanding stakeholders needs and expectations
3. Analysis of corporate context: business model, business cycle, industry sector and corporate culture
4. Understanding the corporation's goals and objectives[10]

As part of a communication strategy, organizations plan and develop different communication programs and campaigns involving a coherent set of activities. These activities encompass various thematic messages, such as news stories, advertisements, blog posts, and more, which are then conveyed using diverse messaging styles, depending on the purpose and focus of the message.[11]

2.1.3. Crisis Communication and Management

Since the outbreak of COVID-19, it has become crucial how organizations communicate during and in response to a crisis. The outbreak served as not only a financial but also a reputational threat for companies, in which crisis management played a huge role.

"Crisis communication defines the area of communications that comes into play when an organizations reputation, as well as its human, physical, financial, and intellectual assets come under threat."[12] The objective of crisis management and communication is to demonstrate control, to which extent possible, over events and organizational activities. This is done in a manner that reassures stakeholders that their concerns are being addressed and that the organization complies with social, safety and environmental standards.[13] To demonstrate this type of control, organizations need to be prepared and develop contingency and communication plans ahead of time to effectively respond to any type of emerging crisis.[14]

[9] adapted from Cornelissen (2020a) p. 110

[10] adapted from Goodman and Hirsch (2015c) p. 81

[11] adapted from Cornelissen (2020a) p. 114 - 116

[12] Goodman and Hirsch (2015b) p. 57 - 58

[13] adapted from Cornelissen (2020b) p. 214

[14] adapted from Cornelissen (2020b) p. 215

2.2. Influence of Chinese Culture on a Business Environment

“Culture isn’t soft. It’s essential. It is one of our key defenses against international business and financial disaster.”[15] Culture plays a vital role in a business environment and international management as it reflects basic beliefs and behaviors of an individual or an organization.[16] “Culture is acquired knowledge that people use to interpret experience and generate social behavior. This knowledge forms values, creates attitudes, and influences behavior.”[17] Within a business environment, culture has an impact on communication patterns, work ethic, loyalty, behavioral expectations, and guides interactions in the workplace. It also affects leadership styles, decision-making processes, and the organization's adaptability to change and innovate. Because different cultures exist in the world, understanding and effectively managing culture is essential to avoid miscommunication and to drive productivity and achieve business success.[18] Taking culture and its effects into consideration is essential in creating a successful corporate communication strategy, to address external stakeholders accordingly and to ensure proper internal communication.

In a world of a rapidly globalizing business, the ability to interact successfully with foreign partners is seen as increasingly essential. Cross-cultural training followed by international experience is of great importance in reducing potential misunderstandings and building better, long-lasting relationships, which is significant in Chinese business culture.[19]

To establish the connection between Chinese culture and its impact on a business environment, this chapter explains and applies cultural dimensions from the researcher (teams) of Tomalin & Nicks, Geert Hofstede, Richard D. Lewis and Robert House (GLOBE Study).

2.2.1. Understanding Chinese Culture

The Chinese character for China: Zhōngguó (中国) means the middle kingdom, the center of the universe and they consider themselves the world’s oldest culture and society. “Foreigners, in the eyes of the traditional Chinese are inferior, corrupt, decadent, disloyal and volatile.”[20] One should be aware of how the Chinese view foreigners and their own sense of cultural superiority, before interacting with them.

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[15] Tomalin and Nicks (2014c) p. 15

[16] adapted from Luthans and Doh (2021b) p.128

[17] Luthans and Doh (2021b) p.126

[18] adapted from Luthans and Doh (2021b) p.127

[19] adapted from Lewis (2006a) p.27-28

[20] Lewis (2006b) p. 485

The most important influence in understanding how or why Chinese go about their affairs in an orderly and respectful matter is that of **Confucianism.** To understand what this means, the basic teachings of Confucius are as follows:

- We should observe and respect unequal relationships.
- The family is the prototype of all social organizations. We are members of a group, not individuals.
- We must behave in a virtuous manner toward others. Everybody's 'face' must be maintained.
- Education and hard work must be prized.
- We should be moderate in all things. Save, stay calm, avoid extremes, and shun indulgence.

These teachings are strongly exercised in the daily lives and business culture not only of the Chinese but also Koreans, Japanese, Singaporeans as well as in a few other Asian countries.[21]

The third subitem of Confucianism mentions the term **'face'.** In Western cultures, the concept of 'face' is related to ones personal ability and competence, whereas in China, it is defined in terms of self-image. The Chinese are strongly concerned with protecting and enhancing their and others' 'face'.[22] Furthermore, in Chinese culture, the concept is relationship-oriented, meaning any activity must be centered on principles of either respecting higher status or reciprocating with others at peer level. For example, if the boss asks an employee to complete a task after office hours, it is perceived positively because the boss is demonstrating trust and superiority by asking of this favor. Any refusal to cooperate could have a negative result on the employees' career and would hurt the boss's 'face'.[23]

Egalitarianism is another important aspect of Confucianism. In contrast to Western culture, Chinese egalitarianism focuses on equal results rather than equal opportunities. According to Confucianism, people should accept their poverty, rank or position within the hierarchy, and not challenge the political or hierarchical structure.[24]

Daoism is another strong force which lays down a system of natural justice. The Chinese admire work ethic, the power of the extended family and sincerity.[25]

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[21] adapted from Lewis (2006b) p. 487 - 488

[22] adapted from Wang, Zhang, and Goodfellow (2003b) p. 25

[23] adapted from Wang et al. (2003b) p. 26 - 27

[24] adapted from Wang et al. (2003b) p. 34

[25] adapted from Tomalin and Nicks (2014b) p.258

The Chinese practice **Guanxi,** which involves reciprocal gifts and favors. It is important to approach Guanxi with cultural sensitivity and an understanding of its nuances and complexities. [26] It takes a long time to build up business relationships in China and a great deal of care to maintain them afterwards. These relationships are reciprocal and should operate for mutual benefit.[27]

Lastly, the Chinese value **Collectivism** and therefore have an obligation to help and take care of family, relatives and close friends. They pride themselves on being members of a group and do not value individual achievements as much as most Western countries do. According to traditional cultural norms, any indication of personal motivations, such as rivalry with or distinction from others, is considered selfish and destructive. This is reflected in Chinese people's desire to avoid competition or discussions and leads to a sense of group harmony.[28]

All Confucian principles are ultimately based on the idea of a social hierarchy. Collectivism, or interdependence, is built upon a hierarchical social framework, which means that individuals must show loyalty to hierarchical ordering of society. The term 'face' ensures that everyone is sensitive to each other's position in the hierarchical system, while egalitarianism stresses that people should be satisfied with their equal economic status within the same social rank without challenging authority.[29]

2.2.1.1. Cultural Dimensions – G. Hofstede & The GLOBE Study

Cultural dimensions can help predict and explain Chinese business behavior, consumer psychology and employee attitudes. The most successful way to conduct business in China is to comprehend and adapt to its cultural features, or at the very least, compromise with them.[30] To better understand how cultural values influence everyday human behavior as well as from a business perspective, several psychologists have developed advanced models. Geert Hofstede, a Dutch social psychologist, developed a framework consisting of five cultural dimensions to describe and compare different cultural values and behaviors across countries. The dimensions help in understanding the variations in culture and their impact on several aspects of society. The model demonstrates how individuals prioritize and balance values, influencing their attitudes, choices, and interactions with others. This leads to variations in cultural orientations and behavior.

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[26] adapted from Lewis (2012) p.491

[27] adapted from Wang, Zhang, and Goodfellow (2003a)

[28] adapted from Wang et al. (2003b) p. 24

[29] adapted from Wang et al. (2003b) p.23

[30] adapted from Wang et al. (2003a) p. 258

Another method to understand societal culture and leadership is the GLOBE (Global Leadership and Organizational Behavior Effectiveness) research program founded by Robert House in 1991. GLOBE became a multi-phase, multi-method, multi sample research project in which investigators examined the interrelationships between societal culture, effectiveness, and organizational leadership.[31] Both theories and models will be used in the upcoming chapter to analyze and understand the influence of Chinese culture on a business environment.

2.2.1.2. Comparison of Western and Chinese Culture and Values

For a better understanding of cultural aspects and their significance in different business environments, this chapter goes into detail of the character traits of certain business cultures using Hofstede's cultural dimensions. Hofstede's five cultural dimensions are as follows:

1. Power Distance
2. Individualism vs. Collectivism
3. Masculinity vs. Femininity
4. Uncertainty Avoidance
5. Long-Term Orientation vs. Short-Term Orientation

The characteristics of each dimension as well as a brief comparison between Western and Chinese business culture are explained in *Table 1*. The cultural dimensions, which include a comparison (vs.), are divided into the levels low, moderate, and high, explaining the extent to which it applies to the business culture.

[31] adapted from House (2014) p. 3

Table 1: *Comparison of Chinese and Western Culture*[32]

Chinese business culture	Western business culture
High Power Distance:	***Low Power Distance:***
Significant acceptance of hierarchical structures and authority. Superiors are respected and expected to provide guidance, while subordinates demonstrate respect and obedience.	Less acceptance of hierarchical authority. Organizations often promote flat structures, open communication, and collaboration across different levels of the hierarchy. Decision-making is more decentralized.
Collectivist:	***Individualist:***
Emphasis on group harmony, loyalty, and cooperation. Teamwork and collaboration are highly valued, and employees are expected to prioritize the needs of the group over individual needs.	Valuing personal freedom and individual achievements. Employees are encouraged to take initiative, demonstrate responsibility, and pursue their own professional development.
Moderately masculine:	***Moderately Masculine/Feminine:***
A mix of competitiveness, assertiveness, and a focus on material success, along with an emphasis on cooperation.	Some companies may have a stronger emphasis on competitiveness and assertiveness (masculine), while others may value cooperation, collaboration, and work-life balance (feminine).
Moderately high Uncertainty Avoidance:	***Low Uncertainty Avoidance:***
A preference for structure, rules, and a resistance to change within the business environment. There is a desire for stability and predictability.	The tolerance for ambiguity, risk-taking, and adaptability is large. Innovation, experimentation, and a willingness to embrace change is encouraged.
Long-Term Orientation:	***Short- and Long-Term Orientation:***
Emphasis on perseverance and maintaining long-term relationships. They encourage patience, investing in relationships, and planning for the future.	Some organizations prioritize long-term planning, sustainability, and investing in the future. Others have a more short-term focus on immediate results and profitability.

This table highlights the cultural differences between Chinese and Western culture based on Hofstede's cultural dimensions. It illustrates the variations in behavior, communication styles, decision-making processes, and social dynamics in a business setting. It is important to mention that these are general tendencies and can each contain variations within them. Especially, as will be discussed in Chapter *2.2.2.1,* within different regions and subcultures.

[32] Own Interpretation based on Hofstedes Cultural Dimensions

Each of these values and their characteristics can be connected to *Chapter 2.2.1 Understanding Chinese Culture*. For example, China has incredibly high Power Distance, indicating that Chinese society accepts and expects a significant unequal distribution of power within organizations.[33] This is connected to the previously mentioned Confucian teaching of observing and respecting unequal relationships since there is often a hierarchical structure with clear lines of authority and a respect for seniority in a Chinese business environment. China ranks high in masculinity, similar to Germany[34], but China's low uncertainty avoidance sets it apart. The Collectivist aspect in Chinese business culture emphasizes the importance of harmony, cooperation, and maintaining social order within the organization.[35]

Understanding each of these values as well as their traits is necessary to successfully conduct business in and with China. How to interpret und use this as an advantage will be discussed in the next chapter.

2.2.2. Conducting successful Business Communication in China

Having discussed Chinese traditions, cultural values, as well as their impact on business culture in the previous chapter, these will now be derived to understand how to communicate and conduct business with the Chinese. Based on extensive research, Richard D. Lewis created a Cross-Cultural Communication model to understand and analyze cultural differences in communication styles. The model helps understand cross-cultural communication challenges and explains how to navigate these in an international setting. By understanding the cultural preferences and tendencies of different nationalities, the model reduces misunderstandings and improves intercultural collaboration.[36] Organizations are able to adapt their approach so they can ensure effective and harmonious communication across several cultures. The model categorizes cultures into three main reaction types based on cultural behaviors and preferences. These can be seen in the following *Figure 1*.

[33] adapted from Hofstede (2010c) p. 73 - 76

[34] adapted from Hofstede (2010a) p. 152

[35] adapted from Hofstede (2010b) p. 119 - 124

[36] adapted from Lewis (2006a)

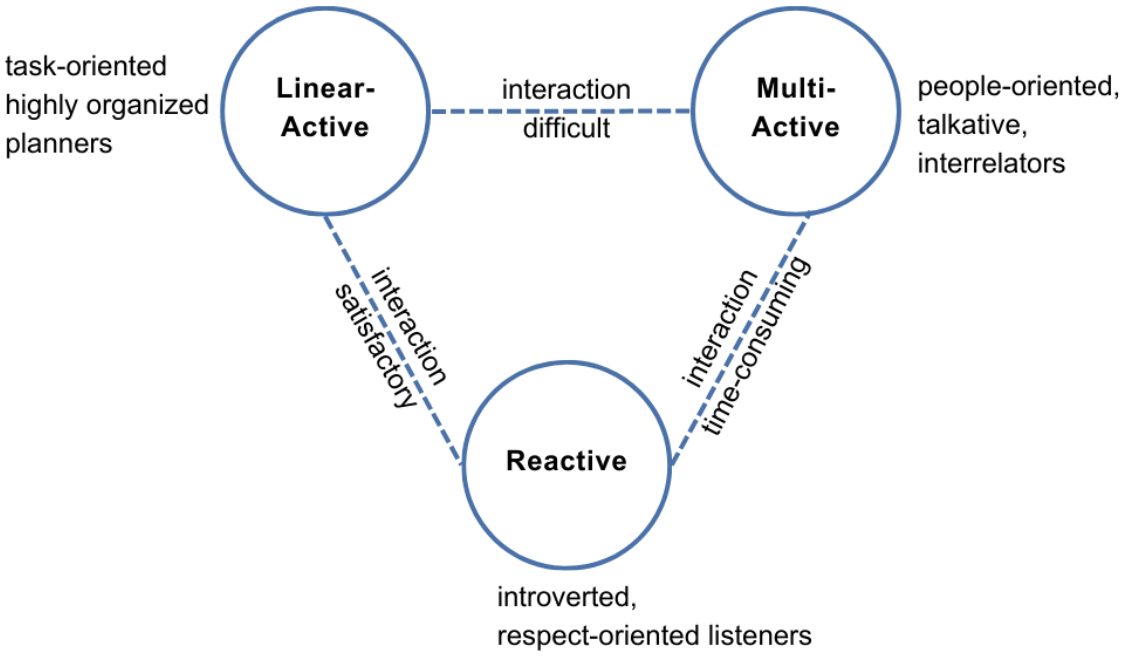

Figure 1: *Cultural Characteristics of Reaction Types and their Interaction Difficulties*[37]

According to Richard D. Lewis, there are far more differences than commonalities, when members of different culture categories interact.[38] This figure implies that linear-active tend to have smoother interactions with reactive cultures, whereas interactions between reactive and multi-active cultures often require more time and effort. Meanwhile, when multi-active cultures interact with linear-active cultures, they may encounter difficulties.

In a business context, a German might be highly organized, task-oriented, and focused on efficiency. They prefer direct, clear communication and structured meetings. In contrast, a Chinese prioritizes respect, harmony, and saving face. They might be more introverted and inclined to listen actively during discussions. This can sometimes lead to challenges in communication, especially if the German side is perceived as too direct or the Chinese side as too passive. For example, when a German company collaborates with a Chinese partner, the Germans expect punctuality and structured meetings, while the Chinese partner may prioritize building relationships and maintaining harmony.

Table 2 provides an overview of the various communicative features based on reaction types. The columns on the right-hand-side of each reaction type, contain exemplary countries for the specific type.

[37] Illustration by Lewis (2006a) p. 39

[38] adapted from Lewis (2006a) p. 38

Table 2: *Communicative Features of Linear-Active, Multi-Active and Reactive Cultures*[39]

Linear-Active	*Countries*	**Multi-Active**	*Countries*	**Reactive**	*Countries*
Talks and listens in equal degrees	Germany U.S. Canada U.K. Switzerland Netherlands Australia Sweden Norway	Talks most of the time	Italy Spain Portugal France Brazil Mexico Argentina Greece Turkey	Listens most of the time	**China** Vietnam Japan South Korea India U.A.E. Singapore Thailand Indonesia
Rarely interrupts		Often interrupts		Never interrupts	
Confronts with facts		Confronts emotionally		Never confronts	
Frank, direct		Indirect, manipulative		Indirect, courteous	
Partly conceals feelings		Displays feelings		Conceals feelings	
Defines problems and solves in quick sequence		Goes for all-embracing solutions		Prefers gradualist solutions	
Admits own mistakes		Finds an excuse		Hides, covers up mistakes	
Likes clarity and accuracy		Tolerates ambiguity		Likes ambiguity	
Talks in turns		Often talks over the other		Takes turns slowly	
Tolerates some silence		Cannot tolerate silence		Likes sharing silence	

By splitting nationalities into different groups, people of different cultures are able to understand each other's behavior and adapt their communication style accordingly. The Chinese are considered to be strongly reactive, rarely initiating discussion and preferring to listen and establish their position first, then reacting and formulating their own response. They are unlikely to voice any strong opinion immediately and instead take their time to assemble a variety of strategies that will avoid disagreement with the initial proposal. Their preferred type of communication is a monologue, with a moment of silence and time for reflection. Silence might seem awkward for many westerners, but in the case of the Chinese, it is a very meaningful part of a discussion, even showing signs of respect. Similarly, when it comes to characteristics, Chinese are rather introverted and experts at nonverbal communication. Meaning, when a statement is made, it is important not to only focus on the context but also the *how* it is said, *who* said it and what lies *behind* what was said. Sometimes, what is *not* said may be considerably more important. Reading in between the lines is significant in communicating with the Chinese.[40]

[39] Own interpretation based on Lewis (2006) p. 187

[40] adapted from Lewis (2006a) p. 35 - 37

Understanding these cultural differences is vital for effective collaboration, and adapting communication styles can help bridge the gap between these two cultures.

2.2.2.1. Differentiation between Regions, Education, Living Conditions

Not only does nationality play a role in communicating with different cultures, even regions in countries, their educational infrastructure, living conditions and other factors influence behavior. For example, a Shanghai native is more freewheeling of his or her thinking than a Chinese from Beijing, the bureaucratic North.[41]

Another example is the difference between Hong Kong and Chinese communication and listening patterns. Although 99% of the industrious people are Chinese (emigrated from the Chinese province Guangdong and Fujian), the former British colony cannot be compared to Chinese patterns and values. Hong Kong, with being more entrepreneur-focused, its sense of urgency and constantly driving in the fast lane, can be compared to business done in the United States. People from Hong Kong negotiate factually to achieve quick results and have a similar working speed to Americans. They also prefer straight-forward facts and may interrupt their opponent if they are too slow. They have expensive housing, high salaries, and job mobility, in contrast to the Chinese.[42]

According to Tomalin & Nicks, though national characteristics do exist, they are only superficial. It is possible to say, that a majority of people behave or think in a particular way, but it is crucial to allow for variations. “When assessing a person from a different culture, starting at a national level is important, but digging deeper into the regional, professional as well as personal experiences is also important.” [43] Depending on the location of a company’s subsidiary, the business culture as well as the corporate communication might differ.

2.2.3. Managing Culture and Understanding Leadership in China

After learning about culture and its influence on a business environment, being able to manage it and understanding leadership in China, is the next step. The GLOBE model is a worldwide study of 62 countries and builds upon previous cultural research, such as Hofstede's. It examines the relationship between culture, successful leadership, management patterns and organizational behavior.[44] By exploring cultural dimensions and their influence on leadership, the GLOBE study aims to provide insights and guidelines for effective leadership in diverse cultural contexts. In the first phase of the GLOBE project, researchers identified and developed measures of societal culture. Hundreds of items related to societal culture were assessed in several pilot

[41] adapted from Lewis (2012) p. 116

[42] adapted from Lewis (2006b) p.498 - 499

[43] Tomalin and Nicks (2014a) p. 28 - 29

[44] adapted from Steers and Osland (2020) p. 199

studies. They were analyzed by conventional psychometric procedures (e.g., item analysis, factor analysis, generalizability analysis) to establish nine dimensions of societal culture.[45]

A significant fact about GLOBE's nine cultural dimensions is that each one was conceptualized in two ways: practices (reality and current application), and values (desired application). These were determined by 17,300 respondents, who were asked about values as well as their practices. This led to intriguing findings because the values and practices scores rarely scored the same or even similar.[46] The following *Figure 2* visualizes the culture and leadership data collected for China.

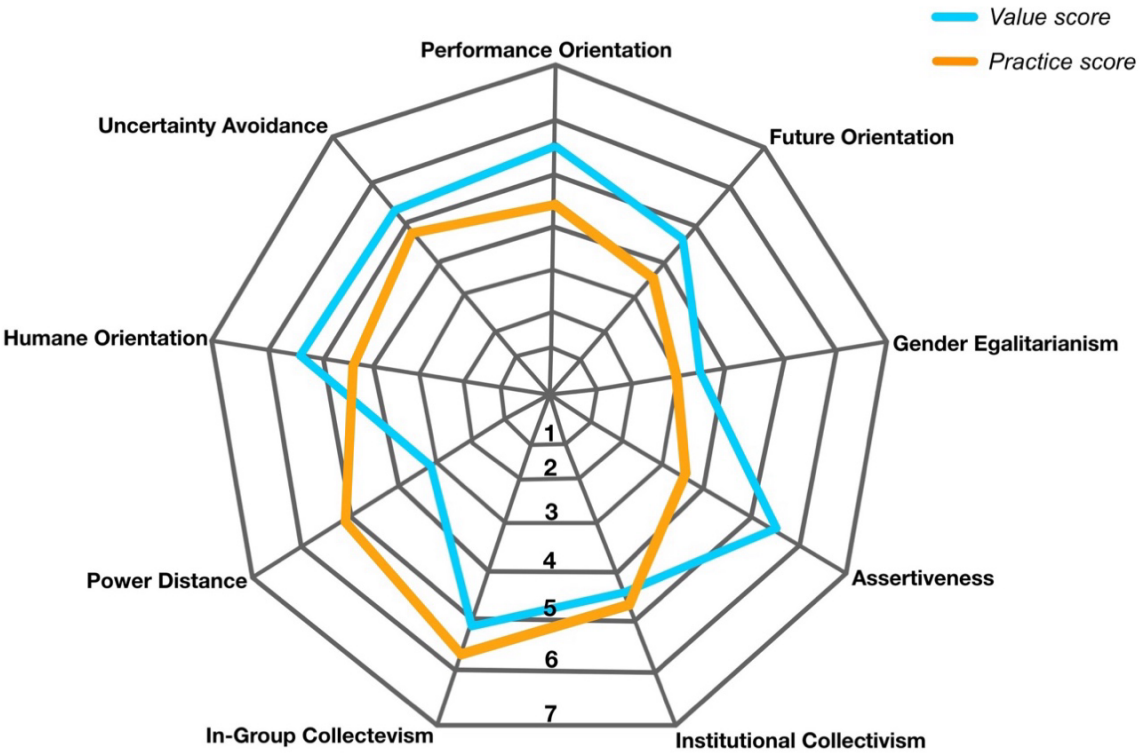

Figure 2: *GLOBE Study Values for China based on the Culture and Leadership Data*[47]

Figure 2 serves as an aid for understanding business culture in China and for better decision-making in companies operating in or with China. As an example, Chinese managers have a relatively high score in uncertainty avoidance, meaning they prefer structured situations, rules and careful planning.[48] They also value assertiveness, indicating that aggressive or confrontational behavior in a business environment will not

[45] adapted from House (2014) p. 12

[46] adapted from Grove (2010)

[47] Own Illustration based on the data from GLOBE (2020)

[48] adapted from Luthans and Doh (2021a) p. 166

be viewed negatively. Although, in reality or practice, it is seen as negative whenever the boss is confronted.

The most significant difference between the value and practice score is the power distance score. China exhibits a high score in practice (5.02) even though they desire a lower level of power distance (3.01) in their culture. This high level practice score indicates (as mentioned in *2.2.1.1*) that there is a hierarchical structure with clear lines of authority and a respect for seniority. Often, employees want to be told what to do because of the respect for seniority and to maintain 'face'. Organizational structures in China are vertical, meaning a manager will seek approval from his or her team but take personal responsibility when it comes to decision-making. This could pose challenges since a manager's influence in China is rooted in wealth, including family ties, and personal connections can also impact decision-making.[49]

According to Tomalin & Nicks, there has been a development in leadership style when comparing the old and the new generation. The new generation tends to move faster and be less formal.[50] Nevertheless, it remains essential to be culturally sensitive, and expressing opinions publicly should still be done carefully.

2.3. Corporate Communication in China

This chapter focuses on the importance and value of Corporate Communication in China. This information will be used as an underlying foundation, in particular to portray the changes in corporate communication since the pandemic.

2.3.1. The Role of the Chinese Government

To understand how corporate communication functions in China, the influence and role of the Chinese government on enterprises in China must be understood. Compared with developed countries in the West, the influence of the government on China's economy is powerful and pervasive. The government oversees and makes decisions on joint ventures, foreign investment, controls prices and the financial system and manages large enterprises. Foreign investors must communicate effectively with Chinese officials if they are to succeed in the Peoples Republic of China (PRC). This means, showing respect for government officials and potential gift-giving, even though in the eyes of a foreigner this may be seen as corruption.[51]

"The close association between authority and the economy practically defines Chinese business culture."[52] Government officials virtually oversee every state-owned or large

[49] adapted from Tomalin and Nicks (2014b) p. 262

[50] adapted from Tomalin and Nicks (2014b) p. 263

[51] adapted from Wang, Zhang, and Goodfellow (2003c) p. 156 - 162

[52] Wang et al. (2003c) p. 156

collective-owned organization in China.[53] This significant role in China's economy is captured in a saying commonly used by Chinese business people: “One can keep oneself preoccupied trying to solve a matter for three years, whereas an official in charge will solve the same problem in an instant.” This reflects the Chinese consider government officials as crucial allies whose support ensures the efficiency of a business.[54]

2.3.2. Trends from the Last Years

According to the Corporate Communication International (CCI) China Benchmark Study 2006, corporate communication is seen as vital for a company’s success.[55] In many Chinese firms, corporate communication responsibilities are assigned to CEOs. Top management, board chairpersons, or Communist Party heads are actively involved, highlighting that corporate communication is not restricted to lower levels of hierarchy. Chinese companies indicated that brand strategy and media, followed by internet communication, were seen as key functions of corporate communication.[56]

The study also expressed that digital media such as the company website, internet news media and intranet have become the most preferred tools for communication in China. This is also confirmed by a study from Cindy S.B. Ngai and Patrick P.K. Ng in 2015, that more and more corporations choose to communicate via corporate websites, online news platforms, and corporate intranet systems.[57]

In contrast, crisis communication is still underdeveloped, only a little over half of Chinese corporate communication executives in the CCI China Study in 2010 said they had established such an internal function.[58] The development of this function has become a focus of research at several Chinese universities.[59]

The CCI conducted a total of three studies about corporate communication in China: by Jay Wang and Micheal B. Goodman (2006) and (2008), and Jieyun Feng and Michael B. Goodman (2010). The latest study in 2010 revealed a rapid development of the importance of corporate communication:

[53] adapted from Wang et al. (2003c) p. 157

[54] adapted from Wang et al. (2003c) p. 161

[55] adapted from Goodman and Hirsch (2015a) p. 190

[56] adapted from Goodman and Hirsch (2015a) p. 191

[57] adapted from Cindy S.B. and Patrick P.K. (2015) p. 9

[58] adapted from Goodman and Hirsch (2015a) p. 195

[59] adapted from Goodman and Hirsch (2015a) p. 191

1. Corporate communication primarily manages **branding, reputation, and supports marketing**, rather than building relationships with stakeholders.
2. Over half of the companies **lack a dedicated crisis management department**.
3. Many Chinese **CEOs are significantly involved in corporate communication**, indicating its growing importance.
4. Corporate communication is affected alongside other departments during budget cuts.
5. Exceptional corporate communicators possess **expertise, strong communication skills, and PR abilities**.
6. Chinese companies mainly use **third-party agencies** for advertising and training.
7. Some local Chinese firms **underestimate corporate communication's importance**, leading to insufficient budget allocation.[60]

The study mentioned earlier, about the development of Corporate Communication in Hong Kong and China, by Cindy S.B. Ngai and Patrick P.K. Ng in 2015, recognized that: “Especially for multinational companies operating in Hong Kong and China, internal communication has to be carried out in both Chinese and English as many senior staff and managerial staff are often non-Chinese speaking.”[61] This reflects the importance of language skills in corporate communication.

Overall, the understanding and importance of corporate communication in China has increased but is still not emphasized as much as in most Western companies.

2.4. Impact of the Pandemic on MNCs Operating in China

The outbreak of COVID-19 in December of 2019, has had a massive economic impact on the entire world. For MNCs operating in China, the pandemic has posed unique challenges and opportunities. As the virus spread rapidly, borders closed, and several lockdowns were enforced, companies had to quickly adjust to a fast-changing environment. Craig Hoffman, one of the interview participants for this thesis and manager of Compliance Investigations at Bosch GmbH, stated: “China's Zero COVID Policy had a significant impact on the country and any business sector that manufactures in China.”[62]

Companies located in Chinas big cities were forced to shut down and their employees were sent into a government ordered lockdown. David McEwan, Combustible Dust Applications Manager in charge of the region Asia Pacific at Nederman, said: “The Shanghai lockdown was so harsh; it affected a lot of people. It affected relationships,

[60] adapted from Goodman and Hirsch (2015a) p. 194

[61] Cindy S.B. and Patrick P.K. (2015) p. 21

[62] see Appendix C – Forming Themes from Selected Interview Extracts p. 66

and it definitely affected the company. We were in a position that we could not do business. We could not go to our store; we could not go to our production and that was very unique to Shanghai."[63] The extremities and negative business impact of the region wide shutdowns were mentioned by almost all interview participants for this thesis.

Meanwhile, companies located outside of big cities, such as the Chinese subsidiary of BPW (Bergische Patentachsen Wiehl KG) in Meizhou, Fujian Province did not experience the same extent of harsh government control. Heinrich Picker, Manager of Production Consulting at BPW, stated: "We had no big problems because we are about 400 kilometers northeast from Hong Kong. Meizhou is a relatively small city, with about 500,000 people. And the virus infection was not that bad over there. Over the two years, there was one two-week long shutdown, and the rest was more or less working normally."[64]

An assessment report by the United Nations (UN) analyzing the impact of the pandemic on Chinese enterprises in 2020, found that the pandemic allowed enterprises to reexamine their past development and possible inadequacy, while presenting alternative sustainable paths. Some companies quickly adjusted their business strategies and operations opening up new possibilities.[65]

An article published by the European Central Bank stated that certain industries might face a permanent decrease in demand. For example, as people are getting used to working from home, the need for business travel and similar services might decrease long-term. Employees working in these fields, who have lost their jobs, need time to find new work in different parts of the economy. This, in turn, leads to fewer jobs, less money to spend, and even less consumption.[66]

2.4.1. Impact on Communication

Since the pandemic forced some companies to shut down and employees to work from home, the use of digital tools were the sole form of communication.

A key finding of the report by the UN was the expectancy of international organizations in building communication bridges to promote global consensus and mutual trust in pandemic containment and economic support.[67] Another learning of the report is to deepen communication and mutual trust. Business partners should strengthen

[63] see Appendix C – Forming Themes from Selected Interview Extracts p. 57

[64] see Appendix C – Forming Themes from Selected Interview Extracts p. 66

[65] adapted from China (2020)

[66] adapted from Al-Haschimi, Apostolou, and Ricci (2020)

[67] adapted from China (2020)

communication with all partners across their supply chains, enhance mutual understanding, trust and support, and jointly identify solutions through cooperation. Some companies believe that although offline activities have all been suspended, face-to-face communication is still irreplaceable. The importance of in-person communication is also emphasized by one of the interview partners of this thesis, Shuai Liu, Business Development Director at Nederman in China: "When it comes to external communication, what I learned [..] is that we still tend to have physical face-to-face talk because in Chinese there is a saying which means face-to-face communication will enhance your relationship significantly, even in business."[68]

2.4.2. Political Changes, New Regulations and their Influence on MNCs Post-Pandemic

GDP growth struggled to just 3% in 2022[69], reaching the lowest in more than four decades.[70] Since the reopening of its borders, China's economy seems to be worse off than expected. This effects countries and companies worldwide, because due to China's size, changes in its economic status can either drive global growth figures or slow them down.

Not only has the economy overall suffered, but MNCs operating in China are facing further restrictions and challenges. According to a report by Merics in 2022, doing Business in China as a foreign company has become significantly more difficult in comparison to before the pandemic, due to Chinas enhanced data security laws and its desire to control cross-border flows of information.[71]

"All state and non-state actors are required to cooperate with authorities such as the Ministry of Public Security, the Ministry of State Security or military-affiliated intelligence forces, in cases relating to national security."[72] These government groups have the power and freedom to access any data they desire with a lack of transparency and limited legal options. The Chinese Communist Party (CCP) is in charge of all these security groups and the legal system, and they work together through the national security commissions system.

The report mentioned that companies need to understand that the parameters of doing business in China have changed and strategies need to be prepared to deal with new uncertainties. "Companies may face national security investigations, market

[68] see Appendix C – Forming Themes from Selected Interview Extracts p. 56

[69] adapted from Chowdhury (2023)

[70] adapted from Petrescu and Xu (2023)

[71] adapted from Drinhausen and Legarda (2022)

[72] Drinhausen and Legarda (2022)

restrictions, consumer boycotts, and fallout from broader economic coercion measures, even when they have been legally compliant in China."[73]

Changes made to China's national security framework by the President of the PRC, Xi Jing Ping, imply new risks and challenges for businesses engaging with China. Businesses operating in China need to be aware that China is increasingly prepared to accept economic costs to defend its stability and broad understanding of national security, including through economic pressure. There will be an increase in efforts to reduce dependency on Western organizations and to intensify competition in the tech industry. Foreign corporations will be confronted with new legal regulations and an increase in political influence.[74]

[73] Drinhausen and Legarda (2022)

[74] adapted from Drinhausen and Legarda (2022)

3. Methodology and Data Analysis

The research project explores how the pandemic has influenced corporate communication with China. Using an inductive approach, interviews are conducted to investigate an underexplored topic more thoroughly. The objective is to collect various perspectives from individuals within a research population regarding their challenges and solutions amidst the pandemic. By identifying main themes and recurring patterns from diverse individuals, the researcher will gain insights that can benefit both the research population and individuals facing similar situations.

3.1. Data Collection Method

Using a qualitative research approach, changes in communication since the pandemic are identified. To help answer the research questions and explore the research topic, a semi-structured interview format is used as the data collection method. A semi-structured interview is non-standardized and involves a list of predetermined themes along with some key questions to guide each interview. The interviewer may develop new questions or alter existing ones according to the specific company and participant.[75] The structure allows for flexibility and yet ensures that key areas are addressed consistently across all participants. The interview consisted of open-ended questions, to enable a conversational approach and still providing the same level of structure and consistency among all interview partners. Open-ended questions encourage in-depth responses from the interview partners while providing them with the freedom to express themselves and still ensuring the collection of factual information.[76]

This data collection method aligns best with the thesis because it provides a personalized and in-depth exploration of the changes, challenges, and cultural dynamics of corporate communication since the pandemic. While other research methods, such as surveys, may provide broader perspectives and a higher volume of data, semi-structured interviews are ideal in capturing profound insights, contextual understanding, and personal experiences of individuals specifically relevant to the topic.[77]

3.1.1. Structure and Content of the Interview

The main part of the interview was divided into sections, each focusing on a subtopic of the thesis: Culture, Corporate Communication and the pandemic. Several questions also combined two or all three topics. The interview commenced with four general introduction questions, which were followed by ten topic-related questions. The general questions established a better overview of the participants' work and international experience. The topic-related questions were mostly open-ended and can be found in

[75] adapted from Saunders, Lewis, and Thornhill (2019) p.437

[76] adapted from Saunders et al. (2019) p. 458

[77] adapted from Flick (2018a) p. 219

Appendix A: Interview Questions. The interview structure provides the flexibility for the interviewer to rearrange and pose follow-up questions based on the participant's response. This is especially helpful whenever the participant mentions a key word or significant topic but does not go into detail. Each section of the interview covers a series of questions to explore the challenges and changes a company has faced since the pandemic, as well as the cultural aspects influencing communication. When developing the interview questions, everyday language was used instead of conceptual language. This creates a more familiar atmosphere and allows the participant to open up.[78]

3.2. Recruitment and Conducting the Interview

3.2.1. Expert and Elite Interview Partners

The format of a semi-structured interview is designed to be applicable to all kinds of participants[79], but is not yet specific enough to the research topic. To address this, two more particular approaches are utilized: Expert and Elite interviews, which are a specific form of applying semi-structured interviews.

1. **Experts:** people in institutions, who have specific insights or knowledge because of their professional position and expertise.[80]
2. **Elites:** a person who occupies a senior or middle-management position, has considerable industry experience, long tenure with the company and a considerable international exposure.[81]

Identifying and defining a person as an expert depends on the research topic and its theoretical background.[82] Keeping the previous definitions in mind, the author developed her own characteristics for the intended target group. *Table 3* provides a brief description of how the author categorized interview participants into either Expert or Elite interview partners.

[78] adapted from Flick (2018a) p. 219

[79] adapted from Flick (2018a) p. 236

[80] adapted from Flick (2018a) p. 236

[81] adapted from (Welch et al. 2002, as cited in Flick (2018a)) p. 240

[82] adapted from Flick (2018a) p.236

Table 3: *Characteristics of Experts and Elites*[83]

Experts	Elites
○ Managers or directors in charge of the Asian region ○ ≥ 3 years of experience in conducting business with China	*Either* ○ Head of Corporate Communication departments ○ Managers or directors in charge of the Asian region with ≥ 10 years of experience in conducting business with China *or* ○ Have lived in China as an expat for ≥ 2 years.

Finding suitable interview partners plays a key role for the development of new findings in this area of research. An Expert or Elite interview is best suited for this thesis because the focus is more on the participants' expertise in a specific field rather than their personal characteristics. In this case, the experts are seen not as a single case, but they represent a group of experts.[84] The research population is not only composed of individuals in specific positions and expertise in or with China, but also limited to certain industries due to time constraints and feasibility. The research population focused on MNCs in the automotive, industrial, and manufacturing sector.

3.2.2. Demographics of Interview Partners

Gender as well as age did not play a notable role in the acquisition of participants. When possible, two employees of the same company were interviewed to gain different perspectives in the same business setting. The following table provides an overview of all interview partners.

[83] Own Interpretation

[84] adapted from Flick (2018a) p. 236

Table 4: *Demographics of the Research Participants*

ID	Name	Nationality	Company	Position in Company	Start in Company	Business experience in China	Interview Type
I1	Shuai Liu	Chinese	Nederman (Shanghai) Co., Ltd	Business Development Director (Shanghai)	2012	2021–Present	Expert
I2	Normen Marczinkowski	German	KOHLHAGE Service GmbH & Co. KG	Manager for Purchasing in Asia	2001	2007–2020	Elite
I3	David McEwan	Australian	Nederman (Shanghai) Co., Ltd	Technical and projects director (Shanghai)	2011	2021–Present	Elite
I4	Jörg Sandmann	German	Webasto SE	Executive Vice President Region APAC	2012	2010–2022	Elite
I5	Jürgen Frank	German	Wanzl GmbH & Co. KGaA	Senior Vice President Markets & Solutions	2015	–	Elite
I6	Alexander Diehnelt	German	Continental Autonomous Mobility Germany GmbH	Head of Marketing & Communications	2015	–	Elite
I7	Ulrich Dietz	German	WMK Plastics GmbH, part of Lehmann&Voss&Co. KG	Key Account Manager	2017	–	Expert
I8	Anonymous	Anon.	Anonymous	Anonymous	Anon.	Anon.	Elite
I9	Holger Vandrich	German	Lehmann&Voss&Co. KG	Senior Business Development Manager	2004	–	Elite
I10	Heinrich Picker	German	BPW Bergische Achsen KG	Manager Production Consulting	1989	–	Elite
I11	Raymond Huang	Chinese	BPW MEIZHOU AXLE CO., LTD.	General Manager (China)	1995	Present	Expert
I12	Claus Weyhofen	German	BEUMER Maschinenfabrik GmbH & Co. KG	Head of Sales	2020	2012–2020	Elite
I13	Craig Hoffman	German	Robert Bosch GmbH	Compliance Management Investigations	2020	2013–2016	Elite
I14	Anonymous	Anon.	Anonymous	Anonymous	Anon.	Anon.	Elite

In consideration of the participants' confidentiality preferences, I8 and I14 remain anonymous. Detailed information regarding the entire process of contacting, interviewing and approval details are provided separately to the supervisor for confidentiality reasons and is not included in this paper. For a better structure, each of the participants has been given an Identity (ID), as shown in the last column on the right-hand side and will be used for reference in Chapter 4: *Results and Discussion.*

Given the nature of the research topic, it was taken into consideration that participants might be hesitant to respond to specific questions or choose to withhold certain information. To prevent these potential issues, several measures were implemented. Throughout the process, the interviewer consistently maintained cultural and topical sensitivity. In the beginning of the interview, participants were reminded that they may refuse to answer a question if they felt uncomfortable and assured that the data collected via transcription will not be utilized without their explicit approval.

3.3. Process of Contacting and Interviewing

The expert gains his or her first and most important impression of the Interviewer already when contact is made, not only in the interview.[85] Therefore, establishing credibility and gaining the participants' confidence at the very start was important. After the questions had been created, these were sent to the supervisor of this thesis and discussed. In the meantime, the interview partners were contacted and asked for their willingness to participate in the interview.

The interview partners were selected by the author herself and the main method of outreach took place via E-Mail. The exact topic and content of the interview were sent to the participants beforehand. Confidentiality and data protection was mentioned, stating that nothing said by the participant would be attributed to him/her without first obtaining permission. This letter can be found in *Appendix B – Cover Letter*. After the first contact was established and the participant agreed to take part, a date and time were arranged and professional networks, such as LinkedIn, were used to learn more about the individuals from a business perspective. Information such as role and position, education and experience were gathered prior to the interview.

The interview begins with an introduction of the interviewer and another brief summary of the purpose. A standardized text containing information about the interview process, recording, transcription, and approval of the transcription was read to the participant. After clarifying any prior questions of the interviewee, an approval for the start of the audio recording was requested by the interviewer.

A total of 21 potential interview participants were contacted via E-Mail or a contact form on their website. 13 agreed to participate, one provided written responses to the interview questions, four politely declined and one did not respond. All 13 interviews took place online, lasting between 20 and 50 minutes. Ten of them were conducted over Microsoft Teams, two via phone call, one using FaceTime and due to time constraints, one participant sent his interview responses via E-mail.

3.4. Transcription

To ensure sufficient and accurate data collection, the interviews were recorded via voice recording and transcribed. Transcription is the process of writing down the audio recordings captured during the interview. It transforms realities into text and is an important step in data analysis.[86] After the interview was conducted, the recordings were transcribed into word protocols, maintaining a word-for-word transcription while ignoring utterances and pauses that were considered irrelevant to the researcher.[87]

[85] adapted from Mieg and Näf (2005) p. 13

[86] adapted from Flick (2018b) p. 438

[87] adapted from Flick (2018b) p. 439

Dialects and accents were transformed into common speech for any reader to understand and grammatical errors were mostly corrected. The result of this transcription is cohesive, understandable, and still authentic to the original wording. This format of transcription is best suited for business or expert interviews, where details such as laughs, coughs and other external noises are irrelevant. As the final step, the cleaned version of the transcription was sent to the participant, who was asked to review the accuracy of the transcription and approve it.

3.5. Qualitative Data Analysis

3.5.1. Thematic Analysis

The goal of this research project is to generate new data and discover potential changes on the researched topic and assess how these changes impact the study's target population. After gathering information through semi-structured interviews, the researcher used Thematic Analysis (TA) to reach this result.

TA is a method for developing, analyzing, and interpreting patterns across a qualitative dataset. It involves systematic processes for data coding to develop themes.[88] A key advantage of TA is the flexibility within the process since it offers clear and detailed guidelines and is not a set of rules the researcher is meant to follow.

3.5.2. Phases of Thematic Analysis

The technique of Braun and Clarke on TA has been introduced as an accessible method of qualitative analysis with a 6-phase guide. This guide was used for this research project. *Figure 3* illustrates the different phases with short descriptions.

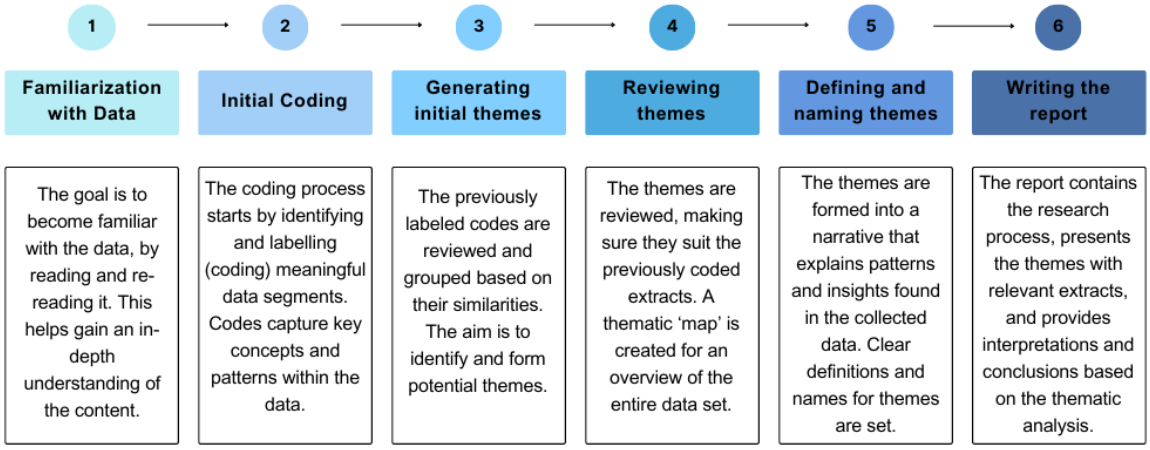

Figure 3: *The Six Phases of Thematic Analysis*[89]

[88] adapted from Braun and Clarke (2022) p.4

[89] Own Illustration, based on Braun and Clarke (2022), p. 35 - 36

The process of TA is not strictly linear, allowing the researcher the flexibility to go back and forth in between phases.[90] The initial phase involves becoming familiar with the data. In the second phase, initial codes are created, labeling data segments which seem relevant to the research topic. The third focuses on searching for themes and identifying recurring patterns and connections within the data set. The fourth phase refines and reviews the previously identified themes and makes sure they are consistent. Once the themes have been reviewed, the researcher proceeds to the fifth phase, where the themes are defined and named. Each theme is assigned a clear and descriptive definition, along with a name that accurately represents its content and significance. Finally, the sixth phase involves compiling a comprehensive report that explains and illustrates the identified themes, making research findings accessible and understandable to others. The upcoming sections describe the researchers' individual process in each of these phases.

3.5.3. Detailed Description of Analyzing Process

In the first phase, after transcribing the interviews, the researcher focused on reading through each interview in-depth. After becoming familiar with the data, the researcher established first ideas about potential themes and connecting patterns. In the next step, initial coding took place. A code indicates a specific piece of data that is relevant to the research question.[91] They represent an important aspect or excerpt from the participants' answers. For the process of coding, the researcher used an inductive approach, meaning the codes were generated from the data (data-driven) instead of using a set of pre-existing codes. *Table 5* provides examples how the researcher created and applied codes to statements made by participants.

[90] adapted from Braun and Clarke (2022) p. 36

[91] adapted from Braun and Clarke (2022) p. 52

Table 5: *Exemplary Data Excerpts and Initial Codes*

Data Excerpts	Initial Codes
"They have increased home-office, but on the other side, they have also limited it because they felt that having the team work completely from home did not have a positive effect on the commitment to the company." – Participant I4	Limit of remote work
"German colleagues have to go to the embassy to give their fingerprints and so on [..] And before it was easy to obtain a visa. But now, you have this extra step of going to Frankfurt to get an interview appointment, etc." – Participant I8	Extended visa application procedure
"This personal relationship really makes a big difference. And what we have benefited from now and during the pandemic is that we have taken care of it beforehand (cultivated contacts)." – Participant I9	Importance of maintaining and long-term relationship
"A Chinese will call you every two hours and will have a very nice conversation with you, but always come back to the same topic. This repetition of the task tells you that this is a very important topic for him, you must take care of it. [..] Everybody knows a Chinese will never say no, they say maybe." – Participant I10	Cultural influence on business
"But I do know that some of the staff have been questioned around, do you really need to work from home? And I think that's creating a different culture in: Well, you don't trust me." – Participant I3	Creation of untrusting work environment

After coding all fourteen interview transcripts, each code was compiled into one document, commencing phase three. Due to the volume of participants, this resulted in a few hundred codes. The compilation of codes allowed the researcher to find similar codes with only subtle differences, which were then color-coded by similarity. The color-coding determined how the various codes were related to one another, building a potential theme or subtheme. As a next step, all codes were transferred to a separate document and codes of the same color were grouped together, leading to the initial phase of theme development. Codes that recurred across multiple interviews were represented only once, while still indicating how frequently this code appeared across different interview participants. As a result, the number of initial codes was quickly reduced and patterns started to emerge, generating initial themes.

Once a set of themes evolved from the data, phase four commenced. The themes and subthemes identified from phase three are assessed to ensure the validity in relation to the entire data set. To establish the relevance and importance of a potential theme, the amount of codes relating to a certain topic was taken into consideration. Within this phase, the core concept of each theme was reviewed. In a so-called thematic map, codes were sorted, and patterns were established with the objective of finding main themes along with subthemes. The researcher focused on reviewing themes, reducing codes which were not meaningful or irrelevant to the research topic. The

thematic map, which can be seen in *Figure 4*, provides an overview of the six main themes and twenty-four identified subthemes.

Phase five ensured that each theme is clearly defined, labeled and captures core information from the data set. The objective was to establish concise and understandable themes that are of importance to the research target group. By defining a theme, its quality, uniqueness and the contribution to the overall analysis was determined. The researcher selected meaningful excerpts which were highlighted during the initial coding process in phase two and which demonstrate the quality and significance of a theme. This document can be found in *Appendix C – Forming Themes from Selected Interview* Extracts. A finalized version of the document created in phase three can be found in *Appendix D – Forming, Labeling and Reviewing Themes*.

The sixth phase consisted of presenting the results from the previous five phases and creating a narrative. The outcomes are presented in Chapter 4: *Results and Discussion*. In traditional research reports, results and discussions are typically presented in separate chapters. However, in the context of this research paper, as well as in the framework of TA these sections are combined to create a more detailed and engaging narrative while avoiding repetition.[92] Even though Braun and Clarke advise against the use of frequencies in TA, the researcher included some numbers to emphasize the significance of certain findings.

[92] adapted from Braun and Clarke (2022) p. 131-132

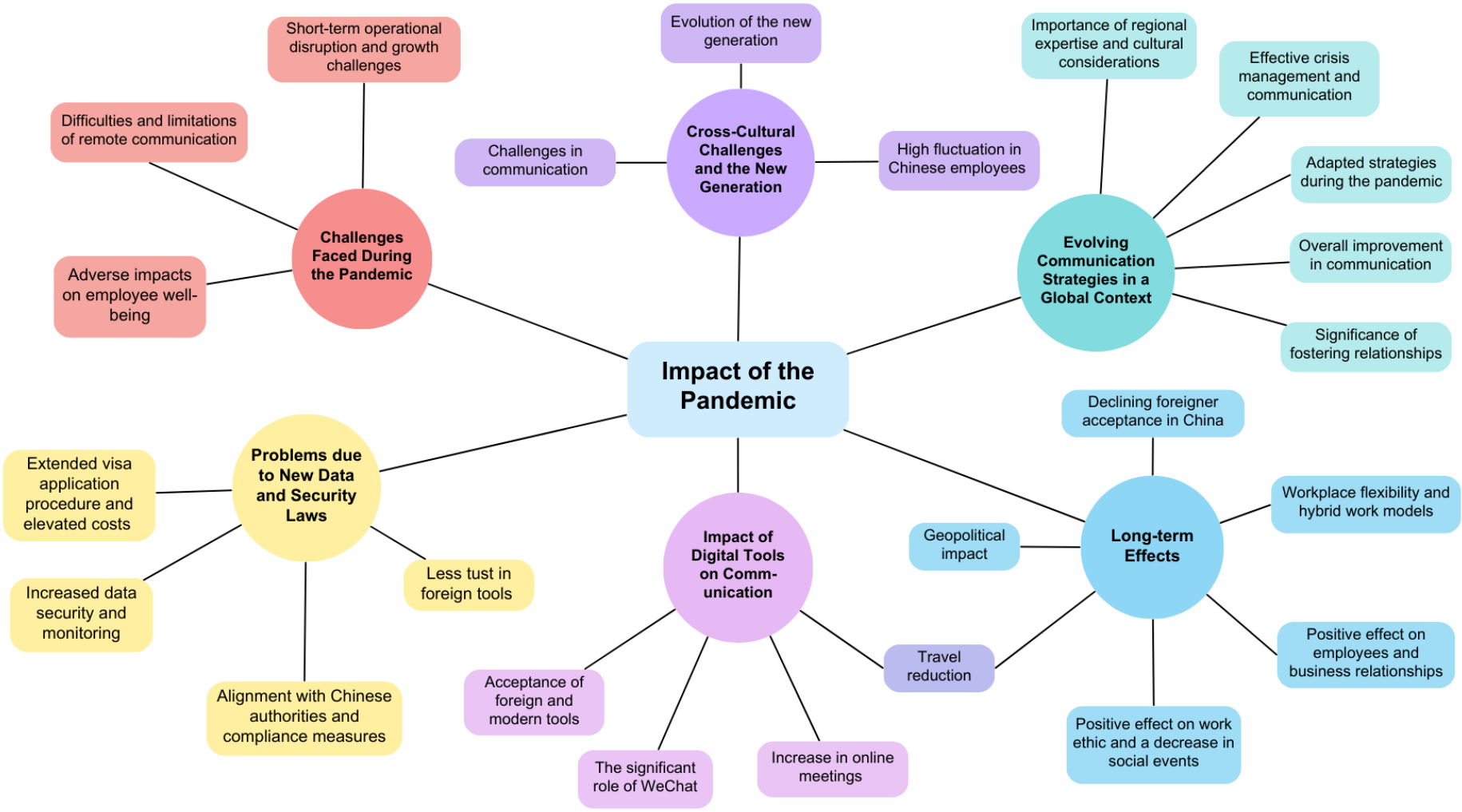

Figure 4: *Thematic Map of Phase Four Themes*

4. Results and Discussion

The previous chapter described and demonstrated how the first four phases of TA were used to analyze the data set. This chapter presents the findings of this approach, and it is structured around the main themes that were identified during TA. This is followed by a discussion of the limitations of this study and recommendations for future strategy development.

4.1. Overview of the Main Themes

In the following chapters the six main themes and their associated subthemes are explained and selected extracts from participants are incorporated to create a narrative that highlights connections and patterns among them. Due to the number of interview partners and volume of each transcription, the full transcriptions are not included in the Appendix but are available upon request. In the following themes, participants are referred to by their respective IDs, with the associated names and data available in *Chapter 3.2.2.*, unless anonymity was preferred. The selected extracts can be found in *Appendix C – Forming Themes from Selected Interview* Extracts.

4.1.1. *Theme 1:* Challenges Faced by MNCs during the Pandemic

The global pandemic has presented businesses with unforeseen challenges, requiring rapid adaptation and innovative problem-solving. The first established theme explores challenges faced by companies and employees. Each one of the interview participants expressed challenges they faced, including various aspects of day-to-day work, employee well-being, operational disruptions, and the overall limitations of remote communication.

In the early stages of the pandemic, companies experienced **short-term operational disruption and growth challenges**, including business shut-downs, massive drops in sales, stagnating growth, and project failures. Half of the participants mentioned that their factory employees in China voluntarily slept in the company, to keep production running. Praising this remarkable action, participants recognized that this is not typical and would not have been done in Western countries like Germany.

Participant I5 stated that the Chinese faithfulness and loyal character helped them overcome the negative effects of the pandemic: *"You could already tell that there was an unrest. Because it was a really tough time with the shutdown and life in the factory. [..] But of course the impact in China is different than here. I'd say they're able to endure more and they are more faithful, and better at sorting things out. It wouldn't have worked like that in Germany."* The incentives for living in the factory mentioned by participants were mostly due to financial interest and living conditions. Similar praise was given by participants I5, I7 and I14, who stated that the Chinese handled the effects of the pandemic remarkably well due to their organized and well-structured

behavior, which aligns with the cultural emphasis on order, discipline, and thorough planning in Chinese society.

In addition to negative impacts on businesses, participants also mentioned **adverse impacts on employee well-being.** During lockdown, Chinese employees were forced into isolation, often working from home. Home-office is not as common amongst Asian work environments as it is in Western countries. The sudden change brought about various challenges, including frustration, a reduced sense of belonging and commitment to the company, as well as constrained living conditions.

Participants I1 and I2 realized emotions such as frustration and despair being displayed by Chinese employees, which is highly unusual due to their reactive cultural characteristics (see *Table 2).* The following quote from participant I2 illustrates that: *"It was extremely difficult. It's also relatively rare for a Chinese person to complain so openly about certain things."* However, the participant noted that the employees' displaying of emotions can be attributed to the long-term relationship he has established with them over time.

Further impacting employees' well-being and their work efficiency is the ability to work from home. While home-office may be straightforward and suitable for many Westerners, living conditions in China, such as commonly small apartments, can hinder employees' productivity. As illustrated by participant I4: *"I've seen a lot of studies on LinkedIn where people say actually the productivity at home is higher than in the office. But it depends where you work and what luxury you have.*" Therefore, MNCs operating in China must consider living conditions before making decisions based on employees' working arrangements. Another challenge of home-office highlighted by participants is the reduced feeling of belonging and commitment to the company, as reported by participants I4, I5 and I6. Participant I4 assumes: *"There is probably a correlation between the amount of time you spend with your coworkers in the office and the commitment towards the company."* Linking the statement to culture, in-person and social events are much more important in Asian cultures. For example, the importance of face-to-face meetings and social events, such as company outings, was mentioned by over 70% of participants. Solutions to remotivate employees and restore the feeling of belonging included sending gifts or care packages to employees, something highly appreciated in Chinese culture (guanxi – relationship building and maintaining, see *Chapter 2.2.1*). Additionally, there was a significant increase in communication via online tools, which will be discussed in *Theme 2: Impact of Digital Tools on Communication.*

Another emerging subtheme were the **difficulties and limitations of remote communication.** Especially in China, where face-to-face communication is of utmost importance, employees struggled in maintaining effective and transparent communication. This includes issues such as accessibility, a lack of transparency, difficulties

arising from the absence of nonverbal cues, language barriers, and the impact on employee trust and customer relationships.

A specific challenge, mentioned by participants I2 and I10, was the issue of accessibility of online tools such as Microsoft (MS) Teams, company internal Intranet, etc. in China. This required a lot of patience from employees and a good Information Technology (IT) Team. The limited access to foreign online tools and applications, such as WhatsApp, Facebook Messenger, LinkedIn, etc., in China highlights the need for adaptability and extensive knowledge of China's digital landscape for MNCs operating in China. It demonstrates that companies need to choose digital tools carefully to communicate with and within China and certainly proved to be a challenge during the pandemic.

As discussed in prior chapters, nonverbal communication and body language are significant in communication with Chinese. As mentioned by participants I6, I12 and I14, the lack of body language leading to miscommunication and the incompletion of tasks emerged as some of the main limitations of digital communication. An extract by participant I6 highlights the limits of online meetings: *“Sometimes you lost the feeling if your Chinese colleague is really telling you the truth. Because switching off cameras was a certain type of problem.”* Additionally, participant I9 observed that previously encountered challenges, such as language barriers, became more pronounced during online meetings. Participant I10 stated that employees tended to feel less pressured to complete tasks because they could simply log on and log off. Similarly, a cultural trait which connects to the limitations of digital communication is indirectness. Participants noted that in many cases, employees would respond with a "Yes" or claim they understand without genuinely meaning it. These cultural hurdles are much easier to overcome face-to-face. As participant I8 emphasized: *“Online, you can talk about it and say you do it. Then you shut off the screen and forget to do it. But if you're sitting at the table, face-to-face, you must give an answer.”*

Altogether, in-person visits and face-to-face meetings remain equally important as in pre-pandemic times. Because of the pandemic, businesses came to recognize the benefits of online communication while acknowledging its limits. Especially in China, as human contact is irreplaceable due to the significance of relationships in a business context. A common perspective among participants is that simple tasks can be done virtually, while substantial matters must be done face-to-face. This is illustrated by a statement from participant I8: *“There is just this general issue with remote work and MS Teams conversations. For example, if you have cross-functional topics, for me personally, a face-to-face workshop is much more efficient and target-oriented in comparison to if you only want to exchange information.”*

These limitations in remote communication have significant implications for collaborating with Chinese partners and the future of digital communication. Given the

emphasis on personal relationships in Chinese business culture, bridging the gap between personal and virtual interactions will be crucial for effective collaboration. Strategies mentioned by participants, such as encouraging camera use during online meetings, fostering trust, and ensuring transparency are vital for efficient communication.

4.1.2. *Theme 2:* Impact of Digital Tools on Communication

In today's fast-changing digital environment, communication has transformed significantly. Due to lockdown, companies relied solely on digital tools for communication. This overarching theme examines the various effects of digital tools on how people connect and collaborate. It discusses the extent to which employees were able to use tools efficiently and their effect on employee behavior. Having already discussed the difficulties and limitations of digital tools in the previous section, this theme focuses on the positive aspect of digital tools on communication.

The introduction of online tools had a significant effect on employees' daily routines, with the most substantial change being the significant **increase in online meetings**, as reported by 85% of participants. Participants I4, I6, I7, I9, and I10 emphasized how digital tools have streamlined communication and nurtured relationships, particularly during the challenging pandemic period.

While the majority of participants recognized that online meetings cannot fully replace face-to-face meetings and private exchange, digital communication has enhanced the overall quality of interaction and introduced new ways of communication. This is illustrated by a statement from participant I11: *"This was a good chance for us to increase or to have additional communication ways. For example, online meetings, WeChat, phone calls and E-mail communication. Home office is also a good improvement compared to before the pandemic period."*

In *Theme 1: Challenges Faced by MNCs during the Pandemic*, one of the challenges mentioned involved a reduced sense of belonging to the company. An interesting strategy for maintaining strong business relationships during and after the pandemic was initiated by participant I6. Working as the Head of Corporate Communications, he recognized the importance of personal chats and gossip with Chinese colleagues. A short, online meeting was set up to replace the coffee chats which took place in-person in pre-pandemic times: *"We also established different formats which were offered in-person before and now remotely. For example, the management coffee talk: just setting up a MS Teams call for half an hour, everyone grabs their coffee, dials in, and just talks about whatever comes to mind."* I6 is optimistic about the long-term sustainability of this approach, as it enables employees to connect across the globe and maintain relationships. This attempt demonstrates a great way of how digital tools facilitate internal communication.

Moving on to the next subtheme, participants I3 and I14 both acknowledged the **increased acceptance of foreign and modern tools**, such as MS Teams, in their organizations, highlighting positive changes in their communication approaches. Participant I10 noted: *"Before, MS Teams did not work. I think Microsoft had some difficulties with the Chinese government [..] During the pandemic, Teams has intensified. For the last two years [..] we are only working with Teams."* Similar to a statement made by participant I3 stated: *"I've noticed that it is a big change for us as a corporation, to accept modern tools a bit more".* Participant I14 went even further and admitted: *"We have more sophisticated software and hardware and this has led to an improvement in the quality of communication."* The increasing acceptance and utilization of modern foreign digital tools in corporate communication, especially in China, signifies a promising trend for improved and more efficient communication in the future.

As digital tools in China are being discussed in this theme, the **role of WeChat,** a mobile application of Chinese origin, cannot be overlooked. The multi-functional app combines features similar to Facebook, WhatsApp, Spotify, YouTube, Apple Pay, Uber, Deliveroo, and more, in a single platform.[93] The Chinese communicate almost solely via WeChat, which is fully controlled by the authorities and unknown in the West. Responses to questions relating to the usage of WeChat were mixed. Whilst participants I3, I5, I6, I9 and I11 reported using WeChat as a common communication method, participant I6 acknowledged concerns about its transparency and participant I13 even pointed out that WeChat is forbidden within his company due to IT security reasons. While some view WeChat as a valuable tool for enhancing internal and external corporate communications, others remain skeptical about its compatibility and security.

This evolving landscape highlights that even though online tools have become essential in modern business, they can't entirely replace in-person meetings, particularly in the context of China's culture and communication norms. Looking to the future, maintaining strong relationships and clear communication will rely on a combination of digital and personal interactions.

4.1.3. *Theme 3:* Evolving Communication Strategies in a Global Context

The third main theme explores the multifaceted dimensions of evolving communication strategies, encompassing various subthemes, ranging from the overall improvement in communication practices to the adaptation of strategies during the pandemic, the significance of regional expertise, and effective crisis management. These subthemes aim to provide a comprehensive overview of the transformative nature of communication since the pandemic.

[93] adapted from OECD (2020)

The initial subtheme highlights a positive trend: a majority of participants acknowledged an overall **improvement in communication**. This improvement, due to new formats and increased employee engagement, was reported by 65% of participants. The various digital collaboration formats, discussed in *Theme 2:* Impact of Digital Tools on Communication, proved to be effective. Specific factors contributing to this improvement, as acknowledged by participants during their post-pandemic interactions with China, include Chinese employees becoming more open, vocal, and willing to share their genuine opinions.

This is illustrated by participant I6: *"Our communication in China has definitely improved during and also through COVID-19. Because we were facing situations where we had to rethink our communication formats and channels."* Participant I7 also highlighted a positive change*: "My personal perception is that communication has improved, colleagues have become more communicative in every form; be it through web conferences, in writing or through phone calls."* This extract expresses how pleased he is with the current interactivity in communication. This positive trend, shared by most participants, signifies a more transparent and cooperative atmosphere, which is promising for future collaboration.

However, an interesting trend appeared because some participants' opinions differed in terms of the development of communication. Four participants, who had established long-term relationships with Chinese colleagues over the span of a decade, unanimously believed that communication remained the same, showing neither an improvement nor decline. This consensus signifies the **crucial role of credibility and the continuous nurturing of relationships** in China. In China, long-term relationships and credibility are pivotal for effective communication, given the culture's emphasis on trust and harmony in business interactions. By having established long-term connections and a built-up reputation for trustworthiness, organizations were also able to navigate the negative impacts of the pandemic more effectively. Participants, who had established long-term relationships, agreed that this relationship enhances communication, resulting in no communication changes during the pandemic. Participant I2 expressed concerns about newcomers, stating: *"If these are new suppliers that you might have met shortly before the pandemic, the relationship might not be as close, and you don't know each other as well on a personal level. Then it's incredibly difficult to tackle problems and build up the relationship again after the pandemic.".* The participant suggests that the lack of a pre-existing strong personal connection can make it challenging to address issues and rebuild the relationship post-pandemic, stressing the significance of good relationships when facing difficulties in China.

An additional shift in communication caused by the pandemic is enhanced information flow, as emphasized by participant I6: *"The long-term impact is that we are headed towards more of an exchange direction. All established exchange channels we developed during COVID-19 will stay. [..] What also changed a lot is the way we are able to*

push information through our organization, it got way more powerful." This suggests that companies have improved their internal information sharing, potentially shaping future communication strategies and making communication more efficient. The following subtheme discusses specific communication approaches which may have contributed to the improvement.

Due to new circumstances, companies were forced to **adapt their communication strategies.** This subtheme examines the innovative approaches employed by participants to adapt communication tactics in response to challenges posed by the pandemic. The following extract describes a communication strategy developed by participant I6: *"Chinese people tend to polish everything a little bit. [..] That was where we had to adapt our strategic approach, to ensure that long term strategic messages come over clear and are not polished in a positive way. We aligned our communication approach from a strategic level towards the locations [..] We started with a global town hall meeting, and created a structure where we are able to adapt these global strategic messages to how they apply locally. [..] What does this mean for the Chinese market? This was then adjusted further to our location, Shanghai, for example. Regarding if people are affected there, what it means for them and how they can respect that*." Adapting communication strategies to ensure clear and unpolished messages is crucial, especially in China, due to the cultural tendency to polish information. This alignment of communication from a global to local level and the creation of a structured approach facilitates a more relatable message delivery, making it easier for Chinese employees to understand and appreciate the localization of information. This approach is essential for building trust and credibility in business relationships within a Chinese business setting.

Similar to the theme regarding challenges, participant I6 also experienced the team drifting apart. Therefore, an adapted strategy involved more positive encouragement: *"There was way more communication through the local leadership team, compared to before, focused on really positive, in the future looking communication. [..] We also went back to more face-to-face townhalls, to ensure efficient exchange on certain topics. Allowing for questions and the opportunity to ask questions and raise their concerns to the management. Also, to get them closer together, because during the pandemic, the top management moved a little bit away from their employees."* By implementing these changes and increasing face-to-face meetings, I6 reported a positive effect on the behavior of the employees: *"And it changed a lot, we are currently discussing super open and in a reflective way. And that's different because before COVID-19 it was just top down."*

Participant I5 experienced difficulties in terms of communication with the broader management team: *"We relied too heavily on communication with the regional manager and perhaps didn't reach out enough to the entire management team. [..] And I would say that we could have done more in terms of communication. Perhaps we were too*

focused on ourselves and were not transparent about how the situation really is locally." Participant I5's experience demonstrates a shift in communication dynamics within the company during the pandemic. The initial focus on communication with the CEO caused the team to overlook the needs of the broader management team. This highlights the importance of inclusive communication strategies. Despite the challenges, the participant ended on a positive note: *"During the pandemic, the relationship was definitely bad. The pandemic was kind of like a refreshment. [..] At the moment, the relationship is rather better than worse."*

Moving on from adapted strategies, the following subtheme underscores the **importance of regional expertise and effective local leadership** in corporate communication. Half of the participants emphasized the need for local representation when navigating the complexities of communication within a global context, where cultural norms play a significant role. As illustrated by participant I6: *"It's important to have a local communication responsible there because communication is way different compared to us here, it's way more dynamic."* Four participants expressed that a good local leadership team eased the effects of the pandemic and positively impacted communication.

Effective crisis management and communication played a pivotal role during the pandemic, ensuring that businesses could quickly respond to challenges, mitigate risks, and continue their operations during unforeseen times. A statement made by participant I13 depicts this: *"The pandemic has created multiple challenges for the group, causing multiple crisis management teams to be created. Strong communication was however key to reducing the negative impacts on the business during the pandemic."* Although previous research showed that crisis communication is still underdeveloped in Chinese firms, the pandemic has forced many companies to reevaluate.

4.1.4. *Theme 4:* Long-term Effects of the Pandemic

Theme four discusses the long-term effects of the pandemic, exploring various dimensions of the lasting impact it has had. Subthemes encompassed in this theme are the positive effects on work ethic and social events, a reduction in travel, improvements in employee and business relationships, workplace flexibility and hybrid work models, shifts in foreigner acceptance in China, geopolitical implications, and the challenges of navigating inter-generational dynamics and onboarding. These subthemes provide an overview on the continuous transformations resulting from the pandemic across various sectors.

The first subtheme reflects a **positive effect on work ethic and a decrease in social events.** Participants I5 and I7 noticed an increase in work efficiency since the pandemic. According to I5: *"Their work ethic has become even extremer, because they*

think they have to make up for lost time in the form of business." He goes on further and states how the Chinese market is currently flourishing.

Although most participants agree that social events and business dinners are or will be taking place as often as in pre-pandemic times, I12 argues that these have gone down massively in the last ten to fifteen years, decreasing even more due to the pandemic. Several participants also mentioned events such as international conferences and exhibitions transitioning to online or hybrid formats. This trend is related to the previously discussed evolving communication formats and connects to the upcoming subtheme about the **increasing flexibility in workplaces and the adoption of hybrid work models**.

Participant I4 mentions that within his organization, home-office has been reduced since the end of the pandemic, partly because it is not as accepted in China due to cultural norms: "*In China, it's more a reaction to what the people want, limiting it. But on the other side, forcing people to stay at home and to work independently. You can consider it as a loss of control for the bosses, but it's also an increase of trust in your employee.*" He expresses problems where employees were complaining that if they are not in the office, the boss cannot see that they are working. This demonstrates the lack of trust and it is deeply rooted in the hierarchical structure in a Chinese business environment, as mentioned *Chapter 2.2.1.2*. The collectivist nature of Chinese society values group cohesion and unity, reinforcing the significance of being physically present in the office. This cultural context explains the hesitancy towards remote work. An approach mentioned by the participant would be to create a flexible environment that can accommodate a various number of employees, potentially downsizing the building, which also enhances sustainability efforts by reducing energy consumption and building size. The participant was questioned about the feasibility of this concept within the hierarchical Chinese business environment, he replied: *"I believe in the end you have to trust your employees regardless of nationality, race, sex, and gender. I believe you can do the job and I trust you because I hire you not just for eight hours a day, but for the job. And it might take longer in Asia to come to this conclusion.".* Participant I3 also noted that the Chinese colleagues have become more sociable since his relocation to an office space, where he is no longer isolated in a large room. This suggests that when the hierarchical structure within the office space is removed, Chinese employees might feel less intimidated and be more social.

Another long-term effect mentioned by several participants is the **reduction of business-related travel**. Due to the increased availability of digital tools, the frequency of business travel has reduced. Participant I14, along with several others, is confident about the long-term sustainability of a reduction in travel: *"The pandemic has shown the business industries that there are alternatives to business travel. Business travel has reduced and largely been replaced by video conferencing, which is more cost-*

effective and time efficient." Another statement by participant I4 reflects a shift in travel strategy, prioritizing less frequent, but extended trips to maximize the impact on interactions and relationships: *"I am trying to travel less frequent and a little bit longer. To have more impact on the local people."* This suggests a recognition of the importance of quality over quantity in business travel.

Several participants observed a **positive effect on employees and business relationships** during and after the pandemic. These effects include a stronger bond between company and employees, increased self-confidence and enhanced sociability and reflectivity in Chinese employees.

As a result of sharing similar experiences and frustration during lockdown, participant I1 highlighted the sense of unity among colleagues: *"I believe internal communication has become stronger because we feel like we have overcome a difficult time together, becoming more and more united."* Participant I14 mentioned the same sense of unity: *"All in all, it was more positive of how the team developed as a team during the pandemic".* Participants I3, I5 and I6 shared similar experiences.

The pandemic has also contributed to an increase in self-confidence among the Chinese, as highlighted by participant I4: *"I think they can, to some extent, do better than we can because they're faster, they're more aggressive, they do not have to look left and right as much. But this double checking, being a little bit more careful and thinking twice before you do something, might lack and cause a problem."* The boost in self-confidence appeared after the Chinese border closure and them having to manage operations alone, in a sense, for almost two years. However, I4 expressed that the assertiveness might be temporary.

As self-confidence surged, it coincides with a significant **decline in the acceptance of foreigners** in China and a decreased willingness to collaborate with them. Participant I8 stated: *"The Chinese' opinion about foreigners, has gone down in terms of acceptance. Also, in terms of willingness to work with them."* A statement made by I4 relates to the previously mentioned self-confidence: *"An immediate effect of closing China off was that you have a loss of foreigners. It doesn't have to be bad, but it's helping the Chinese confirm their approach of saying: I can do it better myself anyways."* Half of the participants mentioned a decrease in foreigner acceptance whilst participants I3, I8 and I14 named concrete examples of noticeable skepticism towards foreigners since the pandemic.

"I heard one story where a foreigner from my company was pushed out of an elevator because the Chinese don't want to go with him into the elevator. Because they thought he's bringing the virus. [..] If you listen to the news in China and the propaganda, then for sure you believe it." – Participant I8. This statement explains the influence of propaganda in China, intensifying the declining acceptance of foreigners.

Participant I3 also realized a regional difference in the acceptance of foreigners. As stated: *"Outside of the city, the interaction with the Westerners is not happening. Now you follow our way or don't come."* As mentioned in the *Chapter 2.2.2.1*, Chinese from the bureaucratic North are more traditional than the more modernized Shanghainese. Being aware of regional differences is crucial in collaboration and the decrease in acceptance might have been emphasized through the pandemic.

Participant I8 made a noteworthy observation by emphasizing that the pandemic has had a broader **geopolitical impact**: *"I would say the pandemic has more of a geopolitical impact on the relationship between the countries."* This implies that the long-term effects of the pandemic extend beyond corporate communications and business relationships, potentially affecting the geopolitical dynamics between countries. This means organizations operating internationally should consider the constantly changing geopolitical environment when planning their future strategies and communication approaches.

4.1.5. *Theme 5:* Problems due to New Data and Security Laws

The fifth main theme delves into the problems MNCs face in accordance with the new data and security laws explained in *Chapter 2.4.2*. This theme encompasses several subthemes, including issues related to extended visa application procedures, increased costs, decreased trust in foreign tools and heightened data security and monitoring.

Four participants mentioned an **extended visa application procedure and elevated costs** since the pandemic. The increase in costs includes taxes and insurance premiums required to be paid by expats living in China and foreigners entering China. Participant I4 explained his frustration relating to the extensive visa procedure necessary to enter the country: *"To get a visa as a tourist is literally impossible. [..] From a business point of view, I think the Chinese are making traveling to China a little bit more difficult than it should be. [..] I had one colleague who just came back from Shanghai, and he said he felt unwanted. [..]".* This extract raises concerns about potential barriers for future cooperation and communication with China, as restrictive visa policies may hinder international collaboration and discourage foreign companies from engaging with Chinese partners. The extensive process is mentioned by three more participants, while participant I5 noted that he recognizes an impact for expats: *"Where we see an impact is on the expat side. There are new taxes that make it more difficult to send someone abroad. [..] The government is making the entry more difficult, and it is more expensive for expats to live there."*

Another subtheme emerging from the responses of participants I9 and I4 is the importance of the **alignment with Chinese authorities and compliance measures.** Participant I9 highlighted the significance of being close to the Chinese authorities:

"We are very, very close to the Chinese authorities, because we don't want to get into any trouble. That's why we also have correspondingly authorized Chinese situated in the Chinese subsidiary." This extract reveals a cautious approach by international businesses, emphasizing the importance of maintaining a close relationship with Chinese authorities to avoid potential issues, as mentioned in *Chapter 2.3.1*. A similar statement was made by participant I4: *"Whatever it takes, we are doing because we want to conform to the local laws. China is so important for us, that we cannot risk doing anything to make the Chinese government mad."*

In contrast, over 40% of participants stated that they realized no change in employee behavior nor did the company have to implement specific measures in response. Participants may have been reluctant to provide truthful responses about new data regulations in China due to fear of legal consequences and wanting to preserve their organizations' reputation. Additionally, some participants may not have been fully informed about the extent of these regulations.

Another significant issue perceived by participant I13 is a **reduced trust in foreign tools**. *"We do perceive a greater sensitivity to the area of data protection and the social credit system. Further, it is difficult to get the employees in China to have some trust or faith to report concerns through the whistleblower hotline."* These issues may have implications for international businesses operating in or with China, as they have to manage these delicate matters and build a trustworthy environment for effective communication, all while adhering to new data and security laws. Several participants also highlighted the usage of WeChat instead of company specific tools, as illustrated by participant I3: *"They still don't use the company tools that we provide, they still rely on WeChat."* This participant also experienced restrictions regarding taking the movement of company-owned devices from China to other company locations and accessing certain offices or company areas outside China due to new data protection regulations.

Some participants noted that they realized no changes due to the **constant surveillance and monitoring** that occurs on a daily basis, even before the pandemic. I12 stated that, when conducting business with China, it is important to acknowledge that surveillance is an unavoidable factor and evading it is impossible.

4.1.6. *Theme 6:* Cross-Cultural Challenges and the New Generation

Before being able to make recommendations for future cooperation with China, ongoing cross-cultural challenges as well as the evolution of the new generation need to be discussed. There are still ongoing cultural challenges, highlighted by participants, which make conducting business in China difficult. However, the evolution of the new generation provides hope for the future.

Each one of the participants mentions **challenges in communication** due to cultural traits and language barriers. These challenges include miscommunication of expectations and the lack of directness and honesty from Chinese colleagues. The following statement from participant I13 highlights this: *"From a compliance perspective, we see that there are cultural issues in China hindering a company culture of openly raising and addressing concerns.".*

Furthermore, language barriers take years and a strong relationship to overcome, as illustrated by participant I12: *"The Chinese sales colleagues, who knew English sufficiently, always translated everything into the local language."* The importance of language skills is also mentioned by participant I5: *"Language is still the key to being able to exchange ideas and understand the other person."*

Another common issue faced by participants in the Chinese market is the **high fluctuation in employees**. I6 states: *"In general, an issue that every company operating in China faces is the pretty high fluctuation compared to other countries, especially in the blue collar area."* The emphasis lies on employees in the blue collar area, meaning workers which conduct physical labor. A potential solution to this issue could be to provide chances for employees to grow in their careers. Also, especially in China, building strong relationships with employees by acknowledging their contributions can also play a role in reducing turnover.

These challenges emphasize the need to understand and respect different cultures, find effective ways to communicate despite language differences, and build up valuable cross-cultural business relationships. Recommendations to achieve these will be discussed in *Chapter 5.3.*

The challenge of language barriers has slowly evolved positively in the previous years. Participants mentioned that the **younger Chinese generation** is able and willing to learn English. As stated by I12, the Chinese understand that they need the English language to be successful in international business. An increase in language skills was also noticed by participant I10: *"With the new generation there are a lot of young people coming out of school, English has become a standard, especially for studying. [..] So, in general, the communication is getting better."* The increase in English proficiency among the Chinese can also be linked to the previously mentioned overall improvement in communication. Therefore, the evolving language abilities of the younger generation are enhancing cross-cultural communication and might make cooperation easier in the future.

The six main themes identified by the researcher collectively underscore that businesses operating in China must adapt to the evolving communication landscape. Success hinges on recognizing cultural nuances, transparent communication, and embracing adaptive strategies. However, challenges remain, especially with regards to

international cooperation due to regulatory changes and cultural sensitivities. MNCs need to navigate these issues carefully and promote an environment of trust and open dialogue to maintain effective communication. Recommendations for successful communication post-pandemic as well as future cooperation between the West and China will be discussed in *Chapter 5.*

4.2. Documentation of the Undocumented

As discussed in *Chapter 2.3.1* the involvement of the government in business operations in China plays a significant role. Consequently, the researcher experienced several challenges when reaching out to potential interview participants within Chinese state-owned enterprises. In one particular instance, a potential interviewee openly and honestly expressed their willingness to participate, but also raised concerns about the truthfulness of their responses due to their company's circumstances. Given the sensitivity of this topic, both the individual as well as the company will remain anonymous.

The challenges faced in finding interview partners within Chinese state-owned businesses highlight the potential barriers and sensitivities associated with the chosen research topic. It emphasizes the importance of addressing the research topic with cultural and political awareness, acknowledging that state-owned enterprises' involvement can affect how people communicate their thoughts and experiences. In a broader context, these challenges also indicate the potential complexities in future collaboration between the West and China.

4.3. Limitations of the Research Process

While semi-structured interviews with experts in a specific field offer valuable insights, there are also several limitations. Overall, there is a **lack of generalizability**, meaning the findings of the interviews are specific to the individuals interviewed and the organizations. It is not possible to generalize these findings to all MNCs operating in or with China, as each organization may have unique circumstances and communication practices and each participant also has their own beliefs and perspectives. Furthermore, the problem of confidentiality is often a delicate issue for an organization, also in competition with other players in the market.[94] This may lead to the refusal of providing answers or to make changes in retrospect by the participant in the transcription.[95]

Participants may be hesitant to share negative experiences or information that reflect poorly on their organization, potentially leading to **response bias**. They might provide socially desirable responses rather than personal and in-depth insights. To make sure all participants feel safe and comfortable during the entire process, ethical

[94] adapted from Flick (2018a) p. 231

[95] adapted from Flick (2018a) p. 240

considerations, such as ensuring informed consent, maintaining confidentiality, and addressing any potential discomfort or distress, were carefully managed.

Specifically relevant to China and Chinese employees, factors such as **data security, anonymity and confidentiality** play a huge roll. As mentioned in the literature review, even cultural norms may affect the process and outcome of the interview. Cultural factors, such as the importance of maintaining 'face' and indirect communication, can impact interview dynamics. Additionally, the strong emphasis on hierarchy and formality in Chinese society may affect the tone and content of interviews, with participants focusing on praising their managers or organization instead of being honest. Cultural sensitivity is of utmost importance to ensure effective interviews with Chinese participants.

There are also several **limitations of the chosen methodology** used in the research process. The first is the ability to identify the right experts (or elites), especially when focusing on a specific institution or area of expertise. It is also difficult to convince this target group to participate in an interview, especially when taking time restraints into considerations. Last of all, the relatively small sample size of interviews conducted is considered a limitation because the amount cannot represent firms in China as a whole.

These elements all represent limitations of this research paper. Recognizing these challenges and actively addressing them whenever necessary can help reduce them.

5. Navigating Communication in China: Post-Pandemic Strategies

5.1. Summary of Findings

The findings reveal a comprehensive understanding of the communication challenges and transformations faced by MNCs in China during and after the pandemic. The first theme explores challenges during the pandemic, highlighting short-term disruptions, negative impacts on employees and the limitations of digital communication. The second theme highlights the growing acceptance of modern tools yet emphasizes that they cannot entirely replace the value of in-person interactions in China. WeChat remains an important digital tool within the corporate environment for the Chinese. The third theme reveals an overall improvement in communication, driven by new formats and increased transparency. It also discusses the importance of regional expertise and effective local leadership to ensure effective communication. During the pandemic, adaptive communication strategies, including tailored messages and increased local communication, proved to be successful. The fourth theme examines long-term impacts of the pandemic, revealing workplace flexibility, improved work ethics and an overall travel reduction. This theme also highlights an overall improvement in employee and business relationships, but a significant decline in the acceptance of foreigners. This connects to the fifth theme, which explores the impacts of new data security regulations implemented by the Chinese government, leading to extended visa application procedures, increased costs for foreigners living in or entering China, and data security concerns as well as the importance of the alignment with Chinese authorities and compliance measures. Finally, the sixth theme explores the evolution of China's new generation, including enhanced language skills and shifts in work dedication. The theme also delves into ongoing communication challenges due to China's unique cultural values and working style, resulting in challenges in communication and a high employee turnover.

These findings illustrate the dynamic and multifaceted nature of communication in MNCs in China, emphasizing the need for adaptability, local expertise, transparency, and a balance between traditional and modern communication methods to navigate China's unique business environment successfully.

5.2. Developing Effective Communication Strategies Post-Pandemic

From analyzing the data, the researcher gathered several recommendations for effective communication strategy development post-pandemic.

1. **Balancing in-person and virtual interactions:** Recognize the value of face-to-face meetings for important discussions and relationship-building in China. While digital tools are helpful, prioritize in-person interactions for important topics.
2. **Intercultural training and cultural sensitivity:** Less than half of the participants stated that their company provides intercultural training. Out of the seven participants which never received one, five noted that it would be beneficial, to overcome initial cross-cultural challenges.
3. **Training for Online Etiquette:** Train employees in the etiquette of online meetings, encouraging the use of video to enhance body language cues and build stronger connections, even in virtual settings.
4. **Staying informed and complying with data regulations:** Not only do organizations operating in China need to acknowledge and accept the significant role of the Chinese government, but they also need to comply with the new data regulations.
5. **Crisis Communication:** Companies have realized that regional expertise and effective crisis communication are significant in navigating in a post-pandemic environment. Develop robust crisis communication plans that ensure transparent, timely, and preferably locally adapted messaging. By addressing local issues, trust is built and employees feel heard.
6. **Flexible Working Spaces:** Flexible working spaces may initially cause difficulties in Chinese business environments due to the strong emphasis on traditional workplace cultures. However, transitioning towards a more open office layout and reducing hierarchical structures in the long run might help overcome cultural challenges such as indirectness and conflict avoidance.
7. **Promote honest and transparent communication:** Post-pandemic communication shows overall improvement, characterized by increased openness and honesty. It is important to create a culture where employees feel safe in providing honest feedback and raising concerns.
8. **Fostering long-term relationships:** Invest in nurturing long-term relationships with Chinese employees. Credibility and trust developed over years are vital for maintaining strong communication channels.

5.3. Factors for Conducting Successful Business Communication in China

The interview responses revealed several suggestions made by participants for addressing and overcoming cross-cultural challenges in a Chinese business environment. The author has compiled a list of these factors mentioned in *Table 6*.

Table 6: *Participants Advice: Conducting Successful Business in China*

Effective communication strategies	**Qualities for strong relationships**	**Abilities to build relationships with Chinese**
○ Explain from different angles ○ Repeat what they said in their own words ○ Establish a connection and find cultural commonalities ○ Encourage open dialogue ○ Make sure it gets to the right person	○ Trust ○ Honesty ○ Mutual respect ○ Openness ○ Ability to listen ○ Patience ○ Understanding ○ Tolerance	○ Language skills ○ Cultural awareness ○ Forms of politeness and thankfulness ○ Small talk ○ Understanding boundaries (political, social) ○ Harmony

The first column, on the left-hand side, outlines certain strategies and approaches participants use to ensure effective communication and avoid misunderstandings. In the middle column, essential tips and factors crucial in building a strong business relationship are displayed. These qualities demonstrate effective ways to navigate the cultural characteristics of the Chinese, as presented in *Table 2*. For example, *Table 2* indicates that Chinese prefer listening most of the time, tend to be more indirect and conceal their feelings. Consequently, participants recommend patience, tolerance and encouraging open dialogue to best handle their communicative features. The right-hand side of the table features specific abilities like language skills and the use of polite forms when engaging with the Chinese.

5.4. Evaluation of Future International Cooperation

The declining tolerance towards foreigners, influenced partially by propaganda, combined with the extended visa application procedures, increased costs for foreigners, and new data security regulations, implicate a more challenging environment for MNCs conducting business in China. These factors suggest that MNCs need to adapt and invest more resources to navigate these challenges to maintain successful operations in China. It's likely that companies will need to enhance their strategies for building local trust and complying with new regulations to secure their positions in the Chinese market. This includes enhanced relationships with Chinese authorities, larger investments into China as a business location and the acceptance of having the Chinese government oversee all data.

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Declaration Under Oath

I certify that I have written this bachelor thesis independently, that I have not submitted it elsewhere for examination purposes, that I have indicated all sources and aids used, and that I have marked verbatim and analogous quotations as such.

Neu Ulm, the 31.10.2023 _____

Place, Date Nele Kortemeyer

Appendices

Appendix A: Interview Questions

Introduction Questions:

1. Could you briefly provide an overview of your position and role within [your organization]?
2. How long have you worked for [your organization]?
3. How long have you been working together with the Chinese subsidiary?
4. How often are you in contact with colleagues from the Chinese subsidiary?

Main Questions:

1. Does [your organization] provide cultural sensitivity training for employees traveling to China?
    a. If so, what does it entail?
    b. Have you received a new training since the pandemic? If yes, has it changed?
2. Do you have a localized communication strategy for each subsidiary location?
    a. If so, briefly explain the one in China.
    b. Did you adapt your corporate communication strategies during the pandemic? If yes, in which way?
3. Are there any specific strategies or approaches that have been effective in ensuring clear and effective communication while navigating cultural diversity?
4. What do you think has been the most important in maintaining effective communication in a culturally diverse work environment post-pandemic?
5. Can you share a specific communication or cultural challenge faced by [your organization] in China due to the pandemic?
    a. Immediate and long-term?
    b. How have you addressed these challenges?
6. How would you describe your relationship with Chinese colleagues before and after the pandemic? Have you noticed any differences?
    a. Does this differ to colleagues in other countries?
7. What are factors that facilitate a good business relationship between you and your Chinese colleagues/employees?
    a. Have there been factors which became irrelevant or have changed due to the pandemic?
8. Did the pandemic impact your Chinese subsidiary differently in comparison to other locations? In terms of specific actions such as a shut down or short-time work for employees.
9. Was remote work and/or digital communication implemented during or since the pandemic in your Chinese subsidiary?
    a. Have you noticed any effects on the behavior of your Chinese employees?
    b. Has this affected your relationships within the organization? Since the Chinese value social events such as business dinners and face-to-face meetings.
10. How might a regular workday differ in your Chinese subsidiary compared to the German one?
    a. Have you been to China for any business related activities recently?
    b. Have you observed any changes within the subsidiary in terms of day-to-day business due to the pandemic?
11. Since the reopening of Chinas borders 8 months ago, the government has implemented stricter data laws and security.
    a. Due to this, have you noticed any changes in your Chinese employee's behavior.
    b. Has [your organization] experienced specific consequences due to these laws?
12. Looking ahead, how do you envision the long-term impact of the pandemic on corporate communications?
13. Would you say that communication with China has improved due to the pandemic or not?

Appendix B – Cover Letter

E-mail Subject: Bachelor Thesis N. Kortemeyer: Impact of COVID-19 on communications with China

Dear X,

I hope this email finds you well. My name is Nele Kortemeyer, and I am currently pursuing my bachelor's degree in Information Management and Corporate Communications at the University of Applied Sciences in Neu-Ulm. I am reaching out to you because I am conducting research for my thesis on "The Impact of the COVID-19 Pandemic on Corporate Communications in Multinational Businesses in China: A Cultural Perspective." This is taking place under the supervision of Prof. Dr. Ulrike Reisach.

I was particularly interested in your company, X, given your organization's expertise and experience in the Chinese market. I believe your insights as an expert in this field would be extremely valuable for my study.

The purpose of your participation is to examine the challenges and changes that firms operating in China have faced in their corporate communications due to the COVID-19 pandemic. I am also interested in understanding how and if cultural factors have played a role during these unprecedented times.

Your participation would involve a 30-minute in-person or virtual interview, consisting of a series of open-ended questions related to your company's communication strategies, as well as the challenges and changes your company has faced since the pandemic.

The data collected will be used solely for academic purposes. The interview will be recorded, but if anonymity is preferred, your identity and that of your organization will not be disclosed in the research findings or any related publications. Please let me know if you require an NDA for the interview, I will gladly sign it.

I truly appreciate your consideration in participating in this interview, as your insights will greatly contribute to the understanding of how businesses have adapted their strategies in China since the pandemic. Although, if you believe that you may not be the most suitable candidate for this interview, I would highly appreciate the opportunity to speak with a different employee who also has insights into China-related matters. Should you be willing to participate, I would kindly ask you to send me a convenient date and time within the next two weeks for the interview.

If any questions arise or you require additional information about the research or interview process, please do not hesitate to reach out to me. I am more than happy to provide any information needed.

Thank you for your time and consideration.

Kind regards,

Nele Kortemeyer

Appendix C – Forming Themes from Selected Interview Extracts

ID	Extract	Code	Subtheme	Main Theme
I1	“We do a lot more online meetings than we did before COVID.”	Increase in online meetings	Increase in online meetings	Impact of digital tools on communication
I1	“In China, we like to have face-to-face talk. [..] Even with digital tools introduced, a lot of people still tend to meet the customer. [..] When it comes to external communication, what I learned [..] is that we still tend to have physical face-to-face talk because in Chinese there is a saying which means face-to-face communication will enhance your relationship significantly, even in business.”	Importance of face-to-face	Difficulties and limitations of remote communication	Challenges faced during the pandemic
I1	“Even when business was going down, we still try to keep everyone together. We believed if we work together, we will overcome this difficult time. I think that also made people feel more belonged to the company.”	Relationship since COVID has become stronger	Positive effect on employees and business relationships	Long-term effects of the pandemic
I1	“I believe the internal communication has become stronger because we feel like we have overcome a difficult time together, becoming more and more united, the colleagues here.”	Internal communication has improved, feeling of belonging	Positive effect on employees and Business Relationships	Long-term effects of the pandemic
I2	“It was extremely difficult. It's also relatively rare for a Chinese person to complain so openly about certain things.[..] “Under normal circumstances, expressing such feelings is something they keep extremely quiet about. But in this case, because it's a long-term relationship, they were also very open about it.”	Frustration / despair due to lockdown	Adverse impacts on employee well-being	Challenges faced during the pandemic
I2	“In general, the boss is never contradicted in public.”	Boss makes decisions, no contradicting	Challenges in communication	Cross-cultural challenges and the new generation
I2	“If these are new suppliers that you might have met shortly before the pandemic, the relationship might not be as close, and you don't know each other as well on a personal level. And then it's incredibly difficult to tackle this and build up the relationship again after the pandemic.”	Newcomers will experience difficulties	Navigating inter-generational dynamics and onboarding challenges general	Long-term effects of the pandemic

I3	“The Shanghai lockdown was so harsh; it affected a lot of people. It affected relationships, and it definitely affected the company. We were in a position that we could not do business. We could not go to our store; we could not go to our production and that was very unique to Shanghai”	Significant negative impact on company and relationships	Short-term operational disruption and growth challenges	Challenges faced during the pandemic
I3	“I know it's part of Chinese culture, you don't call someone out. If they've made a mistake, you don't publicly embarrass them.”	No calling someone out	Challenges in communication	Cross-cultural challenges and the new generation
I3	“But the moment you say the right word or the right response, I find, especially in the language, it changes the dynamic totally.”	Language barriers	Challenges in communication	Cross-cultural challenges and the new generation
I3	“But I do know that some of the staff have been questioned around, do you really need to work from home? And I think that's creating a different culture in: Well, you don't trust me.”	Creation of untrusting work environment	Adverse impacts on employee well-being	Challenges faced during the pandemic
I3	“I think China was so proactive in WeChat. They still didn't use the tools that we provide, they still rely on WeChat. [..] They say we trust WeChat; we don't trust MS Teams. Well, I don't trust WeChat, because I know you're listening. Send a message with someone's name in it and see what happens. You do that in a Western culture, nothing happens.”	Less trust in foreign tools and importance of WeChat	Less trust in foreign tools	Problems due to new data and security laws
I3	“I've noticed that it is a big change for us as a corporation, to accept modern tools a bit more”	Increased acceptance of modern tools	More acceptance of modern tools	Impact of digital tools on communication
I3	“Outside of the city, the interaction with the Western is not happening. Now you follow our way or don't come.”	Regional differences in acceptance of foreigners	Declining foreigner acceptance	Long-term effects of the pandemic
I3	“I think that's a result of the pandemic: bringing a bit of a management culture closer together.”	Stronger bond /Improvement	Positive effect on employees and business relationships	Long-term effects of the pandemic

I3	“But now, if I leave China with my work laptop, my work phone, or my work or iPad, I am not allowed to visit a Nederman office.”	Employees not allowed to take company property to different subsidiaries	Increased data security / monitoring	Problems due to new data and security laws
I4	“I am trying to travel less frequent and a little bit longer. To have more impact on the local people.”	Travel reduction	Travel reduction	Long-term effects of the pandemic
I4	“I know that Webasto spent a lot of effort to motivate the people by sending small gifts and small things to appreciate that they had to stay at home and still work.”	Negative effect on belonging; sent small gifts to motivate	Adverse impacts on employee well-being	Challenges faced during the pandemic
I4	“They have increased home-office, but on the other side, they have also limited it because they felt that having the team work completely from home did not have a positive effect on the commitment to the company.”	Limit of remote work	Difficulties and limitations of remote communication	Challenges faced during the pandemic
I4	“There is probably a correlation between the amount of time you spend with your coworkers in the office and the commitment towards the company.”	Negative effect on belonging; sent small gifts to motivate	Adverse impacts on employee well-being	Challenges faced during the pandemic
I4	“I think an immediate effect of closing China off was that you have a loss of foreigners. It doesn't have to always be bad, but it's helping to confirm the Chinese approach of saying: I can do it better anyway, myself.”	Loss of foreigners leading to increase in self-confidence	Declining foreigner acceptance	Long-term effects of the pandemic
I4	“And I think they can do, to some extent, better than we can because they're faster, they're more aggressive, they do not have to look left and right as much. But this double checking, being a little bit more careful and thinking twice before you do something, might lack. And this will cause a problem.”	Increase in self-confidence	Positive effect on employees and business relationships	Long-term effects of the pandemic
I4	“I believe Teams the features of Teams and Zoom, they really helped to facilitate communication, it was really good.”	Facilitated communication	Increase in online meetings	Impact of digital tools on communication

I4	“To get a visa as a tourist is literally impossible. [..] From a business point of view, I think the Chinese are making traveling to China a little bit more difficult than it should be.	Extended visa application procedure	Extended visa application and elevated costs	Problems due to new data and security laws
I4	“I had one colleague who just came back from Shanghai and he said he felt unwanted. [..]”	Skepticism is noticeable	Declining foreigner acceptance	Long-term effects of the pandemic
I4	“Whatever it takes, we are doing because we want to be conformed to the local laws. China is so important for us, that we cannot risk doing anything to make the Chinese government mad. So yes, whatever is written there, we are complying with.”	Company complying with all regulations	Alignment with Chinese Authorities and Compliance Measures	Problems due to new data and security laws
I4	“I believe that a lot of people have realized now that working does not always mean going to the company.”	People realized it is possible for certain jobs to work from home	Workplace flexibility and hybrid work models	Long-term effects of the pandemic
I4	“We need to find the compromise between what can you do from home or wherever you want with the computer, and what do you have to do in the office?”	Finding the balance between working from home and in the office	Workplace flexibility and hybrid work models	Long-term effects of the pandemic
I4	“The next step will be to basically make the office space more interesting, easy to change. So that in the end you say: okay, we are 1000 people, but if I look around (today is Monday) I would say 60 % maximum are here. It's 11 o'clock in the morning. So probably if you go with 70 %of the seats, you still have enough flexibility and spaces for visitors. But you can downsize the building, and if you talk about sustainability, obviously there's no heating, the construction can be smaller and so on.”	Creating a new work environment for the next generation	Workplace flexibility and hybrid work models	Long-term effects of the pandemic
I4	“But that's the problem we had, where people in Korea complained that if they are not in the office, their boss cannot see how they're working, and the bosses were complaining that they're not trusting the employees [..] But I believe in the end you have to trust your employees regardless of nationality, race, sex, and gender. [..] And it might take longer in Asia to come to this conclusion.”	Trust between boss and employees lacking	Difficulties and limitations of remote communication	Challenges faced during the pandemic

I5	“We relied too heavily on communication with the regional manager and perhaps didn't reach out enough to the entire management team. [..] And I would say that we could have done more in terms of communication. Perhaps we were too focused on ourselves and were not transparent about how the situation really is locally.”	Focused too much on communication with manager pre-pandemic	Adapted strategies during the pandemic	Evolving communication strategies in a global context
I5	“You could already tell that there was an unrest. Because it was a really tough time with the shutdown and life in the factory. [..] But of course the impact in China is different than here. I'd say they're able to endure more and they are more faithful, and better at sorting things out. It wouldn't have worked like that in Germany.”	Frustration / despair due to lockdown	Adverse impacts on employee well-being	Challenges faced during the pandemic
I5	“It was noticeable that on the demand side, there was a drop in local demand. This has encouraged the Chinese to step on the gas even more. And at the moment they are again benefiting from very low material costs, energy costs and logistics costs. And at the moment our subsidiary in China is flourishing again.”	Focused too much on communication with management and not the broader management team	Difficulties and limitations of remote communication	Long-term effects of the pandemic
I5	“Where we see an impact is on the expat side. There are new taxes that make it more difficult to send someone abroad. [..] The government is making the entry more difficult, and it is more expensive for expats to live there.”	Elevated costs for foreigners entering China	Extended visa application procedure and elevated costs	Problems due to new data and security laws
I5	“During the pandemic, the relationship was definitely bad. The pandemic was kind of like a refreshment. [..] at the moment I would say rather better even than worse.”	Stronger bond	Positive effect on employees and business relationships	Long-term effects of the pandemic
I6	“But especially in China, there are also a lot of things going on in private WeChat groups. Which is sometimes hard to monitor from Germany because this is super untransparent.”	Regular usage of WeChat; difficulties with WeChat	The significant role of WeChat	Impact of digital tools on communication
I6	“And it’s important to have a local communication responsible there because communication is way different compared to us here, it’s way more dynamic.”	Local boss because of local knowledge	Importance of regional expertise and effective local leadership	Evolving communication strategies in a global context

I6	“There was way more communication through the local leadership team, compared to before, focused on really positive, in the future looking communication. [..] We also went back to more face-to-face townhalls, to ensure efficient exchange on certain topics. Allowing for questions and the opportunity to ask questions and raise their concerns to the management. Also, to get them closer together, because during the pandemic, the top management moved a little bit away from their employees.”	More frequent communication through / with local team	Adapted strategies during the pandemic	Evolving communication strategies in a global context
I6	“Chinese people tend to polish everything a little bit. [..] That was where we had to adapt our strategic approach, to ensure that long term strategic messages come over clear and are not polished in a positive way. We aligned our communication approach from a strategic level towards the locations [..] We started with a global town hall meeting, and created a structure where we are able to adapt these global strategic messages to how they apply locally. [..] What does this mean for the Chinese market? This was then adjusted further to our location, Shanghai, for example. Regarding if people are affected there, what it means for them and how they can respect that.”	Adapt company-wide messages specific to the subsidiary and the local development	Adapted strategies during the pandemic	Evolving communication strategies in a global context
I6	“And this changed a lot, we are currently discussing super open and in a reflective way. And that's different because before COVID it was just top down”	More social and reflective	Positive effect on employees and business relationships	Long-term effects of the pandemic
I6	“In general, an issue that every company operating in China is facing is the pretty high fluctuation compared to other countries, especially in the blue collar area.”	Chinese don’t feel as closely tied to company	High fluctuation in Chinese employees	Cross-cultural challenges and the new generation
I6	“Sometimes you lost the feeling if your Chinese colleague is really telling you the truth. Because switching off cameras was a certain type of problem.”	Chinese don’t switch on their cameras	Difficulties and limitations of remote communication	Challenges faced during the pandemic
I6	“And we also established different formats which were offered in-person before and now remotely. For example, the management coffee talk: just setting up a Teams call for half an hour, everyone grabs their coffee, dials in, and just talks about whatever comes to mind.”	Replaced small talk & coffee chats	Increase in online meetings	Impact of digital tools on communication

I6	“The long-term impact is that we are headed towards more of an exchange direction. All established exchange channels we developed during COVID-19 will stay. [..] What also changed a lot is the way we are able to push information through our organization, it got way more powerful.”	Communication is headed towards an exchange	Overall improvement in communication	Evolving communication strategies in a global context
I6	“Our communication in China has definitely improved during and also through COVID. Because we were facing situations where we had to rethink our communication formats and channels. And that's why I think there was a big push and we definitely improved there.”	Overall improvement in Communication	Overall improvement in communication	Evolving communication strategies in a global context
I7	“I find that colleagues have become more open and communicative. Corona has also led to a significant increase in web conferences. [..] there are now more web conferences because they've realized that it's good and that it allows them to nurture their contacts.”	More social / open	Positive effect on employees and business relationships	Long-term effects of the pandemic
I7	“Their work ethic has become even extremer, because they think they have to make up for lost time in the form of business.”	More effort / demanding	Positive effect on work ethic and a decrease in social events	Long-term effects of the pandemic
I7	“My personal perception is that communication has improved, colleagues have become more communicative. And that in every form; be it through web conferences, be it in writing, be it through phone calls.”	Overall improvement in Communication	Overall improvement in communication	Evolving communication strategies in a global context
I8	“The relationship is still the same as before, and this also applies when there are new colleagues. Because they know that I've been in China for a long time, they know the colleagues I know”	Importance of maintaining and long-term relationship	Long-term relationships enhance communication	Evolving communication strategies in a global context
I8	“And then there is just this general issue with remote work and Teams conversations. For example, if you have cross-functional topics, for me personally, a face-to-face workshop is much more efficient and target-oriented in comparison to if you only want to exchange information.”	Not efficient and target-oriented enough	Difficulties and limitations of remote communication	Challenges faced during the pandemic
I8	“The willingness, especially for the people which want to have a career, to work very hard for a long period of time is very different in comparison to Germany. [..] There we worked six days a week if necessary. It was no issue for someone to come in on Saturday. And nobody asked	Shift in work dedication (region specific)	Evolution of the new generation	Cross-cultural challenges and the new generation

	why or complained. It was never a big topic, especially for the high performers who want to have a career and want to learn.”			
I8	“German colleagues have to go to the embassy to give their fingerprints and so on [..] And before it was easy to obtain a Visa. But now, you have this extra step of going to Frankfurt to get an interview appointment, etc. This is somehow, I think, also a consequence from the political misalignment between the EU and China.”	Extended visa application procedure	Extended visa application procedure and elevated costs	Problems due to new data and security laws
I8	“I would say the pandemic has more of a geopolitical impact on the relationship between the countries.”	Geopolitical impact between countries	Geopolitical impact	Long-term effects of the pandemic
I8	“I heard one story where a foreigner from my company was pushed out of an elevator because the Chinese don't want to go with him into the elevator. Because they thought that he's bringing the virus. [..] If you don't know how the virus really spread and if you listen to the news in China and the propaganda, then for sure you believe it.”	Influence of Propaganda	Declining foreigner acceptance	Long-term effects of the pandemic
I8	“I would say it's stayed the same for the well-known circle. But I think if you are not in the circle, but for example in public, the Chinese' opinion about foreigners, has gone down in terms of acceptance. Also, in terms of willingness to work with them. And I think if they don't know the person, they are more skeptical and if they know the person then everything is fine like it was before.”	Less willing to work with foreigners	Declining foreigner acceptance	Long-term effects of the pandemic
I9	“But honestly, the conference calls, even with video, are not necessarily funny with Chinese. Because some of them [..] speak English badly or have a horrible accent.”	Not good due to language barriers	Difficulties and limitations of Remote Communication	Challenges faced during the pandemic
I9	“There is a private connection between the colleagues on site and myself, we have known each other for a long time. [..]. Because they have always been extremely independent and acted with sufficient self-confidence. And this core competence helped them to remain capable of action during the pandemic.”	Importance of maintaining and long-term relationship	Long-Term relationships enhance Communication	Evolving communication strategies in a global context

I9	“We are very, very close to the Chinese authorities, because we don't want to get into any trouble. That's why we also have correspondingly authorized Chinese situated in the Chinese subsidiary. We once had a European living there, but there type of things can only be handled by locals. As a remote worker, you are betrayed and sold.”	Company complying with all regulations	Alignment with Chinese authorities and compliance measures	Problems due to new data and security laws
I9	“This personal relationship really makes a big difference. And what we have benefited from now and during the pandemic is that we have taken care of it beforehand (cultivated contacts).”	Importance of maintaining and long-term relationship	Long-Term relationships enhance Communication	Evolving communication strategies in a global context
I10	“A Chinese will call you every two hours and will have a very nice conversation with you, but always come back to the same topic. This repetition of the task tells you that this is a very important topic for him, you must take care of it. [..] Everybody knows a Chinese will never say no, they say maybe.”	Cultural influence on business	Challenges in Communication	Cross-cultural challenges and the new generation
I10	“We learned that you can do a lot online, approx. 70 to 80%, but the contact is missing, the private exchange is missing. [..] So online meetings are good, can be helpful, but they cannot replace the visit on site.”	Cannot replace face-to-face and private exchanges	Increase in Online meetings	Impact of digital tools on communication
I10	“We had no big problems because we are about 400 kilometers northeast from Hong Kong. Meizhou is a relatively small city, with about 500,000 people. And the virus infection was not that bad over there. Over the two years, there was one two-week long shutdown, and the rest was more or less working normally.”	Challenge depends on location of subsidiary	Short-term operational disruption and growth challenges	Challenges faced during the pandemic
I10	“I have the feeling that the Chinese are a little bit more self-confident in the online meetings than before”	Increase in self-confidence	Positive effect on Employees and Business Relationships	Long-term effects of the Pandemic
I10	“Online meetings are helpful in between. But they prefer that we come over, they want to show what they have and their efforts”	Cannot replace face-to-face and private exchanges	Increase in Online meetings	Impact of digital tools on communication
I10	“Before, MS Teams did not work. I think Microsoft had some difficulties with the Chinese government [..] During the pandemic, Teams has intensified. For the last two years [..] we are only working with Teams.”	Acceptance of MS Teams after pandemic	More acceptance of foreign and modern tools	Impact of digital tools on communication

I10	“Online, you can talk about it and say you do it. Then you shut off the screen and forget to do it. But if you're sitting at the table, face-to-face, you must give an answer.”	Employees felt no pressure because they could log on and off	Difficulties and limitations of Remote Communication	Challenges faced during the pandemic
I10	“With the new generation there are a lot of young people coming out of school, English has become a standard, especially for studying. [..] So, in general, the communication is getting better.”	Increase in language skills	Evolution of the New Generation	Cross-cultural challenges and the new generation
I11	“It’s very popular to use WeChat also for daily work.”	WeChat used in the company	The significant Role of WeChat	Impact of digital tools on communication
I11	“It is easier for us to communicate and discuss topics when we have meetings face-to-face. That means we can have a better understanding and better feelings when we exchange our views.”	Cannot replace face-to-face and private exchanges	Increase in Online meetings	Impact of digital tools on communication
I11	“We can say it is like a family now because we look at it as a whole family and not thinking about the fact that they are colleagues from Germany. [..] We think the communication between us has been very smooth and everything is good.”	Stronger bond /Improvement	Positive effect on Employees and Business Relationships	Long-term effects of the Pandemic
I11	“But this was also a good chance for us to increase or to have additional communication ways. For example, online meetings, WeChat, phone calls, E-mail communication. Home office is a good improvement compared to before the pandemic period.”	Digital tools allowed for new formats of communication	Increase in Online meetings	Impact of digital tools on communication
I12	“The Chinese sales colleagues, who knew English sufficiently, always translated everything into the local language.”	Language Barriers	Challenges in Communication	Cross-cultural challenges and the new generation
I12	“I actually think the communication has gotten better in terms of openness. [..] Communication was always between just two people: the German expat in China and my predecessor. And today it's much more open because we include the Chinese colleagues.”	More open social due to increased communication	Overall improvement in Communication	Evolving communication strategies in a global context
I12	“There used to be more regular [..] sports activities or celebrations. I think that's because China is not back yet, they haven't recovered like the rest of the world has.”	Less business dinners	Positive effect on work ethic and a decrease in social events	Challenges faced during the pandemic

I12	“Surveillance in China has always existed, and since digitization it has become even more intense. [..] Whether it has become much more (surveillance)? I would simply say: Yes. There is more and more control and surveillance”	Increased surveillance	Increased data security / monitoring	Problems due to new data and security laws
I12	“The pandemic has shown us that it is also possible to hold meetings remotely, via teams and digital media.”	Digital tools allowed for new formats of communication	Increase in online meetings	Impact of digital tools on communication
I13	“China's Zero COVID Policy had a significant impact on the country and any business sector that manufactures in China.”	Significant negative impact on country and company	Short-term operational disruption and growth challenges	Challenges faced during the pandemic
I13	“From a Compliance perspective, we see that there are cultural issues in China hindering a company culture of openly raising and addressing concerns. We encourage local management to conduct regular Compliance Dialogues with their teams to facilitate this type of open exchange. This seems to be one of the more effective ways to achieve a more open culture of raising concerns.”	Problem of Indirectness; not addressing issues	Challenges in communication	Cross-cultural challenges and the new generation
I13	“While video calls do not replace face-to-face interaction, it has significantly helped in maintaining the personal networks.”	Facilitated communication but cannot replace face-to-face	Increase in online meetings	Impact of digital tools on communication
I13	“Being trusting and having trustful behavior is key to building and maintaining these relationships, which strengthen over time.”	Factors facilitating strong business relationships	-	-
I13	“The pandemic has showed the business industries that there are alternatives to business travel. Business travel has reduced and largely been replaced by video conferencing, which is more cost effective and time efficient.”	Travel can largely be replaced	Travel reduction	Long-term effects of the pandemic
I13	“We do perceive a greater sensitivity to the area of data protection and the social credit system. Further, it is difficult to get the employees in China to have some trust or faith to report concerns through the whistleblower hotline.”	Greater sensitivity to social credit system	Increased data security / monitoring	Problems due to new data and security laws

I13	“The pandemic has created multiple challenges for the group, causing multiple crisis management teams to be created. Strong communication was however key to reducing the negative impacts on the business during the pandemic.”	Crisis Management Teams were created	Effective crisis management and communication	Evolving communication strategies in a global context
I14	“We have a great team there and really good leadership, and they were able to handle these topics in a very good way. The main challenge, especially when it comes to global projects, was the missing possibility for the global teams to interact face-to-face in China.”	Importance of Great local leadership team	Short-term operational disruption and growth challenges	Challenges faced during the pandemic
I14	“Specifically, regarding intercultural topics, when it comes to the relations between China and other areas, is really understanding and respecting the other side's culture and appreciating these differences and building them into your interaction.”	Communication strategy needs to take cultural aspects into consideration	Importance of regional expertise and effective local leadership	Evolving communication strategies in a global context
I14	“All in all, it was more positive of how the team developed as a team during the pandemic”	Stronger bond /Improvement	Positive effect on employees and business relationships	Long-term effects of the pandemic
I14	“We took a hit on the relationships in terms of how to develop business, because you're right, there's a lot of human contact necessary for running business or developing and growing business in China. And this was completely missing”	Relationship got worse due to lack of human contact	Difficulties and limitations of remote communication	Challenges faced during the pandemic
I14	“I've heard some stories, especially in the South, [foreigners], etc. have not been welcome in. They sometimes had difficulties in finding hotels for foreigners.”	Skepticism is noticeable	Declining foreigner acceptance	Long-term effects of the pandemic
I14	“We have more sophisticated software and hardware which has led to an improvement in the quality of communication.”	Improved the quality of communication	More acceptance of modern tools	Impact of digital tools on communication
I14	“I think communication overall, irrespective of China or not, has improved because we have other means of staying in touch.”	Overall improvement in Communication	Overall improvement in communication	Evolving communication strategies in a global context

Appendix D – Forming, Labeling and Reviewing Themes

Theme 1: **Challenges Faced during the Pandemic**
Color-code for Coding Process: Red
Subthemes:

	Cited by:
1. Short-term operational disruption and growth challenges	
○ Short-term Shutdown	I1, I3, I12
○ Employees slept in factory	I1, I3, I4, I5, I7, I8, I9
Due to: Financial interest, living situation, company support	I4
○ Short-time work	I8
○ Drop in sales	I5
○ Projects failed because lack of travel	I2, I14
○ Stagnation of business growth	I14
○ Importance of great local leadership team	
○ Helped during the pandemic	I11, I5, I12, I14
○ Chinese subsidiary proved capable of handling effects well	I5, I7, I14
○ Challenge depends on location of subsidiary	I10
2. Adverse impacts on employee well-being	
○ Frustration / despair due to lockdown	I1, I2
○ Negative effect on belonging / commitment / relationships	I4, I5, I6
○ *Solutions:*	
○ Increased communication and interest	I4
○ Small gifts to motivate	I4
○ Increase in-person visits post-pandemic	I5
○ Apartment too small for home office	I4, I13
○ *Solution:*	
○ Provide remote office in city centre	I4
○ Creation of untrusting work environment	
○ Staff was questioned if working from home is necessary	I3
3. Difficulties and limitations of remote communication	
○ No transparency	I5
○ Lack of body language	I6, I12, I14
○ Trust between boss and employees lacking	
○ Boss needs to see employee work in Asian cultures	I4
○ Not good due to language barriers	I9
○ Not efficient and target oriented enough	I8
○ Employees felt no pressure because they could log on and off	I10
○ Relationship got worse due to lack of human contact	I14
○ Previous nurturing of contacts facilitated communication	I2, I8, I9
○ Online tools not always accessible with Chinese	I2, I10
○ Chinese don't switch on their cameras	I6, I8
○ *Solution:*	
○ Turn camera on themselves led to reciprocation	I6

Theme 2: **Impact of Digital Tools on Communication**
Color-code for Coding Process: Light Purple

Subthemes:	**Cited by:**
- **More acceptance of modern tools**	I3, I10, I12
○ Which has improved the quality of communication	I14
○ Acceptance of MS Teams after pandemic	I10
- **Increase in online meetings**	I1, I4, I5, I6, I7, I8, I9, I10, I11, I12, I13, I14
○ Facilitated communication and maintaining relationships	I4, I6, I7, I9, I10
○ Cannot replace face-to-face and private exchanges	I8, I9, I10, I11, I12, I13, I14
○ Day-to-day can be discussed online and big topics in person	I6, I9, I11
○ Replaced small talk & coffee chats	I6
○ Digital tools allowed for new formats of communication	I6, I11
- **The significant role of WeChat**	
○ Used in the company	I3, I5, I6, I9, I11
○ Forbidden in the company	I13

Theme 3: **Evolving Communication Strategies in a Global Context**
Color-code for Coding Process: Olive Green

Subthemes:	
1. Overall improvement in communication	**Cited by:**
Communication	
○ Communication improved globally	I14
○ Specific to China	I1, I3, I5, I6, I7, I9, I10, I11
○ Communication stayed the same	I2, I4, I8, I12, I13
○ Due to long-term BR	I2, I4, I8, I10
○ Increased communication helped overcome cultural challenges	I6
○ Communication is headed towards an exchange direction	I6
○ Information flow is more powerful	I6, I11
2. Adapted strategies during the pandemic	
○ Used monthly video message to replace travel	I4
○ Adapt company-wide messages specific to the subsidiary and the local development	I6
○ More frequent communication through / with local team	I6, I5
○ Before: communication only with manager	I5
○ Now: whole team involved to avoid misinterpretations	I5
3. Importance of regional expertise and effective local leadership	
○ Need to have a person in each region	
○ otherwise there are quick local animosities	I9
○ Great local leadership team helped during the pandemic	I11, I5, 12, I14
○ Local boss because of local knowledge	I10
○ Takes cultural aspects into consideration	I14
○ Company has a locally adapted strategy	I3, I5, I6, I9, I12, I14
4. Effective crisis management and communication	
○ Crisis Management Teams were created	I13
○ Strong communication was key in reducing negative impacts	I13
5. Long-term relationships enhance communication	

- They require credibility & time — I3, I9
- Importance of maintaining and long-term relationship — I9, I13
- Speak up more — I2, I8
- No difficulties when new Chinese colleagues arrive — I8
- Newcomers will experience difficulties — I2, I9

Theme 4: Long-term Effects of the Pandemic

Color-code for Coding Process: Blue

Subthemes:

1. **Workplace flexibility and hybrid work models** — **Cited by:**
   - Finding the balance between working from home and in the office — I4, I14
     - Solution: Flexible working spaces — I4
   - Home office allowance — I4, I5, I11
     - Creating a new work environment for the next generation — I4
     - Realization / acceptance of home-office for certain jobs — I4, I11
     - Positive outcome in terms of work efficiency — I4, I11
   - Hybrid — I1, I6, I14
     - Mix of in-person and virtual
2. **Positive effect on work ethic and a decrease in social events**
   - More effort / demanding (catching up) — I5, I7
   - Reflective and open — I6, I12
   - Change in Events — I6, I7, I12
   - Taking place in a hybrid format — I6
   - Less business dinners — I12
3. **Travel reduction** — I2, I4, I7, I13, I14
   - Cost effective & time efficient — I7, I13
   - Due to new means of communication — I14
   - Aiming to travel less frequent but longer to have bigger impact — I4
4. **Positive effect on employees and business relationships**
   - Stronger bond /Improvement — I1, I3, I5, I6, I11, I14
   - Loss of foreigners leading to increase in self-confidence — I4
   - Feeling of belonging — I1
   - Showed good people to be good and bad people to be bad — I3
   - Increase in self-confidence — I4, I8, I10
   - More social / open — I3, I4, I5, I6, I7, I12
   - Proved capable, faithful & organized — I5, I7
   - Reflective — I6
5. **Declining foreigner acceptance** — I8, I3, I5, I4, I5, I8, I14
   - Skepticism is noticeable — I3, I8, I14
   - Influence of Propaganda — I8
   - Less willing to work with foreigners — I8
   - Regional Differences in Acceptance of Foreigners
     - They are not as accepted outside of capital cities — I3
6. **Geopolitical impact**
   - Geopolitical impact on the relationship between the countries — I8

***Theme 5:* Problems due to New Data and Security Laws**
Color-code for Coding Process: Yellow

Subthemes:	**Cited by:**
1. Extended visa application procedure and elevated costs	I4, I5, I8, I10
○ *Ex.: taxes, insurance*	
2. Less trust in foreign tools	I3
3. Increased data security / monitoring	I12, I13
○ Not allowed to take company property to different subsidiaries	I3
○ Greater sensitivity to social credit system	I13
○ Difficult to get Chinese to raise concerns	I13
4. Alignment with chinese authorities and compliance measures	
○ Company complying with all regulations	I4, I9
- Noticed no difference:	I1, I5, I6, I7, I11, I14

***Theme 6:* Cross-Cultural Challenges and the New Generation**
Color-code for Coding Process: Dark Purple

Subthemes:	
1. Evolution of the new generation	**Cited by:**
○ Increase in language skills	I10, I12
○ Shift in work dedication (region specific)	I8
2. Challenges in communication	I3, I8, I9, I12
○ Cultural differences can be overcome after a long time	I9
○ Indirectness	I8, I13
○ "Yes" doesn't mean yes	I2, I3, I9
○ No calling someone out / insulting	I3, I14
○ Not addressing issues	I5, I13, I14
○ Polishing everything	I6
○ Miscommunication of expectations	I3
○ Solution: Patience & Explanation	I3
○ Language Barriers	I3, I8, I9, I12
3. High fluctuation in Chinese employees	
Blue collar employees:	
○ Chinese don't feel as closely tied to company	I6
○ "Just a job" attitude	I3