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# Examining Stakeholder Relationships in Chinese Public Relations Practice:

# A Case Study of LinkedIn China and

Its Sub-Brand Chitu

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A thesis submitted to the faculty of
Brigham Young University
in partial fulfillment of the requirements for the degree of

Master of Arts

Christopher Wilson, Chair Robert Wakefield Kenneth Plowman

**School of Communications** 

Brigham Young University

June 2016

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#### **ABSTRACT**

Examining Stakeholder Relationships in Chinese Public Relations Practice:

A Case Study of LinkedIn China and

Its Sub-Brand Chitu

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This qualitative, single case study research analyzes the stakeholder relationship cultivation strategies employed by LinkedIn China and its sub-brand Chitu. It also examines the extent to which the propositions of stakeholder theory and relationship management theory are applicable in a Chinese public relations context. Observations were made through analysis of documentation, interviews, direct observations and participant-observation. The results show that stakeholder theory and relationship management theory alone could not adequately explain the ways in which LinkedIn China and Chitu establish and maintain relationships with their stakeholders. This research discovered that additional theories are needed to explain LinkedIn China's success in relationship building. These theories include the Arthur W. Page Society's Building Belief Model and its Page principles; moreover, relationships between LinkedIn China and its stakeholders were forged and cultivated through CEO communication, personal influence, and issues management. The study also reviews how Guanxi, as an evolving cultural factor, affects LinkedIn China's decision-making and public relations strategies. Finally, this study offers practical insights for foreign organizations that need to nurture relationships with stakeholders in China.

Keywords: Stakeholder relationships theory, public relations strategies, Guanxi, LinkedIn China, Chitu, foreign internet companies, China



#### **ACKNOWLEDGEMENTS**

Through this acknowledgment, I would like to express my gratitude to those people, who have been associated with this project, have helped me through it, and have made it a worthwhile experience. I am foremost grateful to my parents, who, though they are in China and far away from me, have supported and encouraged me throughout this process. To my fellow classmates, thank you for all the good times and laughs that made the stressful times bearable; I could not have asked for a better group of inmates. To my friends Bobby and Pascal, thank you for providing me with unconditional intellectual and emotional support.

I would also like to extend my most gratitude to Dr. Wilson who guided and supported in this learning process; thank you so much for your valuable suggestions and input. Sincere thanks also to Dr. Wakefield and Dr. Plowman who contributed their time as my committee members; I thank you for your insights and assistance.

Finally, I would like to thank myself, during this long, but worthy thesis-writing journey.

I have learned so much and have recognized a better me, who would love to devote all my life into mastering international public relations and cross-cultural communication.



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#### **Chapter 1: Introduction**

LinkedIn, as a professional worldwide networking platform, entered China for the first time in January of 2014 and was granted the Chinese name of "Ling Ying," which has a similar pronunciation as LinkedIn, while obtaining the Chinese meaning of "leader of elites" (David, 2014). As a new comer, LinkedIn China has aspired to be an entrepreneurial Chinese company. For about a year and a half thereafter, LinkedIn had won over those Chinese users, who are mostly identified as clerks, from foreign companies and multinational corporations, as well as, overseas students, who have a good mastery of English, and have the needs of "worldwide connection" (Qi, 2015. para.7). Those users, however, represent only a limited portion of the Chinese professional population. This relatively small segment of the population makes it difficult for LinkedIn China to reach its goal of "fast user growth" (Derek, 2015). Another factor that hinders LinkedIn China's growth is that as a part of its global system, it has to report via a "chain of command," to LinkedIn's headquarters located in the United States, any movement, such as product adaption, to maintain its worldwide platform. This reporting requirement slows LinkedIn China's development, especially because China has a fast-changing mobile internet environment and its users differ distinctively from western ones in language, culture, using habits and social hierarchy. "The most crucial underlying issues are the complicated social structure and the cultural differentiation of regions in China, because of which 'worldwide connection,' as LinkedIn's key value, is lack of attraction to quite a few Chinese young professionals" (Qi, 2015. para.19). In order to gain a firm foothold in the Chinese market, LinkedIn China had to bring forth new concepts to win over as many users as practical.



In June of 2015, a remarkable and memorable moment for LinkedIn China occurred; "Chitu," a professional social networking app, developed solely by a Chinese technical team in LinkedIn China and targeting young professionals in China, emerged into public view ("Chitu, An All-In," 2015). Since then, there has been an increase in the number of users. Chitu's development has been impressive in many ways. It is important to note that there are distinct differences between the brands of Chitu and LinkedIn China; to illustrate,

LinkedIn China is a relatively international, high-profiled and stern in its approach; while Chitu emphasizes warmth, youth, and fun in professional society. LinkedIn China targets consumers, who need "worldwide connection," who speak English, and have overseas and multinational corporation backgrounds; while Chitu predominantly deals with Chinese local professionals who focus on career enhancement; moreover, LinkedIn China aims to establish a worldwide platform, while Chitu is only for the Chinese market with all its product designs based on Chinese characteristics. (Derek, 2015, para. 1)

It is the first time for LinkedIn to establish a sub-brand in a regional market, and it is groundbreaking as well as meaningful that the Silicon Valley giant delegates unprecedented power to its subordinate Chinese company (Qi, 2015). However, the existence of Chitu is both a supplement to and a competition with LinkedIn's embodied products in the Chinese internet market. Then, why did LinkedIn agree to such a contradictory and risky experiment? Facing the conflicts and adjustments between western professional networking culture and Guanxi (literal personal relationships and connections) in Chinese traditional culture, how does Chitu, the star product of LinkedIn China, along with Chitu's team, take the "intelligent risk" in order to not only survive, but thrive in China? These are most important questions that will be explored and discussed in this research.



Many multinational corporations, such as western food giants McDonald's and Kentucky Fried Chicken (KFC); tech companies, such as Apple and Samsung; as well as manufacturers Toyota and Subaru, have paid increasing attention to the Chinese market and have made it an essential part of their worldwide development strategies ("How many multinational," 2015). They have witnessed that China is one of the world's fastest-growing economies:

The Chinese economy experienced astonishing growth in the last three decades that catapulted the country to become the world's second largest economy. In 1978—when China started the program of economic reforms—the country ranked ninth in nominal gross domestic product (GDP) with USD 214 billion; 35 years later it jumped up to second place with a nominal GDP of USD 9.2 trillion. ("China Economic Outlook," 2016, para. 2)

The enormous potential of the Chinese internet economy is also encouraging an increasing number of foreign internet companies to launch operations in China ("Internet economy exploring," 2015). However, setting foot into the Chinese market requires appropriate public relations strategies that take into account Chinese culture, politics and economic differences and uniqueness. Time has witnessed that a number of American companies have voluntarily given up their businesses in China, while others have failed on account of flawed business plans and execution. According to Lu (2011), "In 2007, eBay sold 49 percent of its subsidiary's shares and handed over its operation to Tom.com. In 2010, Google declared [it would] close its searching services in Mainland China" (p. 2). In this age of internet globalization, it has been witnessed that "many successful foreign companies enter China with their heads held high only to later slink away in defeat" (Custer, 2015. para.1). There are other



global internet companies, such as Facebook, who have found it difficult to make inroads into the Chinese market (Kristina, 2015).

Many foreign internet companies have failed in the Chinese market because of their insufficient understanding of the special Chinese environment and their desire to use their own successful models previously adopted in their own country (Custer, 2015). Foreign internet companies may find success difficult to achieve in China; there are several probable reasons: (1) they fail to access the realities of doing business in China; (2) they fail to cultivate mutually beneficial relationships; and (3) they neglect to offer Chinese stakeholders products and services competitive in value to those of local companies (Jianshuo, 2013). As an old Chinese saying goes, "One who knows his own strength and that of the enemy is invincible in battle." Foreign companies may benefit from a better understanding of the large and sophisticated Chinese market and maintaining long-term relationships with the network of resource coalition-based stakeholders such as Chinese authorities and diversified consumers, which are crucial to their success (Su & Mitchell & Sirgy, 2007).

#### **Scope of the Study**

Scholars have recognized the challenge of bringing a robust body of knowledge to prepare present and future public relations practitioners to face the dynamics of diverse publics across borders (Sriramesh & Vercic, 2001). Research on organization-public relationships from a western perspective has focused on stakeholder and relationships theories. More specifically, in terms of stakeholder theory, scholars show a heavy focus on identifying the stakeholders (Freeman, 1984; Later Freeman & Reed, 1983; Clarkson, 1994; Savage, Nix, Whitehead, & Blair, 1991; Mitchell, Agle & Wood, 1997; Mitchell, Agle & Wood, 1997; Alkhafaji, 1989; Thompson, Wartick & Smith, 1991), the importance of meeting the needs of all the stakeholders (Freeman &



Reed, 1983), differentiating the terms "stakeholder" and "public," (John Deweys, 1927; James Grunig & Repper,1992). According to the linkage model developed by Esman (1972) and adapted by Grunig and Hunt (1984) for public relations, there are four linkages that identify stakeholder relationships to an organization: enabling linkages, functional linkages, diffused linkages, and normative linkages. The theoretical approaches from western scholars' perspective are quite rich; nevertheless, the empirical and applied research results of stakeholder theory applied in China are very few, despite the fact that aspects such as the definition, classification and corporate governance of the stakeholders have achieved fruitful results there (Liu & Gan, 2009).

There have been some scholarly findings about the defining characteristics of relationships and methods required to maintain organization-public relationships. However, few of those former studies have necessarily addressed relationship management outside of western culture. Broom, Casey and Ritchey (1997) proposed a model of relationships that states relationships have antecedents, such as social and cultural norms, collective perceptions and expectations, and needs for resources. Hon and Grunig (1999) offered strategies for maintaining effective organization—public relationships, including access, positivity, openness, assurance, networking, and the sharing of tasks. Kim, Park and Im (2015) introduce six important factors into relationship maintenance strategies, which are as follows: positivity, openness, access, sharing of tasks, assurance and networking. Ledingham and Bruning's (1998b) management of relationships as well as Broom et al. (2000) supports the notion of mutuality, which means the goal of relationship management is mutual understanding and benefit. In terms of studies about relationship cultivation in Chinese culture, only one study about how multinational companies practice relationship management in China was found. Chun-ju Flora (2004) focused on the role



culture plays in relationship cultivation, suggesting that characteristics of Chinese culture, such as family orientation, Guanxi and relational orientation, indeed affect multinational companies' relationship cultivation strategies. He also revealed that multinational corporations from western countries were more persistent in maintaining their own cultural values in relationship building instead of adapting more to the local culture. Therefore, it comes as no surprise that a theoretical gap lies between understanding how multinational corporations, especially western companies, build successful relationships in China, and research that would show if they have understood basic underpinnings of the local culture, and have incorporated them into their business models. One essential component of their success is their relationship cultivation strategies, which may differ substantially from those in the West; for example, western companies must be aware that basic to relationship building strategies in China is Guanxi.

Guanxi, "different from simple networking in Western societies, is a unique social and cultural phenomenon deeply rooted in Chinese culture and gradually developed throughout the thousand year-old society, implying a reciprocal relationship" (Hackley & Dong, 2001. p.16-17). Hackley and Dong (2001) draw a sharp contrast between Guanxi and western social networking from an American public relations viewpoint: "Private vs. public; closed vs. open; invisible vs. visible; interpersonal vs. mass media, and friendly ties vs. principle-centered" (Hackley & Dong, 2001. p. 19). The concept and implications of Guanxi have also been identified and widely studied by scholars. Specifically, in terms of how organizations use the Guanxi approach in managing stakeholder relationships, Su, Mitchell and Sirgy (2007) introduce the concept of specialization into Guanxi management. However, there has been only limited study on observing and analyzing how foreign internet companies attempt to adopt and utilize Guanxi approaches in China.



## **Purpose of the Study**

Adler (1983) argues that if research is dedicated to testing theory across more than two cultures at a time, it provide important information and conclusions about universal possibilities. With this approach in mind, the current study intends to test whether stakeholder and relationship theories, which have been derived and primarily examined from a western prospective, will apply in the same way to public relations efforts in developing countries, such as China, where the concepts of public relations are still relatively new and there are considerable political, social and culture differences from the west. Therefore, the primary focus of this study is to examine the extent to which the propositions of stakeholder and relationship management theories are applicable in a Chinese public relations context. Additionally, this research will seek to discover the ways in which Guanxi culture can bring greater understanding to these public relations theories. Lastly, the researcher provides practical insights for foreign organizations that need to nurture relationships with stakeholders in China; for instance, how they could identify and prioritize relevant stakeholders in the organizations' different stages of development.

To accomplish this aim, this study adopts a case study methodology that includes an analysis of documents, interviews and observations from a wide scope of LinkedIn China's and Chitu's communication and relationship cultivation strategies from 2014 to 2016. Also, Chitu is a sub-brand of LinkedIn China, and for purposes of this study, the researcher primarily focuses on Chitu's identifying, prioritizing its stakeholders as well as the implementation of effective relationship cultivation strategies with cultural sensitivities. It is hoped that this research provides a more robust understanding of the stakeholder relationships and relationship cultivation strategies that are needed for multinational corporations to do business in China, as well as stimulating further discussion on this topic.



## **Chapter 2: Literature Review**

Several theoretical propositions provide guidelines that an organization may employ to implement effective strategies in the interest of maintaining its stakeholder relationships. This section reviews the previous literature on the subjects of Chinese social media, relationship management theory, social media relationship building strategies, relationship cultivation on Chinese social media, stakeholder theory, as well as "Guanxi" and stakeholder relationship management in China.

#### **Chinese Social Media**

Social media includes computer-mediated tools that allow people to create, share or exchange information, ideas, and pictures/videos in virtual communities and networks. Social media is defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content." (Kaplan, & Haenlein, 2010). Social media are different from traditional or industrial media in many ways, including quality (Agichtein, Castillo, Donato, Gionis, & Mishne. 2008), reach, frequency, usability, immediacy, and permanence. It is generally associated with the advancing presence of communication technology and influence companies reach, persuade, inform, and respond to their public's ongoing demands and expectations.

Social networking sites or services (SNSs) are considered an important aspect of discussion in social media. A study by Kaplan and Haenlein (2010) states that SNSs enable users to connect by establishing personal information profiles, inviting friends and colleagues to have access to those profiles, and sending e-mails and instant messages among themselves. SNSs are proliferating and growing in popularity worldwide. Different regions have different popular SNS (Madhavan, 2007). As of April 2016, the ten most globally popular and influential social media

platforms are Facebook (1.59 billion active users), WhatsApp (1 billion users), QQ (853 million users), WeChat (697 million users), Qzone (640 million users), Tumblr (555 million users), Instagram (400 million users), Twitter (320 million users), Baidu Tieba (300 million users) and Skype (300 million users) (Silvius, 2016). Facebook, the most popular social network in the world, maintains primacy in the occident, Southeast Asia, Australia and Oceania. However, Facebook is completely banned and blocked in China—giving Facebook absolutely no market share within the largest global market population-wise (Zheng, 2013).

Although SNSs like QQ, Orkut, and Live Spaces are just as large as, if not larger than, Facebook, they receive little coverage in U.S. and English-speaking media, making it difficult to track their trajectories (Ellison 2007). Nowadays, with the economic momentum and fast growth of Chinese web citizens, some giant SNSs such as WeChat are catching people's attention domestically and abroad, especially in the Asia-Pacific region (Deniz, 2014).

Tencent QQ, a Chinese instant messaging company, offers innovative and populous instant messaging platforms in Chinese, Japanese, English and French. QQ users can also use the QQ platform for microblogging, shopping, game playing, group chatting and voice chat. QQ utilizes QQ Coins as a digital form of currency that allow subscribers to buy add-on features for their avatars or blogs (Pearson, 2015). Likewise, WeChat is a Chinese mobile text and voice messaging platform that was created by Tencent and available for use worldwide. WeChat allows optimized end-user texting, voice messaging featuring hold-to-talk informatics, inductive broadcast messaging, video conference capabilities, real-time online video game playing and location sharing analytics (Silvius, 2016). Qzone, another Tencent creation, operates mainly in China and Chinese-speaking countries. Qzone fills a social media niche by allowing users to keep journals, write blogs, tag photos and link videos and music (Pearson, 2015). Thus, Qzone is



essentially a Chinese hybrid of Instagram, Pinterest and Facebook, in that it allows Chinese users to share social media chat modalities, multimedia and user wish-lists.

Baidu Tieba, meaning 'Baidu Paste Bar' in English, constitutes China's largest communication and media forum—a subsidiary of China's largest search engine, Baidu (Zheng, 2013). Baidu is available in China, Vietnam, and Japan. Baidu Tieba represents a tightly knit online community operating localized internet search services, forum generation and subject-catalogue based dialogue that is moderated so as to uphold the integrity and ethicality of the service (Silvius, 2016). Baidu Tieba has also expanded beta-testing platforms since 2015 in Brazil and Thailand (Zheng, 2013). Baidu Tieba's emergent popularity is ostensibly due to its corollary status as the social media wing of Baidu; one of the largest search engines in the world.

LinkedIn China and Chitu. LinkedIn is a business-oriented social networking site, which was founded in December 2002 and launched on May 5, 2003. Its mission is to connect the world's professionals and make them more productive and successful ("LinkedIn About," 2016). It focuses on professional networking. As of 2015, LinkedIn reported more than 400 million acquired users in more than 200 countries and adds two new members every second of the day ("LinkedIn Blog," 2016). This company is publicly held and has twenty-four language versions as well as a diversified business model with revenues coming from talent solutions, marketing solutions and premium subscription products (Hempel, 2013).

From 2003 to 2010, the growth of this internet social networking company was slow but promising. In 2011, LinkedIn became a publicly traded company on the New York Stock Exchange ("LinkedIn About," 2016). Its largest acquisition to date, online learning platform Lynda.com, sold for \$1.5 billion (Bariso, 2015). This sale was followed by acquiring professional content sharing platform SlideShare for \$119 million and to some extent, it shows



the ambition and foresight on its social media strategies as well as developing online education, which fulfills professionals' needs. LinkedIn CEO Jeff Weiner believes that Lynda could be critical to helping its expansion into China, and into other areas of the emerging world. This expansion could be game-changing (Jess, 2015). LinkedIn became a truly global company in 2008, when opening its first international office in London, and launching Spanish and French language versions of the site ("Our history LinkedIn," 2016). LinkedIn's growth depends heavily on international markets (Trefis, 2016). China, as the biggest emerging market, is a significant part of LinkedIn's expansion.

On February 24, 2014, LinkedIn expanded its presence in China by launching a beta version of its new Simplified Chinese site branded "领英" (Ling Ying), to offer a more localized service to the members in China (Shen,2014). This marked the official beginning of LinkedIn's presence in the Chinese market. It also established a joint venture with Sequoia China and CBC Capital to explore expanding its business (Shen, 2014). Through this site, LinkedIn is expected to connect over 140 million Chinese professionals with each other, which adds to its 277 million existing members globally. The mission is to connect the world's professionals and create greater economic opportunity (Shen, 2014).

In June, 2015, LinkedIn China launched its brand new product "Chitu," which is a professional social networking app independently developed by the local team in China, and it is a mobile platform for young Chinese professionals to connect and interact with others.

According to one of the leading industrial media, in China, TMT,

Chitu, literally means 'red rabbit' in Chinese, was named after a war-steed in the historical novel Romance of The Three Kingdoms. LinkedIn China hopes to use Chitu to conquer the Chinese market, which has been always short on such networking services all



along. Chitu is also expected to be a powerful career boost for many young talented individuals in China ("Chitu, An All-In," 2016, para. 4).

Furthermore, TMT has introduced the notion that "Chitu is an independent and new product in the Chinese market, is run separately from LinkedIn globally, and it is the very first case in which an international Internet company has adopted a double brands strategy to conquer a specific market" ("Chitu, An All-In," 2016, para. 2). Overall, Chitu is an app that was designed and developed by a Chinese entrepreneurial team for Chinese professionals.

The creation of Chitu is based on the following situation; "Since China opened up to foreign investment in the late 1970s, some of America's most powerful corporations have gone confidently into the People's Republic, only to stagger out a few years later, battered, confused, and defeated" ("Why big American," 2013, para. 2). Foreign internet companies, such as Google and eBay, have either "suffered from a lack of flexibility, or a failure to localize. Others failed because of bad timing, or a superior local competitor. There is a pattern, however, which can define the biggest failures in China: not being capable in grasping just how different—and cutthroat—the Chinese market can be" ("Why big American," 2013, para 6). It also implies that most companies failed because of a lack of understanding of the legal and cultural environment, which means whoever wants to succeed may have to learn how things really work on the ground in the unique Chinese market.

It is the first time in the history that multinational corporations have had this extensively autonomous right to develop a totally new product that is irrelevant with its own global system. "Both will operate in the country under the business-oriented social network's dual-brand strategy" ("Take two for," 2016, para. 2). It is hoped that this Chitu app would help LinkedIn China grow faster in the Chinese market while at the same time be quite consistent with the pace



of LinkedIn is walking in the global arena, so that Chitu's development can benefit from the resources that LinkedIn headquarter provides (Zhongcheng, 2015).

# **Relationship Management Theory**

That LinkedIn China and Chitu have prospered in China, where other tech companies have failed, is predicated upon their developing a well-rounded relationship cultivation plan to meet the needs of local stakeholders. Fundamental to this plan is that LinkedIn China and Chitu understand the value of relationship cultivation, and, therefore, implement various strategies conducive to the creation and maintenance of those relationships. This is crucial in cultivating and maintaining business success in China; hence, as scholars have noted, there are certain precursors that are essential to reviewing the characteristics of relationships, as well as, the general measures required to maintain organization-public relationships, which explain the strategies of LinkedIn China and Chitu.

It is important to understand what relationships mean and how they work from a scholars' perspective. Broom, Casey and Ritchey (1997) argue that relationships have antecedents (e.g., social and cultural norms, collective perceptions and expectations, needs for resources, perceptions of uncertain, environment and legal/voluntary necessity); properties (e.g., exchanges, transactions, communications, and other interconnected activities); and consequences (e.g. goal achievement, dependency/ loss of autonomy, routine and institutionalized behavior). Their model provides a foundation for shaping the future status of relationships.

Broom et al. (2000) suggested that, "relationships consist of the transactions that involve the exchange of resources between organizations...and lead to mutual benefit, as well as mutual achievement" (p. 91). On the determining factors of organizational-public relationships, L. A. Grunig, J.E. Grunig, and Ehling (1992) recommended the dimensions of reciprocity, trust,



mutual legitimacy, openness, mutual satisfaction, and mutual understanding, all of which pertain to the consequence phase of the Broom, Casey, and Ritchey (1997) model. Later, Ledingham and Bruning (1998b) added five relevant and operationalized dimensions: trust (a feeling that those in the relationship can rely on each other), openness (as opposed to closedness), involvement (a balance of relationships), investment (time, energy, feelings, efforts and other resources given to build the relationship), and commitment (involves the decision to continue a relationship), which reflect the properties model of relationships defined by Broom, Casey and Ritchey (1997). Hon and Grunig (1999) offered strategies for maintaining effective organization—public relationships, including access (i.e., members of publics or opinion leaders provide access to public relations people), positivity (i.e., things that the organization or public does to make the relationship more enjoyable for the parties involved), openness (of thoughts and feelings among parties involved), assurance (i.e., attempts by parties in the relationship to assure the other parties that they and their concerns are legitimate), networking (i.e., organizations' building networks or coalitions with the same groups that their publics do, such as environmentalists, unions, or community groups), and the sharing of tasks (i.e., organizations' and publics' sharing in solving joint or separate problems). They also suggest that control mutuality, trust, satisfaction, and commitment are desired organization-public relationship outcomes that can be measured to evaluate relationship strength.

A theory of loyalty was found by Ledingham and Bruning (1998b), indicating that "organizational involvement in and support of the community in which it operates can engender loyalty toward an organization among key publics when that involvement/support is known by key publics" (p.63). They argue that organizations must "(1) focus on the relationships with their key publics, and (2) communicate involvement of those activities/programs that build the



organization—public relationship to members of their key publics" (p. 63). Research from Ledingham, Bruning and Wilson (1999) also suggest that organization—public relationships change over time.

Mutual understanding and benefit for interacting organizations and publics ask for effectiveness in managing organizational-public relationships based on shared goals and interests (Ledingham, 2003). The notion of mutuality is also supported by Ledingham and Bruning's (1998b) management of relationships. The relationship management theory identifies the effective management that produces mutual understanding and benefit under a focus on shared goals and common interests over time, which meets Broom et al.'s (2000) explication requirements. Ledingham (2003) suggests that relationship management theory is considered a general theory and "specifies how to build toward symmetry (managing organizational–public relationships around common interests and shared goals) and when to apply that approach (over time) . . . . The end goal of relationship management is mutual understanding and benefit. Identifying, typing, and categorizing publics, certainly, should be an integral part of that process" (p. 12). All in all, it is necessary and rewarding for public relations professionals to augment their ability to establish relationships and partnerships under those principles.

It has also been demonstrated that if programs are designed to generate the desired outcome of management of organization-public relationships (mutual understanding and benefits), they would contribute to attainment of an organization's social, economic, and political goals under the condition that those programs focus on the common wants, needs, and expectations of organizations and interacting publics (Ledingham, 2001a; Ledingham & Bruning, 1998b).



Furthermore, Ledingham (2003) have concluded that the building and sustaining of organization-public relationships requires not only communication, but public and organizational behaviors, which is central to the relationship management perspective. "Communication alone cannot sustain long-term relationships in the absence of supportive organizational behavior" (p.15).

# **Social Media Relationship Building Strategies**

Many disciplines and practices such as mass communication and public relations have been impacted substantially by social media. In particular, social media has spurred many research topics and opportunities in public relations fields.

Social media engagement is a relatively new focus in the field of public relations, but has progressed through various stages. Dialog and conversation are related to an understanding of relationship building with publics. Studies on the early stages of social media have found that companies tend to have one-way communication; however, organizations highly engaged in two-way communication receive fewer negative mentions on social media (Wigley & Lewis, 2012). Thus, the results suggest two-way communication and engagement with stakeholders is critical. Another channel to build relationships online through various stakeholders is online brand communities (Fröhlich & Schöller, 2012), which may help identify the highlights and pain points for stakeholders. However, to maintain the stakeholders' interest, organizations must respond quickly to any issues that involve online communities. Mobile technologies in the field of public relations are getting researchers' attention, and the research about it has maintained steady growth (McCorkindale & Morgoch, 2013).

In the research of how cooperation use social media to manage reputation, the reputation management strategies for the internet were first recommended by Solheim and Henning (1998).



Subsequently, Bunting and Lipski's (2000) said that companies should "be grateful to the Internet for enabling them to get closer to their stakeholders" (p. 177). Phillips (2000) emphasize the importance of collecting information via social media for reputation management, and Clark (2001) emphasize the importance of not only collecting, but also being responsive to major online commentary. Companies have found that they were not fully using the two-way function of the Web in their reputation management activities (Solheim & Henning, 1998). After more than ten years of research exploration, Gilpin (2010) recognized relationship building, as well as the public nature of image, is used increasingly, and on Wikipedia, DiStaso and Messner (2010) conducted the first in-depth analysis of corporate image.

Social media also can act as a tool of vertical and horizontal integration for organizations using public relations as a device for larger swaths of dissemination. For example, press releases can be tied into social media imperatives in order to bypass traditional avenues for dissemination that may lead to unnoticed press releases (i.e., spam folders of email inboxes, traditional physical mail; Papasolomu & Melanthiou, 2012). By using platforms such as Twitter, Facebook and Instagram to merge press releases with the meme-oriented viral dynamics of social media, organizations can utilize social media as an instrument for amplifying the reach of their publicity messages. As such, social media imperatives can create proactive hoopla and 'buzzworthiness' around the messages that an organization seeks to inculcate within the minds of its target audiences (Khang, Ki & Ye, 2012).

Moreover, organizations can use multimedia integrative platforms, such as YouTube or Qzone, in order broadcast important informatics in riveting and entertaining formats instead of purveying such data in the antiquated blandness of the pre-web 2.0 days. Moreover, sharing such data also allows followers to share, tweet, pin or further amplify the data so that it reaches the



followers and friends of the followers who are re-sharing the principal information (Rice & Atkin, 2012). In this way, social media can be used as an amplification device to reach contingent and concentric ancillary end-users who are acquainted via social media with principal target audiences. Thus, social media can be a catalyst for public relations reaching out to unintended end-users who may further share the principal public relations informatics with others yet (Khang, Ki & Ye, 2012).

Social media, when paired with public relations imperatives, can enhance relationship building strategies, both between organizations and between organizations and end-users (Khang, Ki & Ye, 2012). Moreover, social media companies also utilize their own platforms for a variety of reasons. For example, social media companies can use their own platforms to gain alliances and partnerships with other organizations for purposes of advertising, marketing, brand cultivation or relationship building (Rice & Atkin, 2012). For instance, if Facebook were to hypothetically acquire an organization, or become partial to a certain cause, they could use their own advertising and targeted marketing platform to create in-house publicity via their own distribution channels for advertising, marketing and publicity. Thus, Facebook, and other similar advertising-oriented platforms, can use their distributive channels to advertise organizations, and causes they are interested in, to their end users and target audiences (Rice & Atkin, 2012).

When social media companies utilize their own platforms for self-interested purposes, this creates a feedback loop of communicative and distributive palpability (Papasolomu & Melanthiou, 2012). The feasibility of using one's own social media platform for promotional and informatics reasons is to disseminate messages by way of the exponentially amplified power of the platform's ability to permeate multi-tiered levels of targeted and ancillary audiences (Khang, Ki & Ye, 2012). This enhanced amplification creates novel situations where self-interested social



media sites can become compatible with others. For instance, many modern web 2.0 apps, such as Instagram, Venmo and Tinder, require Facebook login and authentication in order to utilize the applications (Khang, Ki & Ye, 2012). Thus, Facebook, and other successful social media platforms, can use their optimized functionality as a way of ingratiating their usability with other social media platforms and apps (Rice & Atkin, 2012). These social media linkages create further interconnectivity throughout the internet and allow for seamless usability for a wide variety of end users.

Additionally, scholars have found that through various community building and experience sharing, social media can be used as an effective channel for building relationships and engaging customers (Guo, 2014). "Social media has been developed in different kinds of forms such as blogs, forums, photo sharing, video sharing, podcasts, wikis, social networking websites, social bookmarking and so on" (Kim, Park & Im, 2015, p.2). The rapid development of new technology has developed multiple communication channels, dramatically changing the way public relations are practiced and public relations practitioners communicate with publics (Wright & Hinson, 2009; Eyrich, Padman, & Sweetser, 2008).

In recent years, studies on social media such as Facebook, Twitter, Flickr, or YouTube can provide a more broad implication with regard to how social media can be used in building relationships between an organization and publics (Kim, Park & Im, 2015), in which scholars discovered six important factors in relationship maintenance strategies: "positivity, openness, sharing of tasks, networking, assurance, and access" (p. 2). In a study on the dominant purpose of Twitter usage by major US retail companies and to what extent the relationship maintenance strategies were incorporated into Twitter, Li (2015) found that "Access was the most widely used strategy followed by assurance and positivity. Furthermore, two relationship maintenance



strategies were found significantly more frequent in use in the brand loyalty leader group than the Fortune 500 group – positivity and assurance" (p. 3).

# Relationship Cultivation on Chinese Social Media

China, with the world's largest Internet population, and the second largest economy, is an emerging market with a rapidly growing number of SNS users and a booming public relations industry. Its numeric and economic power is not to be neglected. According to Yeo and Li (2012), the Chinese internet is "one of the most vibrant economic and social cyberspace in the world" (p. 7). A survey has indicated that SNSs is playing the prominent role in Chinese users' lives. Chinese spend more time on SNSs than American users (Chu & Choi, 2011; Ji et al., 2011). Also, Chinese users' self-presentation strategies and electronic word-of-mouth (eWOM) engagement in SNSs are quite different from those of their American counterparts; this difference in user-habits reflects the distinct cultural orientations on individualism and collectivism and many other cross-cultural factors (Chu & Choi, 2011). Therefore, it follows that empirical investigations dedicated to the SNS phenomenon in China are needed since more and more multinational companies, which are based in Western countries lack local knowledge and cultural sensitivities, and this unawareness affects these companies' abilities to craft the appropriate communications strategies to match Chinese social media.

Men and Tsai (2013) researched the types of public engagement with corporate pages on leading Chinese SNSs as well as the motivations and antecedents that drive such engagement. They found that SNSs have become a powerful galvanizing force for social change and grassroots activism and that their utility extends beyond the common purpose of relationship formation and maintenance, though, however, the literature and the empirical studies focusing on Chinese social media are still limited. Activists in China assign greater importance to SNSs than

traditional media in promoting political and social debates (Harp, Bachmann, & Guo, 2012). Additionally, users have appropriated SNSs as an effective collaborative manhunt tool to identify, expose, and chastise the misconducts and crimes of social wrongdoers, from child molesters and corrupt officials, to restore public morality (Cheong & Gong, 2010). Men and Tsai (2013) summarized the motivations of Chinese publics' use of corporate SNS pages, and the effects of multiple relationship-oriented factors, social media dependency (a key antecedent inducing users to adopt SNSs to achieve their goals), para-social interactions (audience's illusion of having an intimate and personal relationship with media personalities), perceived information credibility (credibility of the information available on corporate SNS pages) and community identification (participation in group conversations and activities, to strengthen users' community engagement).

Despite these significant investigations, researchers have yet to systematically explore the sundry factors influencing netizens' engagement; among these, however, could be the notion, that "Culture is generally defined as a constellation of loosely organized values, practices, and norms shared by an interconnected group of people in a given community" (Chiu, Leung, & Hong, 2010, p.9). Whereas SNSs can be similar in terms of their overall goal and functionality, the study of Qiu & Leung (2013) showed that users of different SNSs display different online practices.

Though excellence in public relations demonstrates shared general principles, public relations practitioners should, nonetheless, use the strategies that are adapted to the values and local culture, the media and political systems, as well as the levels of economic development, this concept is called specific application (Verˇciˇc, Grunig, & Grunig, 1996) or localization (Molleda, Kochhar, & Wilson, 2015). Cooper-Chen and Tanaka (2008) claimed that public relations practice is often influenced by culture. A typology of high-and low-context cultures was



developed by Hall's (1989), and it is widely adopted as a valuable theoretical framework for distinguishing differences between western and eastern cultures (An, 2007; Kim et al., 2009). Based on the degree of context dependence, Hall categorized cultures into high-context and low-context. In high-context communication, "most of the information is already in the person, while very little is in the coded, explicit, transmitted part of the message"; whereas a low-context communication or message is "just the opposite; i.e., the mass of the information is vested in the explicit code" (Hall & Hall, 1990, p.8). The United States is a low-context culture; therefore, information in this kind of environment tend to be in a clear and straightforward manner; however, marketing communication in Asian culture (especially East Asian) presents more emotional and harmony-seeking appeals (Miracle, Chang, & Taylor, 1992) by choosing an ambiguous and indirect manner (Cooper-Chen & Tanaka, 2008).

Men and Tsai (2012) made an empirical study on how companies cultivate relationships with publics on social network sites from China and the United States. There are several identified significant differences in terms of specific tactics, compared with American culture, and there is "a more indirect way to engage consumers and a relationship cultivation strategy based heavily on entertainment and socialization in the high-context Chinese culture" and "publics rely greatly on extended social networks for emotional exchange, and they value trust and the relationship with the company more than explicit product information" (p.7). By capturing the essence of SNSs, and comparing it with companies on Facebook, who are more likely to post messages directly and explicitly related their product, promotions, and corporate achievements, they are less likely to engage in non-brand-relevant discussions. Chinese companies emphasize being personable, and acting like a caring friend, as their strategy for interacting with the stakeholders, which better show the essence of SNSs.



In terms of online sharing, Jiacheng, Lu and Francesco (2010) reveal that Americans tend to engage in knowledge sharing to establish a sense of individuality, while Chinese tend to do so to enhance group harmony. The results from Men and Tsai's (2013) research confirmed there is a greater dependence on social networks for information, as well as less complaints and criticism in the collectivistic Chinese culture, which reflects an emphasis on group harmony culture, and shows quite a significant contrast with those what companies do on SNSs in the United States. Zhang and Wang (2010) suggested that the way a social network site is designed strongly suggests the formation and maintenance of different types of social ties. The social networks formed among strangers who share common interests imply different types of collective action, compared to the social networks that aim at the replication and strengthening of off-line relationships.

## **Stakeholder Theory**

After discussing "relationships" and how to cultivate relationships, it is important to identify the subjects of those relationships. Scholars and practitioners have long recognized that organizations have stakeholders to take care of within the business and academic worlds (Freeman, 1984; Philips, 2003; Cornelissen, 2008; Fassin, 2009). It can be implied that the survival and prosperity of LinkedIn China and Chitu depend on their ability to establish wealth, value, or satisfaction for primary stakeholder groups (Clarkson, 1995; Chung, Chen, & Reid, 2009). It is difficult to imagine that, without identifying their stakeholders and knowing "who and what really counts," that LinkedIn China and Chitu could conduct intelligent relationship cultivation strategies and achieve success.

On defining stakeholders, scholars have discussed and cited the difference between "the stakeholder" and "the public," though these two terms are often used interchangeably. For



example, Freeman (1984) states that "any group or individual who is affected by, or can affect the achievement of an organization's objectives" (p.46). Later Freeman and Reed (1983) came up with a narrow sense of description; "any identifiable group or individual on which the organization is dependent for its continued survival" (p.25), which showed a heavy focus on the importance of meeting the needs of all the stakeholders. Clarkson (1994) continued to offer one of the narrower definitions of stakeholders as voluntary or involuntary risk-bearers: "Voluntary stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm. Involuntary stakeholders are placed at risk as a result of a firm's activities. But without the element of risk there is no stake" (p.5). Generally speaking, narrow views of stakeholders tend to define relevant groups in terms of their direct relevance to the firm's core economic interests.

The ultimate aim of stakeholder management practices, according to Mitchell, Agle and Wood (1997), could be that managers might want to know about all of their stakeholders for "firm-centered purposes of survival, economic well-being, damage control, taking advantage of opportunities, 'doing in' the competition, winning friends and influencing public policy, coalition building, and so forth" (p.7). Scholars also considered two attributes to be necessary to identify a stakeholder: a claim and the ability to influence a firm (Savage, Nix, Whitehead, & Blair, 1991). However, Brenner (1993) and Starik (1994) posed these attributes as either/or components of the definition of those with a stake. It is concluded that power and legitimacy are necessarily core attributes of a comprehensive stakeholder identification model (Mitchell, Agle and Wood.1997). In their study, three categories of stakeholders are also discussed: Latent stakeholders (i.e., the low salience classes who are dormant, discretionary, demanding); Expectant stakeholders (i.e., the moderately salient stakeholders who expect something and are

dominant, dependent, dangerous); definitive stakeholders (stakeholder salience will be high if all three of the stakeholder attributes—power, legitimacy and urgency—are perceived by managers to be present).

Later the stakeholder management studies move forward to have an orientation on specific identification and how to communicate with the stakeholders. "Publics" is a term that frequently related to the recipients of messages from organizations. On differentiating the terms "stakeholder" and "public", Grunig and Repper (1992) argued that organizations choose stakeholders by their marketing strategies, recruiting, and investment plans, but publics choose the organization for attention since they arise on their own. Other scholars have also spared no efforts on identifying the stakeholders. Mitchell, Agle and Wood (1997) have proposed that classes of stakeholders can be identified by their possession or attributed possession of one, two, or all three of the following attributes: "(1) the stakeholder's power to influence the firm, (2) the legitimacy of the stakeholder's relationship with the firm, and (3) the urgency of the stakeholder's claim on the firm" (p.2). These attributes describes to whom managers should pay attention, as well as draws special attention to the managerial implications of the existence and salience of each stakeholder class. Alkhafaji (1989), defines stakeholders as "groups to whom the corporation is responsible" (p.36). Thompson, Wartick, and Smith (1991) define stakeholders as groups "in relationship with an organization" (p.209). Finally, most scholars have attempted to specify a more concrete stakeholder definition.

Whatever, the definition, "Stakeholder theory suggests that organizations have wider responsibilities to all their stakeholders and society at large, which stretch beyond financial performance and responsibility towards shareholders" (Sedereviciute & Valentini, 2011. p.224). This sentiment should not be construed to mean that every stakeholder groups is equally



involved, or have equal input in all organizational policies and decision-making (Donaldson & Preston, 1995). Sedereviciute and Valentini (2011) further explain that,

Organizations decide which stakeholder groups to involve in which decisions and processes. This decision is based on an accurate analysis that takes into consideration scopes, values and responsibilities of organizations as well as those of stakeholders and the outcomes for organizations resulting from stakeholder involvement. Therefore, stakeholder identification and segmentation are of fundamental relevance for managing strategically organization's decisions (p.225).

According to Rawlins (2006), there has been little effort to identify stakeholders according to the relationship with the organization in the public relations literature, and the best efforts to identify all the stakeholders is the linkage model developed by Grunig and Hunt (1984), which is based on an earlier research by Esman (1972): enabling linkages (stakeholders who have some control and authority over the organization), functional linkages(those that are essential to the function of the organization), diffused linkages (associations or groups with which the organization has a common interest), and normative linkages (stakeholders who do not have frequent interaction with the organization, but become involved based on the actions of the organization). Rawlins (2006) has suggested that different stakeholders have different interests in and demands on the company and there is a struggle for attention, thus when the conflicts arise, prioritizing each stakeholder according to the situation and their attributes would be important for the success of managing the organization. Furthermore, according to Rawlins, "The enabling and functional linkages are the most important for an organization to maintain long-term success" (p.7). Rawlins also advocates that communication strategy should play a significant role in prioritizing publics.



## "Guanxi" and Stakeholder Relationship Management in China

As has been mentioned in the introduction, many internet companies fail in China because of not establishing relationship cultivation strategies based on a clear understanding of the Chinese market, and essential cultural phenomena. Of those cultural dimensions, Guanxi is one of the most important, for it is predicated upon "network, connection, and personal relationships." Any individual with a deep understanding of traditional Chinese culture understands that since ancient times, and when most Chinese lived in small towns, Guanxi, as shall be further explained in the following section, has related to inter-community networking, trusting interpersonal relationships, general reciprocity. In other words, one who is versed in Chinese tradition, will seldom hesitate to guess that at the heart of Chinese business, professional, and social matters, lay considerations about Guanxi. Furthermore, within the Chinese culture setting, Chitu's fundamental objective is to connect people from various social strata, and further to inculcate solid and trusting interpersonal relationships. Based on these points, it may be assumed that Guanxi plays an indispensable role in encouraging Chitu, in its effort to be successful in China, to pursue a deep understanding of Chinese culture and its business environment, as well as, to pursue and maintain relationships with its key stakeholders.

Guanxi is a cultural phenomenon, based on Confucius teaching, and it is defined as personal relationships that are reciprocal, intangible, and transferable (Luo, 1997). Guanxi really means "connections" and is built on an informal structure that facilitates implicit exchanges of immediate or future favors. These informal structural ties are interwoven within the entire society via families, friends, and acquaintances in China.

Spend any time in China, you will quickly learn the power of "Guanxi." Guanxi drives business deals and government contracts. It is the invisible glue that binds people together. It is



the sense of connection and mutual obligation that Chinese society prizes in personal relationships ("Why big American," 2013).

Within the business-to-customer context in social media, Guanxi is used in the form of "seeking assistance from family" or "maintaining friendships by providing help to friends" (Taormina & Gao, 2010) as a means to formulate strategies for building B2C relationships. For a more intimate approach, firms that offer niche products with a smaller customer base can use the analogy of "seeking assistance from family." For a mass market product, firms can use the analogy to persuade customers to use word-of-mouth by "maintaining friendships by providing help to friends."

One major and fundamental difference of business and stakeholder relationships on social media networks between China and the U.S. reside in the concept of Guanxi versus networks (e.g., Lee, Pae, & Wong, 2001; Luo, 1997). Social media use is ideal for facilitating interactions among consumers. In the U.S., "friends and family" analogies have already been adopted in the B2C environment (e.g., MCI Friends and family program). In terms of doing business, China has a transitional and emerging economy with fast-changing rules and regulations, coupled with high-context communication, and face-to-face Guanxi is required on the ground to collect market intelligence and execute marketing strategies. Take the case of eBay, for illustration; according to a study conducted by researchers in the United States and Hong Kong, the crucial error that eBay made was that it had no mechanism for simulating Guanxi. While at the same time, its eBay's biggest competitor—the local Chinese ecommerce company, Taobao, allowed buyers and sellers to chat over instant-messaging, giving them a chance to establish a personal connection ("Why big American," 2013). China's social media and business landscape vastly differs from those of the rest of the world. Therefore to effectively engage with a community of



stakeholders, LinkedIn China's management must be aware of its stakeholders' wants and expectations, understand their attitude (supportive, neutral or opposed) and prioritize the members of the overall community to focus LinkedIn China's scarce resources on the most significant stakeholders. Finally, a successful entry into the Chinese market means entering a very elaborate Guanxi network of partnerships, where participants play different supporting roles.

According to Su, Mitchell and Sirgy (2007), "Different Guanxi partners can contribute varying amounts of resources, and they become more or less important as a direct function of the resources they contribute" (p. 4). Guanxi partners are stakeholders (Tsang, 1998) influencing the consumption of scarce resources for business success.

Using a model of Guanxi built on stakeholder salience theory (Mitchell et al., 1997) and constituency theory (Anderson, 1982), Su, Mitchell and Sirgy (2007) identified "Who and What Really Counts" (Freeman, 1994). They developed "a hierarchical stakeholder model of Guanxi to propose that not all Guanxi is necessary for doing business in China; and among the necessary Guanxi relationships, not all are equally important" (p. 2). The authors sum up their work by stating that, "effective Guanxi is defined to be: a trust-commitment/power dependence relationship among firm stakeholders that is dynamic (cumulative, utilitarian, and long-term), yields socioeconomic benefits (positive work morale, group harmony, and enhanced effectiveness), and is substantively distinct from bribery" (Su, Mitchell & Sirgy, 2007, p. 6). What Guanxi relationships are necessary for a typical business firm in China? Freeman (1984) included in his direct implication of stakeholder theory that any Guanxi relationship that can affect or is affected by the achievement of the firm's objectives is necessary. Guanxi relationships essentially represent a hierarchy of salient stakeholders (Mitchell et al., 1997) who have different kinds of resources—which affect the firm's survival and growth.



As for the uneven economic development and market maturity in China, which has many regional economies, empirical studies indicate that each region is at a different stage of development (Cui and Liu, 2000; Keng, 2000). In China, coastal area are generally more economically developed and market-oriented; thus, the VP of marketing and customers are the primary major stakeholders, and consumerism is building momentum because market information has become more and more transparent because the mass media and telecommunication are increasingly developed. Therefore, good relationship with customer, board of directors and shareholders should ensure success in survival of the firms (Guthrie, 1998); while in more rural places where the customers have low income and little brand awareness, the VP of production play an important role as the core stakeholder. The availability of Guanxi and the firm's resource demands determine what Guanxi is more important and must give a higher priority to cultivating Guanxi with governmental authorities and industrial suppliers than other external stakeholders (Su, Mitchell & Sirgy, 2007). The authors also introduced the idea of specialization into Guanxi management, which is expected to "enhance the efficiency and effectiveness of the firm in its exchange with external Guanxi coalitions, thus leading to resource access and survival" (Su, Mitchell & Sirgy, 2007, p. 15). All in all, "identifying a web of necessary Guanxi coalitions and developing a hierarchy of Guanxi priorities serve as the cornerstone for building effective relationship business strategies in China" (p. 16).

#### **Research Questions**

This case study is designed to examine the extent to which the propositions of stakeholder theory and relationship management theory are applicable in a Chinese public relations context. In other words, this study seeks to discover what LinkedIn China and Chitu



have done in terms of developing and maintaining positive stakeholder relationships that have allowed them to thrive and survive in China. In addition, this case study will investigate the ways in which LinkedIn China's and Chitu's relationship cultivation efforts with stakeholders are influenced by the Chinese cultural phenomenon of Guanxi. Four research questions will be considered in this study:

RQ1: With which Chinese stakeholders does Chitu cultivate relationships?

RQ2: On which Chinese stakeholders has Chitu focused its communication and relationship-building efforts?

RQ3: How does Chitu employ relationship cultivation strategies in communicating with its most important group of stakeholders?

RQ4: To what extent are Chitu's relationship cultivation strategies influenced by Guanxi?



### **Chapter 3: Methodology**

#### **Qualitative Research**

Qualitative research methods rely on "thick description" (Geertz, 1973), which provides a summative and interdisciplinary body of knowledge that describes individual cases rather than generalizing. The researcher chose qualitative methods, specifically case study methodology, to carry out her study because they are a better approach to dealing with the multiple realities of the complexities of public relations theory, while also exposing the nature of the relationship between the investigator and the objects of the study—LinkedIn China and its sub-brand, Chitu.

Researchers can exploit the advantages offered by qualitative data to ascertain how and why specific phenomena take place. The gap in the extant literature review requires examining how stakeholder and relationship theories influence the relationship cultivation strategies of LinkedIn China and Chitu. Thus, this study takes on an exploratory as well as explanatory scope which can be best achieved by addressing the research questions qualitatively rather than quantitatively, also, it attempts to explain a. This approach focuses on providing a description and a meaning of the relationship cultivation imperatives within social media networks and cultural dimensions. For qualitative researchers, such meaning can be better found within the context, and the researcher has to be part of it (Berg, 2009). The subject of study and the researcher in qualitative studies are intertwined; therefore, the best way to gain understanding is to be fully immersed in the phenomena of the study.

Because of the nature of the qualitative research only human instruments can capture and adapt to the multiple realities that can be encountered during a study. The instruments utilized in qualitative studies are more subjective than the objective metrics of quantitative methodologies.

Unlike quantitative studies, which deal exclusively with numerical and statistical data,



qualitative studies pertain to intangibles that cannot be expressed numerically. When using human instruments in a study, it is necessary to fully capture the depth of these realities, it is essential to select methods that are extensions of human activities, such as speaking, talking, and reading.

Though data collected from qualitative research can describe the qualities or characteristics of the research target, these descriptions are not easily reducible to numbers—as one can do with the findings from quantitative research; further, the data collection and analysis of qualitative research can be quite time-consuming, and the results generated are more easily influenced by the researcher's personal biases and may not be generalizable to a larger population, but it may be retroactively generalizable to theoretic propositions (Yin, 2014).

#### **Case Study Approach**

A single, embedded exploratory case study methodology was selected to conduct this research because of the complex nature:

A case study is an empirical inquiry that investigates a contemporary phenomenon ("the case") in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident (Yin, 2014, p. 16-17).

Essentially, a case study entails real-world experiences that observe and analyze a subject's experience within a certain environment. Yin (1984) also states that case studies are effective in answering explanatory "how" and "why" questions "about a contemporary set of events over which the investigator has little or no control" (p. 20). According to Yin, the case study methodology also allows researchers to "deal with operational links that need to be traced over time" and deal with complex phenomena (p. 18).



Other researchers have also provided varying definitions of case studies. Stacks (2002) suggested that "there is no more descriptive approach to public relations than the case study" (p. 71). He also defined a case study as an in-depth study "of particular people, organizations, events, or even processes" that provides a "richly detailed and complete understanding of the case under study" (p. 71). George and Bennett (2005) defined a case study as a "well-defined aspect of a historical episode that the investigator selects for analysis, rather than the historical event itself" (p. 18).

Case study research enhances the reader's understanding of the study (Lincoln & Guba, 1985) and it has "certain characteristics that are especially advantageous to the naturalistic inquirer" (p. 358). They argue that case study methodology allows researchers to reconstruct the respondents' perspectives, to provide readers with a vicarious experience by presenting a "holistic and lifelike description" and to provide the "thick description" necessary for readers to understand situational contexts and make judgments of transferability (p. 359-360).

Besides, the researcher herself has no control over the behavioral events along the way.

Last, it is reasonable to consider LinkedIn China and Chitu as contemporary phenomena in a real-world context, as oppose to an entirely historical one.

It is also valuable to look at the study in the context of possible theoretical meanings that can be generated. It is noticeable that certain aspects of this research approach can be used in providing some theoretical discussion around the possible emerging themes. Even though qualitative research findings cannot be generalized, they can often serve as a benchmark for future studies in similar settings. Yin (2014) talked about analytical generalization as a characteristic of case studies, where the investigator strives to generalize a particular set of findings to broader theory.



To maximize conformability and transferability (Lincoln & Guba, 1985) of this research, two of three tactics identified by Yin (2014) were used to ensure a rigorous case study methodology: (1) using multiple sources of evidence; (2) establishing a chain of evidence. In terms of increasing reliability in this study, the first strategy was to establish a case study protocol with questions that might pertain to the anticipated interview, and "to be answered by the researcher during the single case" (Yin, 2014. p.90). Next, the researcher developed a case study database according to the evidence documented and emerging ideas organized during the research process. Additionally, because similar with a single experiment, case study methodology is "generalizable to theoretical propositions and not to populations or universe" (Yin, 2014. p.21), it matches one of the main goals of this case study, which is to expand and generalize theories used in exploring the strategies LinkedIn China and Chitu employ in order to cultivate stakeholder relationship.

In order to eliminate possible bias, the researcher kept the "systematic doubt" raised by Agar (1986) in mind and executed extra caution in organizing and analyzing the data. In general, the concept of systematic doubt is, believe only what has been proved, getting all possible doubts settled. In short, to doubt until truth is proven. Implementing triangulation was another effective method that the researcher used to preclude bias (Yin, 2014). Furthermore, to increase the dependability of this research, in-text citations were utilized in the case study section to establish a chain of evidence and give readers access to the same information available to the researcher, as well as, to reveal the multiple sources used to construct the case studies.

#### **Sources of Evidence and Research Procedure**

There are six sources of evidence for obtaining data within case study research: documentation, archival records, interviews, direct observation, participant observation and



direct artifacts (Yin, 2014). In order to achieve what Yin (2014) calls triangulation, four of the six sources of evidence were chiefly used to gather data in this case study: documentation, interviews, direct observation and participant-observation. The specific reasons of choosing these sources, strengths and weakness, and some potential biases will be discussed in the following paragraphs of this section. Triangulation of data from different sources supports construct validity, which refers to "operational measures for the concepts being studied" (Yin, 2014, p. 46). Having construct validity helps support the conclusions that the researcher drew since case studies are often criticized for their subjectivity.

Documentation was the first source of evidence to be used. It was selected in this research mainly because of its characteristic of being "stable, unobtrusive, specific and broad" Documentation can be reviewed as repeatedly as possible and it contains details of events; what's more, it can "cover a long span of time, many events, and many settings" (Yin, 2014, p. 106). The study of LinkedIn China and Chitu involved a considerable amount of detail that happened in real time and generally concerned concrete names and references during the whole period of investigation. Thus, it is feasible, as well as appropriate, to use documentation for initial data collection. One caution when using documents is that documents are neither always objective, nor are they always accurate. Also, retrievability can be difficult, and if collection is incomplete, it would generate biased selectivity; further, the access to the documentation may be deliberately withheld. Thus, using other sources of evidence helped to verify the information in the documents and provide objectivity (Yin, 2014).

For this study, documents played an explicit role in data collection and were collected throughout the entire investigation. This means the researcher collected informational materials that related to LinkedIn China, from Feb, 2014 (when LinkedIn China was officially established)



and Chitu, from June, 2015 (when Chitu was launched) until the study was finished (March 30, 2016). An internet search can produce invaluable information. The types of documents collected and analyzed for this study include news articles (clippings and from online sources, including the exclusive interviews with LinkedIn China's president Derek Shen), online videos, and social media postings. LinkedIn China's own content platform as a major tool of carrying out its public relations strategic planning guidelines was also examined. All online sources dedicated to talking about the efforts that LinkedIn China and Chitu make to prosper in China were closely monitored and documented. Even LinkedIn China's recruiting pages were taken into consideration and analyzed because of its demonstrated information related to who are LinkedIn China's stakeholders. All documents that were utilized were labeled, dated, filed, and saved on a password-protected computer. Yin (2014) has reviewed that "contemporary electronic media and archives open a whole vista of sources of evidence, including access to previous studies and research" (p.129). Thus, a broad array of electronic sources was used with pertinent provisos.

Specifically, these documents were in English (as international source) and Chinese (local source, media sites, etc.). They covered all the time when LinkedIn China and Chitu were in their nascent stages; thus, the materials were quite static in nature. Among the posts, the English documents were generated by using key words like "LinkedIn China" or "LinkedIn, Chinese market, Chitu, strategies etc." in Google search and Google scholar. While the Chinese ones mainly were collected by typing "领英中国 Ling Ying Zhong Guo(LinkedIn China in Chinese)" and "赤兔" (Chitu in Chinese) in the largest search engine in China—Bai Du as well as the Superstar Digital Library (超星数字图书馆)—the largest Chinese digital database that assists academic research for students and teachers in every academic institution in China. These search techniques generated several dozens of articles, among those evidence, news accounts as

well as commentary reviews compose excellent sources for covering this topic. Meanwhile, advanced search metrics, stipulating dates of publication, source authority, authors, validity and reliability of fidelity of content were carefully considered in order to choose the most factually robust sources. To glean a general idea of how LinkedIn China and Chitu are performing, and to learn who the relevant stakeholders are, many of the documents collected were from well-recognized online channels in China, such as, but not limited to the financial and technological web portals in China—Tencent, Sina, Netease, and Sohu; the leading industrial media, Pingwest, TMT, 36Kr and Hu Xiu; as well as traditional media's online channels, such as national and local news. The researcher has altogether found 35 relevant news articles, five online videos, 27 pertinent websites, as well as 52 relevant social media posts and commentaries.

The second source of evidence for data collection used was semi-structured interviews. Interview were used because of the exploratory nature of the topic, and because some information about LinkedIn China's relationship cultivation strategies could not be obtained from documentary evidence alone. There are three purposes in conducting interviews in this study: (1) to provide background on the situation and give an understanding of how LinkedIn China and its local product Chitu are doing; (2) to discuss the stakeholder relationship cultivation strategies used in the Chinese market; and, (3) to get an assessment of the accuracy of data collected through document analysis.

According to Lindlof and Taylor (2011), "Interviews are particularly well suited to understanding the social actor's experience, knowledge, and worldviews" (p.173). Lincoln and Guba (1985) suggest that interviews are useful when the researcher already knows what he or she is willing to get from the interview and can generate concise questions with assumed answers



in line with the scope and interests of the study. In such a context, it is suggested that the researcher design interviews with specific, planned questions based on the subject.

Apart from the above structured interview as defined, an advantage that a semi-structured interview has is that it can be adapted with more freedom to explore beyond the script for the researchers. The semi-structured interview may also require a standardized stimulus to all subjects to ensure that they are all kept in the same way in understanding the meaning of each question, which ideally results in comparable responses from all study participants (Berg, 2009). In order to enrich the subject of this study, a semi-standardized interview structure was utilized to allow for a focused interview with the flexibility to pursue avenues of discovery rather than plain theory confirmation (Berg, 2009). LinkedIn China's performance and activities are new and emergent with little being documented currently, so a much more free and flexible way of interviewing is imperative in such studying. Because the goal for the researcher is to answer the four research questions based on a case study method that achieve triangulation from multiple sources of evidence, the interviews also play a role of examining and supplementing the construct validity. Miller and Glassner (2011) suggest that when a researcher's objective is to understand something new, it is necessary for them to know how a participant is experiencing that particular phenomena and how they interpret that experience.

As for participant selection, initially the researcher planned to conduct a total of ten indepth interviews with LinkedIn China's executives. However, when she actually reached out, she found this was more difficult than previously thought. Many of the candidates on her list were not available for interviews due to scheduling conflicts. At the end of the data-gathering process, the researcher conducted six interviews. These six interviewees' involved LinkedIn officials in the following positions: Strategic business director, public relations director, public relations



manager, general manager on cooperate business, product lead, vice president of technology (who led the team of Chitu's development). These positions basically cover three enterprise functions that tie closely to this study: Public relations, corporate strategy and product (Chitu). The researcher obtained their contact information from LinkedIn site as well as LinkedIn China's Chitu app, both of which are for professional networking purposes. The researcher obtained their consent of participation by sending them a letter with well-crafted persuasive message that requesting interviewing, and some back-and-forth communication was also made. Therefore, the essence of LinkedIn—professional social networking platform facilitated the research by helping the researcher accurately recruit candidates to interview with.

The researcher summited a fully prepared IRB application to the Institutional Review Board for Human Subjects, and the feedback was that "this research will involve the collection of data from experts/professionals. The participant will contribute information about some aspect of the external world primarily from the perspective of their special expertise, rather than their personal opinions, preferences, perceptions or experiences about their personal lives. This scholarly activity does not meet the regulatory definition of human subject's research" (see Appendix A).

Interviews were scheduled to last between 30 minutes and an hour. A brief introduction about the purpose of the study was given before all the interviews began. As part of this introduction, participants in the study were assured confidentiality in reporting the results of the study (see Appendix C). The interviews were all conducted face-to-face onsite, which allowed the researcher to make a digital record with electronic devices and transfer them to the computer for data analysis later. Also the interviews, which were made up of a list of designed questions based on the four general research questions and answers from the participants, were mostly



conducted in Mandarin, Chinese, and were recorded on a digital audio recorder, transferred to the interviewer's password-protected computer, transcribed word by word carefully and translated into English by the researcher for analysis. The researcher took notes during all the interviews as a chain of evidence throughout the research process.

Interviewing, however, has its drawbacks. Daymon and Holloway (2011) summarized the challenges, saying, "Problems in interviewing concern a possible gap between what informants say they do and what they actually do, the time-consuming nature of interviews and the interviewer effect" (p.238). However, there are many strengths with this method, and of primary importance to this study was that interviews are highly adaptable and can be conducted under a variety of circumstances (Lindlof & Taylor, 2011). Also, according to Yin (2014), other problems such as bias, poor recall, and poor or inaccurate articulation might also happen in interviewees' response; thus, it is reasonable to utilize approaches that can corroborate interview data with information from other sources.

Direct observations and participant-observation were another two approaches that investigator used for collecting the data. As for observation, Lincoln and Guba (1985) claimed that it,

allows the inquirer to see the world as his subjects see it. . . to capture the phenomenon in and on its own terms, and to grasp the culture in its own natural, ongoing environment; observation. . . provides the inquirer with access to the emotional reactions of the group introspectively. (p. 273)

Scholars contend that evidence based on observation is helpful to the researcher. For example, Yin (2014) notes that "Observational evidence is often useful in providing additional information about the topic being studied" (p. 114). This case study research pertains to how



LinkedIn China and Chitu implement relationship cultivation strategies with stakeholders in order to achieve prosperity in China. Therefore, observation and participation are invaluable in aiding the researcher to understand why it works, as well as any problems likely to be encountered. The approaches that the researcher took included, observing the environment of LinkedIn China's office in Beijing while doing interviews there. Through these interviews, the researcher obtained indicators of LinkedIn China's business culture, and how it treats its employees. She also downloaded and used LinkedIn China's local app Chitu—the target of this study, observed the relationship cultivating strategies of LinkedIn China and Chitu by being an active online user, and exchanged thoughts about Chitu's public relations efforts with other users. Finally, she participated in Chitu's offline group activities in Beijing while there for interviewing. These activities consisted of group meet-ups, seminars on networking skills, and casual social meetings where participants shared their enthusiasm for new marketing opportunities and modalities in China. By doing so, the researcher gained access to events and groups that are otherwise inaccessible to a study, and according to Yin (2014), "Such a perspective is invaluable in producing an accurate portrayal of a case study phenomenon" (p.117).

Observation and participation as two of the data collection approaches in this study are not free from weakness and potential bias. Subjectivity of the researcher can muddle the objective qualities to be gleaned from the research. For example, the researcher entertained the prospect of becoming a supporter of LinkedIn China and Chitu. The researcher's personality, interests and connections in Chitu were involved in examining the strategies that Chitu uses to keep good stakeholder relationships. Therefore, the incurred content and insights from documentation and interview approaches are combined with the observation analysis to achieve the triangulation. Field notes from observations and participatory activities were treated similarly



to transcripts of the audio-recorded interviews during the investigation process in order to achieve factual fidelity and accuracy.

The duration for this study's data collecting process was from February 25<sup>th</sup>, 2014 to March 30<sup>th</sup>, 2016. Reasonably, the time schedule is in compliance with the research need, which had to start with the documentation collection online, including news and commentaries that came out right after LinkedIn established its presence in China. Furthermore, it was necessary to stop collecting data after the interviews were conducted, as well as, when the observation was over; otherwise this study would have never ended.

### **Data Analysis**

This research gathered information from the four main sources into a collection and analyzed the data together (including the online documents, interview transcripts, observation memos and notes) while following the guidance of research questions and the theories discussed in the literature review.

Memos were used to keep track of the researcher's emergent ideation of substantive and theoretical codes and categories. Holton (2007) points out that Memos are theoretical notes about the data and the conceptual connections between categories. The researcher used Memo writing continually during the investigation process with the expectation that it would help develop the properties of each category and lead to the formation of theoretical meanings. In addition, the data collected from documentation and interview were also compared with the researcher's notes and observations in order to enhance reliability and triangulation.

The researcher did a content analysis based on examining the data gathered through all four sources. Thereafter, she established a matrix and several coding sheets about relevant notes, which contained different levels of analyses, such as institutional level (for documentation) and



personal level (for interviews). These coding sheets helped the researcher compare the data and find categories and patterns under the purpose of this study. When the data were managed into smaller portions, concepts and theories were generated by the researcher's interpretation and were analyzed by bringing means and insight to the study (Daymon & Holloway, 2002). An examination of the relationships, metaphors, themes and patterns emerged in the data sheets were involved in the data coding process. The researcher utilized a typical analyzing approach called "pattern matching" (Yin, 1984) to analyze the results generated in the case study.

The description of interviewees and the research's interview guide with protocol questions comprise Appendix B and Appendix C of this thesis respectively.

#### **Chapter 4: Results**

With an objective of exploring the viability of the theoretical propositions of this study, the following chapter is sequentially organized and describes results obtained from the four sources of evidence regarding the research questions of this case study. As mentioned earlier, this research mainly utilized "pattern matching" (Yin, 1984) to analyze the results generated in the case study, which are displayed more specifically in the following section.

# RQ1: With Which Chinese Stakeholders Do LinkedIn China and Chitu Cultivate Relationships?

Although LinkedIn, a social networking giant is a well-recognized brand worldwide, it has encountered potentially daunting challenges doing business in the Chinese market because of the fact that many foreign internet companies had failed. From its very inception, LinkedIn China and Chitu have been enthusiastically developing creative and strategic ways to cultivate relationships with their stakeholders. Based on the data collected, those stakeholders are, investors, board of directors, employees, government, media, industry peers, consumers and users.

Investors. LinkedIn China chose to enter the Chinese market neither by itself, nor by working with big Chinese internet companies; instead, it cooperated with "two local players — China Broadband Capital and a Chinese affiliate of Sequoia Capital, an American venture capital firm" (Mozur & Goel 2014, para.29). These two companies have helped LinkedIn China manage its relationship with other stakeholders, such as Chinese government officials.

Furthermore, these companies offer local resources, such as marketing insights and media networking. The availability of these resources is one of the most important secrets to LinkedIn China's seeming success (Interviewee 1, personal communication, February 24, 2016;

interviewee 3, personal communication, March 25, 2016). Investors, though, are not directly involved in LinkedIn China's daily operations. However, they do care about new-user growth on LinkedIn China's platforms. Because its stock evaluation is closely connected with user growth, LinkedIn China is periodically updating its investors about increases in membership (Interviewee 2, personal communication, March 24, 2016; interviewee 4, personal communication, March 25, 2016).

**Board of Directors.** LinkedIn China has an independent directorate made up of five members, including chairman of LinkedIn, Reid Hoffman; the CEO of LinkedIn, Jeff Weiner; the founder of Sequoia Capital China, Neil Shen; the president of CBC Capital, Edward Tian and CEO of LinkedIn China, Derek Shen (Qi, 2014). Board members hold a meeting each quarter to study how to better develop LinkedIn China, thus, ensuring that LinkedIn China is running more like an independent startup company (Tongxin, 2014). Compared with other foreign companies in China, LinkedIn China enjoys much more freedom because of its structure of and trust from broad of directors. Generally, many LinkedIn China's decisions, including the creation of Chitu, could just be made between CEO, Derek Shen and two investors of LinkedIn China (Yang, 2016).

**Employees.** From adjusting the roles of local employees, to providing incentives that are designed to boost morale, LinkedIn China builds stable, long-term relationships with its employees. The following evidence, demonstrates that LinkedIn China is very considerate and selective in cultivating relationships with its employees.

Providing each and every employee with stock shares and generous rewards, has been among the most effective incentives and loyalty building strategies that LinkedIn has implemented (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal



communication, March 25, 2016; interviewee 5, personal communication, March 25, 2016). Using this incentive mechanism, LinkedIn China is more like a local startup, which effectively motivates employees' enthusiasm through communicating the important message that ownership of every employee is valued by the company.

Moreover, through the researcher's direct observation of information posted on Chitu, as well as interviews she conducted, she found that LinkedIn China constantly creates "little surprises" for employees, such as sending birthday or holiday cards, as well, as preparing rewarding gifts with LinkedIn's logos for employees whose performances are excellent. This demonstrates LinkedIn China's efforts at fostering a good working community (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, 2016).

Government. One fundamental reason that LinkedIn can enjoy free rein and permission to operate in China, is because of its willingness to comply with the Chinese government's censorship rules. In contrast, China has denied entry to Twitter and Facebook for years. LinkedIn CEO, Jeff Weiner also mentioned that for the company to obtain a license and be able to scale in China as LinkedIn desires, it would be necessary to allow the content to be filtered (Zen, 2015).

Furthermore, LinkedIn China has promised the Chinese government it would spare no efforts on facilitating the economy's growth, and would create as many business opportunities as possible (Qi, 2014). LinkedIn has been positioned as a useful ally as the government attempts to put Chinese job growth in the driving seat (Interview 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016). A couple of journalists note the following:

LinkedIn is well positioned to be acceptable to China because it can make the employment market more efficient, ultimately spurring economic growth. China's Internet regulators often argue that the main goal of development of the Internet should be to bolster economic growth (Mozur & Goel, 2014).

LinkedIn China also understands clearly that cooperating actively with local government, and building trust with it, would enable it to obtain more corporate clients and partnership benefits (Runjian, 2015). On the 7<sup>th</sup> of September, 2015, LinkedIn China contracted with the Shanghai government to provide talent solutions, which is LinkedIn's core strength—internet technology and professional networking databases. This partnership accommodates the requirements of local industries in the Shanghai metropolitan area, by tapping into Shanghai's abundant supply of blue collar and professional workers. LinkedIn China also offers university students resources by which they can optimize their curriculum design. Two months later, a similar contract with the same goal was signed with the government of Chongqing—a city that attracts much foreign investment in southwest China. For the city itself, with the partnership, it can become the first experimental unit that brings in global talent, thus, better satisfying companies' needs for hiring and elevating them to become bigger enterprises ("LinkedIn's another startup," 2016).

In terms of why LinkedIn China, as a pure internet company, has to build a relationship with the local government, Derek Shen elaborates as follows:

On one hand, LinkedIn China can help cities like Shanghai and Chongqing build their own name cards and innovative brands. On the other hand, bringing in more overseas talent is also the objective. China certainly needs that. LinkedIn China understands well that the current adjustment of the Chinese economy would inevitably bring the flow of



talent, along with professional communication. Meeting the local government's political and economic goals, such as business investment, would directly result in finding the relevant corporate clients. After all, the government also wants to be seen as professional. ("LinkedIn's another startup," 2016, para. 6)

To build a relationship with the Chinese government, LinkedIn China keeps close watch on China's ever-changing economic and diplomatic policies and is ready to make proactive efforts to respond to said policy changes. With the rapid growth of the Chinese economy, the further promotion of "Internet Plus" plan, which seeks to drive economic growth by integration of internet technologies with manufacturing and business ("China Pursues Internet," 2015), China has been encountering the most unprecedented opportunities for entrepreneurship development ("China enterprise news," 2016). Talent is at the core of the engine that drives China's economy. LinkedIn China seizes the chance to cultivate relationships with all levels of government by helping them absorb all sorts of overseas talent, and bringing in more international innovative resources. One piece of evidence is that LinkedIn China has cooperated with the government of Shenzhen (one of the most entrepreneurial cities in China) in holding its first overseas innovation contest with the objective of attracting global talent. LinkedIn China expects itself to be a bridge for helping Chinese companies go global and bring foreign talent to China ("LinkedIn China helps", 2016).

**Media.** Since its founding, Chitu has attracted extensive media attention, most of which is curious about LinkedIn's double-brand strategy in China. According to one of the interviewees, "When Chitu started its large-scale invitation for registration, it was also the date for the China Internet Conference, 21 July, 2015. A number of web portals and industrial media has conducted exclusive interviews with Derek Shen, CEO of LinkedIn China, and subsequently, has



disseminated relevant information gleaned from those interviews to crucial aspects of their media; i.e., their home pages, and Wechat Headline, and many other outlets." (Interviewee 4, personal communication, March 25, 2016). Chitu has, therefore, from its very inception, enjoyed maximum media exposure.

Chitu also enjoys a long and stable relationship with China's financial, technological and internet mainstream media (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016). To consider several examples, the financial and technological channels of the top four web portals in China—Tencent, Sina, Netease, and Sohu; the leading industrial media, Pingwest, TMT, 36Kr and Hu Xiu; traditional media channels, such as national and local news, and television and radio broadcasts. A LinkedIn China executive states, "Users on professional social networking platforms come from a wide range of industries; thus, we have to communicate and maintain relationships with as many mainstream media as possible, since our users can easily get access to them. In light of the communication effect, we spend more efforts in the main web portals and industrial media." (Interviewee 4, personal communication, March 25, 2016). The interviewee further explains that,

Analyzing the feedback from media over the past year, allows us to conclude that, both LinkedIn China and Chitu have gained sound reputations within mainstream media circles. Such a status results from the frequent communications of our CEO and the public relations team with the media, and the transparency we keep in terms of company updates and products information. When there is an initiative need of interview, we will coordinate company resources and reply to the reporters at the earliest. (Interviewee 4, personal communication, March 25, 2016).



Moreover, as a result of the rapid development of Wechat, many We-Media individuals have emerged in the Chinese internet industry. They are influential writers from Wechat magazine and generally have large groups of fans and followers. Chitu's public relations personnel keep close communication with key opinion leaders in the industry on many We-Media channels. One of the interviewees disclosed that "In August, 2015, we held a seminar for insights exchanges between Derek Shen and writers from Hu Xiu media. 12 writers and several Hu Xiu editors made their presence there. They had a face-to-face interaction and discussion concerning the professional social products, Chitu and strategies of LinkedIn China" (Interviewee 4, personal communication, March 25, 2016).

In addition, LinkedIn China and Chitu maintain their relationship with media by providing them with hot topics every now and then (Interviewee 3, personal communication, March 25, 2016; interviewee 5, personal communication, March 25, 2016). For example, there once was a topic, "How to deal with it when you don't agree with your boss," which was created on Chitu to promote user engagement. This topic generated a large number of comments, of which Chitu gathered and analyzed, 1000, statistically. The collected statistics were quite revelatory in revealing the attitudes and opinions of young Chinese professionals. Chitu provided these statistics to the media, in order that they could be disseminated among the general populace. A win-win relationship between Chitu and the media is thus established (Interviewee 3, personal communication, March 25, 2016; Interviewee 4, personal communication, March 25, 2016).

**Industry Peers.** China's domestic internet giants, such as Tencent, are LinkedIn China's industry peers as well as stakeholders (Interviewee 1, personal communication, February 24, 2016; interviewee 2, personal communication, March 24, 2016; interviewee 4, personal



communication, March 25, 2016). LinkedIn China implements its relationship cultivation strategies by seizing the opportunity to cooperate and create a win-win situation for both parties.

Believing that it is necessary to have comprehensive cooperation with the Chinese social media star companies (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016), LinkedIn China has integrated Sina and Tencent (two giant media companies in China) into its platform so members can easily import their Weibo contacts, invite other professionals to join their networks, and reach a broader audience with their status updates. A bigger step is to cooperate with Wechat, which is a widely-used tool for communication in China. Members from LinkedIn China, who have Wechat, can link both accounts, so that they can broaden their professional reach and share relevant news and insights across both networks. This is an obvious indicator of China's acceptance of this U.S.-based channel, a success that Twitter and Facebook have been unable to experience (Interviewee 1, personal communication, February 24, 2016; interviewee 2, personal communication, March 24, 2016; interviewee 5, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016).

According to Katie (2014), this cooperation has a positive effect on B2B marketing in China. On Wechat, there are many individuals in the sales and customer service fields; they communicate with customers on a more personal level. For LinkedIn China, it is considerably important to establish a solid base on real-time media channels, since Wechat is the fastest-paced means of communication and the No.1 instant messaging app in China with 468 million users worldwide (Kemp, 2014). With this cooperation, LinkedIn China gains more users and traffic, because users from both Wechat and LinkedIn China can browse posts on a regular basis and have more engagement (Qi, 2014).



Under a similar goal, LinkedIn China promotes its email culture by allowing users to find new contacts through connecting with email address that are commonly used in China, such as QQ mail, Gmail, Yahoo mail, Hotmail and outlook ("LinkedIn's another startup," 2016).

As for Chitu, it has chosen to build strategic partnerships with Alibaba in China. On the Aug. 14 2015, Chitu announced its partnership with a new sesame credit system (introduced in the later section of this study) from Alibaba's Ant Financial Group, which makes user profile information on Chitu becomes a factor of personal credit evaluation. This function allows users to have more trust when using Chitu to interact with others ("LinkedIn China announced," 2015).

Further, LinkedIn China has been actively developing relationships with top universities in China with the objective of helping graduates build professional careers and increasing universities' global influence ("LinkedIn China collaborates," 2014). Universities are peer institutions as well as LinkedIn China's customers. Evidence shows that since Nov, 2014, started with Peking University, LinkedIn China has promoted its "Ivy Plan" by collaborating with more than 15 top schools. Its endeavors include introducing the American way of finding employment. Moreover, LinkedIn China even went further—taking for graduates, their first professional photos ("LinkedIn's another startup," 2016).

Lastly, LinkedIn China strategically demonstrates its capacity to reach more users by teaming up with the top car-hailing company, Didi Kuaidi—Uber's biggest competitor in China. This approach is expected to improve user experience and give both brands a boost in China. Didi Kuaidi would work with LinkedIn China in product integration, staff recruitment, information technology and brand development (Bien, 2015).

Consumers and Users. Customers and users are key stakeholders for LinkedIn China and Chitu, because they represent revenues and profits in the long run (Interviewee 2, personal



communication, March 24, 2016; interviewee 4, personal communication, March 25, interviewee 6, personal communication, March 26, 2016). LinkedIn China's current business model is based on B2B (business to business), 50% from recruitment solution, 20% from advertising, 30% from headhunters, PR and a premium subscription ("Understanding Business Models," 2012). Though customers may get accustomed to free Internet services from all kinds of apps in China, there is a great tendency that an increasing number of them are willing to pay if the products are of great quality, since China is experiencing an era where consumers are willing to pay more for goods and services—but only so long as those goods and services are of good or superior quality. This current trend may be compared to past times when Chinese preferred saving to spending ("Will LinkedIn's development." 2014).

LinkedIn China mainly serves two categories of customers: (1) Chinese companies who strive to expand overseas, such as Huawei (a leading Chinese IT company). LinkedIn China partners with Huawei to provide talent recruiting solutions in the local markets; (2) Companies like Baidu, Tencent and Alibaba, who hire overseas bilingual talent to work for them in China. With 364 million users worldwide, LinkedIn China is committed to helping those Chinese companies find talent, and at the same time, boost employers' brand images by allowing companies to present their corporate cultures on LinkedIn's platform (Yirong, 2015).

Personal data on LinkedIn China, which provides more information than a resume does, can be better utilized by human resource departments in companies to find the right job candidates (Interviewee 1, personal communication, February 24, 2016). Accurate and efficient advertisements about employers could be placed on LinkedIn China based on users' detailed data such as age, district, school, major and previous job description. Further, LinkedIn China

maintains a favorable relationship with its customers by serving their needs—providing talent solutions ("LinkedIn's another startup," 2016)

As for LinkedIn China's users, they are passive job-seekers and constitute 90% of the professional population in China, among which two different groups are formed according to motivations and career goals (Qi, 2014). One obvious group of users are those who speak English, have overseas, or multinational company work experience, and are in need of connecting with the world. There had been four million Chinese users even before LinkedIn officially set foot in China, and it has continuously grown to be 13 million within a year ("LinkedIn's global vice," 2015).

During this time, LinkedIn China unweariedly built relationships with and increased its user base by sharing online messages and holding offline activities, promoting its brand and educating users to accept the professional networking culture. For example, in order to get more recognition from users, on the May 23, 2014, LinkedIn China held its first offline activity in Beijing by inviting its investor, Shen Nanpeng, and LinkedIn's founder, Reid Hoffman, to discuss entrepreneurship ("Will LinkedIn's development," 2014). LinkedIn China endeavors to improve its relationships with users by promoting interactions between users and career experts, thus providing valuable shared knowledge for users (Qi, 2014).

However, the aforementioned efforts to attract more users would not be enough. LinkedIn China's president Derek Shen once mentioned to media that, if the company could not reach a younger and more local user market in China, it ran the risk of going belly up (Shuting & Junjie, 2015). So it would be easy to guess that another group of targeted user groups are young Chinese professionals who want to focus on developing their careers domestically, and have no need of

speaking foreign languages or going abroad for work. This group, according to what was discussed earlier, belongs to the users of Chitu.

# RQ2. On Which Chinese Stakeholders Has Chitu Focused Its Communication and Relationship-building Efforts?

It became clear during the interviews and document analysis that Chitu is a type of mobile internet product created by LinkedIn China to meet the demands of the developing business world. Among many other factors that establish its positive and long-term development strategies, maintaining good relationships with two key groups of stakeholders—employees and users has been vital for Chitu's success. At its current stage of development these relationships are key since Chitu's objective is to win as many users as possible, instead of focusing on other business aspects such as generating revenue (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, interviewee 5, personal communication, March 26, 2016). One executive supplemented that "At this stage of Chitu's development, it is hoped that more and more users can accept the value that Chitu express, which is connecting young professionals and help them with career development. And every one of our employees is an ambassador of spreading this value" (Interviewee 3, personal communication, March 25, 2016).

**Employees.** Chitu's teams are mainly comprised of the R & D Department and Marketing Department. Most employees from the R & D department are tech talents with an oversea study or work background (Interviewee 3, personal communication, March 25, 2016).

The employees' good relationship with the company and their enthusiasm are, to some extent, crucial to the success of Chitu, a product that emphasizes marketing and is internet based. As one of its senior executives mentioned, "Intelligence and passion are two important factors



for selecting and training Chitu's employees" (Interview 3, personal communication, March 25, 2016). And the researcher has observed that from the interior decoration of the company and the employees' lounges—such as free coffee, tea, cakes, and game playing facilities—Chitu is simulating the Silicon Valley company style, cultivating desire and honor among employees for working.

It has already been mentioned that Chitu is developed and operated solely by a Chinese team under the model of whole employee stock ownership, which is one of the most important measures for Chitu to enhance the employees' enthusiasm (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016). The concept behind such a model is to connect the employees individually with the future of the company.

Moreover, Chitu's endeavor to cultivate and maintain amicable relationships with the employees by focusing on three aspects of enterprise culture: (1) whole employee in operation, (2) open culture, and (3) empowerment and ownership.

Whole employee in operation. "Whole employee in operation" means that everyone from Derek Shen, CEO of LinkedIn China, to its part-time computer tech will use Chitu, which is reflected by the fact that the members who are most active and maintain a high frequency of presence on Chitu are mostly its employees, who regularly like or share posts to promote engagement. This helps create a "liking" effect among users because they would feel that their presence and activities on Chitu are respected and valued. "Whole employee in operation" is the nature of the internet, a model where everyone takes Chitu business as their own (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25,



2016; interviewee 6, personal communication, March 26, 2016). One of the executives further explains,

That is the enterprise culture we valued. Outsiders or those who know little about it may tag the group as being over-passionate or ideal, or even being silly. However, it is not the truth. Employees on Chitu's team have better qualities in average over those from World's Top 500 companies, and many of them were graduated from the Ivy League colleges (Interviewee 3, personal communication, March 25, 2016).

Chitu has adopted another strategy, the "whole employee in operation" as an important strategy to maintain its relationships with employees. This strategy relies upon cultivating a "sense of belonging" and sharing common goals with the organization (Gang, 2012).

*Open culture.* Chitu is a democratic and open group rather than a rigidly leveled one as many Chinese large-scale enterprises are. It increases efficiency by making all information transparent, which in turn improves employees' enthusiasm by allowing them to communicate with the company equally and freely (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016). Another executive explains as follows:

We communicate with each employee that LinkedIn China is not a very big company, however the information is always in circulation. Everyone has a clear mind of what's going on in the company through weekly and daily meetings (Interviewee 3, personal communication, March 25, 2016).

*Empowerment and ownership*. Employees are empowered when they are provided with greater responsibilities and Chitu's employees obtain ownership that cannot be easily obtained elsewhere. Many of the people from the Chitu team graduated from Ivy League colleges and had once worked for companies like Google or Facebook, where they often had to only focus on their



own small portion of work. Working for Chitu is also different from working in some Chinese startup companies, which always requires staff to work overtime (Interviewee 3, personal communication, March 25, 2016). This executive furthers elaborates that,

Chitu has its own unique culture. All of its employees have a common ideality and value, as well as high IQ and EQ. They are always passionate. You can find yourself surrounded by a kind of staff all the time with better background, better intelligence, and yet more hardworking. How could you just be sluggish? Moreover, our employees have a small average age. If they were in IBM or HP, they might be regarded just as a small screw, but right in here, they would be assigned with important positions and tasks. We have newly graduates at the age of 25 or 27 doing Chitu operation. They are trusted to lead important activities. The more you trust them, the more confident they are, even for those who have left LinkedIn China, they still appreciate this (Interview 3, personal communication, Mar 25th, 2016; interviewee 5, personal communication, March 25, 2016).

Users. One of the key components that define Chitu's success is the ability to create loyalty and growth among diverse groups of users. More users on its platform mean more revenue and profits in the long run (Interviewee 1, personal communication, February 24, 2016; interviewee 2, personal communication, March 24, 2016). According to what has been discussed in the literature review, LinkedIn's revenue model aims at making full use of the data collected from the population of users. Chitu, as LinkedIn China's localized product with a mission of helping billions of Chinese professionals, is no exception. Taking that into consideration, users have composed the most important and valuable stakeholder group for Chitu (Interviewee 2, personal communication, March, 24, 2016). For the marketing department, what plays the most important role in Chitu's success is its operation team, which works closely with public relations



personnel and spends a considerable amount of effort creating and carrying out Chitu's strategies of maintaining good relationships with users. Internet companies generally put considerable emphasis on product operation under the reason that the "user is the king" (Interviewee 2, personal communication, March 24, 2016; interviewee 3, personal communication, March 25, 2016).

Who are the actual users on Chitu—a mobile-based, social network? As it is suggested at the end of results section of RQ1, the largest category of the Chinese professional population is formed by young people who want to focus on developing their career domestically and do not want to speak foreign languages or go abroad for work. Indeed, different from LinkedIn China, quite a few of Chitu's users are generally from third or fourth economic-level cities in China, instead of the most open and developed ones, such as Beijing and Shanghai (Interviewee 2, personal communication, March 24, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 5, personal communication, March 25; interviewee 6, personal communication, March 26, 2016).

Among all the users, there are three distinctive groups that are worth discussing since they play important roles in enabling the vigor and ever-increasing popularity of Chitu, whose focus of communication and relationship-maintaining strategies, in turn, are directed at these groups. These three groups include (1) early adopters, (2) "career biggies," (3) general users.

*Early adopters.* One of Chitu's first strategies was to develop relationships, with its early adopters, individuals who would advocate its products to a wider audience. (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 5, personal communication, March 25, 2016). The public has paid much attention to Chitu since its release on June 23<sup>rd</sup>, 2015. Quite a few professionals applied to be



early adopters to take part in the process of product trials, function discussions, and feedback. A development team was established, an exclusive "Trial and Feedback Team on Chitu" for early adopters. From the highest-level executives to product managers, all are involved in engaging and discussing with the early adopters in this experimental team. Therefore, Chitu was able to hear from customers and users to know their needs and to update their product accordingly. This approach also became the contributing factor for Chitu's top-10 ranking of the most searched applications in the Apple Store, even without any promotion before it opened the large-scale registration on July 21<sup>st</sup>, 2015 (Yirong, 2015). Moreover, Chitu cooperated well with early adopters to promote its brand. The most obvious evidence was early adopters' quick and numerous "thumbs-up" and transmission of their posts. Chitu has made solid advantages of the nature of social media to have a higher presence and closer interaction (Interviewee 4, personal communication, March 25, 2016).

"Career biggies." "Career biggies" are defined as influencers and key opinion leaders on Chitu. This group of professionals has the characteristics of being famous and successful in various industries, and most of them have titles that include CEO, president, or partners from well-known companies in China. These "career biggies" are invited by Chitu because of their images as being "mentors, experts and leaders" in career development. Similar with what early adopters can bring to Chitu's platform, they obtain fans or followers easily and are able to create topics that bring frequent engagement. "Career biggies" who are recommended by Chitu actively share posts about their work and life, motivational or inspiring. The more active they are, the more valuable they are for Chitu, whose operations team is likely to spend more strategic efforts on promoting their topics and activities. With the claim of helping career biggies promote their personal influences, Chitu gains sticky relationships (affection, trust and loyalty) from users by



constantly inviting them to share influences on Chitu. This is a win-win situation (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016).

General users. Students, young professionals with managerial or administrative positions, and self-employed individuals are general users, as well as core stakeholders on Chitu. This group occupies a population of 2 billion in China without taking account of farmers and blue collar workers (Interviewee 2, personal communication, March 24, 2016). For students, who are mainly junior or senior and ready to obtain their first job, their main needs on Chitu are gaining an understanding of the work place and getting the opportunities to learn from "career biggies." As for other young professionals, acquiring learning, networking, and career opportunities engender their investment and loyalty to Chitu (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016).

Among these groups of users, many are just launching their careers and do not have many social resources, and the objective of staying active on Chitu is to gain more knowledge and experience in related industries, and to build a professional network. With this in mind, Chitu chooses to enhance its name recognition by strategically allowing its operational team and early adopters to "like" or share users' posts and activities frequently (Interviewee 4, personal communication, March 25, 2016). According to the investigator's observation, Chitu's CEO Derek Shen has been among the most active users on Chitu, and it is not surprising to see many users' posts liked, commented, or shared by him from time to time. By understanding what users need, helping them grow and showing care, Chitu is adhering to its goal—being local and even like grass-roots, so as to really capture the hearts of young Chinese users and make tailored



services for them. Through constantly communicating and delivering value to users, Chitu has had a steady and healthy growth of users every month by far (Interviewee 2, personal communication, March 24, 2016; interviewee 5, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016).

# **RQ3:** How Does Chitu Employ Relationship Cultivation Strategies in Communicating with Its Most Important Group of Stakeholders?

As analyzed above, the most important stakeholders for Chitu are those consumers, who comprise the largest population of users, and as well, because of their huge numbers, they are a significant source of revenue and profit, without which Chitu, or any other business can survive. Noticeably, Chitu's public relations personnel cooperate actively and closely with its marketing and operation teams in spreading and promoting Chitu's values. From the early state of Chitu's planning, public relations staff members have been frequently discussing an overall development with the other two teams, and offered them help concerning media resources. For example, in the operation of online activities, public relations personnel frequently facilitate the marketing team in inviting media guests to share hot topics. According to one of the executives interviewed, "We only differ in our work range; otherwise we, as a whole, all strive to promote our company and products by making ourselves heard most" (Interviewee 4, personal communication, March 25, 2016).

By delivering actual value that fits Chinese culture, Chinese users' habits, and unique Chinese operations in the internet environment, Chitu employs precise relationship cultivation strategies expertly in communicating and providing its values with users (Interviewee 3, personal communication, March 25, 2016; interviewee 5, personal communication, March 25, 2016).

Chitu is positioned to be the social app most dedicated to and comprehensive of



professional life in China. It furnishes the user with three core values: to discover, to communicate, and to connect ("Chitu, An All-In," 2015). To discover is to help users explore the network sources and surf the network within the professional context. To communicate is to find a much more effective way to communicate with other professionals by Instant Messenger, for example. To connect is to combine the online and offline (O2O) professional life together through online application and offline activities, and to develop and expand users' network sources (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016).

Chitu's public relation team not only communicates its vision through media relations strategies, but collaborates closely with the operation team to design attractive features to win more users. Take the profile page of the Chitu app as an example, it is not only practical, but is also replete with Chinese characteristics; then consider the personalized business card as another example, a Chitu feature that displays a user's work and educational background, which has been custom-designed for Chinese professionals. These cards include the added features of one's astrological sign, and Sesame Credit Rating identification. A user's astrological information creates an air of "levity," and may even give viewers a sense of who the user is, thus, creating a sense of familiarity in the cyber-world of relative anonymity. On another note, the credit rating information may create a sense of a member-user's reliability in business dealings. These and other features lend credibility and trust to the online user, and further helps users feel safe and "interesting," while communicating and connecting with others.

Moreover, if users have already registered as a member of LinkedIn, they can login to Chitu directly with LinkedIn's account, and then link their LinkedIn's account information with Chitu and make the synchronization of their friends, network sources, and educational and



working information, helping users build a sense of community quickly, and at the same time, give a boost of user growth for both platforms (Interviewee 1, personal communication, February 24, 2016; interviewee 2, personal communication, March 24, 2016).

Chitu constantly delivers its value and shares with the public that its essential purpose is to meet users' needs, which include visiting friends, participating in activities, facilitating job search, as well as enhancing knowledge and skill acquirement, all of which are closely bound up with professional life, allowing Chitu to easily draw the attention of professional users (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016). However, users' frequent presence on Chitu cannot be achieved without support from its operation team (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, 2016). Their sophisticated design and arrangement in the company's operation can be the most crucial strategies in maintaining relationships with users, which mainly lies in the following aspects:

## Trigger and Guide Users' Active Self-expression.

Daily update interaction topics. Daily interaction topics can be found at the topside of Chitu's homepage every time users login to Chitu. To guarantee the diversity of daily interaction topics, Chitu's operations team devotes itself to examining life and creating a daily question, which is suitable to almost everyone, and doesn't only relate to serious professionals. Questions like "what's the core ability for salesmen/saleswomen" are ok but there are other specific requirements of the daily topics, such as being lively, relaxing, and fun demonstrated in these question: "whether to work at home or not after normal working hours," "what's your new plan for the coming year," or "how much weight have you gained during the Spring Festival." Or



being thoughtful and reflective in these questions: "what's the experience of being less self-controlled and how to overcome it?" Topics on Chitu are also closely connected with hot spots of Chinese society (i.e., food safety) and the topics that are going viral on the internet. Examining topics on Chitu is like watching interesting plays. Such topics, which appeal to young Chinese professionals in a humorous, joking, and relaxing way, are quite different from that of the more stern ones on LinkedIn. Chitu has a good understanding of the pressures exerted on current professionals in China, and is consistent on its positioning to establish an interesting and lively social platform for professionals.

Original posts and articles. There are three categories of articles on Chitu: experiences at work, industry trends and insights, and news. More specifically, there are LinkedIn China's articles with a focus towards career development on its social media platforms; quality posts about entrepreneurships and investment trends shared from other channels; and career biggies' personal comments on life and work. Professional biggies are invited to write and share articles to make themselves more known and influential to the users; meanwhile, the users' enthusiasm and stickiness towards Chitu can be fully mobilized. Having the biggies invited on Chitu also appeals to the taste of Chinese users since they want to be influenced by celebrities (Interview 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, 2016). This convention demonstrates that Chitu follows social trends and makes an effort in adapting the Chinese culture.

Provide Professional Groups with Various Online and Offline Activities. The way that professionals deal with their work is, in essence, a kind of lifestyle. Chitu has attracted quite a few young professionals who desire to balance their work and daily life with the desire for excitement. They, with an open mind, carefully acquire professional experience and explore



working opportunities on Chitu to enrich themselves. Young professionals often feel highly pressured and isolated, and that's why they are eager to have a social network for connection and communication with others (Interviewee 6, personal communication, March 26, 2016). They can gain comfort and courage from such network, and win others' recognitions as well. Company heads design the features of online groups in accordance to this, attracting users to stay.

Online groups are initially established by Chitu's operation team only, but later users are able to establish their own online groups (Interviewee 1, personal communication, February 24, 2016; interviewee 5, personal communication, March 25, 2016). The purpose for the establishment of online groups is obvious: Chitu is aimed to enhance users' learning, make users search for friends with common interests, and enlarge their network (Interviewee 4, personal communication, March 25, 2016). In order to stimulate the atmosphere within the groups, Chitu invites professional biggies one by one and arranges online lectures for them to share within the groups. For those who are invited, they share their articles or experiences on Chitu to become more popular or just to help others. With the advantage of social media, a large number of users who are fans of the biggies can gather in quite a short time. The way they participate can be via voices, words, and pictures. The topic of a specific group can be as practical as "how to find investors for entrepreneurs," "how to become sales elite," or "how to improve the oral speaking ability of English," or be relevant to lifestyles. Some of the online groups have even been developed to offline ones. The main purpose for establishing groups on Chitu is to effectively attract users' frequent presence, improve their matching rate, and accurately manage and use the statistics.

Chitu's offline activities are very characteristic. Their most important value lies in the maintenance of sound relationship with online users (Interview 3, personal communication,



March 25, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016). Offline activities can be divided into two categories: (1) activities organized and participated by Chitu's operation team and (2) activities organized by third parties besides Chitu (Interviewee 1, personal communication, February 24, 2016; interviewee 6, personal communication, March 26, 2016).

"LinkedIn's influence" is a series of brand activities developed by LinkedIn China in 2014 in compliance with its concept of "consummating a generation of Chinese professional elites." The foundation for this notion is on sharing business concepts and insights, lecturing on professional knowledge, and spreading of the innovative ideas from professional biggies (Xudong, 2014). Users can only take part in such activities through enrollment, and those activities are mostly held in first-tier cities such as Beijing and Shanghai. However, as disclosed by a senior executive from LinkedIn China, "many students and white-collar workers from second-tier or third-tier cities had positive participation in the activities and have cherished such opportunities a lot. Some of them even came by trains or planes to have face-to-face communications with the biggies" (Interviewee 5, personal communication, March 25, 2016). Value of the activities is thus expanded and well reflected. Through organization of such activities, Chitu has, to a certain degree, provided chances for equal learning and selfimprovement to a wider range of Chinese professionals, who may not come from well-developed and abundant areas as Beijing, Shanghai, Guangzhou, or Shenzhen, and are relatively lacking in network and resources. It is one of Chitu's most important missions to win their trust, favor, loyalty, and frequent presence (Interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016).



Chitu posts details about various offline activities through its platform daily, and users can choose ones they are interested to take part in. Currently, the activities are mostly about Salons for expansion of network, parties, lectures, trainings, and various conferences (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, 2016). China is now having an increase in start-up entrepreneurs; therefore, many of the experiences shared and activities held are related to entrepreneurship and investment. It takes Chitu's operation team better than average effort to collect and sort the needed information for the activities, and then post them on Chitu (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, 2016). A wide range of industries are involved in Chitu's activities, and the excellent themes of such activities can be a vivid presentation of the variety of professional life.

Furthermore, Chitu has added a new function for posting recruitment information ("LinkedIn's Chitu app," 2016). It is designed to satisfy the social needs of professionals. To provide users with job opportunities is to create value for users. That may be a reason that users become fond of Chitu and keep their loyalty towards Chitu. It is, to a certain extent, also the extension of that main values of LinkedIn China through Chitu. One of Chitu's executives mentions that,

Chitu has the willingness to explore deepest values of social recruitment and to activate potential opportunities lying under users' network resources. It is a more vivid and lively way for recruitment than the one through resumes. Employers can have a much clearer and overall understanding of the job seekers; meanwhile Chitu users as job seekers can find the most accurate match between their personality characteristics and position requirements. It is beneficial and convenient to both parties in finding like-minded ones



to improve the recruitment efficiency (Interviewee 1, personal communication, February 24, 2016).

# RQ4. To What Extent Are Chitu's Relationship Cultivation Strategies Influenced by Guanxi?

The researcher of this study created this section by applying a combination of three approaches: interviews, observation of and user experience on the Chitu app, as well as participation in Chitu's featured activities. Regarding how Guanxi influences Chitu's relationship cultivation strategy, there are several important discoveries that are worth noticing:

Making Use of Reciprocity in Guanxi Culture. Sending presents is a traditional way of keeping Guanxi in China. From the beginning, Chitu's marketing personnel have been teaming up with its public relations teams to communicate Chitu's image and values (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, 2016). One of the regular approaches is sending presents, such as toys, to users who invite friends to register in Chitu. These presents may or may not relate to Chitu as an internet product. As one of Chitu's users, the researcher herself has participated once, and found that Chitu sends out presents with the purpose of attracting users to participate in campaigns to endorse Chitu and to invite more friends to register on Chitu. The researcher observed there once was an activity called "spring outing at sunny days." Users, who successfully invited three friends to register on Chitu, had chances to win the spring presents (spring outing goods such as sports shoes and cups). Such activities, which take advantage of consumers' physiological characteristics in Chinese Guanxi context, are quite common on Chitu. Sending out presents suggests a kind of Guanxi and a way to spread Chitu's messages. Guanxi activities are usually followed by presents, in which many meanings are implied and can be explored. In China, sending out presents is one



of the most impressive and attractive ways of expressing care, admiration, moral concern, and emotional attachment. When a present is sent and then received and accepted, a reciprocal Guanxi has come into existence between the sender and the receiver, especially to the one receiving the present. Obviously Chitu employs this latent rule or "worldly wisdom" well in the Chinese culture context, which results in more user affection.

Making Use of Trust in Guanxi Culture. Chitu obtains users' trust by providing them with a trustworthy platform to interact and network with strangers (Interviewee 2, personal communication, March 24, 2016; interviewee 3, personal communication, March 25, 2016; interviewee 4, personal communication, March 25, 2016). Trust is an important aspect of Guanxi. There is an old Chinese saying, "A man can't survive without credit." Having good credit or being trustworthy is the guiding principle of human interactions. It has been a long-standing tradition that Chinese people can easily build trust with family and friends but take strong precautions and distrust towards outsiders, since in the Chinese traditional Guanxi system, social interactions of acquaintances are not favorable towards strangers. Because Chitu is an app targeted at social interactions among strangers, in order to win users' trust and keep them on Chitu, it is crucial to solve the tendency to distrust strangers (Interviewee 3, personal communication, March 25, 2016). With the keen observation and understanding of Chinese societal reality, Chitu has included two features of credit recognition alongside the real-name registration system, which are "Professional Identity Certification" and "Sesame Credit Rating Certification" (Interviewee 2, personal communication, March 24, 2016; interviewee 3, personal communication, March 25, 2016). "Professional identity" is provided to those who have their real names registered and who are currently holding a job. Those users can submit or upload their company business cards, pictures of employment authorization document, and certificate of

identification to the Chitu secretary for approval. It will take one to three days for approval, and those approved can have their professional identity certification. The other feature "Sesame Credit Rating Certification" is a credit rating system developed by Alibaba, and is applied based on the cooperation between LinkedIn and Alibaba. Chitu adopts this approach on account of its deep understanding of the importance of credit rating system in promotion of economy, especially in the process of consumer transitions in China. Users can display their credit ratings on Chitu to strengthen their credibility with the strangers they interact with (Interviewee 1, personal communication, February 24, 2016; interviewee 2, personal communication, March 24, 2016). This strategic measure allows Chitu to make full use of the increasingly reliable credit system in China, and it proves that Chitu combines learning the various niches of the Chinese marketing environment, as well as, incorporating traditional concepts of Guanxi, enables it to devise a plan of action towards building trustworthy relationships with users.

Creating a New Model of Guanxi. When the researcher approached one of the executives at LinkedIn China for an interview, the executive invited her to participate in a Chitu offline activity that he had organized. This offline activity was advocated by a Chitu online group named "The Earth's Sales Elites 2" founded by him as well. Within that online group, there are hundreds of members with a sales background, but from different cities and different industries. They exchange ideas, and learn from others in the group. The online interaction methods that Chitu's executives create are worth studying. Just to name but a few examples: a series of activities are designed to encourage group members, especially the introverted and bashful professionals, to post "three good deeds done and one habit to be modified" daily reflection to the group message board, and to take part in "daily topics" and share their own stories; "daily star" is an activity in which a group member shares daily his or her working



experience and life reflections, which is a chance for the invited group members to show themselves and make friends with others; "Have you taken your weekends photos?" is an activity to relax and entertain users by encouraging them to share their weekend lifestyles through posting photos of their off time adventures.

Offline activities are an extension to the online groups' engagement. From time to time, online groups hold offline activities in the forms of card games (some are puzzle games that most of the Chinese are good at), karaoke singing, and dinner parties. They meet face-to-face with others and fulfill certain tasks together.

On Chitu, there are numerous online and offline group activities as mentioned, where young Chinese professionals form increasing engagement and interaction every day (Interviewee 1, personal communication, February 24, 2016; interviewee 3, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016). Guanxi, traditionally speaking, is hard to form among stranger groups. The featured activities that Chitu creates demonstrate that, besides building trust, Chitu's relationship cultivation requires various forms of effort, such as providing users with face-to-face interaction and allowing them to fulfill tasks together. Last but not least, according to the researcher's observation, Chitu's activities are based on the strategies of combining western professionalism (openness, equality, and sharing) in networking culture with positive Guanxi essences (harmony, reciprocity, hope and pragmatic spirit), thus, establishing a new Guanxi model—"positive energy"—for Chitu's users.

In summary, by using the pattern matching approach, this research found that Chitu cultivates relationships with investors, board members, government, media, industry peers, employees, consumers and users. In addition, Chitu has focused its communication and relationship-building efforts on two groups of key stakeholders: employees and users. Its most



important group of stakeholders are users. Furthermore, three influential patterns of Guanxi culture were discovered in relation to Chitu's relationship cultivation strategies; namely, reciprocity and trust, as well as "positive energy."



## **Chapter 5: Discussion**

As it appears from the findings, the purpose of this research is to elucidate the reasons and the theoretical meanings behind LinkedIn China's success in terms of cultivating stakeholder relationships. The four key research questions illustrated earlier in the literature review play a guiding role in interpreting the results of this research, which may add quite a few explanations and extensions to public relations theories.

Using the linkage model to identify stakeholder relationships (Rawlins, 2006), this study found that, in terms of who the stakeholders are that matter to LinkedIn China and Chitu, many important parties are involved, including enabling linkages, such as investors, board members and government; functional linkages, such as employees and consumers; diffused linkages, such as media, as well as normative linkages, such as industry peers. Mitchell, Agle and Wood (1997) proposed that classes of stakeholders can be identified by their possession, or attributed possession of several attributes, among which power and legitimacy are the most core attributes of comprehensively identifying stakeholders. This proposal actually supports the stakeholder theory proposition in the literature review that addresses the principle of "who or what really counts" (Freeman, 1984).

It is imperative that any organization develop positive relationships with its stakeholders. After an organization identifies its stakeholders, it next prioritizes them according to its organizational goals and situations ("Identifying and Prioritizing," 2012). These principles apply no less to Chitu, which is a sub-brand of LinkedIn China. Chitu's goal is, as is the case with any startup company, in its early developmental stages, to attract as many users as practicable (Interviewee 2, personal communication, March 24, 2016). This goal resonates with Chitu's functional objective, which depends heavily on prudent operations, and retaining the most



valuable employees and expanding its consumer base. Chitu focuses its relationship cultivation strategies on employees and consumers—the two stakeholder groups with functional linkages. According to Rawlins (2006), employees represent input functions that provide labor and resources to create products or services, while consumers belong to output functions which consume products or service, and that both of these groups are essential to the function of the organization, deciding if the company's goal can be reached. They are also considered as the key publics (Wilson, 2005), whose participation and cooperation are required to accomplish organizational goals. According to the author, to build effective relationships with such stakeholders as consumers through communication, an organization must understand them as thoroughly as possible; for instance, "The key publics can be profiled by their demographics, lifestyles and values, media preferences, cooperative networks, and self-interests. Effective strategies appeal to the self-interests of the priority publics and reach them through the most appropriate channels" ("Identifying and Prioritizing," 2012, p. 65). As the results of this study indicate, these strategic maneuvers help Chitu generate an astute awareness of its users' inclinations. By carefully analyzing their profiles and preferences, Chitu has found that its users' most important interest is gaining networking and career development opportunities; Chitu, therefore, designs its relationship cultivation strategies based on this observation.

Additionally, when it comes to stakeholder salience (Mitchell et al., 1997) and constituency theory (Anderson, 1982), Su, Mitchell and Sirgy (2007) argue that firm relationships between the organization and stakeholders should be dynamic (cumulative, utilitarian, and long-term), yield socioeconomic benefits (positive work morale, group harmony, and enhanced effectiveness), and be defined as a trust-commitment/power dependence relationship. These theoretic propositions can be evidenced by Chitu encouraging and



empowering its mission-driven employees to form objectives of taking the initiative and being enthusiastic at work. Chitu also implements strategies, such as online interactive activities where users share common interests, and it also organizes face-to-face events, which serve to cultivate positive, energetic, harmonious, and long-term relationships among young professionals.

As the results of this study demonstrate, LinkedIn China and Chitu invest a considerable amount of time and effort into building trust with government, media, peer institutions and consumers, by strategically cooperating with these stakeholders, maximizing the organization's brand value, and creating mutually beneficial relationships. The evidence from the results also shows that LinkedIn China and Chitu prove their reliability, and earn trust from the public by enhancing and promoting the credit rating system; furthermore, they build an open culture by offering empowerment to employees and being transparent, by encouraging discussions that trigger engagement with consumers, as well as committing to strive for sound economic growth through cooperation with the government. All of these strategies support the five relevant dimensions in relationship management from Ledingham and Bruning (1998b): trust, openness, involvement, investment and commitment.

To maintain the effective organization-public relationships of access, positivity, and task sharing, Chitu has implemented a set of strategies offered by Hon and Grunig (1999). Consider, for example, (1) access to public relations, where Chitu practices early adopter strategies in its relationship cultivation approaches; (2) with regards to "positivity," Chitu is creating online and offline activities with themes of "building a positive energy in professional networking" and advocating happy and healthy lifestyles; (3) sharing of tasks. Chitu collaborates with its main stakeholders in solving joint problems by making full use of mobile internet's advantages, and



spreading professional knowledge and sharing entrepreneurial resources of talent, thus, bridging the gap between rich and poor in terms of wealth and knowledge.

## **Building Belief and the Page Principles**

Stakeholder and relationship theoretical propositions, as discussed in the Literature Section, have not explained why LinkedIn China and Chitu spend considerable effort in reminding the public of "who they are" and "what value they offer" in every interaction with their main stakeholders. In addition, these theories do not explain how to build a type of organization morale that would enhance strong relationships among employees, and with customers; therefore, more theoretical models are needed to provide plausible answers. Based upon what has been discovered in the findings, for example, LinkedIn China reiterates that its enduring and unique purpose is to connect local talent with economic opportunities worldwide. Furthermore, Chitu proclaims itself to be the app that best understands Chinese professional networking; in support of this claim, and believing in the social significance that the organization inculcates, and being an active part of it, Chitu, assigns ownership among its employees and motivates them to be mission-driven. Moreover, Chitu invites its most important group of stakeholders—users, to embrace Chitu's goal of assisting young Chinese professionals, during the course of their career development, to work together and attract more believers. After analyzing all this evidence, the researcher has discovered that the Building Belief Model from the Arthur W. Page Society, an association of senior public relations and communications executives and educators, serves an appropriate role in explaining Chitu's strategies by providing guidance in activating corporate character and authentic advocacy.

According to the Building Belief Model—which was developed to describe the corporate leadership roles that communication play in this new business environment with radical



transformations and rapid changes—building belief in this model is used for activating corporate character and authentic advocacy ("Arthur W. Page Society," 2012). The author submits that,

The Page Model begins with the concept of "Corporate Character," the definition and alignment of mission, purpose, values, culture, business model, strategy, operations, and brand to create the unique, differentiating identity of the enterprise. The organization must authentically embody that character in every interaction in order to be deserving of trust ("Arthur W. Page Society," 2012, para.3).

Further regarding this model, the scholar explains that to earn the trust of stakeholders, the CCO follows the Authentic Advocacy portion of the model, which starts with building Shared Belief, then decision-makers take action on the basis of those beliefs (make a purchase, or invest their money). Confidence is built as their actions lead to positive outcomes ("Arthur W. Page Society," 2012).

Based on what has been discussed just above, this case study demonstrates that by building shared belief with key stakeholders—employees and consumers—Chitu is not only gaining trust and loyalty from them, but is also incorporating the development of a distinctive "corporate character" into its long-term relationship cultivation strategies. The results of the study demonstrate that Chitu empowers its employees by activating their dreams and values, assigning them mission-oriented responsibilities, and requesting that each employee has ownership spirit in the organization. The shared belief for employees was described in the results as everyone taking Chitu's success or failure as their own and together making the impossible possible. By constantly communicating this message to its employees, a strengthened relationship, or rather, attachment is nourished.



Another group of individuals who are empowered and encouraged by Chitu's building belief strategy are its users. In order to make them loyal and active on Chitu, a similar belief is advocated, helping young Chinese professionals in their career development by providing them with better network, better career opportunities, and maximizing their personal and professional values. All of the operational innovative behaviors that Chitu created are centered on this belief, which have emerged as being quite effective. Moreover, it can be more effective when those behaviors strengthen Chitu's main stakeholders' feelings of agency and purpose, which generates self-motivated advocacy. This would generate a virtuous cycle, as these advocates build shared belief among new decision-makers ("Arthur W. Page Society," 2012)

Moreover, further explanations are needed in terms of how LinkedIn China and Chitu allocate resources and manage their people in order to maximize their capabilities of meeting stakeholders' expectations, and building an organization that is full of brand ambassadors, as displayed in the findings of this study. Therefore, it is imperative to introduce the concept of the Page Principles. The Principles, of which there are seven, are derived from the Arthur W. Page Society ("The Page Principles," 2007). Page Society members consider the seven principles to be the basis upon which they and all communications professionals should exercise their roles. Briefly, the Page Principles include, (1) Tell the truth; (2) Prove it with action; (3) Listen to stakeholders; (4) Manage for tomorrow; (5) Conduct public relations as if the whole enterprise depends on it; (6) Realize an enterprise's true character is expressed by its people; (7) Remain calm, patient and good-humored ("Arthur W. Page Society," 2012). The Page Principles address a number of issues that are lacking in the literature.

Through observation and analysis of the results, the researcher discovered that in the seven principles for the effective practice of public relations, compiled by the Arthur W. Page



Society, No. 2 "Prove it with action," No. 5 "Conduct public relations as if the whole enterprise depends on it," and No. 6 "Realize an enterprise's true character is expressed by its people" are manifested by the stakeholder relationship management strategies of LinkedIn China and Chitu ("The Page Principles," 2007).

Prove it with action. This means "public perception of an enterprise is determined 90 percent by what it does and 10 percent by what it says" ("The Page Principles," 2007, para.3). Even though Chitu portrays itself as "the app that knows most about professional networking in China" ("Chitu, An All-In," 2015) through media relations and many other forms of publicity, what eventually drives its key stakeholders to remain its loyal advocates can only be the numerous kinds of strategic online and offline group activities that speak for Chitu's core values.

Conduct public relations as if the whole enterprise depends on it. "No strategy should be implemented without considering its impact on stakeholders" ("The Page Principles," 2007, para.6). The case study presented in this research demonstrates that Chitu's public relations personnel collaborated with other management teams in considering its consumers' diverse range of views, experiences, expectations, and aspirations. LinkedIn China and Chitu especially consider that different categories of consumers, such as corporate customers and general user individuals, have different values and needs; thereafter, they make decisions and take action based on all those deliberations.

Realize an enterprise's true character is expressed by its people. A diverse workforce maintains opinions about an enterprise. Every employee is actively involved with public relations. Corporate communications must advocate for respect, workforce diversity and inclusion, and support employees in their desire to be honest, knowledgeable, and able public ambassadors ("The Page Principles," 2007).



In terms of this principle, there are distinctive examples revealed in the results of this case study which were collected by the researcher's interviews. From LinkedIn China's president, Derek Shen, to a fresh new graduate employee, each and every one of them is actively involved in building Chitu—the local product with a "startup gene," which can be seen in its "whole employee in operation" strategy described earlier. More specifically, Shen himself is an enthusiastic advocator for Chitu's reputation and values by maintaining a constant presence on Chitu, liking and sharing users' posts, showing great interests in listening to employees and users, and explaining the culture of Chitu (Interviewee 3, personal communication, March 25, 2016). Also, as a direct observer, the researcher discovers that Chitu's employees show their passion and pride as brand ambassadors by wearing Chitu logo shirts and adding the Chitu toy (a cute horse character) in their pictures shared with the public.

Another example is evidenced in the offline Chitu group activities in which the researcher was invited to participate. These activities were created and organized by LinkedIn China's executives, who spend considerable amounts of time being ambassadors in helping users better understand Chitu. "Staff members take seriously the responsibility to express through corporate communications who LinkedIn China and Chitu really are" (Interviewee 6, personal communication, March 26, 2016).

#### **CEO Communication and Personal Influence**

The literature on stakeholder and relationship theories does not fully address the reasons for the continued growth and increasing popularity of Chitu. Among these reasons are the organizational and communication talents of its management staff, Derek Shen, in particular. Shen and other management officials show their leadership repeatedly, and persistently articulate the values and benefits of using Chitu, while striving to maintain healthy and mutually beneficial



relationships with the public and the employees. The researcher has found, as noted, through interviews and documentation, that Shen has been active in promoting Chitu's brand, by maintaining high public visibility and strong relations with the media, by encouraging management to participate in public events, where interaction among Chitu employees and the public is also encouraged. These activities have contributed, in large part, to Chitu's ongoing and increasing presence in the online world. To explain in more detail, the following two theoretical principles are introduced: CEO Communication and Personal Influence.

CEOs' internal communication activities have a powerful impact on their employees and organizations. Their communication efforts directly influence employees' satisfaction, commitment and performance; meanwhile, the nature of their positions require them to maintain relationships with a number of key external stakeholders, such as consumers (Pincus, Rayfield & Cozzens.1991). "The CEO's support of and participation in public relations programs, both internally and externally, are vital. . . . The CEO is the top communicator of the organization" (Pincus, Rayfield & Cozzens.1991 p.3).

Since about 1990, a number of researchers have addressed the public relations function of the CEO. For example, the role of media and technology in increasing the visibility of the CEO (Foster, 1990; Grunig, 1997; Marston, 1993; Park & Berger, 2004; Pincus, Rayfield, & Cozzens, 1991). CEO's communication and interpersonal skills (Cullen, 2010). Also, there have been studies on teaching CEO communication skills (Antonakis, Fenley, & Liechti, 2011; Atkinson, 1984; Towler, 2003), as well as measuring the effectiveness of executive coaching programs for teaching the required skills of CEO communication (Frese, Beimel, & Schoenborn, 2003). After recognizing the importance of unrehearsed communication, Cyphert's (2010) call "to give some serious attention to the rhetorical analysis and criticism of the public discourse of business



leaders, in particular, contemporary corporate officers" (p. 356) remains salient, and finally, Grant and Taylor (2015) researched impromptu CEO communication, which sheds significant light on the studies of business communication, coaching, and teaching.

Zerfass, Verčič and Wiesenberg (2016) suggest that CEO positioning is essential to CEO communication. They further state that it is a strategy that comprises both persuasive and collaborative communication activities, which are designed to heighten the awareness of a company's most important representative, and with respect to the public, distinguishes that individual from all others (Bentele and Nothhaft, 2010).

As for how to be effective in CEO communication behavior, researchers have recommended that,

The CEO and senior leadership team must see the big picture, and must clarify, focus and communicate it. They must connect the organization to the outside world, set goals and chart the path to the future. They must communicate externally with diverse stakeholders, including the financial community, civic interests, customers and the public as a whole; while internally, leadership must inform and let employees know the part they will play in the organization's success. ("How to be," 2005. p.1)

Jameson (2014) went further to claim that it is wise for CEOs to understand the connections between the private versus public and personal versus professional rhetorical categories in order not to err in the technology-based and social media-pervasive environment.

With the above points in mind, the results of this case study indicate that Chitu's strategy of using CEO communication to cultivate and nourish relationships with its stakeholders has been an integral and distinctive aspect of its success. Derek Shen, further, distinguishes himself and his management style by informing the public that Chitu stands on an equal footing with his



last startup, establishing himself as a role model, and by sharing messages regarding Chitu's vision and determination to carve out for itself a niche in a very competitive market. Shen also advocates Chitu's glowing reputation, goodwill, and its value to Chinese stakeholders within their own cultural setting.

Shen's activities are neatly encapsulated in the following excerpt, "CEOs personify and represent their organizations through their visibility in media. In this way their leadership influences perceptions of the organization among stakeholders, and thereby organizational reputation and performance" (Meng & Berger, 2013, p. 307).

By working diligently to enhance Chitu's business reputation and performance, Shen's timely knack for exploiting China's ever-increasing trend towards embracing the spirit of entrepreneurship spirit, resonates with millions of young professionals who have the same aspirations. In effect, Shen's well-timed communications shorten the distance between Chitu and its audience.

Personal influence within an organization is an important component of relationship management (Toni, 2011). This case study demonstrates that the personal influence model establishes an indispensable role in Chitu's relationship management process. In terms of the crossing point between personal influence and relationship cultivating, Muzi Falconi et al. (2009) described that:

Relationship-building is a complex process, and all relationships have a personal dimension that is based on social networking and interactions with other individuals.

Therefore, personal influence is an important component of relational communication [which] considers how the influence of individuals contributes to successful public



relations as a result of strong personal relationships with key constituents upon whom the success or failure of the organization depends. (para. 11)

While many scholars generally acknowledge that personal influence is prevalent in Asia, Wakefield (2013) directs the scholars' attention back to discussing the evidence of the early existence of this model in the United States, and he suggests that the underlying foundation of public relations should be maintaining mutually beneficial relationships.

Personal influence inside organizations is important, mainly because "successful companies lead through effective top-down communication" (Van Nostran, 2004, p. 10). Positive trusting attitudes and liking are generated in Chitu because the executives use interpersonal communication to draw people into Chitu and motivate them to deliver satisfying performances. According to one of Chitu's executives interviewed in the case study, leaders in the company use incentives and personal caring for other employees by offering them empowerment, cultivating their ownerships, and building an open culture. At this point, the importance of exerting personal influence equals that of internal communication. Scholars note as follows:

Top managers in an organization are in a role to exert strong personal influence in their relationships with [subordinates] and to affect attitudes, job satisfaction, and consequently how employees speak about the organization to external stakeholders.

(White, Vanc, & Stafford, 2010. p. 67)

The researcher also collected evidence from the interviews that Chitu's employees believe Chitu's parent company, LinkedIn, has a great reputation globally and working for Chitu brings pride and positive identification—which helps Chitu maintain a respectable reputation, particularly when employees share with the public their positive experiences with the company



(Morgan et al., 2004). In turn, Chitu provides its employees with a sense of community at all levels by enabling them to receive first-hand information about the company, thus, giving employees a sense of importance.

Furthermore, the findings of this study suggest that Chitu's relationship management strategies have an emphasis on generating effective interpersonal interactions among its most important group of stakeholders. Rhee (2007) argues that the interpersonal interaction behind personal influence is considered to be a basic component of public relations; after all, face-to-face communication is generally perceived to be more trustworthy. Through emphasizing and implementing such strategy, which focuses on personal interaction, Chitu's executives encourage personal relationships with its users and potential users, by offering numerous face-to-face communication events, which feature online career biggies' lectures and offline group activities. These activities are also participated in by Chitu's employees, and provide them the opportunity to establish personal relationships with users and potential users, thus, establishing an enhanced recognition of Chitu's brand, and its products and services.

# **Issues Management**

In yet another area, stakeholder theory and relationship theory do not adequately outline all the reasons for Chitu's expansion and increasing popularity. The researcher discovered that along with Chitu's talent for management and organization, Chitu's knack for recognizing potential issues early in their development via scanning, monitoring, prioritization and strategic decision-making steps/approaches (Elizabeth, 2008), has been key to its continued success. With Chitu's identifying coming trends that could prove beneficial, it is equally imperative that it quickly discerns any potential problem. These forward looking activities can be clustered under the term "Issues Management," which includes several significant concerns.



Issues management is "an anticipatory, strategic management process that helps organizations detect and respond appropriately to emerging trends or changes in the sociopolitical environment" (Elizabeth, 2008, para. 5). As a classic public relations strategy, it is practiced by Chitu in fulfilling its endeavor to bridge the socio-economic/cultural gap between different demographics; this effort is also known as, "gap-bridging," and Chitu's advocating its values and goals through various activities. Issues management is "a proactive and systematic approach to predict problems, anticipate threats, minimize surprises, resolve issues, and prevent crises" (Wilcox & Cameron, 2006, p. 256). Generally, an organization conducts issues management by implementing a couple of measures and steps, which includes identifying the issue, analyzing the relevant environment, selecting appropriate strategies, taking action, and evaluating the results (Elizabeth, 2008). If well-prepared, the organization can, through using the proper issue management process, create practical and effective strategies that are conducive to the mutual benefit of all concerns (Cho & Kim, 2012).

The creation of Chitu itself is a result of LinkedIn China's issues management strategy.

By anticipating the potential risk of losing the Chinese market, if not creating new products that are tailored to the largest population of users, and mapping out a goal-driven response in advance, LinkedIn China has been able to make strategic responses rapidly.

Using environmental scanning, issue management helps Chitu identify potential issues and situations, which can possibly aggravate social and economic problems, such as inequality in acquiring social resources, opportunity disparities, and overseas talent shortages, all of which can inequitably affect different stakeholder groups. Furthermore, Chitu recognizes the increasing need for social networking, by young Chinese professionals, and it designs, as needed, strategies of building relationships tailored to them. With this significance, issue management is considered



a "stewardship for building, maintaining and repairing relationships with stakeholders" (Heath, 1997. p. 210). As soon as the issues are recognized, Chitu categorizes different types of publics according to their level of issue awareness and involvement, then responds and resolves these problems by using two of the four issue management strategies that are explained by Hallahan (2001), the intervention-based strategy and the education-based strategy, which are as follows:

The intervention-based strategy focuses on monitoring, outreaching, or collaboration activities to address the concerns of aroused publics who have low-level issue awareness and high-level issue involvement. For responding to aware publics who are characterized by high-level issue awareness and low-level issue involvement, it is recommended to use the education-based strategy that includes efforts of alliance building with stakeholders, media advocacy, or lobbying. (Cho & Kim, 2012. p. 374-375)

The results of this research clearly reveal that Chitu uses the strategies discussed above to reduce the concerns of its stakeholders, which may include government, media, and user behavior. Chitu concentrates on outreach and collaboration efforts, such as helping the government, boosting employment, bringing in international talent, building alliances strategically with media groups to advocate its mission, and inviting career development experts to offer valuable online sharing to decrease the knowledge and opportunity inequality among users from different parts of China. Furthermore, Chitu has an admirable understanding of the pressures exerted on current professionals in China, and thus remains consistent in its intent to establish an interesting and lively social platform for professionals.

## **Embracing the Cultural Shifts in Guanxi**

Additionally, the strategies and tactics of issues management have to be considered together within a more traditional and time honored context; i.e., that being an aspect of culture that is deeply rooted within the Chinese psyche. This cultural phenomenon is known as "Guanxi," which has been introduced earlier. By applying the issues management strategy, Chitu has been notably successful in responding to cultural sensitivities.

The fourth research question in this study explored Guanxi's influence on Chitu's relationship cultivation strategies. Guanxi is a sophisticated and multi-dimensional social phenomenon in Chinese culture. Guanxi is alien to Western thought; therefore, it is difficult to explain in Western terms. Nevertheless, to shed some light on the practice, the following section analyzes previously described data and new cultural findings. Most results in this study regard Guanxi as the special phenomenon that concerns personal relationships not only in the traditional Chinese Confucianism societies, but also in the ever-changing and reforming modern China.

It should be recalled that, scholars define Guanxi as "a trust relationship among firm stakeholders that yields socioeconomic benefits (positive work morale, group harmony, and enhanced effectiveness), and is substantively distinct from bribery" (Su, Mitchell, & Sirgy, 2007, p. 6).

Instead of just passively reacting to, or promoting traditional Guanxi principles, such as "seeking assistance from family, good friends, and acquaintances," Chitu, with a commendable knack for stranger networking, has presented to the public a new Guanxi model, and has concentrated its communication efforts on creating "positive energy," which encourages high motivation, mutual help, open sharing, equality, and diversity based on group harmony, among its employees and users. Furthermore, from its beginning, Chitu has created a brand, which is its



dedication to creating a warm and harmonious professional networking platform for young Chinese people (Interviewee 3, personal communication, March 25, 2016; interviewee 6, personal communication, March 26, 2016).

To successfully enter the Chinese market amounts to entering an extensive Guanxi network. Among all the stakeholders, the relationship management that LinkedIn China and Chitu conduct, the smartest strategies would be cooperating actively with the Chinese government by taking the lessons from failed foreign companies in China and satisfying local users' needs. According to Su, Mitchell, and Sirgy (2007), who developed a hierarchical stakeholder model of Guanxi and claimed that not all are equally important among the necessary Guanxi relationships, Chitu has focused on the most important stakeholder group—the Chinese users who can represent revenue, and who will eventually determine its survival and financial success in the distinctive Chinese Internet environment.

In the traditional Guanxi model, which favors social networking among acquaintances and high-context communication, people trust who they know from their family and close social communities. Since modern China has a transitional and emerging economy with fast-changing rules and regulations, as well as, being amid the internet revolution, more and more social interactions and relationship-building needs are generated outside of kinships, spreading to a diversified societal environment, such as professional organizations. Frequent networking among strangers has become the inevitable result of social progress. However, in Chinese society, face-to-face Guanxi is still of great importance in maintaining relationships among people who have embraced this shift in culture. These understandings and insights have helped Chitu be on the ground to collect market intelligence and execute public relations strategies.



In terms of why trust is highly needed in a society shifting to obtain and encourage more social interactions among strangers, Jianguo (2013) has explained in his book that an "Acquaintances Society" is predicated upon a self-sufficient peasant economy. Other characteristics are its "closeness" to outsiders, and low citizen mobility. Its Guanxi structure is deferential, suggesting hierarchical relationships. Mutual trust among acquaintances is essential. In contrast, a "Strangers Society" is based upon a market economy, is more "open" to outsiders, than the Acquaintances Society, and has greater citizen mobility. Its structure is a group pattern in which contractual Guanxi dominates; these aforementioned features are safeguarded by the rule of law and regulation.

So, if Guanxi-based trust has consistently been required in the kinship and acquaintance circles for such a long time in China's tradition, how could Chitu deal with the potential issue of distrust as it pursued its goals to create networking success among total strangers? At this point, Chitu again resorted to issue management strategies to identify which issues were most likely to arise as it attempted to induce strangers to interact on social and business levels. The chief strategies that Chitu has employed, and, which were mentioned earlier, were the addition of "Professional Identity Certification" and "Sesame Credit Rating Certification." Further, it must be noted that users are required not only to use their legal names, but a recent photo is required, and brief biography that includes employment and educational experience. These requirements that Chitu has implemented serve to enhance the traditional notions of trust, upon which ancient ideas of Guanxi were founded. The result is that Chitu has gained inroads into new online markets, and has helped narrow the socio-economic and cultural gap, by instituting a modern form of Guanxi. In turn this new Guaxi has facilitated the Chinese government's efforts to improve the credit system and promote social progress.



Globalization has also contributed to prompting Chitu's development of new cross-cultural strategies. Ledingham's (2008) "Post-Industrial Public Relations Pyramid" model is a vivid and suitable example of such development. Ledingham's (2008) model targets illustrations of conceptual changes to the public relations management function, and offers a worldwide view of study, teaching, and practice of public relations. He also discussed his perceptions for better understanding the relationships' essential nature, deep exploration of management typologies, and improved perception of the linkage between organizational structure and management style of different cultures in some of his further research. Chitu has advanced its strategies with time by responding quickly to the reality and being down to earth.

Furthermore, faced with the impact of cross-cultural collisions, Chitu has developed the strategy of gathering graduates or prospective graduates as loyal users, who grew up in Chinese culture under the influences of traditional Guanxi, and are therefore, more amenable to LinkedIn's modern professional social networking culture. Evidence shows that, with an emphasis on the importance of business social networking upon their graduation, Chitu cultivates the top university students (Qi, 2014). Through amplifying the common characteristics between Guanxi culture in traditional society, and modern professional networking with Western values, such as openness and professionalism, Chitu effectively communicates its distinctive values to users.

Finally, the positive Guanxi principles, harmony, reciprocity, hope and pragmatic spirit, which have emerged in the Chinese networking culture, facilitate the establishment of a new Guanxi model—
"positive energy," especially among Chinese netizens. Evidence demonstrates that, this "positive energy" which is mainly generated by people connected through the internet, allows people to encourage each other, as well as, themselves, to progress professionally and economically. Along with (or based on) the



cultural and economic shifts discussed earlier, the uniqueness of "positive energy" lies in the transformation of Guanxi, thus, bringing the scholarly understanding of, and research into Guanxi to a new level.



## **Chapter 6: Conclusion**

This case study research has examined the public relations practice of LinkedIn China and its sub-brand Chitu to determine whether the stakeholder and relationship theories from the Western perspective apply to organizations in China. This research went beyond examining previous studies on the applicability of stakeholder relationship management because it added more related theoretical explanations such as the Page Principles, Personal Influence and Issues Management, thereby, helping the reader understand more fully the reasons for Chitu's success in China when other western internet companies have failed. Moreover, through a deeper evaluation of the dimensions of Guanxi culture and relationship cultivation in China, this study sought to provide greater insight into how the combination of public relations practices and comprehensive understanding of cross-cultural issues can help foreign internet companies succeed in China. In this section, the researcher will discuss the theoretical and practical implications extrapolated from these findings, followed by an examination of limitations of this research. Finally, recommendations and future research are made.

#### **Theoretical Implications**

This case study contributes to public relations research in a Chinese context. Though public relations practice is "well-established" in the West (Kirat, 2005), it has been relatively underdeveloped since it was first introduced to China starting with reform and opening-up policy in the late 1970s (Chen & Culbertson, 1992). Initially, mainstream Western concepts and models, such as the four public relations system models (Grunig & Hunt, 1984) and excellence theory (Grunig & Grunig, 1992) were borrowed to develop Chinese public relations studies (Hou, Zhu, & Bromley, 2013). This research found that the assumptions and predictions of stakeholder theory and relationship theory can be as well applied in Chinese public relations practice, thus,



providing further support for these theories. Specifically, identifying and prioritizing stakeholders and publics, according to organizational goals and situations, are of fundamental relevance for managing strategically organization stakeholder relationships. Moreover, developing positive relationships with stakeholders is imperative. For organizations, additional implications were found as follows: (1) delivering value in relationship cultivation, (2) the application of theories within the evolving cultural context.

**Delivering value in relationship cultivation.** Delivering values in relationship cultivation essentially means meeting the needs and expectations of stakeholders, which involves behavior in communicating strategically and promoting an organization's value to the target stakeholders. Ledingham (2003) concluded that the building of organization–public relationships requires not only communication, but public and organizational behaviors, which is central to the relationship management perspective. He explained that "Communication alone cannot sustain long-term relationships in the absence of supportive organizational behavior" (p.15). Evidence from this study suggests that LinkedIn China and Chitu persistently focus on various public relations behaviors that not only communicate values to, but actually deliver them to the stakeholders, especially their customers and users. The practice of emphasizing the delivery of value in relationship cultivation could contribute to the relationship theory, discussed earlier, in that value can make a relationship endure and achieve long-term goals. Similarly this research has introduced and emphasized the Page Model and CEO communication and Personal Influence in order to address and mitigate the deficiencies of relationship theory, thereby, making it more applicable to different contexts.

The application of theories within the evolving cultural context. The prominence of cultural factors in the conceptualization of relationship cultivation is revealing. This study has



discussed the necessity of combining stakeholder relationship management theories with not only the salient features of Chinese culture, but also with the underlying cultural factors and dynamics that are integral to the ever-changing institutional environment, which includes policy changes, and societal trends.

The aforementioned "combining" is a possible area of research to be exploited, for any future researcher who is keen on contributing to the critical tradition of public relations research; for example, studying more in depth the evolution of Guanxi and theoretical models, such as personal influence and issues management. Moreover, many aspects of culture are rapidly evolving to keep pace with the accelerating changes of the modern world. This evolution is impacting all institutional environments in China, a nation that is experiencing the sometimes unsettling transitional changes from deeply entrenched traditional values to the increasing acceptance of those aspects of global culture that it finds most amenable to its goals. Therefore, public relations researchers and practitioners should, when applying relationship theory, or any other theory, keep in mind the underlying cultural factors that those theories might impact unfavorably, or otherwise.

## **Practical Implications**

The findings of this research also have practical implications about understanding stakeholder relationship management in China's complex cultural contexts. After all, this research's objective is to essentially answer the question: "What LinkedIn China and Chitu have done so far in terms of maintaining good stakeholder relationships to survive and thrive in China"?

This research has the potential of stimulating wider reflections among public relations practitioners on the stakeholder management idea. Moreover, the researcher also offers



invaluable insight and guidance for foreign technology/ internet companies that are eager to initiate and maintain successful stakeholder relationships in China.

Focusing on strategic behaviors, not just communication. In order to meet the expectations of stakeholders, it is necessary for organization practitioners to expend more effort on creating strategic and operational activities for the successful delivery of their vision, mission, shared beliefs and values. More importantly, organizations should quickly, and without hesitation, respond to changes in the business and institutional environment. They should develop a means of preparing for new competition, threats and, or, opportunities (such as Chitu's identifying and making use of Guanxi's essence); and finally, they must adjust to government policies and social trends. As is shown in the findings of this research, numerous public relations and marketing activities have been executed by LinkedIn China and Chitu to satisfy stakeholders' needs.

Partnering with government. Though it might be sensitive to mention, government relations with public relations practitioners, could be strengthened by the latter following government policy, instead of attempting to skirt or interpret government policies in a manner that would benefit their self-interest. Nonetheless, it is recommended that an effective strategy for organizations, especially tech and Internet companies, would be to seek mutually beneficial partnerships with government (on shared tasks) by implementing environmental scanning, as well as, researching social and economic policies; the entire focus of this partnership would be on problem solving.

**Educating consumers.** Public relations practitioners should take strategic initiatives in educating consumers; education serves an important role in building successful relationships with stakeholders. This is especially practical when it comes to bringing in new cultural concepts



and products. Take LinkedIn China's Chitu product—a professional social networking app, as an example; to a certain degree, online professional networking among strangers is an "imported concept" which is foreign to Chinese users; hence, Chitu has to assume the responsibility of introducing the idea, arousing public interest, and advertising itself through strategic communication and branding tactics. This requires practitioners to understand the full scope of issues management, while exercising cultural sensitivity; to have an extensive knowledge of the organization and its environment, and be skilled collaborators equipped to communicate within and across organizational boundaries. Meanwhile, because of the enormous size of the Chinese consumer market, with its different regional and classics of preferences, it is imperative that practitioners' efforts to educate consumers not only target the high-to-middle class, but also individuals who are at the lower-socio-economic levels. This effort requires that Chitu, is itself, informed as to the particular economic strata of millions of potential consumers, so that it may tailor its information strategies to meet the needs of consumers ranging from the uppermost echelons of society to the grass-roots level.

Positioning the CEO with localized approaches. The public relations influence that CEOs' frequent presence, direct contact and communication with stakeholders generate is indispensable. In this study, the CEO of LinkedIn China has tactically positioned himself as an entrepreneur, who started from scratch. His humble origins not only arouse a shared belief with many stakeholders, but also creates an effective branding strategy for the organization, in a country/market and era that is keen on embracing entrepreneurship. Furthermore, it has been illustrated in the discussion chapter that Chitu's CEO communication has been applied with localized approaches. This means LinkedIn China's CEO does not regard himself as a professional manager of a multinational company; instead, he considers himself a leader of a



local startup with support and trust from the headquarters and investors. This approach gives the CEO more freedom and executive power to communicate to stakeholders, LinkedIn China's image. Foreign companies desiring to do well in the China markets, would be wise to follow the already proven example of Chitu's CEO.

Making both employees and consumers relationship-building advocates. As illustrated in the results and discussion sections, by providing ownership or empowerment, or by using the Page Principle and Personal Influence discussed, employees and consumers should be encouraged to get involved in an organization's public relations efforts.

Focusing on cultivating relationships first, instead of making profits. Organizations should prioritize the building of trust and loyalty with customers, rather than trying to turn quick profits. For example, from its very inception, Chitu's focus has been on patiently building its customer base, to the exclusion of raking in profits. Chitu believes that by first emphasizing the dependency of its services and products to consumers, its consumer base will appreciate the fact that the organization has their best interests at the forefront; they will very likely inform their relations and acquaintances of the organization's approach to business, and in time not only will the customer base grow, but with time, profit should follow. Chitu's customers are very aware of this approach, which puts them before profit, and as a consequence, Chitu has been enjoying enviable success.

Thinking locally and acting locally. Finally, this study not only discusses public relations practices in China, but takes the necessary steps of shedding light on how foreign internet companies attempt to succeed in China by cultivating and maintaining good relationships with their stakeholders. Accordingly, the researcher has found that foreign internet companies, true to a variation on a popular adage, should not only think locally—but act locally,



as well. This case study suggests that to succeed in China, in these globally competitive times, international companies' public relations strategies, rather than implement the customary business practices, which might have served them well in their native countries, must be locally adaptive and responsive to local norms and needs. In other words, before international companies even enter China, they should study Chinese business methodology, and incorporate into their native methodology those elements that would be conducive to achieving success in Chinese business, social and cultural environments. This incorporation would result in a "hybrid methodology," which means that international companies might, if they believe it in their best interests to do so, follow the Chinese method of selecting leaders and executives, building local teams, and creating products that are modified to meet the Chinese consumers' needs. These companies need look no further than LinkedIn China and Chitu, to find a model of how to enter into and maintain a foothold in Chinese markets.

This study confirms the importance of localization in comparison to globalization.

Molleda, Kochhar and Wilson (2015) have emphasized that public relations practitioners must increase their awareness of implementing local, as well as, cross-cultural communication strategies. Furthermore, Sriramesh (2003), arguing that because of globalization, there is no longer domestic public relations, believes that "thinking globally" is the most effective means of executing public relations worldwide; however, Wakefield (2007), challenging Sriramesh's position, argues that because of the wide-spread use of the internet, it is necessary to understand the differences between practicing public relations entirely within one's own country, as opposed to practicing those relations across national boundaries (Foster, 1998; Vercic, 2003).

Wakefield (2007) also poses the question that, "if there is no theory building specific to different public relations practices across political, economic, and cultural boundaries, how



might one expect those practices to be understood in a manner that would add value to the multinational entities that operate across these borders?" (p. 139-140) This study has found empirical support for Wakefield's position on these issues.

#### Limitations

At this point in the discussion, a number of probable limitations are recognized; since any existing limitation could impact the findings of this study, an invitation is offered to future researchers who might desire to expand upon, or introduce new and undiscussed aspects that relate to this study.

First, the researcher recognizes that while the contents of this thesis might be applicable to current conditions in the online world, the structure and application of social networking is steadily evolving. Because of this dynamic quality, it is probable that the features and relationship cultivation strategies of LinkedIn China and Chitu will have changed, if only slightly within a mere few months after the completion of this work.

Second, this case study about stakeholder relationships was conducted in a single-product relationship context within the technology/internet industry in a Chinese environment; therefore, its conclusions may not be readily generalized onto any other industry. These data, however, are considered to be quite valuable, thus, providing cogent descriptions replete with rich details.

Third, the linkage model of stakeholder identification used in this case study is situational, and priority of stakeholders and publics will change according to the situation, such as different stages of development of the organization.

#### Recommendations

Even though Chitu is enjoying success in its stakeholder relationship cultivation strategies, yet with all that has been discussed, there is still potential room for improvement. For



example, it is imperative that Chitu establish a sound protocol for crisis management. For instance, Chitu must be extra cautious about executing its relationship cultivation strategies because China's internet market is not well-regulated yet. Issues related to business activities on the internet could easily arise (i.e., Chitu could encounter issues such as ID Theft). Thus, it must ensure that it has the security in place to safeguard consumer identification, as well as a mechanism to quickly react to any problem. Further, problems of equal access to the internet via social media are likely to emerge. This problem could be resolved eventually as Chitu's customer base expands. The affordability of its products and services should be within reach of more segments of the population.

The CEO should avoid over-exposure, which entails publishing his every move, such as the details of what he is doing on a daily basis, discussing his personal and business relationships, and sharing information about his property holdings, his social circle, and his salary. There is a tendency for people to elevate to unreasonable heights individuals, whom they believe are exceedingly materially successful. The tragedy is that when those who have been elevated so high above others, fail, their admirers can be sorely disappointed. As this observation might apply to Chitu, stakeholders could suffer a tremendous sense of loss if the CEO's behavior falls below the expected standards of behavior, such that a crisis results and threatens Chitu's image, goals and public brand. With these points in mind, Chitu's CEO should be ever mindful of the dangers inherent in the above observation and take care to monitor his communication, the places he frequents and the company he keeps. Because of his position, he will attract people having various motives, some of which are helpful, but others might, just as well, be damaging to his and Chitu's reputation.



#### **Future Research**

Quite a few researchers have attempted in-depth studies of the dynamics of Guanxi as those dynamics relate to relationship management in China. The efforts of these researchers does in no way exhaust all the possible research into the matter; thus, there are many opportunities for future research. Future studies could focus on evaluating how other characteristics of Chinese culture, such as family orientation, face, favor, and relational harmony (Chun-ju Flora, 2004), influence the stakeholder relationships cultivation strategies within China's cultural dynamics or other socio-economic conditions.

This paper only examines stakeholder relationship management in public relations in China. Future research can focus on examining or exploring the applicability of other related theoretical propositions and models. For example, cooperative social responsibility (CSR) or crisis management. In addition, since this case is related to international companies' entering and finding success in Chinese markets, it might be beneficial to add another tool of international public relations, such as World-class public relations (Wakefield, 2000b; Wakefield, 2011) into this mix of public relations theoretical exploration. Hopefully, this research will provide insights that can be valuable in helping global organizations think critically about implementing successful public relations efforts when entering other markets.

# # #

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# # #



## Appendix A

INSTITUTIONAL REVIEW BOARD FOR HUMAN SUBJECTS

## Memorandum

To: Li Yingying, Graduate Student

Department: COMM College: FA&C

From: Sandee Aina, IRB Administrator

Date: February 22, 2016

IRB#: A 16073

Subject: Examining the Stakeholder Relationships in Public Relations Practice: A Case

Study of LinkedIn China

Thank you for your recent correspondence concerning your protocol referenced in the subject heading. Brigham Young University's Institutional policy requires review of all research. I appreciate your willingness to comply with this policy.

Most research in the social and behavioral sciences involves gathering information **about** individuals. However, this research will involve the collection of data from experts/professionals. The participant will contribute information about some aspect of the external world primarily from the perspective of their special expertise, rather than their personal opinions, preferences, perceptions or experiences about their personal lives.

This scholarly activity does not meet the regulatory definition of human subjects research as written in the Code of Federal Regulations 45.46.102 (f).

### Please remove BYU IRB's contact information from the consent statement.

If you have any questions, please do not hesitate to contact me, (801) 422-1461, A-285 ASB. I wish you well with your research!

Brigham Young University - A-285 ASB - Provo, Utah 84602 (801) 422-3841 / Fax: (801) 422-0620

April 2015



# Appendix B

# **Interview Participants**

Interview #	Interview Date	Sex
Interview 1	February 24, 2016	M
Interview 2	March 24, 2016	M
Interview 3	March 25, 2016	M
Interview 4	March 25, 2016	M
Interview 5	March 25, 2016	F
Interview 6	March 26, 2016	M



## Appendix C

## Interview guide—Protocol and Semi standardized questions

\*Confidentiality: The contents of the interviews were recorded in their entire length, then transcribed and treated confidentially. Only those directly involved in the research had access to them. Subjects were volunteers and were not coerced into participation nor penalized for non-participation. Subjects were not at any risk in regards to their comments. The names of subjects were not attached to their comments.

Interviewees will be contacted initially in-person or by telephone to inquire about their willingness to participate in this research study. They will be informed that:

- The purpose of the study is to better understand the dynamics of relationships between organizations and their publics and stakeholders.
- Interviews will last from 30-60 minutes.
- All information shared during the research process will be confidential and that only the interviewer will have the names of interview participants.
- Interviews will be recorded and transcribed. Participants will receive a copy of the transcription to review for accuracy and clarification.
- If participants are willing to participate, they will be asked to sign an informed consent form.
- Participants can withdraw from the study at any time without any negative consequences.



- Participants may be asked to participate in a member check of the case study narrative that will comprise the findings section of the research study.
- A copy of the final report will be supplied to interested participants.
- Interview dates, times and locations will be arranged for all individuals who willingly agree to participate in the research project.

### **Interview Questions:**

RQ1: With which Chinese stakeholders does Chitu cultivate?

- 1. Who do you think are the stakeholders for Chitu?
- 2. What is the evidence that Chitu is making connections with them?

RQ2: On which Chinese stakeholders has Chitu focused its communication and relationship-building efforts?

- 1. Which stakeholder groups are vital for the success and survival of Chitu's?
- 2. Why are these groups vital for the success and survival of Chitu?

RQ3: How does Chitu employ relationship cultivation strategies in its communication with its stakeholders?

- 1. Does Chitu try to strengthen its relationships with these groups? How?
- 2. How has Chitu used communication/public relations to build or improve relationships with these important stakeholder groups?



RQ4: To what extent are Chitu relationship cultivation strategies influenced by Guanxi?

- 1. What do you understand about Guanxi in China?
- 2. How important is Guanxi to Chitu in developing supportive relationships with its important stakeholders?
- 3. What role does Guanxi play in Chitu's communication/public relations efforts with its important stakeholders?

# # #

