

Cultural Dimensions and Business Etiquette in China—Malaysia Engagement under the Belt and Road Initiative: A Multi-Case Analysis

Jin Rui

*School of Foreign Languages, Dalian University of Technology, Dalian, China
jr15040634926@qq.com*

Abstract. As China–Malaysia bilateral trade crosses USD 212 billion, the commercial relationship has matured into one of the Belt and Road Initiative's most consequential partnerships. Yet macroeconomic figures mask a less visible substrate: the cultural conventions inside which business interactions unfold, and whose misreading can derail otherwise sound commercial logic. This paper develops an integrated analytical lens combining Hofstede's six-dimensional model with Hall's high-context/low-context theory, and applies it to three BRI-era cases—the Two Countries, Twin Parks initiative (Qinzhou–Kuantan), the Geely–Proton acquisition, and the East Coast Rail Link (ECRL). Across the cases, several patterns recur: a high-power-distance environment requiring hierarchical respect; a collectivist orientation privileging relational trust; and a high-context register asking foreign partners to read silence, ritual, and face as part of the conversation. From these patterns the paper derives a Cultural Sensitivity–Etiquette Matrix mapping dimensional pressures to actionable protocols across five domains, offering both theoretical confirmation of the Hofstede–Hall framework in Southeast Asian contexts and a practical decision tool for Chinese enterprises seeking durable partnerships in Malaysia.

Keywords: Belt and Road Initiative, cross-cultural communication, Hofstede cultural dimensions, business etiquette, China–Malaysia relations

1. Introduction

Fifty years on from the establishment of diplomatic ties, China and Malaysia signed a joint statement in Kuala Lumpur on 17 April 2025 that committed both sides to a "high-level strategic Community with a Shared Future" [1]. Among Belt and Road Initiative (hereafter BRI) partnerships, few rival the strategic weight of this one. Bilateral trade had reached roughly USD 212 billion by the close of 2024; for over a decade, China has been Malaysia's largest trading partner, and Malaysia, in turn, has held the top spot among China's ASEAN partners. The state visit by Premier Li Qiang in June 2024—timed deliberately to the diplomatic anniversary—added momentum to a cooperation agenda touching infrastructure, the digital economy, agriculture, and education [2].

Behind those headline figures, however, lies a less visible substrate that often determines whether commercial relationships actually take root: the cultural fabric within which business interactions

unfold. Malaysia is no homogeneous market. Malay, Chinese, Indian, and indigenous communities coexist under an Islamic constitutional framework. Business norms here draw simultaneously on Islamic values, the Confucian heritage of the Chinese diaspora, hierarchical political traditions, and the distinctively Malay concept of *budi*—a system of conduct emphasising courtesy, refinement, and consideration for others [3]. For Chinese firms entering the Malaysian market, an appreciation of these layered norms is often the decisive factor in whether a partnership survives its first serious test.

Existing scholarship on Sino-Malaysian business relations, though it has grown steadily since 2013, displays two limitations: it is largely descriptive (cataloguing etiquette dos and don'ts without anchoring observation in cross-cultural theory), and methodologically dominated by single-case studies, leaving open whether identified cultural patterns recur across project types. The present paper takes up three research questions to address these gaps. RQ1: how do Hofstede's cultural dimensions and Hall's context theory, in combination, account for the etiquette norms observable in China–Malaysia business interaction? RQ2: how do cultural adaptation strategies vary across BRI engagement types—industrial parks, cross-border acquisitions, and large-scale infrastructure? RQ3: which etiquette practices prove indispensable for building durable commercial partnerships between Chinese and Malaysian counterparts?

The paper's contribution lies in three moves. First, the author integrates Hofstede and Hall into a single analytical lens calibrated for the China–Malaysia case. Second, three signature BRI-era cases are placed side by side—an evidential base broader than prior single-case work. Third, the analysis is distilled into a Cultural Sensitivity–Etiquette Matrix intended as a working tool for Chinese enterprises preparing market entry.

2. Theoretical framework

2.1. Hofstede's cultural dimensions

Few frameworks in cross-cultural management have proved as durable—or as contested—as Hofstede's [4]. The model treats culture as a multi-dimensional construct encoded in shared values across national populations. Six dimensions structure the analysis: Power Distance Index (PDI), Individualism versus Collectivism (IDV), Masculinity versus Femininity (MAS), Uncertainty Avoidance (UAI), Long-Term Orientation (LTO), and Indulgence versus Restraint (IVR). Despite ongoing critiques, the framework continues to dominate citation counts in the field [5].

What does the model tell us about the China–Malaysia pairing? Quite a lot, in fact. Malaysia's PDI score of 100—the highest recorded anywhere—reflects deep cultural acceptance of hierarchical authority [6]. Several historical streams converge to produce this score: Sultanate traditions of Malay political culture, Islamic patriarchal structures, and the Confucian hierarchy organising the Chinese community. China registers 80 on the same dimension. On IDV, both countries score low (Malaysia 26, China 20), confirming collectivist orientations. Where the two cultures diverge is on UAI: Malaysia's moderate 36 reflects relative comfort with ambiguity—what Storz once termed "rubber time" [7]—while LTO shows the sharpest divergence (China 87, Malaysia 41). These configurations produce predictable etiquette pressures: a high-PDI environment requires deference to senior decision-makers and formal protocols; a collectivist setting prioritises consensus-building and gradual trust development; moderate UAI tolerates flexible deadlines while rewarding written agreements; and the LTO mismatch warns that the patience natural to Chinese business horizons may, viewed from Malaysia, look like indecision.

2.2. Hall's high-context versus low-context communication

Hall's distinction, set out most fully in *Beyond Culture*, cuts on a different axis [8]. In high-context cultures, much of what gets communicated lives outside the spoken word—in shared background, non-verbal signals, the history of a relationship. Malaysia is consistently classified at the high-context end of this scale [9, 10], particularly within the Malay majority, where directness is taken as poor manners and disagreement gets communicated through silence, a topic shift, or oblique formulation. China sits at the high-context end too. When two high-context cultures meet, the problem is not that either side misses implicit meaning—both expect implicitness—but that they read different kinds of implicitness. Malay implicitness draws on Islamic concepts of *adab* (refined conduct) and *malu* (face/shame); Chinese implicitness draws on Confucian concepts of *mianzi* (face) and *guanxi* (relational capital). A Chinese negotiator's polite hedge—intended as a soft "perhaps not"—may be received as a firm refusal; a Malaysian's extended silence—signalling discomfort—may be misread as agreement.

2.3. An integrated Hofstede–Hall lens

Hofstede and Hall are typically deployed in parallel, rarely in combination. This paper treats Hofstede's dimensions as structural drivers—deeper values underlying behaviour—and Hall's context theory as the communicative channel through which those drivers express themselves. A high-PDI environment generates pressure toward hierarchical etiquette; the channel through which hierarchy is enacted is high-context. A junior Malaysian partner signals disagreement with a senior Chinese counterpart through silence rather than verbal objection—a behaviour legible only via context. The integrated lens shifts the analytical question from "what value is held?" to "how is that value performed in interaction?"—precisely the level at which etiquette operates.

3. Literature review

Any serious study of Malaysian business culture has to begin from the recognition that the country is irreducibly plural. Dahlan's elaboration of the *budi* concept—covering refinement (*halus*), politeness (*hormat*), and the capacity to put oneself in another's place (*timbang-rasa*)—remains a touchstone [3]. Storz showed how Malay and Chinese value systems, although distinct in origin, converged in workplace practice around the twin priorities of harmony and indirectness [7]. These observations were absorbed into broader Asia-Pacific frameworks by Lasserre and Schütte [11], and operationalised for negotiation analysis by Osman-Gani and Tan [12].

Whether Hofstede's national-average scores can adequately represent a country as plural as Malaysia is, however, hardly an obvious matter. Fontaine and Richardson argued that the country's Malay, Chinese, and Indian sub-cultures produce intra-national variance that single national scores tend to obscure [13]. Tan and colleagues partly reconciled this position: when Hofstede scores are disaggregated by ethnic group, the dimensions retain explanatory power for predicting entrepreneurial innovativeness among Malaysian Malay, Chinese, and Indian entrepreneurs respectively [5]. Lick's comparative work on China–Malaysia negotiation defends Hofstede's continuing utility in this dyadic context [14].

A more recent stream has examined specific BRI projects. Ye assessed political and social risks of the ECRL, identifying ethno-religious sensitivities as a primary risk category [15]. Tritto compared Indonesian and Malaysian approaches to BRI investment in the EV sector, finding that Malaysia's joint-venture model—exemplified by Geely–Proton—has produced more durable outcomes than

Indonesia's resource-nationalist approach [16]. Wang, Song, and Cao documented Geely's turnaround of Proton, attributing success principally to cultural retention strategies [17]. Ngeow examined Chinese cultural diplomacy through the Confucius Institute network [18]; Liu [19] and Sun and Fan [20] offered broader theoretical reflection. Taken together, the literature confirms that culture matters in BRI engagement, but rarely articulates which cultural dimensions matter for which engagement types. The present paper fills that gap by mapping specific cultural mechanisms onto three distinct project archetypes.

4. Methodology

The research design is comparative multi-case, in the tradition codified by Yin [21]. Cases were chosen by purposive sampling, with three criteria guiding selection: substantive scale within the BRI; variation in engagement type, providing analytical contrast across project archetypes; and data availability across official, academic, and journalistic sources. The three cases that met these criteria are the Two Countries, Twin Parks initiative (a government-to-government industrial cooperation), the Geely–Proton acquisition (a cross-border private acquisition), and the ECRL (a large-scale infrastructure project). Three classes of secondary source were used: official documents (bilateral joint statements and press releases); peer-reviewed academic literature published 2019–2026; and journalism from Xinhua, People's Daily, Reuters, the Carnegie Endowment, and Nikkei Asia. For each case, the analysis began with a chronological reconstruction of key events, actors, and decision points. Cultural mechanisms were then coded against the Hofstede–Hall framework; cross-case pattern matching identified convergent and divergent findings, synthesised into the matrix in Section 6.

5. Case analysis

5.1. Case A: the two countries, Twin Parks model

The Two Countries, Twin Parks model pairs the China–Malaysia Qinzhou Industrial Park (Guangxi, opened 2012) with the Malaysia–China Kuantan Industrial Park (Pahang, opened 2013) under a sister-park architecture. By June 2024, Qinzhou had attracted 249 contracted projects with cumulative industrial output of RMB 93.8 billion, while Kuantan recorded 13 projects with output exceeding RMB 60 billion [22]. Together they constitute China's first government-to-government cross-border industrial cooperation model and a flagship BRI demonstration project. By late 2025, the cold-chain shipping route between Kuantan Port and Beibu Gulf Port had been operational for half a year, with first-half cargo throughput growing by 136 percent year-on-year [23].

Cultural mechanisms. Three Hofstede dimensions converge in the model's design. First, long-term orientation is institutionalised: rather than transactional contracts, the parks operate on a twelve-year (and counting) horizon, with sister-port arrangements, sister-city friendships between Qinzhou and Kuantan, and the rotating Two-City, Two-Day exchange platform. Second, collectivism is enacted through symbolic architecture—the China–Malaysia Friendship Gate in Qinzhou, the Kuantan Avenue street naming in Qinzhou, and the corresponding Qinzhou Road in Kuantan—that frames the cooperation as community-building rather than mere trade. Third, the moderate uncertainty avoidance on both sides is accommodated through phased development (Phase I: 6.07 sq km; Phase II: 5.93 sq km at Kuantan) rather than a single binding plan.

Etiquette implications. The model's longevity illustrates the centrality of relational ceremony in high-context, collectivist contexts. Annual mutual visits, cultural exchanges (including the 2024

Roots-Seeking Tour bringing Malaysian–Chinese youth to Qinzhou), and the symbolic gestures of port-twinning function as etiquette anchors that sustain trust across years of operational complexity. The participation of Malaysian managers such as Penanda, a former president of Qinzhou Park Development Co. now leading palm-oil exports through the same park, illustrates how reciprocal mobility consolidates relational capital [24].

5.2. Case B: the Geely–Proton cross-border acquisition

In May 2017, Zhejiang Geely Holding Group acquired a 49.9 percent equity stake in Proton, Malaysia's national automaker, while DRB-HICOM retained 50.1 percent majority ownership. Geely dispatched Li Chunrong as CEO to lead a turnaround; within two years, Proton had returned to profitability, and by 2024 the partnership had launched the X70 sport utility vehicle, the X50, and the electric e.MAS line [17, 25].

Cultural mechanisms. Geely's approach is widely credited as a model of culturally sensitive cross-border integration. Four practices stand out. First, deference to high PDI: by preserving Proton's identity as a Malaysian national champion through majority local ownership, Geely engineered a face-preserving structure attuned to the symbolic weight of the brand within Malaysian political culture—Proton having been the personal project of former Prime Minister Mahathir. Second, collectivist team-building: Geely engineers and Proton engineers worked in cross-functional teams to adapt vehicles to Malaysian climate, road conditions, and right-hand-drive standards [16]. Third, high-context communication management: Li Chunrong reportedly invested heavily in informal relationship-building with Malaysian managers and suppliers, recognising that explicit directives without prior relational investment would be culturally dissonant. Fourth, accommodation of Islamic and Malay sensibilities: production schedules accommodated prayer times and Ramadan observance, while Malaysian vendors were retained for sourcing where technically feasible.

Etiquette implications. Geely–Proton demonstrates that hierarchical respect need not preclude operational change. By retaining ownership structures and senior brand identity while introducing Chinese production discipline, Geely converted PDI from a potential obstacle into a stabilising feature. The case also illustrates the difference between low-context contractual integration—where deal terms are deemed sufficient—and high-context relational integration, where post-deal rituals (joint anniversaries, public visibility of Malaysian leadership, public investment in Malaysian R&D) consolidate the partnership.

5.3. Case C: the East Coast Rail Link (ECRL)

The 665-kilometre ECRL, financed by China EximBank and constructed by China Communications Construction Company (CCCC), represents the largest single bilateral project between China and Malaysia. Originally agreed in 2016, the project encountered renegotiation after the 2018 Malaysian election, with construction cost reduced from approximately RM 65.5 billion to RM 44 billion and alignment adjusted following environmental and cultural-heritage consultations [26]. Construction resumed in 2019 and reached significant milestones during Premier Li Qiang's June 2024 visit, including the Gombak Integrated Terminal Station groundbreaking ceremony [2].

Cultural mechanisms. The renegotiation phase illuminates the cost of cultural under-attention in earlier stages. Ye identifies several friction points: insufficient localisation of Malaysian labour in early-phase work, inadequate engagement with rural Malay communities along the alignment, and tension between Chinese engineering standards and Malaysia's predominantly British-derived railway standards [15]. These frictions activated all three of the dimensions most consequential in

Malaysia: PDI (rural communities expected to be consulted by senior figures, not informed by mid-level contractors), IDV (community engagement was perceived as transactional rather than relational), and the high-context expectation that consultation should occur ceremonially before, not after, design finalisation.

Etiquette implications. The renegotiation outcome itself reflects a culturally calibrated adjustment. Both sides preserved face: Malaysia secured cost reductions and alignment changes responsive to domestic political pressures; China retained the project's overall scope and strategic role. The Kota Bharu station design—incorporating Kelantan's Traditional Malay House architectural motifs and arrowleaf sida iconography—reflects a later-stage cultural integration that arguably should have been designed in from the outset [26]. Subsequent project communications emphasise local employment, religious accommodation, and environmental sensitivity, demonstrating organisational learning.

6. Discussion

What patterns emerge when the three cases are placed side by side? Three Hofstede dimensions stand out as decisive across all of them. High PDI shows up in the deference required toward ownership structures, senior officials, and national symbols. Low IDV manifests in relational ceremony, team-building, and community engagement. The LTO mismatch surfaces in a need for Chinese partners to calibrate patience to Malaysian time-horizons. Hall's high-context framework runs through all three cases as the medium through which dimensional values are communicated; success or friction turned less on what was said at the formal negotiation table than on what was performed in ceremonial, hospitable, and symbolic registers.

Synthesising these findings, the paper proposes a Cultural Sensitivity–Etiquette Matrix that maps five etiquette domains to the dimensional pressures most relevant in each (Table 1).

Table 1. Cultural sensitivity–etiquette matrix

Etiquette Domain	Primary Hofstede Dimension	Hall Context Behaviour	Recommended Practice
Greeting & Initial Contact	PDI (high); IDV (low)	Implicit hierarchy signaling; ritual entry	Formal titles; introduction by trusted intermediary; modest physical contact
Negotiation	IDV (low); UAI (moderate)	Indirect refusal via silence; consensus-seeking	Allow relational warm-up; avoid forcing yes/no; observe non-verbal cues
Hospitality & Dining	IDV (low); religious-cultural overlay	Hospitality as relational investment; food as symbolic inclusion	Halal-only catering; no alcohol or pork; accommodate prayer times and Ramadan
Conflict & Disagreement	PDI (high); IDV (low)	Face preservation via indirectness; senior mediation	Address disputes privately and through intermediaries; preserve mutual face
Symbolic & Ceremonial	LTO; IDV (low)	Ritual as relational continuity	Milestone ceremonies; reciprocal cultural exchanges; symbolic architecture

Theoretically, the findings confirm that the integrated Hofstede–Hall lens has explanatory power in Southeast Asian business contexts, extending the Fontaine and Richardson critique [13] by showing that national-level Hofstede scores retain predictive value when combined with high-context communication theory. The cases also suggest that BRI culture work is not auxiliary to BRI economic work but constitutive of it. Practically, for Chinese enterprises preparing market entry into Malaysia, the case evidence supports five concrete practices: (i) invest in relational infrastructure

before operational launch; (ii) preserve face by retaining local senior management and brand identity where possible, as Geely did with Proton; (iii) accommodate Islamic practice—prayer times, Halal certification, Ramadan adjustments—as baseline operational design; (iv) build schedule redundancy to accommodate flexible time conventions; and (v) develop in-house cultural advisory capacity to interpret implicit signals.

7. Conclusion

What has the paper shown? The argument advanced here has been that culture, far from being an external decoration on commercial activity, sits at the structural heart of BRI-era business engagement between China and Malaysia. Three signature cases—the Two Countries, Twin Parks initiative; the Geely–Proton acquisition; and the ECRL—were examined through an integrated Hofstede–Hall lens. Together the cases yielded a consistent finding: the integrated framework outperforms either component framework taken alone; cultural patterns recur across heterogeneous engagement types; and those patterns can be systematised into a Cultural Sensitivity–Etiquette Matrix usable by practitioners. Three limitations should be acknowledged: the analysis rests on secondary sources; case selection privileged high-visibility projects, potentially missing patterns in SME engagements; and the Hofstede–Hall integration does not fully resolve intra-Malaysian ethnic heterogeneity [13]. Future research could pursue quantitative validation of the Matrix, comparative extension to other ASEAN BRI partners, and longitudinal study of how cultural adaptation evolves across project life-cycles. As China–Malaysia relations enter their second half-century, the cultural fluency of business actors will increasingly distinguish enduring partnerships from transactional encounters—business etiquette, often dismissed as a soft adjunct to "real" commercial activity, in fact lies at the structural core of successful Belt and Road engagement.

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