

# **How Commercial Diplomats Work**

A qualitative study to gain insight into the way commercial diplomats shape their roles

**UNIVERSITY OF TWENTE.**

Robin Visser

# **Master Thesis**

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### **UNIVERSITY OF TWENTE.**

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## Preface

Dear reader,

You are about to embark on a journey to find out how commercial diplomats in Finland perform their roles and what the implications are for the theory of commercial diplomacy. This project marks the end of my Master of Science in Business Administration program at the University of Twente in Enschede, The Netherlands.

When the coursework-section of this Master program was coming to a close, my interest for the topic of commercial diplomacy was kindled by Dr. Sirp de Boer and Dr. Huub Ruël, Dr. De Boer guiding me in the initial stages and Dr. Ruël taking up the role of first supervisor. The benefits of this topic were obvious: it was a new topic and research could still go in whatever direction we chose and most of all, it appealed to the traveler in me as the data collection could be undertaken abroad, as had been done by other graduates in commercial diplomacy before me.

The data collection was performed at the Embassy of the Kingdom of the Netherlands in Helsinki, Finland during the winter of 2010-2011. Thanks to Mr. Thomas van Leeuwen, my direct supervisor at the Embassy, and Mr. Nicolaas Beets, Ambassador of the Kingdom of the Netherlands, the four months I spent at the Embassy were of utmost value. More than a data collection period, the Embassy had me involved in a myriad of activities other than my thesis and proved to be an enriching experience that has benefited me greatly in the professional sense. I would like to express my thanks to Mr. Beets and Mr. Van Leeuwen for providing me with the opportunity to perform this internship, and to them, Wim, Natasha, Carita, Jonna, Corry, Ellen, Tero and Darren for making me feel very welcome at the Embassy.

The data collection for this research consisted of twenty-three interviews. Thanks go out to Thomas for helping me arrange several of the interviews, and to Carlos Gajardo, Norihiro Mihara, Mark Armstrong, Kari Luukkonen, Ulrich Peitz, Frank Van Eynde, Giampaolo Cianci, Nicholas Kuchova, Joseph Akerman, Bernd Fischer, Imre Siil, Chang You Shim, Jaana Vikman, Galo Herrero, Alp İçen, Jonas Rosenberg, Beat Bürgi, Árpád Jelinkó, Herwig Palfinger, Pedro von Eyken, Anna Salmensaari, Kari Mäkeläinen and one anonymous interviewee for their kind collaboration with my research and their valuable input.

A final word of gratitude goes out to my thesis supervisors, Dr. Huub Ruël and Martin Stienstra MSc, for providing me with valuable input for my research and their helpful criticism. Special thanks go out to Huub for always being enthusiastic about this research, for giving suggestions that were highly valuable for the thesis and, most of all, for being a supervisor who was always ready to discuss ideas and issues.

Enschede, August 2011,

Robin Visser

## Management summary

The field of commercial diplomacy is a promising one which provides numerous opportunities for further research. One strand that particularly stands out is the role of the commercial diplomat in the host country. The objective of this research is to expand the current body of knowledge on commercial diplomacy by empirically examining the role of the commercial diplomat in the host country as that is one of the theory's core aspects. The following research question functions as the basis for this research:

*How do commercial diplomats providing support and facilitation to international business and entrepreneurship shape their roles as business promoters, civil servants and generalists?*

An inductive research model is developed which centers around Kostecki & Naray's (2007) and Naray's (2008) division of the commercial diplomat into business promoters, civil servants and generalists, indicating how elements of informal institutionalism and corporate entrepreneurship might shape the way a commercial diplomat adopts his/her role.

By means of twenty-three semi-structured interviews with participants selected by non-probability self-selection of most-similar cases to increase the likelihood that the emergent theory of commercial diplomacy is enhanced, as well as an observational study to provide a background for the interviews, the following results are obtained:

- Business promoters regard proactivity as the more important element of their job and employ methods such as representation at fairs and events, collaboration and contact with host country institutions and close contact with host country businesses to stay aware of opportunities for home country businesses. Due to an education in and a long history of experience with business, they place heavy emphasis on practical business skills rather than theoretical ones, the psychological component (knowing the people) being the most crucial one. Small though cultural differences between home and host countries may be, business promoters relate them to the importance of the existence of trade offices, their communication of these differences to home country businesses and the way they deal with host country businesses.
- Civil servants are involved in commercial issues on a higher level than business promoters and recognize the importance of proactive behavior which is most commonly displayed on the institutional level, i.e. with ministries, trade unions and the like rather than the business level. Having varying educational backgrounds, civil servants are keen to mention practical skills over ones gained during education, though do not negate the importance of the latter. The civil servant sees cultural differences as being of utmost importance to his/her own adaptation to and functioning in the host country and in the locally employed team.
- Generalists rarely deal with commercial issues due to entering the field of career diplomacy at an early age and proactive efforts, when they do occur, can be identified to pertain to nation branding.

Comparing these findings with the research model, the influence that elements that pertain to institutionalism have increases for higher levels of activity in the commercial sense, background being the most influential element. However, whether the elements found pertain to informal institutions remains uncertain.

The commercial diplomat's relationship with proactivity can be described along the lines of the influence that these informal institutions exert. In the research model, the 'proactivity' element pertains to commercial diplomats undertaking proactive efforts on the institutional level and the business level to increasing levels of involvement, both in a quantitative sense (meaning the actual

time they spend pursuing said activities) and in a qualitative sense (meaning their view on its importance and their commitment to the cause).

A review of the results' impact on the three-style framework developed by Kostecki & Naray (2007) and Naray (2008) shows that the division into three styles holds. However, the outcome of this research suggests that the approach toward proactivity is the main determinant of the commercial diplomat's role as it encompasses the aforementioned authors' elements and provides deeper insight into a commercial diplomat's role. Furthermore, elements such as the importance accredited to proactivity, the level at which it is pursued and the intensity with which it is pursued are more narrowly defined, and hence more measurable than the three styles as determined by Kostecki & Naray (2007) and Naray (2008).

Several recommendations for further research are presented based on the results and their implications for the theory of commercial diplomacy. To strengthen the generalizations made in the conclusion, the same research is recommended to be carried out in other Western nations and in non-Western nations in order to see whether or not the conclusions hold in similar and dissimilar institutional environments. Furthermore, it is recommended that deductive research be executed to assess the link between informal institutionalism and commercial diplomacy as proposed in this research and to assess the success gained by businesses from proactive efforts. Several propositions are developed to guide future deductive research in this area.

## Management samenvatting

Commerciële diplomatie is een veelbelovend gebied en biedt vele mogelijkheden voor onderzoek. Eén van de meest opvallende gebieden is de rol van de commerciële diplomaat in het gastland. Het doel van dit onderzoek is om de huidige kennis betreffende commerciële diplomatie uit te breiden door middel van een empirisch onderzoek naar de rol van de commerciële diplomaat in het gastland aangezien dit één van de kernaspecten is van commerciële diplomatie. De volgende onderzoeksvraag is de leidraad van dit onderzoek:

*Hoe geven commerciële diplomaten die internationale bedrijven en ondernemers ondersteunen en faciliteren richting aan hun rol als business promotor, civil servant of generalist?*

Een inductief onderzoeksmodel is ontwikkeld waarin de onderverdeling van de commercieel diplomaat in drie stijlen van Kostecki & Naray (2007) en Naray (2008) een centrale rol speelt, daarbij aangevende hoe elementen van informele instituties en *corporate entrepreneurship* mogelijk effect hebben op de manier waarop de commercial diplomaat zijn/haar rol vervult.

Door middel van tweeëntwintig semigestructureerde interviews met deelnemers die vermoedelijk een zo goed mogelijk beeld geven van commerciële diplomatie op hun post en een observatiestudie om een achtergrond voor de interviews te bieden zijn de volgende resultaten behaald:

- Business promoters zien proactiviteit als het belangrijkste element van hun baan en grijpen allerlei methoden aan, inclusief representatie op beurzen, samenwerking en contact met instituten in het gastland en nauw contact met bedrijven uit het gastland, om op de hoogte te blijven van mogelijkheden voor bedrijven uit het thuisland. Door onderwijs in en praktijkervaring met het bedrijfsleven leggen ze de nadruk meer op praktische vaardigheden dan op theoretische vaardigheden. De psychologische component, het kennen van de mensen, wordt daarbij gezien als de meest cruciale. Business promoters relateren culture verschillen, hoe klein deze ook zijn, aan het belang van het bestaan van commerciële afdelingen en aan hun eigen omgang met bedrijven uit het gastland en communiceren deze verschillen altijd aan bedrijven uit het thuisland.
- Civil servants zijn betrokken bij commerciële zaken op een hoger niveau dan business promoters en erkennen het belang van proactiviteit. Om op de hoogte te blijven van mogelijkheden voor bedrijven uit het thuisland houden ze nauw contact met instanties als ministeries en vakbonden, en in mindere mate met bedrijven zelf. Civil servants hebben geen éénduidige educatieachtergrond en noemen praktische vaardigheden eerder dan die uit educatie hoewel het belang van de laatstgenoemde groep niet wordt onderschat. Culture verschillen zijn uiterst belangrijk voor de aanpassing en het functioneren in het gastland, en het functioneren met het team van lokaal aangenomen personeel.
- Generalisten hebben zelden met commerciële zaken te maken vanwege hun vroege instroom in diplomatie als zijnde hun carrière. Proactief gedrag komt zeer zelden voor en heeft te maken met *nation branding*.

Uit een vergelijking van de resultaten met het onderzoeksmodel kan gezegd worden dat de invloed die elementen die betrekking hebben op informele instituties groter wordt naarmate het activiteiteniveau omhoog gaat, waarbij achtergrond hierbij de grootste invloed uitoefent. Echter, of deze elementen daadwerkelijk betrekking hebben op informele instituties is onzeker.

De relatie van de commercieel diplomaat met proactiviteit kan beschreven worden aan de hand van de invloed die deze informele instituties uitoefenen. In het onderzoeksmodel heeft het element 'proactiviteit' betrekking op de manier waarop de commercieel diplomaat proactieve acties onderneemt op het institutie- en bedrijfsgebied naar stijgend niveau van betrokkenheid bij

commerciële zaken, zowel in kwantitatieve (de daadwerkelijke tijd die wordt besteed aan proactieve bezigheden) als kwalitatieve (de visie op het belang van proactiviteit en de bijbehorende toewijding) zin.

Een vergelijking van de resultaten met het raamwerk voor de drie stijlen ontwikkeld door Kostecki & Naray (2007) en Naray (2008) laat zien dat de opdeling in drie stijlen stand houdt. Desalniettemin suggereert de uitkomst van dit onderzoek dat de houding en acties jegens proactiviteit de hoofddeterminant is voor de rol van de commercieel diplomaat aangezien deze de elementen van de eerdergenoemde auteurs omvat en een dieper begrip levert omtrent de rol van de commercieel diplomaat. Bovendien zijn elementen als het belang dat wordt gegeven aan proactiviteit, het niveau waarop het wordt uitgeoefend en de intensiteit waarmee dat gebeurt scherper gedefinieerd en derhalve meer meetbaar dan de drie stijlen zoals Kostecki & Naray (2007) en Naray (2008) hebben vastgelegd.

Een aantal aanbevelingen voor verder onderzoek kunnen worden onttrokken aan de resultaten en de implicaties ervan voor de theorie van commerciële diplomatie. Om de generaliserende conclusie meer kracht mee te geven wordt aanbevolen om dit onderzoek te doen in andere Westerse landen alsook in niet-Westerse landen om te bepalen of de conclusies al dan niet standhouden in vergelijkbare en verschillende institutionele omgevingen. Daarnaast wordt aanbevolen om deductief onderzoek uit te voeren om de link tussen informele instituties en commerciële diplomatie te beoordelen en om het toegevoegde succes van proactieve ondernemingen te bepalen voor bedrijven uit het thuisland. Een tiental concrete voorstellen worden op basis van deze aanbevelingen geopperd om toekomstig deductief onderzoek een richting te geven.

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# **1. Commercial diplomacy**

*An old practice providing new opportunities for research*

## **1.1. An age-old practice and an emerging academic field**

Commercial diplomacy has been practiced since ancient times, from the Mesopotamians employing trade as an aspect of diplomacy (Edens, 1992) and the Romans using trade to spread their culture even beyond the borders of the Roman empire (Brogan, 1936), to Medieval times when English trade with the German Hanseatic League was supported by continuous diplomatic bargaining (Lloyd, 1991). In somewhat more modern times, the Dutch established an embassy in China in 1655 with the objective to 'negotiate a military alliance in return for trade concessions' (Rahusen-de Bruyn Kops, 2002, p. 576) and a new country called the USA would significantly change global commercial relationships (Page, 1902; McClure, 1925; Griffiths, 1970).

As is evident in historic literature, commercial diplomacy has in some sense been around for a considerable amount of time and its practice is nothing new. However, in the academic world the area of commercial diplomacy is a relatively young, and hence also quite unexplored (Potter, 2004; Naray, 2008 & Kostecki & Naray, 2007), field. It is of growing concern due to governments encouraging competitiveness of their economies to respond to the consequences of globalization, and the desire for more efficiency of government services (Naray, 2008). This is a departure from the practice of commercial diplomacy as seen in historic times, when it was employed mainly for strategic-military issues.

## **1.2. An international business and entrepreneurship-facilitating and – supporting activity**

Nowadays, commercial diplomacy features two types of activities: policy-making and business support. At the front-end of this spectrum are embassies, as they are active within networks of organizations that deal with business support and promotion (Kostecki & Naray, 2007), especially for SMEs (Naray, 2008; Kostecki & Naray, 2007).

Potter (2004, p. 55) presents a general description of what commercial diplomacy is, defining it as 'the application of the tools of diplomacy to help bring about specific commercial gains through promoting exports, attracting inward investment and preserving outward investment opportunities, and encouraging the benefits of technological transfer'. This definition shows the importance of commercial diplomacy in international business, which has been reasserted by Rose, (2005), Kostecki & Naray (2007) and Naray (2008) in the empirical analyses they conducted in the field. In other words, commercial diplomacy may be seen as an international business and entrepreneurship-facilitating and –supporting activity.

While the importance of the role of embassies in business support and facilitation is evident, the theory of commercial diplomacy is an emergent one (Naray, 2008) and research regarding this role is therefore still in its infancy.

## **1.3. Commercial diplomats as an opportunity for further research**

When looking at the role that embassies have in business and entrepreneurship support and facilitation, the commercial diplomat becomes the unit of observation as this person is in charge of the daily activities concerning businesses and entrepreneurs (Naray, 2008).

According to Kostecki & Naray (2007) and Naray (2008), commercial diplomats can be categorized into those who take a business-oriented approach (*business promoters*), those who are more responsive to government instructions than client needs (*civil servants*) and those who take on business support issues on an ad-hoc basis (*generalists*). While the general attributes of these actors in situ have been described by Kostecki & Naray (2007) and Naray (2008), the way they shape their roles in the host-country has not yet been assessed.

#### **1.4. Expanding the body of knowledge on commercial diplomacy**

As follows from the short overview of the history of commercial diplomacy and its current position as a new area of academic research, the field is a promising one which provides numerous opportunities for further research. One strand that particularly stands out is the role of the commercial diplomat in the host country.

Therefore, the objective of this research is to expand the current body of knowledge on the subject by empirically examining one of its core aspects, the role of the commercial diplomat in the host country. Regarding this role, Kostecki & Naray (2007) and Naray (2008) have identified three styles that commercial diplomats can be divided into (the business promoter, the civil servant and the generalist). It is this typology that serves as the foundation for the following research question as it is both a concise overview and an area that requires further research:

*How do commercial diplomats, providing support and facilitation to international businesses and entrepreneurs, shape their roles as business promoters, civil servants and generalists?*

#### **1.5. Scientific and practical relevance**

The answer to this question will be of both scientific and practical relevance.

Its scientific relevance is its contribution to the field of commercial diplomacy by providing an increased understanding of one of its core aspects: the role of the commercial diplomat in the host-country. As has been asserted, the field of commercial diplomacy is relatively new and therefore lacks empirical investigation. This research's added value is empirical research resulting in deeper insight in one of the field's core aspects and its possible connection with other fields of theory. In doing so, this article responds to Naray's (2008) call for more empirical research on the topic of commercial diplomacy.

The practical relevance of this research has its roots in its scientific relevance. An increased understanding of the role that the commercial diplomat plays may be used to facilitate the training of commercial diplomats by pointing out specific elements of each role, identified by this research, that pertain to their specific role in the host country, thereby speeding up the learning-on-the-job process because they have a ready understanding of how to embark on their mission.

#### **1.6. An inductive and exploratory research design**

This research is of inductive, and to a lesser degree deductive, exploratory nature as it aims to gain understanding in the manner in which commercial diplomats shape their roles in international business and entrepreneurship facilitation and support. Its deductive nature stems from the literature on commercial diplomacy that is already available; the three roles commercial diplomats adopt will serve as part of the framework for analysis. The inductive part of this research is a result of its exploratory nature; gaining an understanding in commercial diplomats shaping their roles means expanding the existing body of knowledge (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Saunders, Lewis & Thornhill, 2009; Babbie, 2010) by means of empirical research.

To guide this research, a literature review will be executed to build a conceptual framework, which will function as a lens for the research (Chapter 2). Then, the methodology section follows, featuring the research method in terms of data collection and analysis methods (Chapter 3). The data that is collected will then be summarized described and analyzed in Chapter 4, ultimately culminating in a conclusion and a set of recommendations for further research (Chapter 5).

## **2. Theoretical Framework**

*The interconnectedness of commercial diplomacy, new institutionalism and corporate entrepreneurship*

### **2.1. Chapter outline**

In this chapter, the theoretical framework for this research will be established by a review of the academic literature that pertains to the concepts that can be derived from the research question in the previous Chapter, ultimately culminating in a conceptual model that will provide both an overview of the relations between the concepts and a model on which to base the methodological Chapter of this research. This Chapter constitutes the deductive part of the research and is performed because 'a priori specification of constructs can also help to shape the initial design of theory-building research' (Eisenhardt, 1989, p. 536).

### **2.2. Finding relevant literature**

Webster & Watson's (2002, p. xv) recommendations for a complete (concept-centric) literature review are that it 'covers relevant literature on the topic and is not confined to (...) one set of journals'. Furthermore, they strongly recommend using leading journals and both backward and forward referencing.

According to Saunders et al. (2009, p. 61), a literature review should provide a review of 'the most relevant and significant research' of the topics at hand. In general, an inductive approach is incompatible with predetermined theories or a conceptual framework (Saunders et al., 2009). However, given that this research builds on emergent theory (and therefore, is partly deductive), a conceptual framework is used, and even necessary, in this case.

Several internet databases were used to search for relevant articles on each of these three topics, employing synonyms to make sure no potentially important articles were missed. In all cases, the priority was finding those articles that were from leading journals and/or oft-cited. The articles that were found in this manner were then both backward- and forward-referenced to 'accumulate a relatively complete census of relevant literature' (Webster & Watson, 20002, p. xvi). As such, this research primarily uses secondary literature. Nonetheless, the use of primary literature is necessitated for this research as it is needed for the emergent topic of commercial diplomacy.

Three areas of literature can be identified that are relevant to the research question in Chapter 1. The first one of these is commercial diplomacy. This field is the starting point of the theoretical framework as the answer to the research question, which pertains to commercial diplomats dealing with international business and entrepreneurship facilitation, necessitates an elucidation of what commercial diplomacy is exactly, and what the commercial diplomat's position is in this field. This elucidation will take place in Paragraph 2.3. International business, though part of the research question, will not be discussed separately due to it being an inherent part of commercial diplomacy.

The second field of theory is new institutionalism. This theory will be used to provide a means to research the behavior of commercial diplomats, for answering the question of how they shape their roles calls for an understanding of what factors influence them in this process. The link between the commercial diplomat and new institutionalism, and the precise relevance of the latter in this matter, will be addressed in Paragraph 2.4.

Paragraph 2.5 deals with the particular elements of corporate entrepreneurship that are relevant to commercial diplomacy. It will be used to assert the distinction between reactive and proactive behavior as displayed by commercial diplomats in opportunity-identification as a means to increasing the success of home-country businesses and entrepreneurs.

## **2.3. Commercial diplomacy**

### **2.3.1. What it is and what it isn't**

As a common denominator, diplomacy is the term for all activities in foreign policy that are aimed at building and maintaining relations, negotiations and networks with foreign authorities (Kostecki & Naray, 2007). Berridge & James (2003) define diplomacy as 'the conduct of relations between sovereign states through the medium of officials based at home or abroad'. The implications of this definition for embassies are both political-economic and commercial (Yakop & Bergeijk, 2009). As a result, the first distinction that is to be made is the one between economic and commercial diplomacy.

Economic diplomacy 'is the use of international political tools (diplomacy) to obtain economic objectives' (Yakop & Bergeijk, 2009, p. 8) and 'seems more concerned with negotiations of trade agreements and their implementations' (Mercier, 2007, p. 3) while commercial diplomacy is aimed at business support and national economic development (Saner & Yiu, 2003). However, while the two fields are distinct, they are complementary (Mercier, 2007) and often overlap (Potter, 2004) due to commercial diplomats being given a dual role (Saner & Yiu, 2003).

The second distinction is the one between commercial diplomacy, trade promotion and export promotion, terms which are often used interchangeably in both practice and theory. However, regarding trade promotion, this activity relates to trade-policy making (Kostecki & Naray, 2007) and hence leans more toward economic diplomacy, while commercial diplomacy, according to Potter (2004), Kostecki & Naray (2007), Mercier (2007) and Naray (2008) relates to business-support activities.

Export promotion has a closer relationship with commercial diplomacy, and as suggested in anecdotal evidence found by Rose (2005), most foreign postings see themselves as agents of export promotion. Often associated with activities such as trade show attendance and the organization of trade missions (Wilkinson & Brouthers, 2000a; Wilkinson & Brouthers, 2000b; Spence & Crick, 2004; Wilkinson & Brouthers, 2006) it is an activity that means 'to foster exports and attract foreign direct investment' (Wilkinson & Brouthers 2000b, p. 725), with major emphasis on generating exports (Kotabe & Czinkota, 1992; Wilkinson & Brouthers, 2006). Thusly defined, export promotion puts too much emphasis on the export function alone and is not an adequate term to serve as a substitute for commercial diplomacy.

The difference between commercial diplomacy and trade & export promotion becomes evident when considering Naray's (2008) rationale of commercial diplomacy: embassies give support for new businesses, assist in partner search, are involved in conflict handling, organize home country delegations and deal with strategic concerns. Such specific activities indicate that commercial diplomacy is not just the promotion of trade or export, but has a much broader function instead.

Drawing from the knowledge that commercial diplomacy is different from economic diplomacy and that export and trade promotion are insufficient to serve as substitute terms, a definition of commercial diplomacy has to be defined in terms of the considerations above and the definitions found in academic literature, such in Potter (2004), Berridge & James (2003, p. 42), who define commercial diplomacy as 'the work of diplomatic missions in support of the home country's business and finance sectors. Distinct from although obviously closely related to economic diplomacy, it is now common for commercial diplomacy to include the promotion of inward and outward investment, as well as trade' and Naray (2008, p. 2), who says that commercial diplomacy 'is an activity conducted by state representatives with diplomatic status in view of business promotion between a home and a host country. It aims at encouraging business development through a series of business promotion and facilitation activities'.

An integration of these considerations and definitions leads to the following definition: 'commercial diplomacy is an activity conducted by state representatives which is aimed at generating commercial gain in the form of trade and inward & outward investment for the home country by

means of business & entrepreneurship promotion and facilitation activities in the host country based on supplying information about export and investment opportunities, keeping contact with key actors and maintaining networks in relevant areas’.

The activities and areas in business & entrepreneurship promotion and facilitation have been comprehensively identified by Naray (2008), whose resultant matrix is shown below. This matrix gives an overview of the specific activities that commercial diplomats occupy themselves with on a daily basis. Together with the aforementioned definition of commercial diplomacy, this area-activity matrix indicates how international business is an inherent part, and therefore a direct concern, of commercial diplomacy.

<i>AREA</i> <i>ACTIVITY</i>	Promotion of Trade in Goods and Services	Protection of Intellectual Property Rights	Co-operation in Science & Technology	Promotion of Made-in and Corporate Image	Promotion of Foreign Direct Investments (FDIs)
Intelligence	Gathering export marketing data	Supervision of violations of IPRs	Monitoring research achievements	Image studies	Identifying potential investors
Communication	Tourism promotion conference	Presentations during awareness campaigns	Preparation of press articles on scientific achievements	Contribution to made-in promotion events	Briefings for potential investors
Referral	Introducing potential exporters	Search for reliable IP lawyers	Facilitation of contacts between H.T. labs	P.R. for large contracts where national image counts	Approaching CEOs with investment proposals
Advocacy	Support of firms in dispute settlement procedures	Pressures for improved protection of home country's IPRs	P.R. in favour of joint scientific projects	Defence of national companies singled out by host country authorities	Protection of home country investors in the host country
Co-ordination	Organization of prospect meetings	Co-ordination of legal action	Introducing parties to initiate R&D joint ventures	Co-ordination of made-in campaigns	Organizing minister's participation in private investors' forum
Logistics	Embassy's secretariat is servicing a trade promotion conference	Training material for awareness campaigns is printed and distributed by the Embassy	Ambassador or CD hosts a conference on promotion of scientific co-operation	Translation of the campaigns material is done by the CD unit's staff.	Members of an investment promotion mission use office facilities at the Embassy.

Table 1: The area-activity matrix (source: Naray (2008))

### 2.3.2. The commercial diplomat's style

The definition of commercial diplomacy and the activities and areas pertaining to its business & entrepreneurship promoting and facilitating elements have cleared the way for a review of who the actors within this framework are.

Commercial diplomacy is mainly understood as a state-steered operation, usually placed under the auspices of the ministry of either foreign affairs, economy or trade (Saner & Yiu, 2003; Kostecki & Naray, 2007; Naray, 2008), although 'privatized' commercial diplomacy is on the rise as Saner & Yiu (2003) and Mercier (2007) show in pointing out the increasing importance of non-state actors such as

chambers of commerce and independent trade promotion agencies. Taking this privatized role into the equation, commercial diplomats can be said to be actors that operate in a host country as members of either the diplomatic envoy or of a trade agency (Saner & Yiu, 2003; Kostecki & Naray, 2007; Naray, 2008).

Such commercial diplomats are categorized by Kostecki & Naray (2007) and Naray (2008) into three broad styles, each with a different approach toward commercial diplomacy. Table 2 provides an overview of these styles.

	<b>Business promoter</b>	<b>Civil servant</b>	<b>Generalist</b>
<b>Approach</b>	Commercial issues are understood mainly as business issues	Commercial issues are seen as an integral part of international relations	Commercial issues are perceived in a broader diplomatic and political perspective
<b>Leading concern</b>	Focus on client satisfaction	Focus on satisfaction of the ministry of trade	Focus on satisfaction of the ministry of foreign affairs
<b>Level of activity</b>	Proactive due to know-how and entrepreneurial approach	Reactive due to focus on policy implementation and government instructions	Ad-hoc basis due to additionality to diplomatic duties
<b>Strength</b>	Having know-how and hands-on vision of support activities	Providing a link between business and ministry	Having high-level contacts and seeing commercial issues in broad diplomatic

**Table 2: Three styles of commercial diplomats based on Kostecki & Naray (2007) and Naray (2008)**

A caveat regarding these styles are that this table ‘only shows broad and so far typical tendencies’ (Naray, 2008, p. 10) of empirical observations. However, due to the emergent status of the field, no other classification has yet been made of commercial diplomats. Sridharan (2002) gives a number of attributes that he sees as important for the development of the Indian commercial diplomatic apparatus, but a closer look at his suggestions reveals that they relate to economic diplomats rather than commercial diplomats.

On the subject of these roles, Kostecki & Naray (2007) observe that commercial diplomats with different styles usually have different backgrounds and professional experience in business. Naray (2008, p. 9) suggests that a commercial diplomat’s style ‘can evolve quickly due to foreign influence, (...) background and personality’. Furthermore, the role of a commercial diplomat strongly depends on host country characteristics such as proximity, culture and local business regime (Kostecki & Naray, 2007).

### **2.3.3. Section conclusion**

Commercial diplomacy has a different focus than economic diplomacy and distinguishes itself from trade and export diplomacy by its broader range of activities. A definition of commercial diplomacy is given based on academic literature and the specific areas and activities that pertain to commercial diplomacy can be found in Table 1. Within this definition, commercial diplomats are part of either public or privatized organizations and perform their activities as either business promoters, civil servants or generalists.

## **2.4. Institutionalism**

### **2.4.1. The commercial diplomat in the business-government interface**

The environment in which commercial diplomats perform their activities is the business-government interface, an interface that can be better understood ‘by incorporating the institutional settings through which business and government must interact’ (Hillman & Keim, 1995, p. 212). This importance of institutions in the business-government interface is reflected in Harris & Carr (2007, p.



103) who assert that 'different institutional arrangements are a clear reason why management behaviour varies between countries', in Nasra & Dacin (2009) and in Li & Samsell (2009), who point to the largely ignored effects of informal institutions in this interface and call more attention to it by contrasting rule-based and relation-based governance systems for international trade.

Institutional arrangements are 'the rules of the game in a society (...) that shape human exchange, whether political, social or economic' (North, 1990, p. 3). These rules 'reduce uncertainty by establishing a stable (but not necessarily efficient) structure to human interaction' (North, 1990, p. 6) and are of both formal and informal nature. Formal institutions include rules and structures and informal institutions, referred to as the informal constraints of society by Hillman & Keim (1995), include cultures, values and norms (North, 1990). The informal institutions 'are important aspects of the institutional setting through which business and government interact in different countries' (Hillman & Keim, 1995, p. 200) and are symbolic frameworks that provide guidelines for behavior, and lend stability, regularity, and meaning to social life (Orr & Scott, 2008).

According to Hillman & Keim (1995, p. 195), a 'discussion of informal constraints will lead to consideration of the individual actors who are the members of government and business organizations. Informal rules, customs and practices are enacted and observed by these individuals'. As the commercial diplomat is the individual actor to whom Hillman & Keim (1995)'s reference pertains to, it becomes evident that the informal element of new institutional theory provides the key to understanding what influences the commercial diplomat.

#### **2.4.2. New institutional theory and the commercial diplomat**

As said before, institutions can be formal and informal. While formal institutions usually exist in some tangible form, informal institutions are harder to identify. Helmke & Levitsky (2004, p. 727) define informal institutions as 'socially shared rules, usually unwritten, that are created, communicated, and enforced outside of officially sanctioned channels'. The resultant informal rules are 'not consciously designed or specified in writing – they are the routines, customs, traditions and conventions that are part of habitual action' (Lowndes, 1996, p. 193).

Informal institutions fall into two pillars: the normative and the cultural/cognitive (Ingram & Clay, 2000; Ingram & Silverman, 2002; Bruton, Ahlstrom & Li, 2010). The normative pillar constitutes 'organizational and individual behavior based on obligatory dimensions of social, professional, and organizational interaction, (...) typically composed of values (what is preferred or considered proper) and norms (how things are to be done, consistent with those values) that further establish consciously followed ground rules to which people conform' (Bruton et al., 2010, p. 422-423) and includes 'the informal norms, values, standards, roles, conventions, practices, taboos, customs, traditions, and codes of conduct that guide behavior and decisions' (Orr & Scott, 2008, p. 565). The cultural/cognitive pillar describes 'individual behavior based on subjectively and (often gradually) constructed rules and meanings that limit appropriate beliefs and actions' (Bruton et al., 2010, p. 423) and includes elements such as 'shared beliefs, categories, identities, schemas, scripts, heuristics, logics of action and mental models' (Orr & Scott, 2008, p. 565).

Another way of approaching and clarifying the distinction between formal and informal institutions is by identifying whether an institution is centralized or decentralized, and whether it is public or private. Public-centralized and private-centralized institutions are formal and include (respectively) laws and rules. Public-decentralized and private-decentralized institutions are informal and include (respectively) culture and the norms derived from culture (Ingram & Clay, 2000; Ingram & Silverman, 2002). This view differs from the three-pillar system in its more extensive coverage of the regulative pillar.

Commercial diplomats, the actors in this research, as individuals occupy the normative (private-decentralized) pillar and theory predicts this pillar will 'exert the most immediate control on individuals' (Ingram & Clay, 2000, p. 537). This is pointed out by Naray (2008, p. 9) who suggests that

a commercial diplomat's style 'can evolve quickly due to foreign influence, (...) background and personality'.

When looking at how commercial diplomats shape their role, the focus of attention will be on elements such as working habits, the immediate environment and personal experience, as such indicators are most likely to directly influence the way a commercial diplomat operates, as can be derived from specific elements found by Searing (1991) and Zenger, Lazzarini & Poppo (2002). Seeing the observable behavior by individual actors as a 'proximate' cause, with the informal institutional context functioning on a higher level as a 'remote' cause is actor-centered institutionalism, a form of new institutionalism (Van Lieshout, 2008).

### **2.4.3. Section conclusion**

The business-government interface, the environment in which commercial diplomats operate, can be better understood by looking at formal and informal institutions through an actor-centered new institutional lens. This research focuses on informal institutions on the normative (personal) level as the formal institutions that drive role-adoption by commercial diplomats have already been identified by Kostecki & Naray (2007) and Naray (2008).

## **2.5. Corporate entrepreneurship**

### **2.5.1. Commercial diplomats as agents of opportunity-identification**

Considering Naray's (2008) area-activity matrix (see Table 1, p. 15), it is clear that commercial diplomats adopt both a reactive and a proactive role in their activities. For example, identifying potential partner firms on a business request is a reactive action while organizing briefings for potential investors is a proactive element.

This contrast is addressed in Spence & Crick (2004), who also question the effectiveness of proactive activities by stating 'that the multitude of export information including that from government sources is often confusing and its relevance to the needs of managers is sometimes questionable' (Spence & Crick, 2004, p. 283). They identify motivational (risks are perceived to be too high), informational (the lack thereof) and operational (lack of resources) barriers for international business and entrepreneurship. Wilkinson & Brouthers (2006), approaching the issue from a resource-based perspective, share this view.

The potential that lies here for the commercial diplomat is underlined by Spencer, Murtha & Lenway (2005), who categorize ways in which governments shape institutional structures for new industry creation, by Bruton, Ahlstrom & Obloj (2008) and by Nasra & Dacin (2009, p. 584), who suggest that 'the state can actively engage in entrepreneurial behavior, identifying and discovering opportunities that emerge within their environments', adopting an informal institutional standpoint in their analysis. The challenge for the commercial diplomat, then, is in adopting a proactive approach in situations where this could be beneficial and relevant to home-country businesses or entrepreneurs.

Proactive behavior as described by Bruton, Ahlstrom & Obloj (2008) and Nasra & Dacin (2009) pertains to elements in the area-activity matrix (see Table 1, p. 15) that are aimed at increasing the success of home-country businesses by active opportunity identification in the host country. Reactive behavior pertains to elements that are aimed at helping businesses and entrepreneurs that are already present in the host country.

The perception of commercial diplomats about proactive as opposed to reactive behavior and the way they act accordingly is the final aspect of the research question as the academic literature suggests this may constitute an important part of the way they shape their roles.

### **2.5.2. Corporate entrepreneurship as the key to understanding proactive behavior**

A succinct rationale for using corporate entrepreneurship to address the proactive versus reactive issue is provided by Kuratko (2007, p. 151) in stating that proactive behavior is 'the type of behavior that is called for by corporate entrepreneurship'. The academic literature is dedicated to business

manager behavior and consequently, corporate entrepreneurship is virtually always seen in the light of business continuity and competitiveness. While elements such as continuity and competitiveness are of considerably less concern to a commercial diplomat, the principles and processes of corporate entrepreneurship concern individual actors, and are as such transferable to others actors such as commercial diplomats.

The theory's transferable character is reflected in the academic literature, in which Sharma & Chrisman's (1999, p. 18), view that corporate entrepreneurship is 'the process where by an individual or group of individuals, in association with an existing organization, create a new organization or instigate renewal or innovation within that organization' finds widespread agreement and recurrence (Dess, G.G., Ireland, R.D., Zahra, S.A., Floyd, S.W., Janney, J.J. & Lane, P.J., 2003; Keupp, M.M. & Gassmann, O., 2009; Ireland, R.D., Covin, J.G. & Kuratko, D.F., 2009; Peredo, A.M. & Chrisman, J.J., 2004). The parallel with commercial diplomats becomes even starker when adopting the strategic entrepreneurship focus of corporate entrepreneurship, which involves 'simultaneous opportunity-seeking and advantage-seeking behaviors (...) by emphasizing an opportunity-driven mindset' (Kuratko, 2007, p. 159) and the concept of autonomous strategic behavior, which states that entrepreneurial behavior surfaces in a bottom-up and informal manner (Burgelman, 1983; Kuratko, 2007).

On the individual actor level, several factors eliciting entrepreneurial behavior have been identified. These factors are top management support for corporate entrepreneurship, reward and resource availability, organizational structure and boundaries, risk taking, and time availability (Kuratko, Montagno & Hornsby, 1990; Hornsby, Kuratko & Zahra, 2002; Kuratko, 2007). Like the concept of corporate entrepreneurship, these factors are transferable to commercial diplomats. However, due to the inductive nature of this research these factors cannot be taken as a starting point; what the factors are for commercial diplomats is the topic of this research.

### **2.5.3. Section conclusion**

Corporate entrepreneurship, albeit a field of theory that is usually of concern in business sciences, is used in this research to address the contrast between reactive and proactive behavior of commercial diplomats. Reactive and proactive elements of commercial diplomacy will be tied to the three roles that commercial diplomats adopt (see Paragraph 2.3.2) as the degree to which a commercial diplomat is proactive most likely depends on the role that is taken up.

## **2.6. Conclusion**

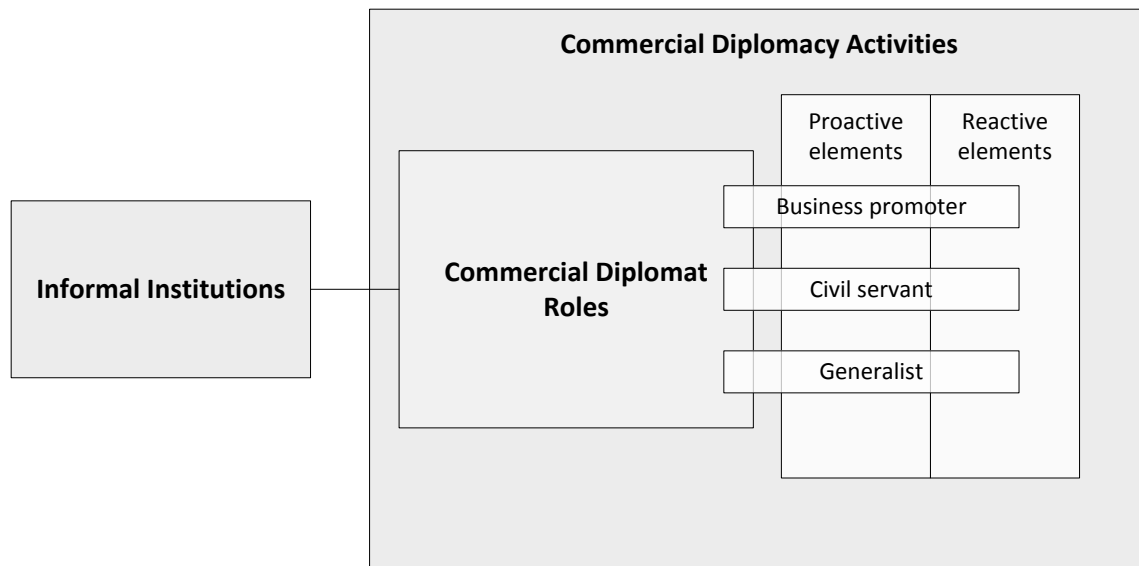
### **2.6.1. Interlinkages between the theories**

The theory of commercial diplomacy is the overarching theme of this theoretical framework to which new institutionalism and corporate entrepreneurship are tied. As the research question concerns the commercial diplomat as an individual actor within the definition of commercial diplomacy given in Paragraph 2.3.1. and the areas and activities of commercial diplomacy as can be seen in Table 1, actor-centered new institutionalism, its normative viewpoint in particular, is a useful tool to investigate what elements influence the commercial diplomat within his/her role. In this case, normative institutional elements are the independent variables that influence the way that the commercial diplomat shapes being either a business promoter, a civil servant or a generalist as the behavior that can be observed in either one of these roles is influenced by normative institutions.

Corporate entrepreneurship provides a means to distinguish between reactive and proactive behavior, an element that is a direct consequence of what role a commercial diplomat has.

### **2.6.2. Research model**

The framework in Figure 1 is a synthesis of this Chapter's theoretical review and hence covers all elements of the literature review. It represents a conceptual model of the research question posed in the previous Chapter.



**Figure 1: the research model based on the literature review**

The informal institutions that govern the behavior of commercial diplomats are given on the left. No particular elements are indicated as 'preordained theoretical perspectives or propositions may bias and limit the findings' (Eisenhardt, 1989, p. 536).

This influence on the commercial diplomat, situated here within the confines of the activities of commercial diplomacy to indicate the boundaries of his/her endeavors, is represented by a line (indicating possible but uncertain causality) between informal institutionalism and the commercial diplomat. Kostecki & Naray's (2007) and Naray's (2008) three styles of commercial diplomats are elements of the term 'Commercial Diplomat' and therefore overlap it. Proactive and reactive elements are set to the background of these styles as they are expected to be important elements in the way commercial diplomats perform activities within their roles.

### **3. Operationalization**

*The implications of an inductive and exploratory research*

#### **3.1. Chapter outline**

This Chapter divulges on the methodology that is to be employed in order to answer the research question. The general research approach will be explained, after which each element of this approach will be addressed in a more in-depth fashion. These elements are data collection methods, sample selection and data analysis. Issues of validity and reliability will be addressed wherever they are relevant and necessary.

#### **3.2. Inductive research accommodated by a qualitative study**

##### **3.2.1. Inductive research and qualitative data**

As already mentioned in Chapter 1, this research is of both inductive and deductive exploratory nature. The (smaller) deductive part took the shape of a conceptual framework (see Chapter 2) that is to be added to by means of inductive research (which, according to Saunders et al. (2009) is inherently one of the principal ways of doing exploratory research).

According to Saunders et al. (2009) and Eisenhardt & Graebner (2007), inductive research emphasizes a close understanding of the research context, necessitates collecting qualitative data and is less concerned with the need to generalize the findings. Applying the first point to this research, Helmke & Levitsky (2004, p. 722) add that ‘identifying (...) informal institutions is a challenging task, requiring in most cases substantial knowledge of the community within which the informal institutions are embedded. Hence there is probably no substitute for intensive fieldwork in informal institutional analysis’. In line with the goal of this research, a qualitative study provides ‘essential building blocks for comparison and theory building’ (Helmke & Levitsky, 2004, p. 723).

##### **3.2.2. Reasons for an in-depth, qualitative study**

A qualitative study is chosen to collect the data needed to answer the research question as the focus lies on mapping the behavior of commercial diplomats. Such a study will enrich the understanding of a number of similar units and the processes being enacted within single settings (Eisenhardt, 1989; Gerring, 2007; Saunders et al., 2009) and results in testable emergent theory based on empirically valid findings (Eisenhardt, 1989; Pawson, 1996; Eisenhardt & Graebner, 2007; Saunders et al., 2009). This approach is supported by Eisenhardt (1989, p. 532) who says that ‘it is the intimate connection with empirical reality that permits the development of a testable, relevant and valid theory’. Furthermore, Gerring (2007) adds that qualitative research offers strong possibilities for identifying causal mechanisms (Gerring, 2007), a useful attribute when mapping the behavior of commercial diplomats.

Seeing as the units of analysis are the commercial diplomats and the data collection period is the relatively short timeframe of four months, the case study can be said to be cross-sectional and embedded (Saunders et al., 2009).

As for the validity of this approach, Gerring (2007, p. 43) argues that the external validity is low because ‘it includes, by definition, only a small number of cases of some or more general phenomenon’. The research’s strength is internal validity, or as Esterberg (2002, p. 93) calls it, ‘breadth for depth’. It is often easier to identify causal relationships in a small number of cases than for a larger set (Gerring, 2007; Babbie, 2010). Reliability issues such as observer bias (Eisenhardt, 1989; Babbie, 2010) will be dealt with in the data analysis section of this Chapter since that is the area where they have the greatest impact.

### **3.3. Data collection methods**

#### **3.3.1. A multi-method qualitative study**

A major advantage of a qualitative study is that various methods for data collection may be used in combination (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Gerring, 2007), thereby satisfying the need for triangulation (Eisenhardt, 1989; Esterberg, 2002; Saunders et al., 2009). This research has the form of a multi-method qualitative study, employing semi-structured interviews and an observation technique to collect empirical data.

#### **3.3.2. Semi-structured interviews**

This research will make use of the semi-structured interview technique as this allows for an interview-dependent variation of complex and open questions in relation to an exploratory study in which it is necessary to understand the reasons for the decisions, attitudes and opinions of interviewees (Darlington & Scott, 2002; Esterberg, 2002; Saunders et al., 2009). This type of interview allows for in-depth exploration of answers (Pawson, 1996) by means of probing (Esterberg, 2002; Saunders et al., 2009) and is one of the core elements of qualitative research according to Darlington & Scott (2002).

The interviews will be conducted face-to-face as this allows the interviewee to comment on events without needing to write anything down and provides them with an opportunity to receive feedback and assurance on how information is handled directly, making it more likely that they provide sensitive information (Saunders et al., 2009).

For each face-to-face interview, an interview protocol (see Appendix A) featuring elements of commercial diplomacy, corporate entrepreneurship and informal institutions, will be used as the starting point. Interviews will be recorded (if the interviewee allows it) and the possibility of anonymity is offered. Should the interviewee not allow a recording of the conversation or if there are other obstructions in recording an interview, notes will be written down during the interview. These notes will be typed out immediately after the interview. The transcript or notes will be sent to the interviewee upon finalization to give them an opportunity to review what they have said. The version as returned by the interviewee is the version that is to be used for data analysis. In cases where no face-to-face interview is possible, a list of questions will be sent to the respondent (see Appendix B).

The biggest issue in this type of qualitative research is reliability. However, this problem is counteracted by including all interview transcripts and other forms of contact with interviewees in the Appendices to provide accurate insight in this research's process (Darlington & Scott, 2002; Saunders et al., 2009). Furthermore, Saunders et al. (2009, p. 327) note that findings from semi-structured interviews do not necessarily have to be repeatable since they 'reflect reality at the time they were collected, in a situation which may be subject to change'.

Another issue of reliability is interviewer and interviewee bias. The former refers to the interviewer creating bias in the way that interviewees respond as well as bias in interpreting responses. The latter refers to the intrusive nature of a semi-structured interview, because of which the interviewee might choose not to reveal certain elements of the story, thereby providing a partial picture of the situation (Saunders et al., 2009). Ways to alleviate these issues are preparation by having a high level of knowledge about the research topic and the interviewee and supplying information to the interviewee before the interview. The interviews will be conducted taking heed of Darlington & Scott's (2002), Esterberg's (2002), Leech's (2002) and Saunders et al.'s (2009) recommendations for interview questions and behavior.

Regarding generalization, it is possible to generalize findings when these relate to existing theory and result in testable theoretical propositions (Eisenhardt, 1989; Saunders et al., 2009).

#### **3.3.3. Observation technique**

The second element of the multi-method qualitative approach is the systematic observation and recording of the actions of a commercial diplomat (of the Embassy of the Kingdom of the Netherlands in Helsinki in this case) in the form of a 'participant as observer', which focuses on

discovering meanings behind actions (Saunders et al., 2009), mainly by means of primary and experiential data kept track of in a logbook. This method is chosen to complement the interviews as it provides a background for them (Esterberg, 2002) and 'heightens the researcher's awareness of significant social processes' (Saunders et al., 2009, p. 299).

Saunders et al. (2009) recognize that issues of validity in observation techniques mainly pertain to history and maturation, both of which are resolved in this case because of the extended period of observation of four months. Issues of reliability are likely to be resolved through means of triangulation (in this case, discussing observations with those involved).

### **3.4. Sample selection**

#### **3.4.1. Theoretical considerations**

As an in-depth qualitative study is to be conducted (with the research taking place in Helsinki, Finland), the most appropriate approach toward sampling is non-probability one. The group of commercial diplomats at embassies in Finland can be said to be a rather homogeneous group in which the minimum amount of in-depth interviews should be twelve (Saunders et al., 2009). The aim is to conduct around twenty in-depth interviews so as to satisfactorily comply with this minimum.

Sample selection of most-similar cases (meaning that similar cases demonstrate different outcomes) will occur on the basis of self-selection seeing as this method is most useful where qualitative, exploratory research is needed (Darlington & Scott, 2002; Gerring, 2007; Saunders et al., 2009). The choice of interview participants is based the difference in institutional backgrounds between the participants and their expected expertise and insight on the topic so as to increase the likelihood that the emergent theory of commercial diplomacy is enhanced (Eisenhardt, 1989; Darlington & Scott, 2002; Esterberg, 2002; Eisenhardt & Graebner, 2007).

#### **3.4.2. The interviewees**

The list of interviewees is shown in Table 3. In accordance with an inductive approach, interviewees are selected on-site instead of beforehand, based on them having a senior role in a governmental or private organization that deals with commercial diplomacy.

Most interviewees in Table 3 do indeed have a senior role in their organization. Furthermore, the majority of interviewees work for a governmental organization, which in most cases means that they are assigned to a post on a rotational basis (usually lasting three to seven years) instead of local (usually indefinite) basis. The balance between interviewees from European and non-European countries is fourteen to nine, which upholds the need for a wide variety of institutional backgrounds.

Not every interview is conducted face-to-face. The table below shows the type of interview conducted with every interviewee and whether the data from the interview is based upon a recording and transcription, upon notes made during the interview, or upon answers received via e-mail.

Code	Country	Function	Appointed	Interview Type	Notes
G01	Argentina	Chargé D'Affaires	Rotationally	Face to face	Transcript
G02	Belgium	Investment and Trade Commissioner	Rotationally	Face to face	Transcript
G03	Anonymous	Senior Trade Commissioner	Rotationally	Face to face	Notes
G04	Chile	Third Secretary and Consul	Rotationally	Face to face	Transcript
G05	Czech Republic	First Secretary	Rotationally	E-mail	E-mail
G06	Denmark	Commercial Adviser	Locally	Face to face	Transcript
G07	Estonia	Second Secretary for Economic Affairs	Rotationally	Face to face and e-mail	Transcript and e-mail
G08	Germany	Counselor	Rotationally	Face to face	Transcript
G09	Hungary	Counselor - Trade, Science & Technology	Rotationally	Face to face	Transcript
G10	Italy	Commercial Attaché	Rotationally	Face to face	Transcript
G11	Japan	First Secretary	Rotationally	Face to face and e-mail	Notes and e-mail
G12	Korea	Third Secretary & Vice-consul	Rotationally	Face to face	Transcript
G13	Mexico	Trade Commissioner	Rotationally	E-mail	E-mail
G14	Spain	Economic and Commercial Counselor	Rotationally	Face to face	Transcript
G15	Sweden	Second Secretary	Rotationally	Face to face	Transcript
G16	Switzerland	Deputy Head of Mission	Rotationally	Face to face	Notes
G17	Turkey	Commercial Counselor	Rotationally	Face to face	Transcript
G18	UK	Director of UKTI	Locally	Face to face	Notes
G19	USA	Regional Senior Commercial Officer	Rotationally	Face to face	Notes
P01	Austria	Commercial Counselor	Rotationally	Face to face	Transcript
P02	Germany	Assistant Managing Director	Locally	Face to face	Transcript
P03	Korea	Senior Consultant	Locally	Face to face	Transcript
P04	Norway	Manager	Locally	Face to face	Transcript

**Table 3: Overview of the interviewees**

### 3.5. Data processing and analysis

#### 3.5.1. Semi-structured interviews

The first step in interview analysis is a verbatim transcription of the interviews, each transcript stored in a separate file. Subsequently, as Saunders et al. (2009) state, meanings and key points derived from the interviews are to be summarized, after which they can be categorized, based on terms used by interviewees and along the lines of the conceptual framework in Chapter 2 (see Figure 1), resulting in a division into business promoters, civil servants and generalists.

This is to be followed by identification and tabulation of the bits of data that correspond to these three categories and the structuring of the emergent concepts using narrative to develop testable propositions. This method follows Eisenhardt's (1989) and Esterberg's (2002) recommended method for qualitative studies hence establishes both construct and internal validity.

In the analysis, transcripts, notes and e-mail responses will be treated in the same way as they are sent to the interviewees for review, thereby ensuring that what is written corresponds with the interviewee's own words. This ensures that regardless of the method of notation, the content is the same and reflects what the interviewees say.

#### 3.5.2. Observation technique

The observation technique's purpose is to see if the emergent theory that arises from the interview analysis is relevant to a real-life situation to see if the theory has practical relevance and significance (Esterberg, 2002). A logbook is kept during the data collection period to write down any and all observations made regarding commercial diplomacy at the Embassy of the Kingdom of the Netherlands in Helsinki, Finland. The entries from this logbook will be assessed in terms of the interview results to determine the observations' fit.



## 4. Results

*An overview and an analysis of the empirical data*

### 4.1. Chapter outline

This Chapter contains the analysis of the empirical data, which consists of the information gathered from semi-structured interviews with experts in the field, complemented by secondary data and observations. As already mentioned in the previous Chapter, the data is presented and analyzed according to Eisenhardt's (1989) recommendations and along the lines of the research question (see Chapter 1), which necessitates the identification of business promoters, civil servants and generalists in order to determine the way the interviewees shape their roles in terms of the theoretical concepts of corporate entrepreneurship and informal institutions as presented in Chapter 2.

### 4.2. Finding tendencies in interviews

The first step in processing the findings is a categorization of the interview responses by means of open coding (Esterberg, 2002). The transcripts, notes and responses via e-mail are reviewed for each individual interview and descriptive text segments and meanings are written down in list-form in the terms as used by the interviewees. Each of these text segments and meanings gets a category assigned to it, as well as a short comment to indicate possible peculiarities or characteristics.

The resulting list is then reviewed for recurring topics. Different denominations of the same idea (e.g. 'trade section activities' and 'function of office' can be said to convey the same basic idea) are clustered in order to assign broad categories to these collections of recurring elements. Table 4 shows these broad and recurring and broad topics, along with specific interview segments that pertain to them.

Broad category	Interview segments pertaining to
Trade office activities and services	The main activities of the trade office as a whole
Approach toward services	The approach adopted in performing activities and providing services and the rationale thereof
Job and commercial element	The role of the interviewee, a typical work week and the importance of commercial affairs
Proactivity	Unsolicited mentions of proactive behavior and answers to questions on proactivity
Organizational structure	Size of the commercial office, cooperation with other organizations, length of stay and organizational setup
Cultural differences & influence	(Business) culture differences between host country and Finland and how the interviewee deals with them
Background	Previous postings and jobs, studies & reason why chosen and aspirations
Skills & experiences	Practice vs theory, useful skills and experiences from personal background, (Finnish) language skills and usefulness of Finnish language
Finland	Living in Finland and dealing with Finnish people
Contact with home & host country businesses	The types of requests received from home country businesses and the approach toward contacting Finnish businesses
Getting info & contacts	The approach toward gaining contacts and searching for information
Direct work environment	The trade office team, the (change in) work environment, contact with the predecessor and the economic situation in Finland
Other	Non-recurring topics

**Table 4: A list of broad categories and interview segments pertaining to them**

### 4.3. Individual within-case analysis

Categorization of the interviews in the broad terms of the previous paragraph allows for an assessment of the roles that the interviewees have adopted in terms of Kostecki & Naray's (2007) and Naray's (2008) three styles of commercial diplomats (see Table 2, Paragraph 2.3.2). To this end, a subset of the broad categories as defined in the previous paragraph and the general outlines of the interview (in the shape of the transcripts, notes and e-mail answers) suffice as Kostecki & Naray (2007) and Naray (2008) only provide general terms with which to determine where a particular

commercial diplomat stands regarding their approach toward commercial issues, their leading concern and their level of activity. Table 5 is the result of this assessment for each interview.

	G01	G02	G03	G04	G05	G06	G07	G08	G09	G10	G11	G12	G13	G14	G15	G16	G17	G18	G19	P01	P02	P03	P04
<b>Approach toward commercial issues</b>																							
Understood mainly as business issues		x				x								x				x	x	x	x	x	x
Integral part of international relations			x	x	x		x		x	x	x			x				x		x	x	x	x
Perceived in a broader political perspective	x							x				x			x	x							
<b>Leading concern</b>																							
Client satisfaction		x				x												x	x	x	x	x	x
Satisfaction of the ministry of trade			x	x	x				x	x	x		x	x			x	x	x	x	x	x	x
Satisfaction of the ministry of foreign affairs	x			x	x		x	x		x		x			x	x							
<b>Level of activity</b>																							
Proactive		x				x								x	x			x	x	x	x	x	x
Reactive			x	x	x		x		x	x	x						x		x	x	x	x	x
Ad-hoc	x							x				x			x	x							
<b>CD style</b>																							
Business promoter		x				x								x				x	x	x	x	x	x
Civil servant			x	x	x		x		x	x	x			x			x		x	x	x	x	x
Generalist	x							x				x			x	x							

**Table 5: The interviewees' styles**

Seventeen of the twenty-three interviewees have styles that are consistent with Kostecki & Naray's (2007) and Naray's (2008) typology (see Table 2, page 16), meaning that their approach toward commercial issues, leading concern and level of activity is fully in line with the style they have adopted.

However, not all of the interviewees are fully in line with Kostecki & Naray's (2007) and Naray's (2008) typology: G04, G05, G07, G10, G13 and G14 all have an approach toward commercial issues, a leading concern or a level of activity that deviates from their style. An explanation as to why these interviewees are considered to belong to a certain style even though they deviate from their style's characteristics follows.

Whereas a civil servant's usual leading concern is satisfaction of the ministry of trade, G04, G07 and G10 all answer to their ministries of Foreign Affairs. The type of info and feedback they give to the ministry of Foreign Affairs does not differ from the deliverables of other civil servants to their ministries of Trade. For this reason, this deviance is not a significant one.

Another ministerial setup is seen in G05, who answers to both the ministry of Trade and the ministry of Foreign Affairs. This is 'a relic of the past system' (G05) and as with G04, G07 and G10, the deliverables do not differ from other civil servants.

Different from other business promoters, G13's leading concern is not client satisfaction but satisfaction of the ministry of Trade. The reason this interviewee is a business promoter and not a civil servant like other interviewees whose leading concern lies with the ministry of Trade is the distinct approach toward commercial services and the proactive level of activity. These two factors, both indications of a business promoter, outweigh the interviewee's leading concern.

Where other civil servants maintain a reactive level of activity, G14 adopts a proactive approach. The reason this interviewee is not a business promoter is his strong emphasis on and identification with his responsible ministry, as well as the emphasis he places on formal contacts with governmental bodies in Finland.

By determining the styles that the interviewees adopt, Table 5 constitutes the 'commercial diplomat' part of the conceptual framework of Figure 1 (see Chapter 2.6.2). Of the interviewees, nine are business promoters (P01, G02, G06, P02, P03, G13, P04, G18 and G19), nine are civil servants (G03, G04, G05, G07, G09, G10, G11, G14 and G17) and five are generalists (G01, G08, G12, G15 and G16). The next step is to ascertain the proactive and reactive elements for each of these styles and the informal institutions that play a role herein. In order to do so, a summary of the results, taking the shape of a narrative, is included in Appendix C. This Appendix serves as the basis for the next step in this process.

#### 4.4. Cross-case analysis

As can be seen In Chapter 2, the theory of corporate entrepreneurship functions as a means to distinguish between proactive and reactive behavior. As individual within-case analysis has provided a distinction between business promoters, civil servants and generalists, cross-case analysis will now be applied (based on Appendix C) to assess elements of corporate entrepreneurship and informal institutions for each of the three styles. The elements presented in the following Paragraphs are inductively attained from a comparison of Appendix C with Table 4.

##### 4.4.1. Corporate entrepreneurship

The elements pertaining to corporate entrepreneurship that arise through an inductive analysis of Appendix C concern the reactive part of the interviewees' daily activities, their views on the importance of the proactive part, and the manner in which they perform proactive activities.

For each of the three styles, an assessment in terms of these elements will now follow. The business promoters (G02, G06, G13, G18, G19, P01, P02, P03 and P04) will be described in Paragraph 4.4.1.1., the civil servants (G03, G04, G05, G07, G09, G10, G11, G14 and G17) in Paragraph 4.4.1.2. and the generalists (G01, G08, G12, G15 and G16) in Paragraph 4.4.1.3.

##### 4.4.1.1. The business promoter

###### 4.4.1.1.1. The business promoter's reactive activities

Business promoters are *'very actively involved with the "actual work"'* (G19), as exemplified by G02<sup>1</sup> (who, commenting on what his trade office does, stipulates *'trade and investments. Not the politics. Nor political economy, or economic policy'*) and P01, who says that *'our main work is what the companies are doing. It's not so much what the others have to do, report to the ministry, more political reports (...). This we do only reacting when somebody's asking for it'*.

The major part of the 'actual work' requires them to respond to requests they receive from businesses as *'they are our paying customers'*(G06). For the most part, the business promoters provide a wide array of services<sup>2</sup> that covers the majority of the area-activity matrix in Chapter 2 (page 15), yet some of these services are much more popular than others. *'Some years ago, we used to make a market analysis and things like that and (...) there's not really a demand for that anymore. (...) a very big portion of our assistance is building the contact service. (...) And that's basically what we mostly do. (...) It's rich possibilities that we can offer what's on the website, but there is a very small demand for most of the services'* (G06). The most commonly provided services are summarized by G19 *'the most commonly provided services include matching programs (...) and partner search'*. It is not uncommon for business promoters to stay involved during the entire process, as is the case with P01 and P04.

P01: *'This reactive can be everything from the simple list of potential Finnish partners to some sort of market survey or then next step and they have some legal questions or and the last when they have problems with the Finnish partners. Like when they do not pay or other things. We can be (...) involved in the whole chain of the normal business like that'*

Being as involved with commercial issues as the business promoters are, the approach they adopt toward their reactive activities and services is generally a highly involved and personal one. As G19 says, the *'job is hard to do without keeping close personal contact with businesses'*. As for the differences in approach between members of private and governmental organizations, neither can

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<sup>1</sup> As the interview with G02 was conducted in Dutch, the quotes here are translated versions of the originals. The originals and their translations are included in Appendix D.

<sup>2</sup> See, for example, the websites of G06 (<http://www.ambhelsingfors.um.dk/da/menu/Eksportraadgivning>), P03 (<http://www.kotra.fi/index.jsp>), P04 (<http://www.innovasjon Norge.no>) and G18 (<http://www.ukti.gov.uk/export/countries/europe/northern/europe/finland.html>) for an extensive overview of the services these organizations provide.

be said to be more involved than the other. A comparison between G02 and G13, both members of a governmental organization, and P01 and P03, both members of a private organization, of the depth of their involvement with businesses from the home country shows that affiliation is of no influence on the level of involvement. For example, while G02 makes appointments for home country business, saying that *'the only thing they<sup>3</sup> have to do is score of course'*, G13's involvement is much more superficial. The same is true for P03, who says that he operates as though he were *'kind of an extension of their export sales department here'* and P01, who offers *'almost everything but only on the first level support. (...) We can give hints in almost every aspect (...). That's why I said behind the whole thing, but I would not say really accompanying to 100%'*.

#### 4.4.1.1.2. *The importance of proactivity*

While reactive activities form the predominant part of the business promoter's daily activities, the importance of proactive behavior is recognized and underlined by most of them (most notably by G02, G06, G18, P01 and P03) and most business promoters find a healthy balance between the two. In the words of G02, *'there are actually two main functions, namely exporting Flemish businesses (...) and investment by Finnish businesses in Flanders. Those are the main activities. Including for example trade missions'*. P03 summarizes the main sentiment expressed by the interviewees: *'I understand this proactive part, I would like to do more that perhaps, but then of course these days paying customers first'* (P03), thereby acknowledging the importance of proactive efforts over reactive ones for reasons stipulated by G06 and P01.

G06: *'I think it's very important (...) for us to increase the knowledge and market, or (...) sales potential in Finland (...) because (...) we have our sales target to meet (...) so it's extremely important for us to attract assignments given to us'*

P01: *'It is indeed the lesser part but I think the more important part. Because this is where we can promote new exports'*

#### 4.4.1.1.3. *Proactive efforts*

Business promoters pursue proactive efforts on levels ranging from the company-level to the higher institutional level. What it boils down to is that business promoters *'need to explore the market and actually identify for the business, these are the possibilities, take a look at that, this is in development. So we kind of need to be the eyes and ears'* (G02). In other words, *'to actively look for opportunities in the Finnish market and communicating those'* (G19) to home country businesses by means of organizing and attending events and deploying activities in the host country.

The most prominent example of a business promoters who combines company-level efforts with institution-level efforts is P01, who attends and co-organizes events in addition to his activities on the B2B-level. *'We are trying to look for interesting fields and we are organizing events. (...) Co-organizing could be with Finnish ministry or with Finnpro or also perhaps a seminar about Austrian wines with Alko together. (...) And of our own, it is different types, one which is more really with B2B (...) and others what we call Marktzundierungsreise'<sup>4</sup>* (P01).

G02 provides an example of active opportunity seeking through keeping close contact with businesses, i.e. the company-level. *'I went to Kuopio in August (...) and that resulted in two leads for investments. (...) Those are investment leads and then there are of course opportunities that translate into propositions for trade (...). You make sure to bring something back from that trip. And those are things you do not know beforehand, so that is why you absolutely have to visit other cities, other regions'* (G02).

Representation at fairs is another very common method of getting an idea of where the opportunities lie and is the preferred weapon of choice of G18, P02 and P03.

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<sup>3</sup> In this context, 'they' refers to Flemish businesses

<sup>4</sup> 'Marktzundierungsreise' is the German word for trade missions

That not every opportunity is one to be chased after is stipulated by P01, who focuses on markets *'where the others are not already running to'*. His reasoning is that *'if for example everybody would be running here to the wood industry because they say it's the new market, I would not. I would promote it in Austria but I would think very long about really proactively doing an event for this sector. Because there are already too many others here'*.

While the business promoters are in general agreement as to the level at which proactive efforts are effective, which is in most cases a combination of the institutional level and the company level, there is no consensus when it comes to the approach needed at the latter level.

For example, while G13 operates *'mostly by cold-calling and writing email to companies we believe might be interested in importing from Mexico'*, P03 moves away from cold calling by saying that *'whenever there is some kind of inquiry or request from Korea, I think first, do I already know somebody who might be the right person to contact about this matter. The same goes for buyer search. I start with the usual suspects, but if it's not enough I'll try to find new ones'*.

G02 provides the most extreme example of P03's approach. His view is that one has to *'make sure that people know you, because that's how you get more and more propositions. Business is always done between people and that's why we need to make sure that you are known, or that you know the people'* (G02).

A third and completely different opinion on this matter is presented by G06, who does not deem it *'worthwhile visiting the companies. Because the electronic way to describe the assignmentgiver for the potential partners it's good enough. It would be a waste of time to visit the companies I would say'*.

#### **4.4.1.1.4.      *The business promoter's corporate entrepreneurship in a nutshell***

Commercial issues are the business promoter's only concern which shows in the extensive reactive agenda they have on the business level, though partner search is the most commonly asked for service. Most business promoters underline the importance of proactive efforts and actively make room to pursue efforts to identify opportunities for home country businesses on the institution and business levels.

#### **4.4.1.2.      *The civil servant***

##### **4.4.1.2.1.      *The civil servant's reactive activities***

Most civil servants are responsible for a dedicated trade/export promotion section. One interviewee, G09, has a focus that is different from the others; his is a more technology & science-oriented one with trade being *'the cream on the cake'* (G09). Due to being part of an (often small) embassy, some civil servants (for example G03, G05 and G09) have other functions as well.

All civil servants are very occupied with their reactive tasks on a higher level, meaning they maintain a distant relationship with home country businesses. G07 provides an overview of the variety of issues that civil servants cover and the challenges that lie therein:

*G07: 'We must put some red line we can't step over because we simply can't. We have our heavy work load and also some other diplomatic regions, so what we can do (...) for our businessmen, we can help them when there are some problems here (...). Then we can help in creating contacts here in Finland, give them advice, explain what business environment here, habit, and how to behave in one or another situation for example. (...) We can also find suitable people who can take over and continue this advisory services. (...) Then we organize different events here, seminars and business mission here at the embassy or at Enterprise Estonia (...). And we offer also our premises for the firms if necessary for the Estonian counties or Estonian different trade associations if they ask. But (...) there are also some aspects below the red line. (...) We are not (...) trying to do some market investigations, we have not time and resources for that and this is not our job actually'*

Resource and time constraints render civil servants to not be deeply involved with home country businesses. Exemplary of this is G07's take, which is that *'we can make some general (...) presentations concerning Estonian economy (...) but we never do something concerning only one firm'* (G07); a remark that resonates in almost every other case. As a result, the approach that most civil servants (apart from G03 and G04) take in providing their services is a distant one. Those that employ more involved approaches (such as G03, G04 and G14) are the final link in a chain of organizations that reaches from the home to the host country, in addition to being part of a dedicated trade office. The immediate advantage these two factors bring becomes apparent when considering G14's approach, which indicates a much more involved approach than most civil servants' approaches:

G14: *'The normal process is, first of all, trying to understand as much as possible why the Spanish company needs, which is something, I won't say difficult but of course this is something that we need to invest time on, (...) and then, once we get a good clarification of the matter on interest, on how they get projected its position here and the like, then we are ready to start an integrated strategy'*

#### 4.4.1.2.2. *The importance of proactivity*

While six of the nine civil servants indicate that they have neither time nor resources for the proactive side of their job, mostly due to having a strict mandate to maintain which makes it *'very hard for the embassy to turn down requests'* (G03), they do see its importance. G14 is the only one to explicitly stipulate this, by saying that *'this is a kind of word which is not always very much emphasized but which is I think a key part of our work, being proactive, and having things ready before they even start'*. The usual way in which proactive efforts are approached is from a reactive point of view, as G03 points out.

G03: *'In essence the section initiates a lot of ideas and projects but is also very adept at leveraging expressions of interest from others such as encouraging business missions visiting the region to visit Finland or spend more time in country'*

#### 4.4.1.2.3. *Proactive efforts*

Three main approaches toward proactive efforts, unrelated to the organizational setup, can be discerned. There are those who focus on the institutional level (G07, G09 and G14), those who focus on a business level (G04, G05 and G17) and one who adopts an approach that is a mixture of the institutional and business levels (G03).

In the group with an institutional focus, one (G07) is the head of a commercial section that is integrated with the embassy, one is the head of a section that mainly deals with science & technology (G09) and one (G14) is the head of a commercial section that exists separately from the embassy. They share the same approach when it comes to proactive efforts which comes down to maintaining relationships on an institutional level with local unions (G07), chambers of commerce (G09) and ministries (G14). In their capacity as diplomats, they make use of these institutions to identify opportunities, communicating these to their home countries.

G14: *'So it is a matter of (...) integrate information we have as a ministry and as an agency about Spain, and see what is happening here and then try to find good matches. And then be able to manage the office time and our resources in a way that really allows us to try to find analytical responses to certain topics which are not hot topics that exact day, you know, so that you have to always a background activity going on as well, which is proactive'*

The group that focuses on the business level is as diverse as the previous group in their organizational setup. In their efforts to identify opportunities for entrepreneurs and businesses from their home countries, they adopt a different approach which involves utilizing their personal contact with businesses.

G05: *'My key role is making people meet and keeping good memory. Why? You never ever know if an inquiry sent long ago cannot match with a recent offer'*

A special case in this group is presented by G04, who says that export quota and an export capacity that is still lacking inhibit proactive efforts to increase Chilean exports, and, by extension, his opportunity-seeking behavior. Instead of trying to attract new opportunities he deals with Finnish businesses with the objective to make the most out of possible (future) cooperation.

G04: *'First, phone conversation (...). I tell him we have from Chile a delegation and if (...) we could meet. Then I request a personal meeting to bring them the (...) information on paper. What companies, what is it about, what are the products they are offering, what is their international experience (...). We believe a lot in personal contact. (...) Contact person, you can't beat that. Then you get the card from this guy (...) and usually I use them then a year later, three years later'*

The rationale of G03's mixed approach is that institutional relations are kept to stay informed on a number of topics (akin to the way G14 operates) while individual businesses are contacted to identify highly specific opportunities.

G03: *'While keeping in touch with organizations that enable business is very important, our primary focus is on companies and key organizations like VTT, Tekes and regional development agencies. The latter are critical to learning of technology transfer and partnership opportunities that can be communicated to home country companies and similar organizations. This is part of the innovation side of our integrated commercial approach. The same is true of individual companies. We set specific outcall targets to meet companies in a variety of sectors, focusing on our priority sector areas. Through meeting companies we learn of opportunities for home country suppliers (our export promotion function), investment and expansion interests and technology and innovation opportunities. Our experience in Finland suggests that meeting companies is key however most companies are also linked or involved with key R&D and other organizations so emphasizing both private and public entities completes the circle'*

#### 4.4.1.2.4. *The civil servant's corporate entrepreneurship in a nutshell*

Civil servants deal with commercial issues on a broad level, usually taking an institutional viewpoint in performing reactive and proactive activities. Because of a high-level viewpoint and the heavy workload they experience in the reactive sense they find it difficult to leverage proactive efforts. They usually maintain institutional-level contacts rather than business-level ones to proactively identify opportunities for home country businesses.

#### 4.4.1.3. **The generalist**

##### 4.4.1.3.1. *The generalist's reactive activities*

The generalists are generally not very involved in commercial issues. They are career diplomats (for example, G16 is in his tenth posting) in high-level functions dealing with a variety of issues. They are essentially *'professional nomads'*, as G08 puts it.

When it comes to providing services and facilities to business and entrepreneurs, they never deal with business issues specifically. Instead, their main role in this respect is to accompany trade missions and to attend trade fairs every now and again. This is due to both the small amount of inquiries generalists get from the home country, and an integration of the of the commercial side with the economic and/or cultural side, either intended or necessitated because of the small size of the organization as a whole.

When generalists do tend to business issues it usually entails standardized responses such as a standard-list of buyers in Finland. G01 presents a prime example of this when he says that he

acquires most inquiries *'per computer. They'd like to know for example continuously importers of meat, importers of wine, importers of fruit and I will have a list and we reply with the list'* (G01). On why the number of inquiries is as low as it is, G08 says:

G08: *'in my opinion it's a trend in the EU, because everything is so much coordinated, starting this or last year you have a single contact point for young entrepreneurs who want to open business in other EU countries, so there's no need really for an embassy to give advice. A company that wants to come to Finland, well, comes to Finland'*

The second reactive activity is a referral to a different agency (e.g. G15 and G16). In G16's case, whenever the service asked for can be provided by a private institution, the commercial office is obliged by its mandate to refer to a private institution.

#### 4.4.1.3.2. *Proactive efforts*

When it comes to proactive behavior, none of these interviewees adopt a very involved approach. This is simply due to lack of time (as with G01, who, when asked if there are any awareness-increasing activities, replied with *'No. The time, I haven't time'*), a focus on different elements (such as G08 and G15) and lack of resources (G01 and G16). In three cases (G08, G15 and G16), an integration with the cultural aspects leads to a focus on what can be identified as nation branding<sup>5</sup>; essentially a proactive effort to a small extent.

G15: *'my job is more on a higher level actually to promote the Swedish image together with the cultural attaché here and his assistant. So they're doing, dealing with more, like, promoting Swedish, theater, literature, and, so we cooperate a lot and I have a business view. For example, Clean Tech is the area that the Swedish want to export or renewable energies and then we have a seminar, we get some Swedish speakers'*

G16: *'There is a huge potential for Swiss businesses in Finland, but there are no sufficient means (money- and personnel-wise) to better promote the Finnish market. The cultural side of the office helps in a small amount by increasing general awareness in Finland of and Switzerland, as a country with a wide variety of cultural competences, but also with a strong economy and a competitive financial sector'*

Most generalists employ virtually no proactive efforts, mainly due to their type of appointment. G12, for example, is appointed specifically for larger economic issues such as trade barriers and legal issues regarding economic regulations rather than commercial issues because *'the embassy's role in this commercial area has been decreasing. (...) There isn't much from our side to help them out'*. Rather than an integration with other, e.g. cultural, departments, the commercial department is outsourced and the embassy's focus lies with economic issues.

#### 4.4.1.3.3. *The generalist's corporate entrepreneurship in a nutshell*

Due to the nature of their appointment, the low amount of requests they receive and a lack of resources, generalists hardly ever deal with reactive issues and when they do, they adopt a distant approach in providing them. Nation branding is the only type of proactive behavior a generalist performs, though this, too, is a rare occurrence.

### 4.4.2. **Informal institutions**

The elements pertaining to corporate entrepreneurship that arise through an inductive analysis of Appendix C concern the influence of culture on the way the interviewees deal with businesses as well as on the personal level, their background, the role of the skills and experiences obtained from their background and the influence of the work environment. For each of the three styles, an assessment

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<sup>5</sup> Nation branding 'concerns applying branding and marketing communications techniques to promote a nation's image' (Fan, 2006, p. 6).



in terms of these elements will now follow. The business promoters (G02, G06, G13, G18, G19, P01, P02, P03 and P04) will be described in Paragraph 4.4.2.1., the civil servants (G03, G04, G05, G07, G09, G10, G11, G14 and G17) in paragraph 4.4.2.2. and the generalists (G01, G08, G12, G15 and G16) in Paragraph 4.4.2.3.

#### **4.4.2.1. The business promoter**

##### **4.4.2.1.1. The influence of culture**

Being focused solely on business issues, and the proactive part of their work being recognized as a highly important element, business promoters generally accredit high value to cultural differences between the home and host countries, small though these differences may be. This is most likely due to all business promoters (except for G13) being from Western countries, a point that is touched upon by P02 and exemplified by G02 when he pinpoints the small scale of these differences in a comparison between his current and former postings: *'the bridge between Flanders and France is much bigger and longer than that between Flanders and Finland. They are two countries that like to get to-the-point, where the Finns are even more to-the-point than we are, so in that sense there might be a difference'*. His view is supported by most business promoters (most notably G06, P01 and P04) and none of them point to any major obstacles that national cultural differences pose for home country businesses except for P04, who points to language issues rather than cultural ones.

Rather than national cultural differences, P03 and G19 point out differences between business cultures yet here, too, the differences are small. As G19 says, *'the only thing that is noticeable is the importance of relationships in business: US business are happy to employ an 'arms-length' approach, while that is not a common practice in Finland'*. In contrast to what most Western-based business promoters experience, P03, who deals with Korean business coming to Finland, has a much more extensive agenda when it comes to business culture differences seeing as Korean businesses have *'very much of an ad hoc way of doing things'*, which, *'from a Finnish viewpoint (...) looks very disorganized and even unprofessional'* (P03), the basis of which lies in the general cultures of both countries. *'I think it's more about the culture. As you know, in Finland people are not accustomed to working so much when it comes to working hours and things like that, and they are not so keen on taking risks in business'* (P03).

Even though the cultures differences may be small, several business promoters (G02, P01, P02 and P03) point out that they do communicate these to businesses in order to prepare them as much as possible. *'The approach that we continuously have to point out (...) is that mailing doesn't work. It's much too easy. (...) So those are very concrete things'* (G02) is a remark that resonates around the field in different forms.

Though such recommendations may seem trivial and easy to comply with, the necessity of a trade office, in the cultural sense, shows in the way business promoters speak of how such issues influence the personal style of working. The most important element here is forming the bridge between the home and host countries. *'You have to adapt and make sure to be some sort of chameleon that is accepted by the local party'* (G02).

In their efforts to form the bridge between the home and host country, G02 and P03 point to the cultural differences as taking up a lot of time in dealing with home country businesses, thereby reasserting the necessity of the trade office as a bridge between the home and host countries.

G02: *'I was posted in Rijsel, that is 15 kilometers off the border. And people wondered of course if it was necessary to have a post there. Absolutely, because if a Flemish company does business in France, (...) the culture is totally different. So they think it's close, it'll work out quickly, but that is not true. And then they contact us'*

G02 notes that despite the differences between host countries (France and Finland in his case), the general outline of his work remains the same to some extent. *'It works in Finland, to a lesser degree, but it always works (...). I can say yes, but I have seen this person (...) and it will work that way'* (G02).

What it comes down to, in the end, is that *'you have to be admitted. (...) You have to ensure that you integrate well enough for them to let you in'* (G02). P01 adds to this by saying that *'many questions normally are quite the same we get all over the world. It is the answers that differ and that's what makes it interesting, that you have to learn to get the right answer'* (P01).

#### 4.4.2.1.2. Background

Much like the way most interviewees are in agreement on the role that culture plays, their backgrounds show striking similarities. Most business promoters, such as P02, P03 and P04, have an educational background in economics, though others (e.g. G02 and P01) have decidedly different educational backgrounds. As for what drives the business promoter to take up a specific study, pure personal interest is the main determinant in this area rather than an intended career in commercial diplomacy, even to those who chose functionality over interest: *'Law you need everywhere. (...) Law, (...) in my view, is only another view on the things. (...) You get another view on the things that you had before and that might help'* (P01).

Most business promoters have a strong background in the practical side of their work, gained from both their backgrounds in business and their previous postings. For example, G02 *'started this job when I had been in international trade for 15 years'* and has been posted in France and Lithuania before, adding to a total of ten years in this job. Stories much akin to G02's are told by G06, G13, G18 and G19. Furthermore, in their capacities as commercial diplomats, P01 has *'worked in Venezuela, China, Spain and Latvia'* and G19 has *'been posted to 4 or 5 embassies all over the world'*, indicative of the rich experience in business and the international field that business promoters possess of.

As may be evident from their educational and professional backgrounds, commercial diplomacy is not something that business promoters choose for early on in their career or during their studies but evolved in some form from what they were doing previously. The cases of G02, G06, P02, P03 and G19 are the most evident examples of this, with P03 saying that *'it was not exactly the kind of career I had been thinking about a long time, but then an opportunity comes and I take it'* and G06 relating being a commercial diplomat to his former job by pointing out that *'this job is being quite much as being an export manager but you are (...) local'*.

#### 4.4.2.1.3. The role of skills and experience

Much like their backgrounds, the business promoters' opinions on the role of skills and experience are quite parallel. As a starting point, *'on the paper it's always the same thing we have to do, in reality it is not'* (P01), necessitating quick adaptability and both practical and theoretical skills. When it comes to actual theoretical skills, the business promoters accredit importance to psychologically oriented skills (G02 and P01) such as *'the skill to study the people'* (P01), philological skills as *'knowing the language is 50% of business done'* (G02) and the ability to learn, meaning *'finding information from various sources and analyzing it'* (P03).

However, the prevalence with which most business promoters mention skills gained through practice rather than formal education is telling, with G06 taking up the most extreme viewpoint on the matter, saying that *'studies concerning economics and especially marketing and sales, it's all true, but theoretical. (...) it's a huge gap between the university and real life, I think. And of course you learn systematic ways of doing your ways and work independently. But you can learn that anywhere (...). So in a way I think you have to have that (...) certificate that you are not totally dumb or lazy. But I don't give so much worth on my education, (...) I have almost highest education you can have in my field but in a way I think it was a waste of time'* (G06). Most business promoters though take up a more mellow opinion, such as G02's. *'Books and reality differ a lot you know, you shouldn't get too much from economic books because it doesn't always work. (...) With us they hire people with an economic background in that sense, international experience, so most people have lived abroad'*.

Experience is gained by doing (P03), hence P01's and P03's takes on learning is based mainly on their current posts, saying that commercial diplomats *'need more or less two years till we are really in the country with enough contacts we need'* (P01). P03 adds to this by pointing out that *'in this kind of*

*work, the longer experience you have, the easier your work becomes because when you get some random (...) company coming here, then because of your experience you can pretty much say in about five seconds whether it is something you can approve, meaning you can try to find them customers, or whether you can just reject the request. And then, once we have accepted it for this buyer search project, then in most cases you can already remember, yeah I did something like this one or two years ago, let's see the old report'.*

Turning from the importance of experience in the contemporary environment of the business promoter to a more precisely defined set of practical skills, flexibility, knowledge of the market and the approach toward contacting host country businesses are the ones G02 mentions, added to by G13 with communication skills and an understanding of the home country business' product.

Two business promoters (G13 and P04) regard a balance of theoretical and practical skills as the most beneficial one in their line of work. In the theoretical department, they place their focus on economic skills such as finance, economics, sales and marketing and practical skills such as networking, understanding of the technical product and multitasking (G13 and P04).

Skills gained because of either the predecessor or because of trainings followed at the commercial office or Ministry are rare to find with business promoters and seem to have not as prevalent a role as the other skills mentioned before.

When it comes to speaking the language of the host country, G06, P02, P03 and P04 do so fluently, stemming from having either a long history in the host country (P02) or having been born there (G06, P03 and P04). Knowing a host country's language is highly advantageous according to these three interviewees, seeing as *'when it comes to looking for certain kind of people it still helps to know Finnish'* (P03). Only one of the business promoters that is employed on a rotational basis is making an effort to study Finnish, saying that *'you have to integrate. (...) because we are here for a period of four years minimum (...), usually up until seven years'* (G02). Remarkably, while G06, P02 and P03 see the advantage in knowing the language from their jobs' perspectives, G02 learns Finnish to know *'what people are saying. I don't like it when people say something and I can't understand it'*.

#### *4.4.2.1.4. The work environment*

None of the business promoters is a lone ranger, all having a team that consist of two or more local employees, the exception to which being G02, whose team consists of one local employee. Furthermore, G06, P02, P04 and G18 either have (P02) or are (G06, P04 and G18) locally employed heads of their respective offices. The business promoters of the latter group work in a team that solely consists of locally employed personnel, an arrangement that is highly valued by P04 and G18 over one in which a diplomat that is subject to rotational appointment heads the team.

*G18: 'There used to be a diplomat running the UKTI department in Helsinki who had no business background and changing every four year. (...) Connections with Finnish government and businesses are now much better because of the local employees connections and continuity in their positions. The level of activity is much higher these days'.*

The prevalence of locally employed personnel provides a stable work environment, one which is usually *'already firmly established beforehand'* (G19). The benefit of a fully locally employed team becomes clear when considering G18's experience, whose *'working environment hasn't changed much at all. For the most part, the same people still work here that did two years ago'* (G19).

However, there are cases when the working environment isn't as stable as in others. Great benefit can lie in such situations, most obviously in shaping things the way that the business promoter likes to see them, such as G04, G13 and P04 experienced.

*P03: 'When I came here this office was very disorganized but while I worked here I started gathering this kind of information bit to bit. (...) Basically at the time when I started here a lot of staff (...) had changed almost entirely within a relatively short period of time. At the*

*time we had three locally hired as now and each of us was relatively new to this work. So basically we all had to just figure out ourselves what is the best way of doing this'*

#### **4.4.2.1.5.      *The business promoter in a nutshell***

The business promoter has a background in business and is in the possession of a substantial amount of experience therein, never having had the express intent to become a commercial diplomat. Their business-oriented background renders them to place heavy emphasis on the use of practical skills rather than ones gained from education and considers a team of locally employed personnel to be crucial. Business promoters see cultural differences, as small as they may be, as an important element in dealing with businesses.

#### **4.4.2.2.      *The civil servant***

##### **4.4.2.2.1.      *The influence of culture***

The civil servants are in agreement as to the sizeable impact that cultural differences have, G05 being the only exception (*'Do we really need to know whether and how we are different? Does it really matter?'*). Nonetheless, most of the civil servants have adopted ways to deal with cultural differences between the home country and Finland in a business perspective.

The benefits that a similar culture may hold are pointed out by G09 and underlined by G03, who states that *'common interests and experiences makes it easier to initiative and pursue projects (...). As a result I can use these as references of common values we share with Finns. This helps break down barriers more quickly and leads to trust - I can empathize / understood Finnish perspectives'*. In most cases though, cultural differences are very small to begin with, as G04 indicates: *'there are some differences in that sense. But I think we share with Finns some things, like Chileans are a bit shy, like Finns are. (...) And for Latin-American standards, we are considered very organized, very tedious people. (...) In general, businessmen are a very organized, serious, attached to compromises and schedules. (...) Probably because we're a sort of mixture'*.

These small differences are not often communicated to home country businesses by the civil servants. G03 presents the most in-depth approach in this regard: *'in the case of business development, to ensure cultural awareness and sensitivity to specific issues, I always meet or correspond with a home-country business person before they meet with Finnish contacts'* (G03).

Organizing meetings with Finnish businesses *'is quite complicated, many times from a cultural standpoint but also from a business standpoint'* (G14). G04 is a striking example of how being a cultural 'curiosity' can benefit a personal approach toward contacting Finnish businesses. Showing knowledge of the Finnish business culture in saying that *'when I tell them, you know, I want to come there to your office, I know makes them a bit uncomfortable, first because they are not used to it, second, probably because they have no time to waste'* his is a personal approach, even though *'here you can almost manage everything by phone or via email'*. In the end, G04's meeting with any Finnish businesses *'usually lasts more than 15 minutes because they're not used to this thing so they wait for me with their coffee and cookie (...) and then they talk, I mean they're curious about a guy from Chile. Probably the first time they see somebody from Chile, so they start making queries. (...) Then, lasts for one hour. Always, but from their side'*.

##### **4.4.2.2.2.      *Background***

The educational background of the civil servants is more diverse than their opinion on cultural differences, implying that they are not as focused on business issues as business promoters are. Two have completed studies in politics (G03 and G17), four have completed economic studies (G05, G09, G10 and G14) and two (G04 and G07) have completed more practice-oriented studies, with one of them (G07) having completed studies in agriculture engineering, linguistics, and information technology.

Much like the diversity in backgrounds, the reasons as to why a certain study was chosen are manifold. Two (G04 and G10) chose with a career in diplomacy in mind. *'I studied journalism to then have my university degree because you need a university degree to get into the Chilean diplomatic*

academy. Even before I started journalism, I wanted to go to diplomatic academy to do what I do' (G04). Another civil servant that wanted to enter the public rather than private field, but not diplomacy in particular, is G17. 'After I graduated from the faculty of political science in Ankara (...) I thought I was confident to work in private sector but personally, I found really risky for me'.

Other civil servants have chosen certain studies to fulfill their own interests (G07), for job performance (G09 and G14) or to gain skills needed for a future career (G03):

G03: *'It combined practical learning in areas such as law, management and financial accounting with theoretical studies such as macro and micro economics and policy development. This program was more encompassing than pure economics or political science'*

Furthermore, two of the civil servants (G09 and G14) have studied at the University of Helsinki to study the national economy of Finland for one semester (G09) in order to *'understand much better the different aspects in the economic development'* and to study an MBA (G14). Especially G14 indicates to benefit from this experience, where he *'had the occasion to interact with a lot of Finnish people at the company level, and see how they tick. (...) And this is really something which is quite useful, because (...) if you know how a person reasons (...) you are already halfway through the entire rationalization process. (...) Also, I happen to know something more about their business culture'*.

#### 4.4.2.2.3. *The role of skills and experience*

Turning from educational background to skills gained from education as G14 has already done, it becomes clear that some civil servants argue that it does not matter what type of education one receives in economic diplomacy (G04 and G10) and that practice is much more valuable than theory (G05 and G07). Nevertheless, the position that G03 takes up toward education is exemplary for most civil servants when he says that *'the skill set acquired in university 'streamed' me to the commercial side of the department and (...) the skills are applicable to the type of initiatives we undertake but also provide a basis for more non-commercial activities. (...) The combination of skills and experience acquired is portable (...) and more widely applicable than narrower fields of study. For example, understanding key managerial accounting concepts such as just in time production and inventories allows me to more fully engage with Finnish producers and this can lead to identifying opportunities for home country suppliers or technologies'*.

Where G03 mainly mentions skills that stem from education, some (G07, G14 and G17) lean more toward practical experience. *'Finnish language skills, experience in preparing business contacts, salesmanship in larger sense, ability to manage a business and evaluate financial positions/economic conditions, knowledge concerning some industry fields which are most developed in Finland'* are the ones that G07 mentions, added to by G17, who sees that *'in general it needs quite a lot of government experience but also the private sector experience to reply all these demands'*. What G14 sees as the most important skill, in which he finds support from G04, is that *'you have good and sound working knowledge about what is happening, in Finnish society as well as in the Finnish economy.(...) And the same goes for the business environment'*.

Speaking of practical skills, G07 and G09 speak Finnish, both indicating that they feel they have an advantage over other diplomats in the same position because of this: *'sometimes I have more background information than those who don't speak Finnish'* (G09). In these specific cases, learning Finnish is made easy by the linguistic backgrounds of the civil servants. Especially G09 benefited from learning Finnish. *'I started to learn Finnish with my children at the time. And it was very good because after that in 1997 and a post for the scientific and cultural center was open for a bid in Hungary the only requirement was Finnish language'* (G09). All other civil servants (with the exception of G10), indicate that knowing the language provides an advantage in either business or cultural terms, but they point out that English works equally well, *'as these relationships are largely based on how well people get along'* (G03).

When it comes to skills gained from predecessors, the civil servants form two camps. Those that have virtually nothing to do with their predecessor (G04, G05, G07, G10) have, in general terms, not had any overlap, and show no direct continuation in working style or approach (save G07). G04 presents the usual practice in this case in saying that *'when I arrived, he was leaving. (...) So he left, and he left me a bunch of business cards, people he met, and bye'*. To G05 this lack of contact carries no importance, as *'what has to be carried on is the brand name'*.

The second group consists of those civil servants that relate their approach to that of their predecessor G03, G11 and G17). In G17's case, he and his predecessor *'could find time to meet and talk and meet other businessmen and we started a new kind of approach this year, and this is true for all other Turkish trade counselors from now on'*. While G03 has been in touch with his predecessor, one element that he purposely points out is that *'the least amount of disruption is probably (...) the best'* (G03).

#### 4.4.2.2.4. *The work environment*

Whereas the predecessor is not often seen as a crucial source of information, the civil servants that lead a team accredit high value to it, as G14 and G03 indicate. *'The less specialized part of our home staff (...) do not provide the kind of expertise that you expect from a market analyst, so (...) we hire market analysts from the country of course'* (G14). *'The local team at any posting must be recognized as a critical resource given their experience and local knowledge. (...) That type of knowledge is very useful when it comes to developing business programs, opening doors to home country companies, delivering key messages to host country decision makers and keeping in touch with contact persons'* (G03). Balancing an own style of working and the established working style of a team of locally employed personnel takes time, as G03 found out. *'Despite my preference and expectations were for a highly proactive work environment (i.e. provide what was asked as well as possible problems and solutions and areas to expand upon) (...) it was clear that this was not an inherent area of focus or experience for the team. (...) The subject adjusted their expectations for the short term and began to build up an awareness of this requirement in the team'* (G03). The main obstacle in this process is recognized by G03 to be the host country culture. *'The government has placed a much stronger emphasis on flexibility and adapting to change. This does not seem to come easily in Finnish culture and therefore it was important to make clear that adopting new working approaches was expected and part of the job while explaining how and why this was to occur and be measured as well as listening to the arguments or concerns raised'* (G03).

When it comes to living in Finland, the civil servants' international experience is such that they have little difficulty adapting to Finland, even though there is a slight contradiction in expectation and reality, as G14 calls it. *'The idea you had about Finland before coming here for good, was that Finland was a very open country. (...) But then you come here and you (...) find out (...) they certainly project something which is a little bit different from what it feels. So in that sense, perhaps there is, (...) a minor contradiction perhaps'* (G14). Only one of the interviewees (G11) has difficulties in Finland due to his lack of international experience as well as him doing *'as I did in Japan'* (G11). The exact opposite of this is G03, who says that *'the previous stay in Sydney (which was also quite laid-back) helped ease that transition. In general, I try to go with the flow of the host country as this is the most effective way to ensure productivity and maintain the work/life balance. I try to incorporate the way things work in the host country to my own way of working'* (G03).

Some of the civil servants (G03, G04, G09 and G14) regard adapting to the host country as essential to their work. *'You've got to be on their side, (...) I try to do things that Finnish people do. Really, I feel from my business counterparts, that it makes a difference'* (G04). G04 is backed by G03, who says that *'common interests and experiences makes it easier to initiative and pursue projects(...)'. As a result I can use these as references of common values we share with Finns. This helps break down barriers more quickly and leads to trust'*. In G09's case, adapting to the host country was important

for personal reasons: *'it was my aim<sup>6</sup>. I prepared the road to that, but the most, more important was that I had that time two small children they went to Finnish school'*.

#### 4.4.2.2.5. *The civil servant in a nutshell*

The civil servant has an educational background in economics and substantial work experience in business and usually enters the diplomatic field in a later stage in his/her career. Practical skills are more important than skills gained from education and teams of locally employed personnel are highly valued. The civil servant has a keen sense for cultural differences, indicating that these have a larger impact on the personal style of working than on contact with businesses.

#### 4.4.2.3. *The generalist*

##### 4.4.2.3.1. *The influence of culture*

As the generalists are uninvolved in commercial affairs, none of them deal with cultural differences between the home and host countries in the business sense. Only two of the interviewees, G15 and G16, do stipulate that their home countries differ only slightly in this regard and that the host country should therefore constitute a more appealing market for home country businesses than the amount of inquiries would suggest. According to G16, the main agent of stagnation here is his home country culture, thereby explaining the generalist's approach toward proactive behavior as relying on nation branding:

G16: *'it is a tenet of Swiss culture, and therefore also the business culture, to solve a problem or handle a situation yourself first. Only when there is no other possible solution do businesses turn to the Embassy for help'*

For generalists, cultural differences do not significantly impact the way they perform their jobs but tend to dictate the type of job they do. In the one case where cultural differences between the home and host country are quite large (G12) the commercial section is outsourced.

##### 4.4.2.3.2. *Background*

When it comes to being posted, *'any civil servant<sup>7</sup> has to be multifunctional'* (G16). This is emphasized by G01, who indicates that *'there are colleagues who choose always legal sectors, juridical, economics (...). I prefer political sector (...)'* and G12: *'When I first joined the Ministry they always emphasized the fact that I have to be an all-round player. So if you're a soccer player you have to be able to strike, defend, goalkeeper sometime, wing, centre back, everything. You have to do everything. I can be in charge of economic affairs at the moment, but if I move to another embassy they might already have a person in economy there, so I can be in charge of consul matters, I can be anything. I think we have to be prepared'*.

Both in addition to and as a consequence of this multifunctionalism, all generalists are assigned to a different post every three or four years. Only G12 sees a downside in this, saying that *'sometimes we lack the expertise, (...) let's say I was in charge of economic affairs for like three years for the Finnish, like, Northern part, or South America. Those are different things, that can be a possibility so we have to be prepared for everything. That's the limitation'*. All other generalists herald the rotation system as a good thing, with four out of five generalists indicating that career diplomacy is what they purposely chose for. Given this inclination to enter the field early on, it is not surprising that the backgrounds of the interviewees show great similarities: three of the five generalists are in the midst of a long diplomatic career that was taken up after graduating in either law or international politics and two more are in their first posting, one coming from a different ministry (G15), and the other (G16) coming from a multinational.

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<sup>6</sup> To return to Finland

<sup>7</sup> In this case, the term 'civil servant' is used by the interviewee as an interchangeable term with 'career diplomat'. Its meaning therefore differs from the way it is used throughout this research.

#### 4.4.2.3.3. *The role of skills and experience*

The generalists opt for a career in diplomacy with a set of general skills derived from previous studies and, in one case, derived from work experience at a multinational corporation. The most prominent skill the generalist possesses is their adaptability, a result of their international orientation. This is even true for generalists of non-Western origin such as G01 and G12, who refer to their past to point out that adapting is a non-issue. *'If you were nine years in Germany, Europe, North Europe it's not very difficult'* (G01).

The general nature of their work translates to their views on the usefulness of the Finnish language. Four of the five generalists do not speak Finnish and have not made an effort in doing so as it is viewed as *'impossible'* (G01) or not useful because it is not a recurring language in any other posting (G12). The fifth generalist speaks Finnish because it is her second language, but she does not indicate having any advantages over other diplomats in the same position.

#### 4.4.2.3.4. *The generalist in a nutshell*

Having fulfilled the ambition to become a career diplomat, the generalist is a multifunctional person who is well-versed in the international environment without having the skills or experience to make a deep impact in the commercial sense. They are used to change in the cultural sense, but do not provide a link to businesses in this area.

### 4.5. **The observations as a background for the interviews**

In order to see whether or not the data presented above upholds in a non-interview method for one of the three styles of commercial diplomats, observations have been made over a four-month period at the Embassy of the Kingdom of the Netherlands in Helsinki (Finland). These observations, included in Appendix E, comprise entries from a logbook that was kept during the four-month period spent at the embassy.

Over the course of four months, the head of the commercial department has not been deeply devoted to commercial affairs, leaving most of the contact to the locally employed commercial officer. This is mostly due to the embassy being a small organization causing the diplomat in charge of commercial affairs to be involved in a broad spectrum of affairs, including (but not limited to) political, cultural and consular ones. In taking up issues across the diplomatic spectrum, his focus lies with the ministry of foreign affairs. As the commercial issues are mainly dealt with by the trade officer (given the low occurrence of the subject's involvement in the commercial section's daily activities) and the diplomat oftentimes seeing commercial issues in the broader sense (e.g. the national economic system, or innovation on the country-level). The subject can be said to be a generalist.

Given the classification of generalist, Paragraphs 4.4.1.3. and 4.4.2.3. provide an indication of how the subject opines on the matter of activity and proactivity, and what role informal institutions play herein.

As far as reactive activity goes, requests by home country businesses and entrepreneurs are almost exclusively dealt with by the trade officer rather than the commercial diplomat. Proactive efforts are equally rare and only arise once from an experience in the personal environment. This is in line with most generalists' activities in commercial diplomacy in the sense that they hardly deal with home country businesses, let alone opportunity-seeking behavior, yet whether this is due to the low amount of data gathered from observations or due to the low amount of inquiries received from home country businesses as well as the EVD placing high emphasis on other markets rather than Finland in the first place remains uncertain.

When it comes to informal institutions, the observations do not show much in this direction other than the fact that the subject is a career diplomat who entered the diplomatic service at an early stage in his career, having a background in law. The one thing that is noticeable is the high amount of appreciation he directs toward the activities of the trade officer, yet this in itself is not an



indication of his views on the work environment. The non-occurrence of remarks on informal institutions regarding culture and the working environment are most likely due to the commercial diplomat being hardly involved in the commercial section's daily activities. Comparing this to Paragraph X, it becomes clear that this is in line with what is to be expected as the interviewees hardly speak of cultural issues while the work environment is not commented on at all due to the small scale of the organizations that generalists usually operate in.

## 5. Discussion & Conclusion

### 5.1. Chapter outline

In this chapter, an answer to the research question in Chapter 1 will be provided based on the data analysis of Chapter 4 and the theoretical framework of Chapter 2. Furthermore, the conclusion's fit with and contribution to the literature on commercial diplomacy will be assessed, as well as the methodological limitations that this research is subject to. In light of the conclusion, discussion and limitations, recommendations for further research will be provided in the form of testable propositions.

### 5.2. Conclusion

#### 5.2.1. The research: a brief recap

The objective of this research was to expand the current body of knowledge on commercial diplomacy by empirically examining the role of the commercial diplomat in the host country as that is one of the theory's core aspects. The following research question was formulated and functioned as the basis for the research in order to realize the research objective in a structured manner:

*How do commercial diplomats, providing support and facilitation to international businesses and entrepreneurs, shape their roles as business promoters, civil servants and generalists?*

A research model was developed in Chapter 2 that was centered around Kostecki & Naray's (2007) and Naray's (2008) typology of the commercial diplomat, indicating how informal institutions and corporate entrepreneurship might shape the commercial diplomat's role. This model served as the building block for the collection and analysis of empirical data in order to be able to expand the current literature on commercial diplomacy by linking it to corporate entrepreneurship and institutional theory. The answer to the research question lies in the analysis of the empirical data and will now be presented for each of the three styles as determined by Kostecki & Naray (2007) and Naray (2008) separately.

#### 5.2.2. The business promoter

Business promoters play very active roles in commercial issues and provide a multitude of services that pervades Naray's (2008) area-activity matrix, their main reactive function being partner search. This activity is usually undertaken on a very personal level, keeping close contact with both home and host country businesses.

Business promoters see proactivity as the more important element of their job even though it is, quantitatively speaking, the smaller part. Not surprisingly, the methods business promoters employ showing 'opportunity-seeking and advantage-seeking behaviors' (Kuratko, 2007, p. 159) are extensive. Representation at fairs and events to achieve name-recognition, collaboration and contact with host country institutions such as trade unions and ministries as well as close contact with host country businesses to stay aware of opportunities for home country businesses are used evenly by business promoters and it is not uncommon that many leads for proactive behavior are gathered through their reactive activities.

The business promoter has an educational background in business or economics, usually chosen out of personal interest and without the intention to enter the diplomatic field. Having a lot of (international) experience in business, the business promoter places heavy emphasis on practical business skills rather than theoretical ones and sees the psychological component, knowing the people, as the most crucial one. Language skills are seen to add to the business promoter's success, yet Finnish is hardly attempted as it is seen as virtually impossible to learn. Equally important is experience at the current post, which enables the business promoter to more quickly resolve issues and respond to requests, as well as being beneficial to proactive behavior, explaining why business promoters prefer longer lengths of stay than what is usual for diplomats. Moreover, many business promoters are locally appointed or acknowledge the benefit hereof. More often than not, the

working atmosphere is firmly established and the absence of change is seen to be very beneficial for the functioning of the team by those that are locally employed. The business promoter regards (business) cultural differences as crucial, even though they are quite small in most cases, and relates them to the importance of the existence of trade offices, their communication of these differences to home country businesses and the way they deal with host country businesses. The degree to which these three elements are seen as important depends greatly on the difference in home and host country cultures.

### **5.2.3. The civil servant**

Civil servants are involved in commercial issues on a higher level than business promoters and in many cases, have other functions beside the commercial one. As a result, the reactive activities they perform are manifold yet the approach toward providing their services and activities is a more distant one in which they rarely maintain personal contact with businesses.

The importance of proactive behavior is recognized, yet a busy agenda in the reactive sense impedes on taking according action. Opportunity-seeking behavior is most commonly displayed on the institutional level, i.e. with ministries, trade unions and the like rather than the business level.

The civil servants have educational backgrounds that vary from politics to business to more practice-oriented studies, chosen out of personal interest in some cases though more often in consideration of a future career or for job performance. This reflects in how they opine on the role of skills and experience as the civil servant is keen to mention language<sup>8</sup> and business skills as well as cultural awareness over skills gained during education, though does not negate the importance of the latter. Having a practical mindset, the team of locally employed personnel is seen as a critical resource and leveraging the personal work style with that of the team can be hindered by cultural differences between the host and home countries, though international experience helps dealing with such situations. The civil servant sees cultural differences as being of utmost importance to his/her own adaptation to and functioning in the host country, small though these differences are in most cases. In dealing with local businesses, they leverage what is expected of them with their own method of working.

### **5.2.4. The generalist**

Generalists rarely deal with deal with commercial issues, mostly due to the nature of their appointment and the low amount of requests they receive. When they do receive inquiries, they respond in a distant and usually somewhat standardized manner. Where the occurrence of reactive activities is low, proactive efforts are even more uncommon and can be identified to pertain to nation branding.

The generalist's non-involvement with commercial issues can be related to background, which features an intention to enter the field of career diplomacy at an early age, usually after having completed studies in politics. The generalist's multifunctionalism and a career that warrants rich international experience result in an absence of skills and experience pertaining to business.

## **5.3. Discussion**

The findings of this research will be compared with the theoretical framework that was developed in Chapter 2 and with the theoretical background to this framework. The findings and concepts will be discussed to assess their implications for and possible contribution to the current body of knowledge on commercial diplomacy as one of the final two steps of the inductive analysis as performed in this research is a '*comparison of the emergent concepts (...) with the extant literature*' (Eisenhardt, 1989). Additionally, the limitations of this research will be pointed out to assess the strength of the findings.

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<sup>8</sup> Even though the Finnish language is generally seen as virtually impossible to learn

### **5.3.1. Theoretical implications**

#### **5.3.1.1. *The conceptual framework revisited***

In Figure 1 (page 20), the commercial diplomat is depicted as being influenced by a number of informal institutions whilst performing both reactive and proactive activities as a business promoter, civil servant or generalist. The answer to the research question in the previous Paragraph provides a means to fill this model for each of the three styles in order to add to the current literature.

The informal institutions that were found to influence the commercial diplomat are culture, the commercial diplomat's background, the skills and experiences that arise from this background, and the work environment. The influence that these elements have increases for higher levels of activity in the commercial sense in a specific order.

Background is the most influential one as this affects the commercial diplomat's affiliation with business issues and has a direct relationship with the role of skills and experience, both determinant of the commercial diplomat's view on proactive issues and his/her according actions as an educational and practical background in business warrants a deeper understanding of such issues.

Of lesser impact is the difference between host and home country cultures. The more involved a commercial diplomat is with commercial issues, the more importance he/she will recognize cultural differences to have and the more they are seen to influence the personal work style, though this is also strongly dictated by the size of the cultural gap between the home and host countries. The influence of the working environment, partially falling under the influence of cultural differences, is marginal yet increases as the expectations between the commercial diplomat and the locally employed team differ.

Given the direct influence that the aforementioned informal institutions have on how the commercial diplomat acts, the commercial diplomat's relationship with proactivity can be described along the lines of the influence that these informal institutions exert and coincides with the increased proactive behavior that has been shown to exist in the three styles (with the generalist displaying the lowest amount of proactive behavior and the business promoter the highest amount). In general, the 'proactivity' element in Figure 1 pertains to commercial diplomats undertaking proactive efforts on the institutional level and the business level to increasing levels of involvement, both in a quantitative sense (meaning the actual time they spend pursuing said activities) and a qualitative sense (meaning their view on its importance and their commitment to the cause).

Generalists hardly ever exhibit proactive behavior and ascribe little importance to it. When they do engage in such activities it is a superficial effort pertaining to nation branding, and is usually performed in collaboration with other departments of the same governmental organization.

Civil servants undertake proactive efforts on both the institutional and business level, having a preference for the former and maintaining close contact with host country institutions to achieve the highest amount of success whilst leveraging their reactive duties. In some cases, a combination of the institutional and business levels is employed, though here, too, the emphasis lies with the institutional level.

Business promoters display the highest amount of proactive behavior and actively budget and pursue proactive efforts on both the institutional and business levels, favoring direct contact with businesses through (e.g.) promotional events and visits though oftentimes employing all possible means to identify opportunities for home country businesses.

#### **5.3.1.2. *The results' fit with informal institutionalism and corporate entrepreneurship***

This research's main value was aimed to be its contribution to the existent literature on commercial diplomacy, or more specifically, the role of the commercial diplomat herein by taking a closer look at Kostecky & Naray's (2007) and Naray's (2008) division of the commercial diplomat in three styles (being business promoter, civil servant and generalist) as one of the theory's constituents. The results have shown that this contribution has been accomplished as both the theory of

institutionalism and the theory of corporate entrepreneurship have been linked to these three styles. An assertion of the strength of these contributions now follows.

Corporate entrepreneurship has resulted in a means to identify how the commercial diplomat approaches 'opportunity-seeking and advantage-seeking behaviors' (Kuratko, 2007, p. 159). Several factors eliciting entrepreneurial behavior were found in literature (e.g. resource availability and organizational structure) and this research mainly yields methods of 'identifying and discovering opportunities that emerge within their environments' (Nasra & Dacin, 2009, p. 584) rather than underlying causes for proactivity, though the factors found by Kuratko, Montagno & Hornsby (1990), Hornsby, Kuratko & Zahra (2002) and Kuratko (2007) have been touched upon during this research and can be seen to have some effect on the commercial diplomat's proactive behavior, alongside informal institutions. All in all, the results suggest that Nasra & Dacin's (2009, p. 584) assertion that 'the state can actively engage in entrepreneurial behavior' is justified. However, whether or not businesses benefit greatly from the info they receive remains unclear, hence Spence & Crick's (2004) and Wilkinson & Brouthers (2006) pessimistic view on this subject cannot be turned into optimism yet.

An assessment of the informal institutions that affect the commercial diplomat has resulted in a list of elements that are the source of the commercial diplomat's approach toward proactive behavior, specifying Kostecki & Naray's (2007) observations that commercial diplomats with different styles usually have different backgrounds and professional experience in business by inductively connecting them to the commercial diplomat's daily activities.

Elements such as cultural differences and background have been identified to influence the commercial diplomat in his approach toward proactive efforts. However, while the results indicate that a commercial diplomat's background and the resulting skills and experience 'exert the most immediate control on individuals', as Ingram & Clay (2000, p. 537) put it, it is still uncertain whether these elements do indeed constitute the 'informal rules, customs and practices' that 'are enacted and observed by these individuals' (Hillman & Keim, 1995, p. 195). The same is true for the elements of culture and work environment. They do have a less pronounced effect on proactive behavior, as the cultural/cognitive pillar has according to literature (Bruton et al., 2010; Orr & Scott, 2008), but whether they describe 'individual behavior based on subjectively and (often gradually) constructed rules and meanings that limit appropriate beliefs and actions' (Bruton et al., 2010, p. 423) is not clear.

Another issue that the data analysis is subject to, is whether the elements found are spoken of by the interviewees within the three different styles at the same level, implying that the meaning that these elements have may differ per interviewee. This pertains more to the cultural element than to the other three elements, as the interviewees do not describe elements of culture as uniformly as they do with (e.g.) background and skills.

The indication that culture has a different meaning to different interviewees shows in the amount they speak of it, which is an indication of the importance they accredit to it. Some of the interviewees, most notably G02 with the business promoters and G03 with the civil servants, place much more emphasis on cultural issues than others (e.g. G06 and G10 with the business promoters and the civil servants respectively). However, the possibility that over-reliance on remarks by interviewees who accredit more importance to cultural issues renders the results to go askew is counteracted by the support that these interviewees receive for their remarks from other interviewees.

The level at which the interviewees speak about cultural issues is approached from national, societal, business and personal levels, all of which have been described separately in the data analysis. However, the possibility exists that remarks from interviewees cover multiple levels and that the analysis therefore does not sufficiently distinguish between these levels.

While Chapter 3 stipulates that the difference in institutional backgrounds is needed to increase the likelihood that the emergent field of commercial diplomacy is added to, this brings forth

the question whether and to what degree the cultural differences between the interviewees themselves have an impact on their views on cultural issues. A comparison of interviewees from dissimilar environments, e.g. G02 & G04, and G03 & G14, shows that generally, interviewees accredit high value to cultural differences in a manner that does not depend on the institutional background, but on the style that is adopted. This is mainly caused by background seeing as virtually all interviewees are highly experienced in the international environment, rendering the cultural differences between the interviewees themselves to be of low impact on their differing views on cultural matters.

### 5.3.1.3. *The consequences for commercial diplomacy*

Now that the contributions of corporate entrepreneurship and institutionalism to the field of commercial diplomacy have been assessed, a review of the results' impact on the three-style framework developed by Kostecki & Naray (2007) and Naray (2008) is in order.

Table 5 (see page 26) is based on the general terms provided by Kostecki & Naray (2007) and Naray (2008), which are very loosely defined and lack substantial evidence as their three styles only show 'broad and so far typical tendencies' (Naray, 2008, p. 10) of empirical observations.

Comparing their findings to this research's results shows that broadly speaking, the division into three styles holds for all elements in Table 5. The results have particularly deepened the understanding of what they refer to as 'level of activity' by adding the exact approach that each of the three styles adopts toward proactive efforts, thereby relieving this element of the table of its largely undefined status. Furthermore, the results suggest that 'approach', 'leading concern' and 'level of activity' are interdependent elements that can be described along the lines of the proactive approaches as determined in this research.

Therefore, instead of looking at the individual elements as described by Kostecki & Naray (2007) and Naray (2008), this research suggests that the approach toward proactivity is the main determinant of the commercial diplomat's role as it encompasses the aforementioned authors' elements and provides deeper insight into a commercial diplomat's role. The benefit of such a division would be that it is relatively more measurable than the three styles as determined by Kostecki & Naray (2007) and Naray (2008), seeing as how a commercial diplomat approaches proactive behavior (in terms of the importance accredited to it, the level at which it is pursued and the intensity with which it is pursued) can now be more narrowly defined than general outlines regarding 'approach', 'level of activity' and 'leading concern'. Table 6 shows the typology that arises from this research in terms of proactivity.

	<b>Proactor</b>	<b>Reactor</b>	<b>Non-actor</b>
<b>Importance of proactivity</b>	Seen as the most important element of the job	Recognized but marginal due to lack of time & resources and reactive duties	Not important
<b>Level of proactivity</b>	Institutional and business levels	Institutional level	Institutional level, if at all
<b>Intensity of proactive efforts</b>	Highly intensive, including representation at fairs and events, as well as contact with host country institutions and businesses	Moderately intensive with a focus on host country institutions	Sporadic efforts pertaining to nation branding

Table 6: A new typology based on proactivity

Based on the conclusion in Paragraph 1.3 and the comparison with literature, recommendations for further research (taking the shape of propositions) will be presented in Paragraph 1.5, after an assessment of the limitations that this research is subject to.

### **5.3.2. Limitations**

The most obvious limitation of this research is that it is based on relatively new and emergent theory that has not seen rigorous empirical testing yet. As this research is of inductive nature the empirical data gathered does add to resolving this issue, though the conclusion in Paragraph 5.3 would gain strength by deductive empirical research to verify the assertions made.

A literature search was performed in Chapter 2 following Webster & Watson's (2002) and Saunders et al.'s (2009) recommendations for a complete literature review (which consisted of three separate fields of theory). It is possible that a number of highly relevant articles were missed, though the systematic search employed in Chapter 2 (featuring the use of multiple databases, synonyms for key words, forward and backward referencing) makes it likely that this is not the case.

Most of the interviews were conducted on a face-to-face basis and were recorded, which may have moved the interviewees not to reveal certain elements of their stories. However, given the non-sensitive nature of the info that was asked for, it is unlikely that this is the case. Furthermore, the interviewees were offered anonymity (which was adopted by one out of twenty-three interviewees), were in charge of the recording device (see Appendix A) and were the final editors of their own interview transcripts. To alleviate the limitation that interviewee bias presents, the interviews featured open-ended questions, as is in line with semi-structured interviews.

Furthermore, English not being the native language of most of the interviewees, a language barrier may have caused them to not having told elements of their stories that may have been important. However, given the excellent command of English that most of the interviewees possess of, this is unlikely.

The observation method was chosen to mitigate the impact of validity issues (i.e. problems of history and maturation). However, despite the four-month period over which observations were made and kept, the results are too thin to provide a substantial background for the interview results (i.e. to triangulate the results), hence lowering the validity thereof.

The amount of info that was gathered from the five generalists is significantly lower than that gathered from the business promoters and civil servants. The strength of the results for that group is therefore lower. However, given the low involvement that generalists have with commercial affairs, it is believed that what has been found represents an exhausted overview of their actions as the five interviewees show great similarities in their stories, more so than their business promoter and civil servant counterparts. Furthermore, the interviewees work for organizations that originate from both inside (fourteen in total) and outside the European borders (nine in total) and therefore constitute an accurate representation of the entire population of commercial diplomats in Helsinki.

Researcher bias in the analysis of the data, and by extension the reliability of the results, persists as Eisenhardt's (1989) and Darlington & Scott's (2002) recommendation that multiple researchers perform the data analysis has not been followed while 'the convergence of observations from multiple investigators enhances confidence in the findings' (Eisenhardt, 1989, p. 536). This is one of this research's biggest limitations, but it is counteracted by the fact that Eisenhardt's (1989) method was followed as closely as possible and that the results are described in a highly detailed manner (see Appendix C).

As stipulated in Paragraph 5.4.1.2, it is not clear whether the elements that were inductively found to influence the commercial diplomat in his/her daily activities actually pertain to informal institutions.

This weakens the link between commercial diplomacy and institutionalism, and affects construct validity as it is unclear whether these elements can be tied to institutionalism. Further deductive research could provide a definitive answer to this question.

In general, findings from case study research are too small to generalize to an entire population. However, seeing as the findings of this research relate to existing theory and result in testable theoretical propositions, generalization is less of an issue (Eisenhardt, 1989; Saunders et al., 2009). In addition, the sample selection represents an accurate cross-section of the population of commercial diplomats in Helsinki and hence, by extension, Western nations, thereby allowing for the generalizations made in Paragraphs 5.3 and 5.4.

## **5.4. Recommendations for further research**

From the very start, the aim of this research has been to contribute to the field of commercial diplomacy by examining one of its core constituents, the commercial diplomat's role, and comparing it to the theories of corporate entrepreneurship and institutionalism. By indicating how a commercial diplomat pursues proactive efforts and what influences him/her in this, that aim has been reached. An addition to literature as has been enacted in this research implies that concrete suggestions for further research can be made. This paragraph presents a number of recommendations and propositions that can be used for that purpose based on the outcomes of this research, the comparison thereof with literature and the limitations that this research is subject to.

### **5.4.1. The direction of further research**

As was pointed out in the introduction of this research, commercial diplomacy is a promising emergent theory. While this research has connected commercial diplomacy to institutionalism and corporate entrepreneurship, lots of opportunities remain for further research in general. Human resources, international business and other fields of business research are fields of study that could be tied to specific elements of commercial diplomacy. More specific recommendations for further research based on the discussion and limitations in this Chapter now follow.

- To alleviate the generalization problem that arises due to the fact that this research took place in Finland, a Western nation, the same research is recommended to be carried out in other Western nations in order to see whether or not this research's conclusions will hold in similar institutional environments. Moreover, it is recommended that this type of research be repeated in far different institutional environments such as South America, Africa, the Middle East and South-East Asia. If the principles of what has been found in this research hold for dissimilar institutional environments as well, this would add strength to the conclusions.
- To cater to the need for increased reliability of the results, two actions are recommended to be taken. It is recommended that the interviews be re-analyzed by different and multiple researchers to alleviate researcher bias problems that may have affected data analysis. In addition, seeing as the results of the observational study that was performed for this research are lacking in both amount and content, a long-term participant-style observational study of several commercial diplomats in Finland is recommended to triangulate this research's results or for future research of the same type.
- As has been pointed out, it is unclear whether the elements that were found to influence the commercial diplomat pertain to informal institutions as they are described in literature. To ascertain the link between informal institutions and commercial diplomacy, further research is needed. The same goes for the order in which the elements discovered seem to influence the commercial diplomat in adopting a proactive approach; further research as to what



‘weight’ these elements have and why this particular order is present would give more insight into how and why they influence the commercial diplomat.

- Certain methods of proactive efforts have been found to become increasingly heavily used by the commercial diplomat when it comes to the progression from generalist to business promoter. Deductive research is recommended to empirically test the results of this inductive research. In addition, as has been pointed out in Paragraph 5.4.1.2, the use of the commercial diplomat’s proactive efforts for businesses remains unclear and therefore requires that further research be undertaken to assess the success gained by businesses from such efforts.

The two latter recommendations for future research indicate that deductive research is needed to verify the results. The following Paragraph features a number of propositions that can be employed to perform deductive analyses into the informal institutions’ influence on the commercial diplomat, the link between informal institutions and proactive behavior, and the commercial diplomat’s proactive actions.

#### **5.4.2. Propositions**

Propositions 1 to 6 pertain to informal institutions and their influence on the commercial diplomat, as well as their link to proactive behavior. Propositions 7 to 10 pertain to corporate entrepreneurship and the methods employed by the commercial diplomat in this respect. Both sets of propositions are derived from the conclusion and discussion as presented in this Chapter and are not exhaustive.

Proposition 1: The stronger a commercial diplomat’s background in business, the more importance he/she will accredit to proactive efforts

Proposition 2: The stronger a commercial diplomat’s background in business, the stronger his effort to pursue proactive activities

Proposition 3: Commercial diplomats with similar backgrounds employ similar proactive methods

Proposition 4: The smaller the commercial diplomat’s background in business, the smaller the effect that cultural differences will have on his/her daily activities

Proposition 5: The larger the difference between home and host country (business) cultures, the more time the commercial diplomat has to spend tending to reactive activities at the cost of proactive activities

Proposition 6: As cultural differences between home and host countries become smaller, the commercial diplomats in charge of a team of locally employed personnel will pursue more proactive efforts

Proposition 7: The stronger a commercial diplomat’s agenda in terms of proactive efforts, the greater success home country business will have in the host country

Proposition 8: The higher the importance accredited to proactive efforts, the more a commercial diplomat will display proactive behavior on the business level

Proposition 9: Commercial diplomats that have tasks beside commercial ones will employ the institutional level to pursue proactive efforts more than the business level

Proposition 10: Commercial diplomats that are only involved in commercial issues distribute equal attention to the institutional and business levels in pursuing proactive efforts

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## Appendix A

### *The interview protocol for semi-structured interviews*

#### **Before the interview**

- Re-read commercial diplomacy articles
- Find info about CD activities on the embassy's website

#### **Starting the interview**

- Thank the person for providing me with the opportunity to interview them;
- Explain the goal of the interview;
  - Goal (as to be explained to informant): My goal in this interview is twofold: to gain insight in (1) the way you provide services, facilities and support for businesses from your home country, and (2) your own role in supporting and promoting business (in general) from your home country here in Finland. I conduct these interviews to collect data for my Master's thesis;
- Ask permission to use audio recorder (explain that the complete record of the interview will be used for my research) and mention that whenever they feel like they don't want something recorded, they can turn it off;
- Ask if the informant wants to remain anonymous (the recording will be deleted after transcribing it using codes instead of names, safeguarding anonymity) and if he/she has any questions regarding the research goal.

#### **Four big questions**

1. Could you describe your role in providing services and facilities to businesses and entrepreneurs from your home country?
  - Ask for reasons why (only) these are provided (could include home and host country characteristics): rationale for CD is providing information, support for weak image, partner search, conflict handling, support of home country delegations and strategic concerns
  - Activities are intelligence, communication, referral, advocacy, coordination and logistics
  - Areas are promotion of trade in goods and services, protection of intellectual property rights, cooperation in science and technology, promotion of made-in and corporate image and promotion of FDI
2. Could you tell me something about how you deal with entrepreneurs and businesses from your home country? (or: 'how do you practice the role we've just discussed?')
  - Background and skills: business knowledge and business experience
  - Style/orientation: business promotor (pro-active with providing services as main role), civil servant (reactive, keeping distance and focus on policy implementation) or generalist (career diplomat, business is additional)
3. How would you describe your pro-activeness toward promoting business and entrepreneurship from your home country?
  - Give example of 'playmobil pyramid'
  - Ask for concrete example(s)
  - E.g.: identifying missing markets (information), networking and partner search, conflict handling and support of business and government delegations
4. What are the biggest influences on the way you perform the activities we've just discussed?
  - How does being a [nationality] influence the way you perform the activities we've just discussed?
  - 'How does the training you had for this job influence the way you perform the activities we've just discussed?'

- Substitute 'training' for formal education, training, experience/colleagues/peers, host country institutions, home country institutions and private life. Go through these sources of informality one by one, ask how they influence.

#### **Ending the interview**

- Thank the informant again for his/her cooperation;
- Ask if it's ok to email/call if more questions arise after the interview;
- Write down location, date & time, setting, informant background info and impression of how the interview went asap afterwards in a separate document that is only to be used for individual interviews;
- Write down more around notes that might have been made asap afterwards;
- Transcribe the interview;
- Send the transcript to the interviewee for correction/addition. No response after a week: mail/call.

## Appendix B

*Interview questions sent when no face-to-face interview is possible (example)*

First of all, thank you for cooperating with this interview. Its purpose is first and foremost academic: the info you provide will serve as the data for my Master's thesis, which will mark the end of my Master of Business Administration studies at the University of Twente in Enschede, The Netherlands. For this research, I have conducted nine interviews so far, with another four planned for this week. All interviews are with Commercial Officers at embassies in Helsinki.

In the following three pages I have included a number of questions in *italic*, divided into five broad **categories**. You can write down your answer under every question. I expect that the answers you give will lead to more questions from my side (that has been the case for the previous interviews), which is why I have, to a certain extent, limited the amount of questions. If you have any questions yourself regarding anything I ask in this document, please do not hesitate to contact me.

Lastly, I would like to point out that you can remain anonymous, which means that neither your name nor your nationality will be mentioned in the final thesis. The thesis will be publicly accessible within the University of Twente, but will not be available or circulate in any other way. The content of the interviews themselves are not made public: only their analysis is, as that is part of the final thesis.

**Filled in by:**

### **General working environment**

*What is your job title and what is the content of your function?*

*What does a typical week look like for you?*

*How large is the commercial side of your job (i.e. how much time do you spend dealing with business)?*

*How many people work at your embassy, and how many at the commercial department / trade section?*

*Of these employees, how many are locally employed?*

### **The services and facilities provided to businesses and entrepreneurs from the Czech Republic.**

*Which services and facilities do you provide to businesses and entrepreneurs from the Czech Republic?*

*Which of these services are the ones asked for the most?*

*What sectors of industry are of most interest to Czech businesses and how does that reflect in the services and facilities you provide?*

**The approach you adopt toward providing these services and facilities.**

*Could you, for each service and facility, describe your general approach toward providing them?*

*What is the level of contact you have with Czech businesses that ask for these services or facilities and how does that depend on the service or facility provided?*

*How do you (when needed) approach and contact Finnish businessmen?*

*Do you keep contact with these Finnish businesses and businessmen for future reference, and if so, how?*

*How much and in what respects does that approach differ from the approach toward Czech businessmen?*

**Proactiveness in promoting Czech business and entrepreneurship in Finland.**

*How do you proactively promote Czech business in Finland?*

*To what extent do you use Finnish contacts you already have to do this?*

*What are the biggest limitations on acting proactively for you?*

*How important is proactiveness in your opinion?*

**The role of experience and the international environment in your daily activities.**

*What have you studied?*

*Why did you choose that specific study?*

*What skills that this study endowed you with do you find most useful for the commercial role you fulfill, and do you have concrete examples of them?*

*Did you always intend to become involved in the line of work you are in now?*

*What have your previous jobs or postings been?*

*What experiences and skills that you have developed in your previous jobs or postings do you find most useful for the commercial role you fulfill, and do you have concrete examples of them?*



*What training did you receive before arriving at this post?*

*How much overlap did you have with your predecessor and to what extent did you base your way of working on his/hers?*

*What are the main differences between Czech and Finnish culture according to you?*

*How do these differences influence the way you fulfill the commercial side of your job*

## Appendix C

*An overview of the interview results for the business promoters, civil servants and generalists*

This appendix contains an overview of the results in narrative form for the business promoters (P01, G02, G06, P02, P03, G13, P04, G18 and G19), the civil servants (G03, G04, G05, G07, G09, G10, G11, G14 and G17) and the generalists (G01, G08, G12, G15 and G16). No division between corporate entrepreneurship and informal institutions has been made as that is part of the analysis in Chapter 4, for which the results in this appendix serve as the foundation.

### Business promoters

In general, the business promoters are very involved with commercial issues as members of their commercial agencies. It is perhaps not surprising that all interviewees that belong to a private organization (P01, P02, P03 and P04) are business promoters (see Table 5, page 24). Those business promoters that are part of a governmental organization (G02, G06, G13, G18 and G19) operate as a separate entity within the embassy. Therefore, business promoters have no functions besides their commercial ones and usually operate with(in) a team of locally employed personnel. Moreover, of the seven interviewees who are the heads of their departments (P01, G02, G06, G13, P04, G18 and G19), three are locally employed (G06, P04 and G18).

Business promoters enjoy great freedom in their commercial activities due to their disconnect from political affairs, rendering them to be *‘very actively involved with the “actual work”’* (G19). This is true for business promoters in both private and governmental organizations, as exemplified by P01 and G02:

P01: *‘our main work is what the companies are doing. It’s not so much what the others have to do, report to the ministry, more political reports (...). This we do only reacting when somebody’s asking for it’*

G02 (on what his trade office does): *‘Trade and investments. Not the politics. Nor political economy, or economic policy’*

As a result, the business promoters can focus all their attention on commercial issues, which, for the most part, require them to respond to requests they receive from businesses. As G06 puts it, *‘they are our paying customers’*. *‘In Austria we have an obligatory membership to the chamber of commerce, therefore all companies are members and therefore we have to be here for each of them’* (P01).

For the most part, the services provided by the interviewees are those summarized by G19, who says that *‘the most commonly provided services include matching programs (introductions to interested companies), partner search and business promotion at events’*. It is not uncommon for business promoters to stay involved during the entire process in these cases, as P01 and P04 illustrate.

P01: *‘This reactive can be everything from the simple list of potential Finnish partners to some sort of market survey or then next step and they have some legal questions or and the last when they have problems with the Finnish partners. Like when they do not pay or other things. We can be (...) involved in the whole chain of the normal business like that’*

P04: *‘When we offer partner search, it’s meant that we do the work for the Norwegian customer. They say what they want, they tell us about their company, about their finances, (...) what kind of ambitions they have on the market and what kind of partner they would like. We make a contract*

*with them and then we start listing all the companies on the market that could be relevant, more or less. Deliver them to the customer, and from there on we discuss with the customer which companies are the most relevant for them. Then we contact the most relevant companies that are on the list and invite them to meeting here at our, in our facilities or in the financial partner's place. Either first just me and the potential partner or together with a Norwegian customer, and then after that the two parties have the possibility to negotiate and they have maybe two, three candidates of which they have to choose one or two if the partners are in different segments'*

A dedicated commercial office is able to provide an extensive array of services. For example, G06, P03, G13, P04 and G18 have a wide catalog of services that caters to an extensive variety of needs and issues. However, in Finland, some services are much more popular than others.

G02: *'So when we are talking about export from Flanders we have different kinds of services, first and foremost the identification of possible partners, so with contacts and addresses and such, plus arranging the meetings themselves if necessary, and market studies, market research'*

G06: *'Some years ago, we used to make a market analysis and things like that and (...) there's not really a demand for that anymore. Usually (...) a very big portion of our assistance is building the contact service. (...) And that's basically what we mostly do. (...) It's rich possibilities that we can offer what's on the website, but there is a very small demand for most of the services'*

P03: *'Out of these services it's kind of a buyer search which consists of first finding suitable customers for them and then contacting the customers for them and presenting the company and asking if they are interested in cooperation and if they are, what type of steps should be taken next. That's the most popular of our services'*

The approach toward their activities and services is a highly involved and personal one. Indeed, as G19 says, the *'job is hard to do without keeping close personal contact with businesses'*. This involved approach is usually facilitated by a fee-based system, both in private organizations (P01, P02, P03 and P04) and in governmental ones (G06 and G18). The rationale of having a fee-based system is explained by P03, who says that *'If everything was free of charge, we would be just getting so many even totally useless inquiries from Korea. So when they had to pay some fee, at least a nominal fee, then it means that they're actually serious about the matter'*.

Neither private nor governmental organizations can be said to be more involved than the other. Contrasting G02 and G13, both members of a governmental organization, and P01 and P03, both members of a private organization, shows that mixed approaches are possible.

G02: *'Making appointments is not easy either so we do that. (...) The success rate is about 5%. SO if you call one hundred companies then you right about have the number you need. (...) We do this work for those people. The only thing they<sup>9</sup> have to do is score of course'*

G13: *'It varies from case to case, with some we have more regular contact if it concerns an ongoing process with supporting Finnish (or Nordic) companies with importing from Mexico the contact can be rather regular, but in other cases the contact can be relatively sporadic'*

P01: *'We can offer almost everything but only on the first level support. (...) We can give hints in almost every aspect but then for deeper insight we ask them to go to lawyers or tax companies and we suggest them one or the other but they naturally can choose anyone. That's why I said behind the whole thing, but I would not say really accompanying to 100%'*

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<sup>9</sup> In this context, 'they' refers to Flemish businesses

P03: *'So we are actually, we are kind of an extension of their export sales department here. That's how we operate'*

While reactive activities make up the predominant part of the business promoter's daily activities, the importance of proactive behavior is recognized and underlined by several interviewees, for example by P03. *'I understand this proactive part, I would like to do more that perhaps, but then of course these days paying customers first'*. The necessity of proactive behavior is viewed by the interviewees from a variety of perspectives, most notably that of meeting sales targets (P01), export promotion (G06 and G19), attracting investment (G18) and a combination of these (G02).

P01: *'I have to calculate (...) for the year that we will need about two third of the time just for reacting. Because I have to calculate what I'm planning, how many proactive activities I will start. (...) It is indeed the lesser part but I think the more important part. Because this is where we can promote new exports'*

G02: *'There are actually two main functions, namely exporting Flemish businesses (...) and investment by Finnish businesses in Flanders. Those are the main activities. Including for example trade missions'*

G06: *'I think it's very important (...) for us to increase the knowledge and market, or (...) sales potential in Finland through small articles in Danish trade magazines and on the website and so on. (...) And then we also visit Danish companies in Denmark quite frequently to inform about sales potential, market potential in Finland. (...) And that's really important because (...) we have our sales target to meet and then, so it's extremely important for us to attract assignments given to us'*

G18: *'The second major part of our work, is looking for Finnish investors. This is mainly done by actively promoting the UK as an investment target for Finnish companies'*

The interviewees pursue proactive efforts on a variety of levels, ranging from the company-level to the higher institutional level. What it boils down to is that business promoters *'need to explore the market and actually identify for the business, these are the possibilities, take a look at that, this is in development. So we kind of need to be the eyes and ears'* (G02). In other words, *'to actively look for opportunities in the Finnish market and communicating those'* (G19) to home country businesses.

What this means exactly is concisely explained by P01: *'We are trying to look for interesting fields and we are organizing events. (...) Co-organizing could be with Finnish ministry or with Finnpro or also perhaps a seminar about Austrian wines with Alko together. (...) And of our own, it is different types, one which is more really with B2B (...) and others what we call Marktzundierungsreise'*<sup>10</sup>. Another example of finding opportunities through such ways is presented by G02.

G02: *'I went to Kuopio in August (...) and that resulted in two leads for investments. (...) Those are investment leads and then there are of course opportunities that translate into propositions for trade (...). You make sure to bring something back from that trip. And those are things you do not know beforehand, so that is why you absolutely have to visit other cities, other regions'*

Representation at fairs is a very common method of getting an idea of where the opportunities lie, or, in case of investment in home country businesses, *'close collaboration with the nine regions that the UK is divided in'* (G18).

P02: *'We represent some fairs (...) and so to get Finnish companies interested, we write about that. (...) I was in September in Hamburg with my colleagues (...) and we do, we informed about our*

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<sup>10</sup> 'Marktzundierungsreise' is the German word for trade mission

*markets and then we had talks with six or seven German companies from Hamburg who were interested to sell something. Or we said Finland is an attractive market so just come to us and we can offer you market research'*

*P03: 'I participate in some events, even though we receive no request for that from headquarters or anybody else (...) If possible I'm participating in all kinds of seminars and events which are concerning industries that are relevant for us in order to learn more about opportunities and make new contacts. I'm doing that as much as possible'*

That not every opportunity is one to be chased after is stipulated by P01, who focuses on markets *'where the others are not already running to'*. His reasoning is that *'if for example everybody would be running here to the wood industry because they say it's the new market, I would not. I would promote it in Austria but I would think very long about really proactively doing an event for this sector. Because there are already too many others here'*.

When it comes to direct contact with host country business to identify opportunities, the business promoters adopt very different approaches. For example, G13 operates *'mostly by cold-calling and writing email to companies we believe might be interested in importing from Mexico (for example if they are active within an industry where Mexico is strong)'*. A more umbrella-like approach is opted for by P04. *'We use all search engines that are available, we use internet but also contacting the local authorities, organizations, let's say for example take furniture, the furniture importer association'*. Adding to P04's approach, P03 says that *'whenever there is some kind of inquiry or request from Korea, I think first, do I already know somebody who might be the right person to contact about this matter. The same goes for buyer search. I start with the usual suspects, but if it's not enough I'll try to find new ones'*. The approach of G02 is the most extreme example of such a personal approach. His view is that one has to *'make sure that people know you, because that's how you get more and more propositions. Business is always done between people and that's why we need to make sure that you are known, or that you know the people'* (G02). A completely different opinion this matter is presented by G06, who does not deem it *'worthwhile visiting the companies. Because the electronic way to describe the assignment giver for the potential partners it's good enough. It would be a waste of time to visit the companies I would say'*.

A personal approach as adopted by G02, P03, G13 and P04 is the result of the reactive part of their job, as P03 indicates. *'When I contact Finnish businessmen I try to keep a note on that for my future reference. (...) Then I also maintain a list called general buyer list, there are about one thousand names'* (P03).

Being focused solely on business issues, and the proactive part of their work being recognized as a highly important element, business promoters generally accredit high value to cultural differences between the home and host countries, small though these differences may be. Still, they are more keen to point out similarities between them rather than differences. This is most likely due to all business promoters (except for G13) being from Western countries, a point that is touched upon by P02 and concisely described by P01: *'What was very interesting coming from Riga to Helsinki I had the feeling back home in the West'*.

*P02: 'There are more similarities than differences (...). I would say that for all Northern European countries. I give lots of lectures about those things. Usually I talk about facts, but people also always want to hear about cultural differences (...). I always say, if you do not manage with those cultural differences, between Germany and Holland or between Germany and Finland, you could forget any other country if you can't manage those small differences'*

A more country-specific distinction is made by G02, who points to the bridge between Flanders and France as compared to Flanders and Finland and connects cultural similarities to cultural differences.

G02: *'There is a difference. (...) The bridge between Flanders and France is much bigger and longer than that between Flanders and Finland. They are two countries that like to get to-the-point, where the Finns are even more to-the-point than we are, so in that sense there might be a difference'*

The viewpoint that the cultural differences are very small indeed is shared by P01, G06 and P04 to varying degrees. While G06 does acknowledge the existence of cultural differences, he also indicates that people are the same on a global scale. The only one to mention the possibility of cultural barriers is P04, but this leans more toward language than to what G02, G06 and P02 mean.

P01: *'It is that one might subestimate the correctness of the Finnish people, correctness both in positive way but also in the sense when you want to have little changes you have really to discuss why and that's somehow a difference as we are famous to be flexible'*

G06: *'Yes there are some minor differences. But (...) I don't think Finns are very different from, I think, globally, people are people. So I think sometimes it's too much focused and I think there tends to be a way of making the differences bigger than they actually are. But there is so much minor (...) differences. For example I think Finns are not very proactive. (...) I don't think they are as proactive as the Danes'*

P04: *'The culture is quite similar, but still there are differences and (...) the Finnish culture is maybe more towards the German, more punctual and analytical, down to the point, and Norwegian they more look at the whole thing and the feelings and intuition, but so they work on a more short-term basic. Those are (...) the main differences. But still Finns and Norwegians get along, but if they don't have a common language (...) there will be barriers'*

Where the previous group of business promoters point to general cultural differences, P03 and G19 point out differences between business cultures. The business promoter who deals with Western clientele (G19) notices just one difference:

G19: *'The only thing that is noticeable is the importance of relationships in business: US business are happy to employ an 'arms-length' approach, while that is not a common practice in Finland'*

In contrast, P03, who is locally employed himself but deals with Korean business coming to Finland, has a much more extensive agenda when it comes to business culture differences.

P03: *'It's like sort of very much of an ad hoc way of doing things. Not very organized and they don't plan things in advance they just start doing something and then they change their approach, whatever seems most relevant. Of course, from a Finnish viewpoint it looks very disorganized and even unprofessional, but then on the other hand, when something in the environment changes, they can adapt to that very fast, which Finnish companies do not always able of doing'*

P03: *'I think (...) that Finnish companies (...) have some (...) good aspects when it comes to their approach and (...) Korean companies (...) are trying a lot harder than Finnish companies generally but I think the Finnish companies' approach, (...) it's more professional. (...) Korean companies often don't understand even very basics of international business such as that there are different, there might be different approach to business in different countries. For many of them it's difficult to understand that. And if I would generalize I would say that Korean companies try more than what they are capable of, whereas Finnish companies try less than what they could do. I feel Finnish companies are*

*quite lazy when it comes to finding new markets. But (...) when they decide to do something they do it quite well and professionally'*

More than naming these business culture differences, P03 sees a direct link between these and the general cultures of both countries.

*P03: 'I think it's more about the culture. As you know, in Finland people are not accustomed to working so much when it comes to working hours and things like that, and they are not so keen on taking risks in business'*

Even though the cultures differences may be small, several business promoters point out that they do communicate these to businesses in order to prepare them as much as possible. *'In all my speeches I mention that. But I said these are not the real big problems, but I mention them'* (P02). This very same remark resonates around the field in different forms.

*P01: 'We also have (...) to be sensitive about the different psychological situations in the country. Another aspect of that kind: the Finnish prefer to send mails or sms instead of calling. (...) And these are also important hints we are always looking for to give to the Austrian companies'*

*P03: 'Yeah that's what we're always telling them. Still they have some difficulties in understanding it but then they learn in the hard way if they are not listening'*

Much like P01, who mentions a specific type of advice pertaining to contacting Finnish businesses, other business promoters have similar types of advice.

*G02: 'The approach that we continuously have to point out (...) is that mailing doesn't work. It's much too easy. (...) So those are very concrete things'*

*P02: 'I mean the Finns are very good in German very often, and they too early start to say Du to German business friend. (...) My advice to Finns is to wait just as long as the Germans talk to you with Du, otherwise you might make a mistake. Because you don't know how it's just in that business, how easy it is to say Du or not'*

Though such recommendations may seem trivial and easy to comply with, the necessity of a trade office, in the cultural sense, shows in the way business promoters speak of how such issues influence the personal style of working. According to G02, the most important element here is forming the bridge between the home and host countries. *'You have to adapt and make sure to be some sort of chameleon that is accepted by the local party'* (G02).

*G02: 'You have to form the bridge. (...) You need to be able to unite the two. And say, watch out for this, don't do that, pay attention to that, and prepare in such a way that the Finns thinks (...) they know their business'*

In their efforts to form the bridge between the home and host country, G02 and P03 point to the cultural differences as taking up a lot of time in dealing with home country businesses, thereby reasserting the necessity of the trade office as a bridge between the home and host countries.

*G02: 'I was posted in Rijsel, that is 15 kilometers off the border. And people wondered of course if it was necessary to have a post there. Absolutely, because if a Flemish company does business in France, (...) the culture is totally different. So they think it's close, it'll work out quickly, but that is not true. And then they contact us'*

P03: *'Well basically I have to argue time to time about what is the best approach in the Finnish market. (...) Koreans don't always understand that we do things a bit differently here. And maybe the major single cultural issue apart from planning is that of time. Koreans want things to happen very fast and as you may have already noticed, in Finland that's not the case. That's one of the major cultural problems we are facing. Koreans are able to do things at the very last minute, but for Finnish people it's not possible generally. When we plan some projects where Finnish people are involved, we should start doing it very early but then Koreans don't understand it always. It has gone a bit better, these days Koreans seem to understand better than what they did when I started this job. But still I can see this kind of issue'*

Even though cultural differences are country-dependent, G02 recognizes that certain specificities of the line of work, such as having knowledge of the market and the manner in which contacts are approached, generally remain the same, despite the flexibility that the business promoter is required to possess of. Slight differences within the exact approach toward these elements show in his comparison of contacting businesses in France and Finland. Where business in France revolves around close personal contact, this same principle works in Finland to some extent. *'It works in Finland, to a lesser degree, but it always works (...). I can say yes, but I have seen this person (...) and it will work that way'* (G02). What it comes down to, in the end, is that *'you have to be admitted. (...) You have to ensure that you integrate well enough for them to let you in'* (G02).

In contrast to G02 and P03, P01 ascribes little significance to the influence that cultural differences have on his daily work. *'I wouldn't say it influences it that much - it's just another aspect on the same questions. Many questions normally are quite the same we get all over the world. It is the answers that differ and that's what makes it interesting, that you have to learn to get the right answer'* (P01). Another business promoter (P04), who is a member of a private organization, speaks of this aspect as pertaining to the process of getting businesses ready for the Finnish market rather than as a standalone topic.

In their daily activities, business promoters can gain cultural advantages through their own personal background. A good example of how cultural awareness is shaped in such a way that the business promoter may benefit from it later on is presented by P03, who held a similar position in Korea as the one he is involved with today.

P03: *'Well I'd say, there I was working for Finnish companies so I got some practical on the subject how Finnish companies would try to achieve the same thing (...). Before that posting I didn't have so much practical experience in working with Finnish companies, so the actual Finnish business culture part was not so well known to me, but when I was working in Korea for Finnish companies I learned more about that'*

Another example, this time stemming from cultural heritage, is presented by G02, who speaks of his Flemish heritage as a major advantage in this line of work. *'In terms of mentality we are good chameleons in the sense that we have two cultures in the country, we know the Romanic culture well, we know the Germanic culture quite well too, so in that sense you can switch between cultures'* (G02).

Much like the way most interviewees are in agreement on the role that culture plays, their backgrounds show striking similarities. Most business promoters, such as P02, P03 and P04, have an educational background in economics, though others have decidedly different educational backgrounds. For example, P01 studied law and G02 chose philology. As for what drives the business promoter to take up a specific study, pure personal interest is the main determinant in this area rather than an intended career path.

G02: *'Philology was just, (...) you have to study something, let's put it that way'*



P03: *'I have studied both international politics and international business, and the reason why I chose these areas originally was that I was interested in all kinds of international affairs, both politics and business. Eventually, I focused on international business for purely practical reasons. As you may know, in Finland it's quite important what you have studied, what is the subject of your study'*

Others yet take up a certain study because of the very broad nature, allowing them to maneuver into whatever direction they want to, as is the case with P01.

P01: *'Law you need everywhere. (...) Law, (...) in my view, is only another view on the things. (...) You get another view on the things that you had before and that might help'*

Most business promoters have a strong background in business. For example, G02 *'started this job when I had been in international trade for 15 years'* and has been posted in France and Lithuania before, adding to a total of ten years in this job. A story much akin to G02's is told by G06, G13, G18 and G19.

G06: *'I worked for the (...) 3M company, that's an American company. (...) And then I have worked for an importing company, then I was in more direct contact with Finnish chains and departments. (...) That experience helps me in this work'*

G13: *'I have had various opportunities, just to name some: Delegate in the Spare parts & Accessories Business for BMW AG in Munich Germany, Director of the Mexican Tourism Board for Germany, Switzerland and Netherlands. PR Director of the Mexican Tourism Board National & International. COO of CT America an SAP Partner company, among others'*

G18: *'I have a background in engineering, and had a management function in the chemical and materials industry for a long time. I've worked here for 2 years now'*

Furthermore, most of the business promoters that are appointed on a rotational basis have numerous previous postings behind them. In their capacities as commercial diplomats, P01 has *'worked in Venezuela, China, Spain and Latvia'* and G19 has *'been posted to 4 or 5 embassies all over the world'*.

For most business promoters, commercial diplomacy was not something that they thought about early on in their career or during their studies but evolved in some form from what they were doing previously. The cases of G02, G06, P02, P03 and G19 are the most evident examples of this.

G02: *'When I started with Russian, it was still the Soviet Union. So it was actually lucky that that area opened up (...). I did start there, (...) in Moscow, with business. So I had an economic experience. Not from books, but from reality'*

G06: *'I had worked as an export manager for quite many years. After a while you don't enjoy traveling so much anymore. Beginning is fun, but I at least got tired of it. So this job is being quite much as being an export manager but you are (...) local'*

P02: *'It was by chance, I came here to Finland before the Chamber of Commerce was even founded. It was founded in 78 and I came here in 76. So just happened to, that I got a job here for thirty years'*

P03: *'It just happened that (...) at the time of my graduation I had an opportunity to work for Finnpro in Korea and I thought it would be interesting. And then, well, the experience there led me to this job.'*

*So. It was not exactly the kind of career I had been thinking about a long time, but then an opportunity comes and I take it'*

*G19: 'I never intended to become a commercial officer. After an encounter with the US embassy in Japan when I was working there building houses in the 80s, I decided to respond to a job opening in the field of commercial diplomacy'*

Only one of the interviewees (P01) chose for a career in commercial diplomacy at an early point in time. After getting his license in law, he chose for this particular type of job because *'to be always at the court, well perhaps I wouldn't have liked it that much (...). But if you do the same in different countries it's always different'*.

An example of how a business promoter's background affects his/her perception of the international environment is presented by G02, who feels *'European, because to say I feel Belgian or Dutch or German, I don't have that. I don't see the difference actually. (...) I will be 40 next month, but of those 40, I spent 25 or 27 years living abroad'*.

The backgrounds of business promoters show great similarities, hence it is perhaps not surprising that their views on what role skills and experience play are quite parallel. As a starting point, *'on the paper it's always the same thing we have to do, in reality it is not'* (P01). This necessitates quick adaptability and both practical and theoretical skills. As G02 says, the capability to change post easily is the most important one, not just for work-related reasons, but for personal ones too.

*G02: 'And that is what you need mostly in this job, people who can (...) change post easily. (...) It is not just this. You have your family, moving, all the practical things'*

The prevalence with which most business promoters mention skills gained through practice rather than theoretical skills is telling. When speaking of theoretical skills, both P01 and G02 point to more psychologically oriented skills, with G02 specifically pointing to philology, whereas P03 relates more to the ability to learn.

*P01: 'It is somehow the skill to study the people, to learn (...) how to act and react with them. I think this is more important than to know about the laws and so on. (...) The important difference to be successful both in Finland and in Spain it's details. Details you have to find out. Partly from abstract studies and partly psychological'*

*G02: 'The philological is important because knowing the language is 50% of business done'*

*P03: 'Well I think the most beneficial skill is to learn (...) about some subject you had absolutely no idea before. And skills of finding information from various sources and analyzing it. (...) I think that's the most useful thing from my studies when it comes to this work'*

As said before, most business promoters emphasize practice over theory, the most extreme case of which being G06:

*'I have to admit I think that studies concerning economics and especially marketing and sales, it's all true, but theoretical. (...) it's a huge gap between the university and real life, I think. And of course you learn systematic ways of doing your ways and work independently. But you can learn that anywhere (...). So in a way I think you have to have that (...) certificate that you are not totally dumb or lazy. But I don't give so much worth on my education, (...) I have almost highest education you can have in my field but in a way I think it was a waste of time'*

The other business promoters adhere to a more mellow viewpoint, such as G02's. *'Books and reality differ a lot you know, you shouldn't get too much from economic books because it doesn't always work. (...) With us they hire people with an economic background in that sense, international experience, so most people have lived abroad'*.

Related to this topic, learning by doing is highly valued. As P03 puts it, *'we just learn by doing'*. Learning by doing means experience, which P01 relates to the rotational system.

P01: *'We know we need more or less two years till we are really in the country with enough contacts we need. (...) If you need two years until we are integrated in the way needed then it doesn't make sense to set up another post after three years. That's why our posting is for more or less five years.'*

Much like P01, P03 relates experience to the length of stay: *'in this kind of work, the longer experience you have, the easier your work becomes because when you get some random Korean company coming here, then because of your experience you can pretty much say in about five seconds whether it is something you can approve, meaning you can try to find them customers, or whether you can just reject the request. And then, once we have accepted it for this buyer search project, then in most cases you can already remember, yeah I did something like this one or two years ago, let's see the old report'*.

Turning from the importance of experience in the contemporary environment of the business promoter to a more precisely defined set of practical skills, G02 and G13 offer a synopsis of those skills which they deem to be important.

G02: *'You always have to be flexible of course. (...) But there are certain aspects that stay the same of course. Knowledge of the market, the way you get in touch with contacts, (...) you have to call them anyway so (...) in that sense there are certain aspects that always stay the same'*

G13: *'Being an Engineer let's me understand better technical and operational aspects from different sectors & perspectives. Communications skills and tools (systems) are always helpful'*

Whereas most business promoters emphasize the importance of a set of skills that is gained through practice rather than theory, G13 and P04 regard a balance of the two as the most beneficial one in their line of work. In the theoretical department, they place their focus on economic skills (P04) and management skills (G13).

G13: *'Attitude, commitment, hard work, adaptability and the interest to learn are vital in any job. Particularly useful for this job are: Focus, prioritising, multi tasking, project management, communication & networking skills, sales, marketing & promotion knowledge, among others'*

P04: *'Finance, economics, understanding the whole economy of a country, but also, micro-economics, learning to analyze sector. But it's also good to have a combination of engineering, for companies being very technical, you might need to have the, get faster deep understanding of technical part of the product to be able to look for the right partner. So combination or also technical engineer is quite alright'*

Skills gained because of either the predecessor or because of trainings followed at the commercial office or Ministry are rare to find with business promoters. For example, P03 says that at his office, they *'just learn by doing. I've been to, later on I've been to a couple of trainings related to investment promotion in Korea. A few times a few years ago I've been to some trainings, but when I started there wasn't anything like that'*. The same kind of story is presented by G02 when speaking of the lack of contact with his predecessor. *'We have everything on computers here, so we have a program we work with that enables us to see the history of all contacts etcetera. They are quite easy to find'*

(G02). Work-related training and lessons learned from the predecessor therefore seem to have not as prevalent a role as the other skills mentioned before.

None of the business promoters is a lone ranger, all having a team that consist of two or more local employees, the exception to which being G02, whose team consists of one local employee. Furthermore, G06, P02, P04 and G18 either have (P02) or are (G06, P04 and G18) locally employed heads of their respective offices. The business promoters of the latter group work in a team that solely consists of locally employed personnel. This arrangement is highly valued by P04 and G18 over one in by which a diplomat that is subject to rotational appointment heads the team.

P04: *'We need to know the Finnish market. A Norwegian stationed here, they don't know enough about the Finnish market to be able to know who to contact, where to go'*

G18: *'There used to be a diplomat running the UKTI department in Helsinki who had no business background and changing every four year. (...) Connections with Finnish government and businesses are now much better because of the local employees connections and continuity in their positions. The level of activity is much higher these days'.*

The other business promoters are either subject to a rotational system (P01, G02, G13 and G19) or have heads of the office that are (P02 and P03) subject to a rotational system. Private organizations such as P02's have a *'managing director (...) changing every five years or so. (...) All the others are Finns or are Germans who live in Finland'*. Exceptions are not uncommon to these situations, as illustrated by the same interviewee: *'I know that guy who's the managing director of the Deutsch-Niederländische Kammer and he has been there for 15 years or so'*, simply because *'he makes good job'* (P02). The rationale of a longer period of stay is presented by P01 and G02.

P01: *'We are normally for a longer time at a place as head of the office. As second man of the office it's three years but as head of the office it's five to seven, if not eight years. The reason is (...) we need more or less two years till we are really in the country with enough contacts (...). And therefore it wouldn't make sense if you need two years really as it is said in German to swim in the market until we are able to swim (...) to set up another post after three years. That's why (...) our post is more or less five years'*

G02: *'There are advocates and opponents of mutations, in the sense that, some people think that (...) when someone is at a post for his entire life, then he will be integrated, but the downside is (...) you'll fall into your routine, and I think you get less active. So that's why we move every six, seven years, to refresh and restart'*

The importance of a stable working environment is evident and usually it is *'already firmly established beforehand'* (G19). The benefit of a fully locally employed team becomes clear when considering G18's experience, whose *'working environment hasn't changed much at all. For the most part, the same people still work here that did 2 years ago'* (G19). However, there are cases when the working environment isn't as stable as in others.

G13: *'Promexico did not have representation in the Nordic countries until this office opened up late 2008, so we have had to build up all the activities from scratch'*

P03: *'When I came here this office was very disorganized but while I worked here I started gathering this kind of information bit to bit. (...) Basically at the time when I started here a lot of staff (...) had changed almost entirely within a relatively short period of time. At the time we had three locally hired as now and each of us was relatively new to this work. So basically we all had to just figure out ourselves what is the best way of doing this'*

Great benefit can lie in such radical change, most obviously in shaping things the way that the business promoter likes to see them.

G04: *'We were free to choose our approach towards Finnish companies. We didn't have any particular operational procedure. Generally, they care about the results, not the process. (...) It's an ongoing process. But let's say after three or four years I noticed that now work seems to be a lot easier than what it used to be'*

Apart from what the direct work environment of the office provides in terms of work style, the competitor is an equally interesting topic to one interviewee:

G02: *'And what is also important is (...) that you have to you what the competition does. So I also go to seminars of Invest In The Netherlands for example (...) because I like knowing how people sell themselves. And if I know that we can compare with what we have, and respond accordingly'*

When it comes to speaking the language of the host country, G06, P02, P03 and P04 do so fluently and G02 is making an effort to do so. Those who speak it fluently are all locally employed. Their knowledge of the Finnish language stems from having either a long history in the host country (P02) or having been born there (G06, P03 and P04). Knowing a host country's language is highly advantageous according to these three interviewees.

P04 (when speaking about the necessity of locally employed personnel): *'It's also because of the language. It's not very usual that a Norwegian person knows Finnish. And you need it for the Finnish market'*

P03: *'It is still easier if you speak fluent in Finnish here, and also, even though a lot of information is in English, (...) when it comes to looking for certain kind of people it still helps to know Finnish. Like when you do Google search in Finnish, the results you get are a lot more relevant than if you do it in English'*

On why he is attempting to learn Finnish, G02 says that *'you have to integrate. (...) because we are here for a period of four years minimum (...), usually up until seven years. So it's a part of your life'*. Remarkably, while G06, P02 and P03 see the advantage in knowing the language from their jobs' perspectives, G02 learns Finnish out of personal interest without relating it to any advantages it might have in his work. When asked if he expects to attain advantages in his daily work, his response is *'no, not really. Not in Finland really. Actually, I like knowing what people are saying. I don't like it when people say something and I can't understand it'*.

## **Civil servants**

Most civil servants are responsible for a dedicated trade/export promotion section. One interviewee, G09, has a focus that is different from the others; his is a more technology & science-oriented one.

G09: *'My major job is science & technology. This is only the cream on the cake. This trade what I was given. (...) I came here only for science & technology in December of 2006 this time. And 2007 in September I was given this task also. (...). It was a, we want to combine these positions, are you interested or shall we find a new guy. It wasn't so directly, (...) but to tell you the truth I was interested in that. Because I like challenges and (...) these two positions have the same goals and partly cover each other.'*

Sometimes, the organization for which they work is so small that they inevitably have other functions, as is the case with G03, G05 and G09.

*G03: 'Time and effort dedicated to the Counsellor-side of the job depends on the ambassador's absences and specific situations that arise. Given the small number of home country staff there is a constant requirement to deal with management issues, lead by example and ensure the smooth functioning of the Embassy'*

At times, the predicament of the civil servant is such that inquiries are made on a very irregular basis, as is the case with G04, G05 and G09. Neither the former nor the latter indicate why this could be, but G05 points the finger to prejudice.

*G05: 'When being questioned why there is still less confidence in public sector, one may get a rather simplified answer: diplomats know little about businesses, they should not intervene between trade players. So we have to work hard to prove that the Embassy and its staff is pro-trade oriented and, in financial terms, quite cheap. Cheaper than consulting firms'*

As the civil servants operate on a high level, meaning not as directly involved with businesses as business promoters are, their approach toward business issues is generally not very involved. The resource and time constraints they face contribute to this. *'we can make some general (...) presentations concerning Estonian economy (...) but we never do something concerning only one firm'* (G07) is the remark of one civil servant, which resonates in almost every other case. As a result, the approach that most civil servants (apart from G03 and G04) take in providing their services is a distant one in which they focus on following the ministry mandate. Exemplary of this approach is G07's remark that his *'last sentence all the time after the list of Finnish companies, please contact me if you need more help'*.

Virtually all civil servants are very occupied with their reactive tasks in commercial issues. The main activities they perform, such as providing information on the business and cultural environment, finding contacts, market research and representation at events, is performed on a high level, meaning that for e.g. finding contacts, they make use of internet databases rather than active prospection. An overview of the variety of issues that civil servants cover and the challenges that lie therein is provided by G07:

*'We must put some red line we can't step over because we simply can't. We have our heavy work load and also some other diplomatic regions, so what we can do (...) for our businessmen, we can help them when there are some problems here (...). Then we can help in creating contacts here in Finland, give them advice, explain what business environment here, habit, and how to behave in one or another situation for example. (...) We can also find suitable people who can take over and continue this advisory services. (...) Then we organize different events here, seminars and business mission here at the embassy or at Enterprise Estonia (...). And we offer also our premises for the firms if necessary for the Estonian counties or Estonian different trade associations if they ask. But (...) there are also some aspects below the red line. (...) We are not (...) trying to do some market investigations, we have not time and resources for that and this is not our job actually'*

An organizational structure that warrants proper preparation ere businesses enter any foreign market (G03, G04 and G14) seems to influence the depth of involvement civil servants take. For example, both G03 and G04 are the final link in a chain of organizations that reaches from the home to the host country, rendering the questions they get to be of highly specific nature. As G04 puts it, *'some people know nothing about it, so those that know absolutely nothing, we divert them to Prochile in the regional office, so they can start like that'*. Furthermore, a dedicated trade office with locally employed personnel seems to function more process-like than lone rangers such as G04, G05, G07, G09, G10 and G17:

G14: *'The normal process is, first of all, trying to understand as much as possible why the Spanish company needs, which is something, I won't say difficult but of course this is something that we need to invest time on, because normally as I said, Finland and Estonia are not that well-known for Spanish, well, for Spanish companies, and then, once we get a good clarification of the matter on interest, on how they get projected its position here and the like, then we are ready to start an integrated strategy'*

The civil servants' involvement with business shows in the way they opine on the matter of proactive behavior, and their actions regarding this topic. While six of nine interviewees indicate that they have neither time nor resources to give much attention to proactive elements, as well as having a strict mandate to maintain which makes it *'very hard for the embassy to turn down requests'* (G03), they do see its importance.

G03: *'In essence the section initiates a lot of ideas and projects but is also very adept at leveraging expressions of interest from others such as encouraging business missions visiting the region to visit Finland or spend more time in country'*

G14: *'you have to find the necessary way of being proactive, first of all, in order to find opportunities for your companies. This is a kind of word which is not always very much emphasized but which is I think a key part of our work, being proactive, and having things ready before they even start, because if you happen to act, I won't say passively, but reactively, always, then you are in that, I try to find new opportunities'*

Proactive methods vary widely between the interviewees, both in time spent pursuing such efforts and in the level of focus they adopt, but three main approaches can be discerned. There are those who focus on the institutional level (G07, G09 and G14), those who focus on a business level (G04, G05 and G17) and one who adopts an approach that is a mixture of these (G03).

The organizational setup of the trade section does not seem to have effect on the way a civil servant approaches proactive issues. Independent commercial sections, commercial sections that are integrated with the embassy and civil servants that operate individually next to having other tasks employ methods that seem to be unrelated to the level of focus adopted.

In the group with an institutional focus, one (G07) is the head of a commercial section that is integrated with the embassy, one is the head of a section that mainly deals with science & technology (G09) and one (G14) is the head of a commercial section that exists separately from the embassy. However, they share the same approach when it comes to proactive efforts.

G09: *'A lot of this one road is I contact usually Chambers of Commerce and provide information. (...) The other one is this 15 regional economic development centers. Which (...) I visit regularly. (...) Lately I was in Jyväskylä and in Kuopio and in the beginning of the year in Turku and Lappeenranta and different parts of the country'*

G07: *'We have a very good partnership with local union of those businessmen who have some interest in Estonia. (...) I also visit some local unions discuss some problems directly and I try to keep some picture what institutions are relevant here'*

G14: *'So it is a matter of (...) integrate information we have as a ministry and as an agency about Spain, and see what is happening here and then try to find good matches. And then be able to manage the office time and our resources in a way that really allows us to try to find analytical responses to certain topics which are not hot topics that exact day, you know, so that you have to always a background activity going on as well, which is proactive'*

In their capacity as diplomats, they make use of their high-level contacts in unions, ministries and other governmental organizations to identify opportunities and communicate these to their home countries to a varying degree of intensity. The group that focuses on the business level is as diverse as the previous group in their organizational setup. However, in their efforts to identify opportunities for entrepreneurs and businesses from their home countries, they adopt a different approach.

G05: *'My key role is making people meet and keeping good memory. Why? You never ever know if an inquiry sent long ago cannot match with a recent offer'*

G17: *'So we could find time to meet and talk and meet other businessmen and we started a new kind of approach this year'*

A special case in this group is presented by G04, who says that export quota and an export capacity that is still lacking inhibit proactive efforts to increase Chilean exports, and, by extension, his opportunity-seeking behavior. Instead of trying to attract new opportunities, he deals with Finnish businesses with the objective to make the most out of possible (future) cooperation.

G04: *'First, phone conversation (...). I tell him we have from Chile a delegation and if (...) we could meet. Then I request a personal meeting to bring them the (...) information on paper. What companies, what is it about, what are the products they are offering, what is their international experience (...). We believe a lot in personal contact'*

G04: *'I really put in a lot of effort to have that for them'<sup>11</sup> (...). And they have one day, and I had already previously met with all these people. It really helps a lot. Contact person, you can't beat that. Then you get the card from this guy (...) and usually I use them then a year later, three years later'*

The rationale of the mixed approach is that institutional relations are kept to stay informed on a number of topics (akin to the way G14 operates) while individual businesses are contacted to identify highly specific opportunities.

G03: *'While keeping in touch with organizations that enable business is very important, our primary focus is on companies and key organizations like VTT, Tekes and regional development agencies. The latter are critical to learning of technology transfer and partnership opportunities that can be communicated to home country companies and similar organizations. This is part of the innovation side of our integrated commercial approach. The same is true of individual companies. We set specific outcall targets to meet companies in a variety of sectors, focussing on our priority sector areas. Through meeting companies we learn of opportunities for home country suppliers (our export promotion function), investment and expansion interests and technology and innovation opportunities. Our experience in Finland suggests that meeting companies is key however most companies are also linked or involved with key R&D and other organizations so emphasizing both private and public entities completes the circle'*

Being as involved with business issues as the civil servants generally are, most of them have adopted ways to deal with cultural differences between the home country and Finland in a business perspective, as well as in terms of their own working style. While most of them are in agreement as to the sizeable impact that these differences have, G05 remains largely unconvinced.

G05: *'Do we really need to know whether and how we are different? Does it really matter? I can argue that the Finns are too slow minded, need more time and are very conservative. Anyway, I cannot make them behave like us. And even if I could, it would not wise'*

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<sup>11</sup> 'Them' refers to Chilean companies



His opinion does not recur with any other interviewee, and G09 belongs to the other end of the spectrum with the significance he attributes to culture in his personal life as well as his daily activities.

G09: *'Being a Hungarian in Finland, it's a special advantage. They are relative countries, in language, but Hungarians and Finns were told for a longer time that we are not only relatives in language but as nations also. (...) So if I go to, you name a city, and there is a Finnish-Hungarian society, I get help at once. (...) So this is the reception the Hungarians usually get here in Finland'*

The benefits of a similar culture as described by G09 are underlined by G03, who states that *'common interests and experiences makes it easier to initiative and pursue projects (...). As a result I can use these as references of common values we share with Finns. This helps break down barriers more quickly and leads to trust - I can empathize / understood Finnish perspectives'*.

For most other interviewees culture takes up a position between these extremities with some pointing out that the differences are very small to begin with. *'I cannot see too much different things in compared to European countries'* (G17). *'There are some differences in that sense. But I think we share with Finns some things, like Chileans are a bit shy, like Finns are. (...) And for Latin-American standards, we are considered very organized, very tedious people. (...) In general, businessmen are a very organized, serious, attached to compromises and schedules. (...) Probably because we're a sort of mixture'*.

These small differences are not often communicated to home country businesses by any of the civil servants. When asked about how often the cultural information that is available is used for such purposes, G03 says that *'it's mostly used for Trade Commissioners and other diplomatic personnel prior to and when they start working at a post'*. Of all civil servants, the most in-depth approach toward informing home country businesses on this subject is G03:

G03: *'In the case of business development, to ensure cultural awareness and sensitivity to specific issues, I always meet or correspond with a home-country business person before they meet with Finnish contacts'*

Organizing meetings with Finnish businesses is for most civil servants a part of the reactive part of their work which *'is quite complicated, many times from a cultural standpoint but also from a business standpoint'* (G14). G04 is a striking example of how being a cultural 'curiosity' can benefit a personal approach toward contacting Finnish businesses. Showing knowledge of the Finnish business culture in saying that *'when I tell them, you know, I want to come there to your office, I know makes them a bit uncomfortable, first because they are not used to it, second, probably because they have no time to waste'* his is a personal approach, even though *'here you can almost manage everything by phone or via email'*. In the end, G04's meeting with any Finnish businesses *'usually lasts more than 15 minutes because they're not used to this thing so they wait for me with their coffee and cookie (...) and then they talk, I mean they're curious about a guy from Chile. Probably the first time they see somebody from Chile, so they start making queries. (...) Then, lasts for one hour. Always, but from their side'*.

The backgrounds of the civil servants are diverse, both in educational background and work experience. Of the nine civil servants, six (4, 5, 11, 12, 13 and 21) have spent the greater part of their professional life in governmental organizations and three (G05, G07 and G14) have a strong background in business. The ones with a background in the governmental apparatus are relatively young, most of them being in their first or second posting, as compared to their business-background counterparts.

Education-wise, the distribution is spread over different types of studies: two have completed studies in politics (G03 and G17), four have completed economic studies (G05, G09, G10 and G14) and two (G04 and G07) have completed more practice-oriented studies, with one of them (G07) having completed studies in agriculture engineering, linguistics, and information technology. Furthermore, two of the civil servants (G09 and G14) have studied for a semester at the University of Helsinki. Much like the diversity in backgrounds, the reasons as to why a certain study was chosen are manifold. Two (G04 and G10) chose with a career in diplomacy in mind. *'When I was younger than today, 20 years ago, I wanted to do this kind of work. So I chose my study path, international economy'* (G10). *'I studied journalism to then have my university degree because you need a university degree to get into the Chilean diplomatic academy. Even before I started journalism, I wanted to go to diplomatic academy to do what I do'* (G04).

Another civil servant that did want to enter the public rather than private field, but not diplomacy in particular, is G17. *'after I graduated from the faculty of political science in Ankara (...) I thought I was confident to work in private sector but personally, I found really risky for me. (...) And also there are a few places in the governmental body, the working environment, the salaries, the quality of the experts are very good'*.

Some civil servants have chosen certain studies to fulfill their own interests (G07), whether to gain skills needed for a future career (G03) or for job performance (G09 and G14).

G03: *'It combined practical learning in areas such as law, management and financial accounting with theoretical studies such as macro and micro economics and policy development. This program was more encompassing than pure economics or political science'*

G09: *'I went for a semester to the economic university of Helsinki' to study 'the national economy of Finland in Finnish (...) over working time, on my own costs. (...) It's a small price, but I understand much better the different aspects in the economic development'*

G14: *'I began and finished an MBA at the Helsinki School of Economics which was quite interesting for me because I had the occasion to interact with a lot of Finnish people at the company level, and see how they tick. That really makes a lot of difference many times. (...) I think I have a rather good knowledge about how they reason. And this is really something which is quite useful, because (...) if you know how a person reasons (...) you are already halfway through the entire rationalization process. (...) Also, I happen to know something more about their business culture, that is how they report to other people, interact with other people within the company'*

When it comes to different types of studies, several civil servants indicate that it does not matter what type of education one receives in economic diplomacy (G04 and G10) and that practice is much more valuable than theory (G05 and G07). The more balanced position that G03 takes up is exemplary to what most civil servants regard as useful skills for their line of work.

G03: *'In part, the skill set acquired in university 'streamed' me to the commercial side of the department and it continues to influence my actions and career. (...) The skills are applicable to the type of initiatives we undertake but also provide a basis for more non-commercial activities. For example, understanding the goals and processes of a government department gives me an edge in dealing with local government; I can understand the opportunities and challenges as well as how to best identify key contacts and articulate key positions. Other areas where this is important include dealing with local engaged staff (e.g. through explaining policy requirements that affect Embassy operations), setting directions and strategic planning and motivating my team (e.g. supporting their initiatives, improving their skills, promoting their successes to others.) From an external perspective my university years have provided me with the knowledge and confidence to deal with a variety of situations such as decision making, public speaking, dealing with commercial confidentiality, designing and initiating projects and similar activities. This is largely because the combination of skills*

*and experience acquired is portable (to different situations) and more widely applicable than narrower fields of study. For example, understanding key managerial accounting concepts such as just in time production and inventories allows me to more fully engage with Finnish producers and this can lead to identifying opportunities for home country suppliers or technologies'*

Where G03 mentions skills that stem from education, G07, G14 and G17 lean more toward practical experience. *'Finnish language skills, experience in preparing business contacts, salesmanship in larger sense, ability to manage a business and evaluate financial positions/economic conditions, knowledge concerning some industry fields which are most developed in Finland'* are the ones that G07 mentions, added to by G17 with *'previous work experience', 'how the companies work. How they are exporting, importing, how they are filling their customs forms, how they can find their counterparts'.* *'In general it needs quite a lot of government experience but also the private sector experience to reply all these demands'.* What G14 sees as the most important skill, in which he finds support from G04, is that *'you have good and sound working knowledge about what is happening, in Finnish society as well as in the Finnish economy.(...) And the same goes for the business environment'.*

G04: *'That's Finland, outside, so that's what happens in every embassy. And I think people who are involved in commercial business affairs at the embassies must have a close contact with the reality, what's happening, because the (...) Finnish businessmen are outside. They live outside, they suffer what their governments are doing (...), you got to know'*

When it comes to skills gained and lessons learned from predecessors, the civil servants form two camps. Those that have virtually nothing to do with their predecessor (G04, G05, G07, G10) have, in general terms, not had any overlap, and (save G07) show no direct continuation in working style or approach.

G04: *'I learned nothing from him, because we didn't coincide here, when I arrived, he was leaving. (...) So he left, and he left me a bunch of business cards, people he met, and bye'*

G05: *'No overlapping in terms of continuation of predecessor's achievements. We are different in approach, attitudes, skills, ideas and plans. What has to be carried on is the brand name! We have to promote our exports, culture and history whatever the means used!'*

G07: *'Certainly I am continuing her work, using many contacts and practices created before, but developing also my own methods and ways of acting'*

G10: *'He retired before I am here, so we didn't meet each other. (...) Before our departure for foreign missions, we had to attend courses in Rome of course, so we are prepared about the future work'*

The second group consists of those civil servants that relate their approach to that of their predecessor. In G17's case, he and his predecessor found time to convene; instead of not meeting and starting from scratch, much like the way G04 describes, they *'could find time to meet and talk and meet other businessmen and we started a new kind of approach this year, and this is true for all other Turkish trade counselors from now on'.*

One of the smoothest transition is presented by G03, whose *'personal working style is similar to that of the predecessor, which is to come in and see how things work, and then to adapt to the local situation where it makes sense and to try to swing local approaches to a desired result over time',* adding to this that he *'sees this as the most advantageous manner in which the transition could have occurred, as the least amount of disruption is probably (...) the best'.*

One special case within this group is presented by G11, who contacted his future predecessor before his arrival. *'He told me how to work here just before he went back to Japan in March. But I was trained by Japanese Ministry of Foreign Affairs three months last year. I learned English and general*

*foreign affairs there. Before I came to here I often asked him what his work is like by e-mail. I worried about my next work so much'.*

While six of the nine most of the civil servants are lone rangers, those that do lead a team (G03 and G14) accredit high value to it. *'The less specialized part of our home staff so to say, (...) these are Spanish people, people who are, well, working on the administrative side of things, so they really do not provide the kind of expertise that you expect from a market analyst, so (...) we hire market analysts from the country of course' (G14). 'The local team at any posting must be recognized as a critical resource given their experience and local knowledge. (...) One of the biggest value added that the embassy has is local knowledge. That type of knowledge is very useful when it comes to developing business programs, opening doors to home country companies, delivering key messages to host country decision makers and keeping in touch with contact persons' (G03).*

As G03 illustrates, it takes time to balance an own style of working and the established working style of a team of locally employed personnel.

*G03: 'Despite my preference and expectations were for a highly proactive work environment (i.e. provide what was asked as well as possible problems and solutions and areas to expand upon) however it was clear that this was not an inherent area of focus or experience for the team. Rather than criticize or constantly draw attention to this, the subject adjusted their expectations for the short term and began to build up an awareness of this requirement in the team. (...) It was also important to balance and make clear that this 'lack' of proactivity was not a reflection on the quality or timeliness of work undertaken; rather it was a next step'*

The main obstacle in this process is recognized by G03 to be the host country culture. *'The government has placed a much stronger emphasis on flexibility and adapting to change. This does not seem to come easily in Finnish culture and therefore it was important to make clear that adopting new working approaches was expected and part of the job while explaining how and why this was to occur and be measured as well as listening to the arguments or concerns raised'.*

Even though all interviewees are subject to a rotational system as is common to the diplomatic line of work, many of them are still in their first or second posting. Nonetheless, as stipulated before, their international experience is in most cases such that only one of the civil servants (G11) has difficulties living in Finland. *'I do as I did in Japan. I usually take off my shoes in my house, use chopsticks when I eat, and sleep in futon, Japanese mat, not in bed. My wife often goes shopping and buys Japanese food at some Asian shops, Tokyo-kan, Chinese, Vietnamese shop near Hakaniemi. Rice is very important for Japanese. I feel lucky you can get it here'.* Other civil servants have little difficulty adapting to Finland, even though there is a slight contradiction in expectation and reality, as G14 calls it. *'The idea you had about Finland before coming here for good, was that Finland was a very open country. (...) But then you come here and you verify things and you see how the society works, and then you find out really, they certainly project something which is a little bit different from what it feels. So in that sense, perhaps there is, I will not say a major contradiction, but a minor contradiction perhaps'.*

Most civil servants don't relate their adaptation to a Finnish lifestyle to their work, but there are some that do (G03, G04, G09 and G14). *'You've got to be on their side, I speak the truth. I do really go to sauna every week, I go to public sauna in Kallio with Finns. And I try to do things that Finnish people do. Really, I feel from my business counterparts, that it makes a difference' (G04).* A similar remark is made by G03, who says that *'common interests and experiences makes it easier to initiative and pursue projects(...)'. As a result I can use these as references of common values we share with Finns. This helps break down barriers more quickly and leads to trust'.* In G09's case, the ambition to fulfil further postings in Finland was supported by personal circumstances. On working in Finland, he

says *'it was my aim. I prepared the road to that, but the most, more important was that I had that time two small children they went to Finnish school'*.

According to G03, sensitivity to stereotypes and expectations as well as the importance of finding similarities are the main determinants of a successful adaptation in the host country. In his case, the pace of work and the work-life balance were the most striking differences. However, previous experienced helped him in this transition. *'The previous stay in Sydney (which was also quite laid-back) helped ease that transition. In general, I try to go with the flow of the host country as this is the most effective way to ensure productivity and maintain the work/life balance. I try to incorporate the way things work in the host country to my own way of working'* (G03).

Of the nine civil servants, two (G07 and G09) speak Finnish. Both indicate that they feel they have an advantage over other diplomats in the same position because of this: *'I speak Finnish and I read Finnish newspapers on businesslife also, so sometimes I have more background information than those who don't speak Finnish'* (G09). In these specific cases, learning Finnish is made easy by the linguistic backgrounds of the civil servants. Especially G09 benefited from learning Finnish. *'I started to learn Finnish with my children at the time. And it was very good because after that in 1997 and a post for the scientific and cultural center was open for a bid in Hungary the only requirement was Finnish language'* (G09).

Three other civil servants (G03, G04 and G05) agree that knowing the language provides an advantage in either business or cultural terms, yet most of them indicate that English works equally well in maintaining contacts and relationships in Finland.

G03: *'Having knowledge of the Finnish language would provide me with an additional tool to cross-reference information, independently follow up on specific issues and understand the nuances of arguments and positions. Despite not having this capability, I'm confident that nothing is missed in relationships with key Finnish contacts as these relationships are largely based on how well people get along'*

Only one of the interviewees, G10, sees no advantage in knowing Finnish.

G10: *'Advantage? No. No, because, first of all because all Finns speak very well English. The common language for any activity, and secondly because the Finnish language is spoken just only in Finland. And so for our future work in other countries I think that it's useless, even though, (...) I am really attracted by this odd language'*

## **Generalists**

The generalists interviewed are generally not very involved in commercial issues. they are career diplomats (for example, G16 is in his tenth posting) in high-level functions dealing with a variety of issues. They are essentially *'professional nomads'*, as G08 puts it.

When it comes to providing services and facilities to business and entrepreneurs, they never deal with business issues specifically. Instead, their main role in this respect is to accompany trade missions and to attend trade fairs every now and again. This is due to both the small amount of inquiries generalists get from the home country, and an integration of the of the commercial side with the economic and/or cultural side, either intended or necessitated because of the small size of the organization as a whole.

Some reactive behavior can be seen yet this usually entails standardized responses such as a standard-list of buyers in Finland. In the words of G01, when speaking about inquiries from the home country:

*'Most of them per computer. They'd like to know for example continuously importers of meat, importers of wine, importers of fruit and I will have a list and we reply with the list'*

On why the number of inquiries is as low as it is, G08 says:

*G08: 'in my opinion it's a trend in the EU, because everything is so much coordinated, starting this or last year you have a single contact point for young entrepreneurs who want to open business in other EU countries, so there's no need really for an embassy to give advice. A company that wants to come to Finland, well, comes to Finland'*

The second reactive activity is a referral to a different agency (G15 and G16). In G16's case, whenever the service asked for can be provided by a private institution, the commercial office is obliged by its mandate to refer to a private institution.

When it comes to proactive behavior, none of these interviewees adopt a very involved approach. This is simply due to lack of time (as with G01, who, when asked if there are any awareness-increasing activities, replied with *'No. The time, I haven't time'*), a focus on different elements (such as G08 and G15) and lack of resources (G01 and G16). In three cases, this integration with the cultural aspects leads to a focus on what can be identified as nation branding<sup>12</sup>; essentially a proactive effort to a small extent:

*G08: 'I would say the only task, the only job I have is promoting business between our two countries from time to time, to have some welcome address. Speeches, tell to Finnish people that Germany could be a good investment place'*

*G15: 'my job is more on a higher level actually to promote the Swedish image together with the cultural attaché here and his assistant. So they're doing, dealing with more, like, promoting Swedish, theater, literature, and, so we cooperate a lot and I have a business view. For example, Clean Tech is the area that the Swedish want to export or renewable energies and then we have a seminar, we get some Swedish speakers'*

*G16: 'There is a huge potential for Swiss businesses in Finland, but there are no sufficient means (money- and personnel-wise) to better promote the Finnish market. The cultural side of the office helps in a small amount by increasing general awareness in Finland of and Switzerland, as a country with a wide variety of cultural competences, but also with a strong economy and a competitive financial sector'*

Corporate entrepreneurship seems to not make an appearance in cases where commercial affairs are not dealt with at all. For example, in G12's case, the interviewee is appointed specifically for larger economic issues such as trade barriers and legal issues regarding economic regulations rather than commercial issues because *'the embassy's role in this commercial area has been decreasing. (...) There isn't much from our side to help them out'*. Rather than an integration with other, e.g. cultural, departments, the commercial department is outsourced and the embassy's focus lies with economic issues.

The case of G01 offers the most extreme example of the generalist. Being the only diplomat at his embassy, he is in charge of everything. While the commercial section can be said to be nonexistent, he is striving to convince his ministry to send more personnel as he sees the commercial side as an important one and adds that *'it is a mistake perhaps of our ministry that they don't send us'*.

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<sup>12</sup> Nation branding 'concerns applying branding and marketing communications techniques to promote a nation's image' (Fan, 2006, p. 6).

As a result of their low level of involvement with commercial issues, none of the interviewees deal with cultural differences in the business sense between the home and host countries. Two of the interviewees, G15 and G16, do stipulate that their home countries differ only slightly in this regard and that the host country should therefore constitute a more appealing market for home country businesses than the amount of inquiries would suggest. The main agent of stagnation here seems to be home country culture:

G16: *'it is a tenet of Swiss culture, and therefore also the business culture, to solve a problem or handle a situation yourself first. Only when there is no other possible solution do businesses turn to the Embassy for help'*

In situations such as described by G16, not much can be done about it except for creating awareness. When small cultural differences do exist, such as with G15, the main task is to point them out.

For generalists, cultural differences do not significantly impact the way they perform their jobs, but tend to dictate the type of job they do. In case the home and host country cultural differences are quite large, as is the case with G12, the commercial section is outsourced and the relic of dealing with cultural differences becomes apparent through the concept of 'inhwa', meaning harmony, which is emphasized during diplomatic training to be maintained on the work floor rather than in a commercial sense:

G12: *'I think that, our embassy, inhwa is really good I guess. I really think that, because when we were back at headquarters, we were trained for our first posting. Everything they emphasized is you need to get inhwa. It doesn't matter what kind of work you do, it doesn't matter how much you work, it's all about inhwa'*

When it comes to being posted, the career diplomat is expected by his/her ministry to be multifunctional:

G16: *'Any civil servant<sup>13</sup> has to be multifunctional'*

G01: *'We are as I say in Spanish generalistas, generalists. (...) there are colleagues who choose always legal sectors, juridical, economics (...). I prefer political sector (...).'*

G12: *'When I first joined the Ministry they always emphasized the fact that I have to be an all-round player. So if you're a soccer player you have to be able to strike, defend, goalkeeper sometime, wing, centre back, everything. You have to do everything. I can be in charge of economic affairs at the moment, but if I move to another embassy they might already have a person in economy there, so I can be in charge of consul matters, I can be anything. I think we have to be prepared'*

Both in addition to and as a consequence of being multifunctional, all generalists are assigned a different post every three or four years. Only one of the interviewees sees a downside in this:

G12: *'So sometimes we lack the expertise, (...) let's say I was in charge of economic affairs for like three years for the Finnish, like, Northern part, or South America. Those are different things, that can be a possibility so we have to be prepared for everything. That's the limitation'*

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<sup>13</sup> In this case, the term 'civil servant' is used by the interviewee as an interchangeable term with 'career diplomat'. Its meaning therefore differs from the way it is used throughout this research.

The rotation system is heralded by most generalists as a good thing. After all, it is what they purposely chose for; four of the five interviewees indicate that it was their intention to become a career diplomat.

G01: *'I studied international relations, political sciences in Argentina. In the year I graduated, in the same year I did the entrance examinations. '81'*

G12: *'I got the MBA and everything and then I wanted to be a diplomat so I applied'*

Given this inclination to enter the field early on, it is not surprising that the backgrounds of the interviewees show great similarities. Three of the five generalists are in the midst of a long diplomatic career that was taken up after graduating in either law or international politics. Two more are in their first posting, one coming from a different ministry (G15), and the other (G16) coming from a multinational. The generalists opt for a career in diplomacy with a set of general skills derived from previous studies. In just one case does the main body of relevant experience come from a different path; that of a multinational corporation. One intriguing example of how past experience may result in knowledge of what is to be done while resource constraints thwart the execution is presented by G01, whose effort to ask for trade office support *'because we need to export and we need to attract investment'* stem from previous postings as a commercial officer.

Due to their international orientation and experience, generalists can adapt to different situations easily. The following excerpts exemplify this for the specific cases of G01 and G12 in Finland:

G01: *'I don't have, we don't have real problems to adapt. And if you were nine years in Germany, Europe, North Europe it's not very difficult'*

G12: *'The culture shock was minimized on all sides. I think I'm probably quite experienced with the international, you know, environment. I was in many places before, so I don't think that, I haven't experienced any culture shock when I was first posted here. I don't know if I was to be posted in Africa or South America where I have never been before, that there might be some culture shock there. You always have to cope with it'*

The general nature of their work translates to their views on the usefulness of the Finnish language. First, four of the five generalists do not speak Finnish and have not made a strong effort in doing so as it's viewed as *'impossible'* (G01) or not useful because it is not a recurring language in any other posting. The fifth generalist speaks Finnish because it is her second language, but she does not indicate having any advantages over other diplomats in the same position.

G12: *'I'm very young, relatively young, and also we have three, two more secretaries, three more secretaries which are around my age. So that's very young and I think that with the young people it's much better to, you know, to work together. Because old, you know, old guys, they don't, they have different concepts you know'*



## Appendix D

### *Translated quotes for G02*

#### **Chapter 4, page 27 & Appendix D, page 58**

**English:** *'Trade and investments. Not the politics. Nor political economy, or economic policy'*

**Original:** *'Trade, en de Investeringsen. Niet het politieke. Dus ook niet politieke economie, of economische politiek'*

#### **Chapter 4, page 28 & Appendix D, page 59**

**English:** *'Making appointments is not easy either so we do that. (...) The success rate is about 5%. SO if you call one hundred companies then you right about have the number you need. (...) We do this work for those people. The only thing they have to do is score of course'*

**Original:** *'Het leggen van de afspraken dat is ook niet gemakkelijk dus dat doen wij. (...) De success rate is ongeveer 5%. Dus als je dan een hondertal bedrijven opbelt dan heb je ongeveer de nodige bedrijven. (...) Wij doen dat werk voor die mensen. Het enige wat zij moeten doen is de bal binnenschoppen natuurlijk'*

#### **Chapter 4, page 28 & Appendix D, page 60**

**English:** *'There are actually two main functions, namely exporting Flemish businesses (...) and investment by Finnish businesses in Flanders. Those are the main activities. Including for example trade missions'*

**Original:** *'Er zijn eigenlijk twee functies, namelijk het exporteren van Vlaamse bedrijven (...) en het investeren van Finse bedrijven in Vlaanderen. Dat zijn de twee hoofdactiviteiten. Waaronder bijvoorbeeld trade missions horen'*

#### **Chapter 4, page 28 & Appendix D, page 60**

**English:** *'(We) need to explore the market and actually identify for the business, these are the possibilities, take a look at that, this is in development. So we kind of need to be the eyes and ears'*

**Original:** *'we moeten de markt verkennen en eigenlijk voor de bedrijven identificeren van, hier zijn de mogelijkheden, kijk daar even naar, dat is in ontwikkeling. Dus we moeten eigenlijk een beetje de oren en de ogen zijn'*

#### **Chapter 4, page 28 & Appendix D, page 60**

**English:** *'I went to Kuopio in August (...) and that resulted in two leads for investments. (...) Those are investment leads and then there are of course opportunities that translate into propositions for trade (...). You make sure to bring something back from that trip. And those are things you do not know beforehand, so that is why you absolutely have to visit other cities, other regions'*

**Original:** *'Ik ben nu in augustus naar Kuopio geweest (...) en daar zijn (...) twee leads uitgekomen voor investeringen. (...) Dat zijn investeringsleads en dan heb je natuurlijk ook nog kansen en die vertalen zich dan in handelsvoorstellen (...). Je zorgt wel dat je dus van die trip iets meebrengt. En dat zijn dus zaken die je op voorhand niet weet, dus daarom moet je absoluut ook andere steden bezoeken, andere regio's'*

#### **Chapter 4, page 29 & Appendix D, page 61**

**English:** *'Make sure that people know you, because that's how you get more and more propositions. Business is always done between people and that's why we need to make sure that you are known, or that you know the people'*

**Original:** *'Zorgen dat men je kent, want zo krijg je ook meer en meer voorstellen toegespeeld. Zaken worden altijd gedaan tussen personen en daarom moeten we zorgen dat men je kent of dat je de mensen kent'*

**Chapter 4, page 33 & Appendix D, page 61**

**English:** *'There is a difference. (...) The bridge between Flanders and France is much bigger and longer than that between Flanders and Finland. They are two countries that like to get to-the-point, where the Finns are even more to-the-point than we are, so in that sense there might be a difference'*

**Original:** *'Er is een verschil. (...) De brug tussen Vlaanderen en Frankrijk is groter en veel langer dan die tussen Vlaanderen en Finland. Het zijn twee landen die graag to the point komen, waarbij de Finnen eigenlijk nog meer to the point komen dan wij, dus in die zin is er misschien wel een verschil'*

**Chapter 4, page 33 & Appendix D, page 63**

**English:** *'The approach that we continuously have to point out (...) is that mailing doesn't work. It's much too easy. (...) So those are very concrete things'*

**Original:** *'Absoluut, de aanpak waar wij voortdurend op moeten wijzen (...) is dat het doen van mailings niet werkt. Dat is veel te gemakkelijk. (...) Dus dat zijn van heel concrete dingen'*

**Chapter 4, page 33 & Appendix D, page 63**

**English:** *'You have to adapt and make sure to be some sort of chameleon that is accepted by the local party'*

**Original:** *'Dus je moet je eigenlijk aanpassen en zorgen dat je een soort van kameleon wordt die aanvaard wordt door de lokale partij'*

**Chapter 4, page 33 & Appendix D, page 63**

**English:** *'I was posted in Rijsel, that is 15 kilometers off the border. And people wondered of course if it was necessary to have a post there. Absolutely, because if a Flemish company does business in France, (...) the culture is totally different. So they think it's close, it'll work out quickly, but that is not true. And then they contact us'*

**Original:** *'Ik heb op post gezeten in Rijsel, dat is 15 kilometer van de grens. En dan vroeg men zich natuurlijk af van is het nodig om een post te hebben daar? Absoluut, want als een Vlaams bedrijf zaken doet in Frankrijk, (...) die cultuur is totaal anders. Dus men denkt van het is vlakbij, dat zal wel even snel lukken, is dus niet waar. En dan komen ze bij ons.'*

**Chapter 4, page 33 & Appendix D, page 64**

**English:** *'It works in Finland, to a lesser degree, but it always works (...). I can say yes, but I have seen this person (...) and it will work that way'*

**Original:** *'Het werkt in Finland, minder hoor, maar het werkt altijd (...). Ik kan wel zeggen ja, maar ik heb die mens gezien (...) en op die manier gaat het dan wel weer'*

**Chapter 4, page 34 & Appendix D, page 64**

**English:** *'you have to be admitted. (...) You have to ensure that you integrate well enough for them to let you in'*

**Original:** *'Je moet toegelaten worden. (...) Je moet zorgen dat je toch genoeg integreert dat ze jou binnenlaten'*

**Chapter 4, page 34 & Appendix D, page 65**

**English:** *'started this job when I had been in international trade for 15 years'*

**Original:** *'Ik ben begonnen met deze job toen ik al 15 jaar in internationale handel zat'*

**Chapter 4, page 34 & Appendix D, page 66**

**English:** *'The philological is important because knowing the language is 50% of business done'*

**Original:** *'Het filologische is belangrijk omdat het kennen van de taal is 50% de business gedaan hoor'*

**Chapter 4, page 34 & Appendix D, page 67**

**English:** *'Books and reality differ a lot you know, you shouldn't get too much from economic books because it doesn't always work. (...) With us they hire people with an economic background in that sense, international experience, so most people have lived abroad'.*

**Original:** *'Boeken en de realiteit verschillen wel heel veel hoor, je moet niet teveel uit economische boeken halen want dat werkt niet altijd. (...) Bij ons nemen ze mensen aan met een economische achtergrond in die zin, internationale ervaring, dus de meeste mensen hebben in het buitenland gewoond'*

#### **Chapter 4, page 35 & Appendix D, page 69**

**English:** *'You have to integrate. (...) Because we are here for a period of four years minimum (...), usually up until seven years. So it's a part of your life'*

**Original:** *'Je moet integreren (...) want wij zitten hier voor een periode van minimum vier jaar, (...) tot meestal zeven jaar. Dus het is een deel van je leven'*

#### **Chapter 4, page 35 & Appendix D, page 69**

**English:** *'No, not really. Not in Finland really. Actually, I like knowing what people are saying. I don't like it when people say something and I can't understand it'*

**Original:** *'Nee, eigenlijk niet. Eigenlijk niet in Finland. Ik weet graag wat mensen zeggen eigenlijk. Ik heb niet graag dat als mensen iets zeggen en ik versta het niet'*

#### **Appendix D, page 59**

**English:** *'So when we are talking about export from Flanders we have different kinds of services, first and foremost the identification of possible partners, so with contacts and addresses and such, plus arranging the meetings themselves if necessary, and market studies, market research'*

**Original:** *'Dus als het gaat om export vanuit Vlaanderen dan hebben we verschillende soorten van service, dat is eerst en vooral het identificeren van mogelijke partners, dus met contactpersonen en adressen en zo, plus het leggen van de afspraken zelf indien nodig, en marktstudies, marktonderzoek'*

#### **Appendix D, page 63**

**English:** *'You have to form the bridge. (...) You need to be able to unite the two. And say, watch out for this, don't do that, pay attention to that, and prepare in such a way that the Finns think (...) they know their business'*

**Original:** *'Je moet de brug vormen. (...) Je moet eigenlijk die twee kunnen verenigen. En zeggen, pas daarvoor op, doe dat niet, en let daar op, en op zo'n manier voorbereiden dat die Fin denkt, oh tja, die gasten, die weten er iets van'*

#### **Appendix D, page 64**

**English:** *'In terms of mentality we are good chameleons in the sense that we have two cultures in the country, we know the Romanic culture well, we know the Germanic culture quite well too, so in that sense you can switch between cultures'*

**Original:** *'Qua mentaliteit zijn we goeie kameleons in die zin dat we twee culturen hebben in het land, we kennen de Romaanse cultuur goed, (...) we kennen de Germaanse cultuur ook vrij goed, dus in die zin kun je een beetje switchen tussen culturen'*

#### **Appendix D, page 64**

**English:** *'Philology was just, (...) you have to study something, let's put it that way'*

**Original:** *'Filologie was enkel, (...) je moet iets studeren, laten we zo zeggen'*

#### **Appendix D, page 65**

**English:** *'When I started with Russian, it was still the Soviet Union. So it was actually lucky that that area opened up (...). I did start there, (...) in Moscow, with business. So I had an economic experience. Not from books, but from reality'*

**Original:** *‘Toen ik begonnen ben met Russisch was dat nog altijd het Oostblok. Dus dat is eigenlijk een gelukstreffer geweest dat dat gebied opengegaan is (...). Ik ben daar wel begonnen, (...) in Moskou, met zakendoen. Dus, (...) ik had een economische ervaring. Niet uit boeken, maar wel uit de realiteit’*

#### **Appendix D, page 66**

**English:** *‘European, because to say I feel Belgian or Dutch or German, I don’t have that. I don’t see the difference actually. (...) I will be 40 next month, but of those 40, I spent 25 or 27 years living abroad’*

**Original:** *‘ik voel me eigenlijk Europeaan, want om te zeggen ik voel me Belg of Nederlander of Duitser, dat heb ik zo niet. Ik heb echt meer het Europese. Daar zie ik geen verschil meer in eigenlijk. (...) Ik ben nu 40 jaar volgende maand, maar ik heb van die 40, 25 of 27 jaar in het buitenland gewoond’*

#### **Appendix D, page 66**

**English:** *‘And that is what you need mostly in this job, people who can (...) change post easily. (...) It is not just this. You have your family, moving, all the practical things’*

**Original:** *‘En dat heb je vooral nodig in deze job, (...) mensen die (...) gemakkelijk van post kunnen veranderen (...). Het is niet enkel dit. Je hebt je gezin, (...) heel de verhuis, al de praktische zaken’*

#### **Appendix D, page 67**

**English:** *‘You always have to be flexible of course. (...) But there are certain aspects that stay the same of course. Knowledge of the market, the way you get in touch with contacts, (...) you have to call them anyway so (...) in that sense there are certain aspects that always stay the same’*

**Original:** *‘Je moet altijd flexibel blijven natuurlijk. (...) Maar er zijn bepaalde zaken die hetzelfde blijven natuurlijk. De marktkennis, de manier van contacten leggen, (...) je moet ze toch opbellen dus (...) in die zin zijn er bepaalde zaken die altijd hetzelfde blijven’*

#### **Appendix D, page 67**

**English:** *‘We have everything on computers here, so we have a program we work with that enables us to see the history of all contacts etcetera. They are quite easy to find’*

**Original:** *‘We hebben hier alles op computers staan, dus we hebben een programma waarmee we werken waardoor je eigenlijk de historiek van alle contacten kan navolgen enzo. Die vinden zich vrij gemakkelijk’*

#### **Appendix D, page 68**

**English:** *‘There are advocates and opponents of mutations, in the sense that, some people think that (...) when someone is at a post for his entire life, then he will be integrated, but the downside is (...) you’ll fall into your routine, and I think you get less active. So that’s why we move every six, seven years, to refresh and restart’*

**Original:** *‘Er zijn dus voorstanders en tegenstanders van mutaties, in die zin van, sommige mensen denken (...), als iemand op post is heel zijn leven lang, dan is hij zeker geïntegreerd, maar het nadeel is (...) dan vervalt je eigenlijk in jouw routine, en denk ik dat je minder actief wordt. Dus daarom dat we toch om de zes, zeven jaar moeten verhuizen, om opnieuw alles te spoelen en opnieuw te beginnen’*

#### **Appendix D, page 69**

**English:** *‘And what is also important is (...) that you have to know what the competition does. So I also go to seminars of Invest In The Netherlands for example (...) because I like knowing how people sell themselves. And if I know that we can compare with what we have, and respond accordingly’*

**Original:** *‘En wat ook belangrijk is (...) moet je goed weten wat de concurrentie doet. Dus ik ga ook bijvoorbeeld naar seminaries van invest in Nederland bijvoorbeeld omdat ik graag weet van hoe verkopen die mensen zich. En als ik dat weet kunnen we vergelijken wat hebben wij, en waar moeten we op spelen’*

## **Appendix E**

### *Observations*

#### **Observations translated to English**

*1-10-2010*

Thomas has a lot of contact with the English, American, Israeli, French, German, Japanese and Belgian (Flemish) embassies, especially on a personal level. For example, there is a dinner every once in a while with (among others) someone from the Japanese embassy.

*5-10-2010*

Had a meeting with Thomas, Carita and an entrepreneur (E) from the Netherlands (Clean Air). E indicated that he did not think it would be wise to contact potential partners himself, but that he wanted to have this done by the embassy because of the influence they have. In preparing his arrival, the information on Finnish business culture helped.

It's a very informal gathering about experiences and it looks like there has been a lot of contact between the two parties.

The embassy has done a market scan for this business and got in touch with businesses in Finland that could be interested.

The reason the entrepreneur sought contact with the embassy was that it is already doing business in Finland that is heading toward a dead end (the current partner is a one-man business). There are few competitors for the product and many substitutes. Contact with one of the substitutes resulted in a possible conversation with that business.

The embassy seems highly interested and they ask a lot of questions.

It seems as though E uses this conversation to vent his experiences here in Finland, it is a sort of progress report.

Thomas comes with a suggestion for new markets: wooden houses/huts and a national park where construction is going to start soon in Northeastern Finland.

There is a good atmosphere.

E remarks that bad contact with a company may be caused by the contact person's level of English.

The embassy agrees with E by saying that Finns don't always speak English very well, but often don't want to because they think they are not good at it.

The embassy has made a lot of effort to gather contacts.

At the end, there is a small conversation on the difficulty of the Finnish language and Swedish families in Finland (they are mostly quite rich). Lots of jokes going around.

E contacted the embassy this time on his own accord and will send another message to inform the embassy on any progress.

O remarks that embassies are more reachable than they used to be and gives an example of his experiences.

At the end E is given a couple of suggestions about the best time to visit Lapland because he did not find it very impressive in June.

Spoke with Carita about the commercial department.

Once a year in collaboration with other Dutch embassies in the Northern countries, the embassy goes to the Netherlands for 'speaking days', where entrepreneurs can get information. About 50/60 businesses visit.

A couple of years ago there were 250 requests at the embassy, now there are about 100 each year. Last year there was Seatech, in which Dutch businesses interested in Finland were attempted to find. Every Thursday there is a meeting of all the persons that deal with economy and trade in the embassy, I'm invited to join.

*6-10-2010*

Got an e-mail from Thomas (see below): a clear example of how he takes an experience from his personal life to develop an idea which he submits to a market analyst at NL EVD<sup>14</sup>, all out of his own initiative.

*As you probably know the price level in Finland is considerably higher than in the Netherlands. That became apparent once again when I went to buy a gift for my son's birthday: Playmobil's pyramid costs over 130 Euros in Finland. If you order the pyramid via the Finland-website of Playmobil, you pay 129 (excluding postage fee). If you buy the exact same pyramid via the Dutch www.bol.com you pay €84,99. The postage fee to Finland that bol.com charges is 15 Euros. For the exact same pyramid one pays 50% more in Finland.*

*With this example I'd like to indicate that to Dutch businesses selling via internet Finland may be an interesting market. With a relatively small investment (an English- or Finnish-language website) and maybe some advertising could mean a significant increase in sales for such businesses. Especially in a country with such a high price level and where almost everyone is online.*

*I think there is a branch-organization for business selling via the internet. Could it be an idea to approach them and to see if its members have the opportunity to enter the Finnish market?*

**8-10-2010**

October 6th's email is actually going to be worked with at the EVD. That market will be looked into.

**11-10-2010**

Again the topic is E's success, the ambassador was happy with this. Later on in the meeting Thomas returned to the topic to mention that E was very satisfied with the embassy's work.

The 'pyramid mail' makes an appearance again and is now even seen as a niche market. Furthermore, there is talk of the good trading position the Netherlands has through multilingual skills, where Finnish businesses often only master the Northern languages.

Carita is actively working on SeaTech.

**Part 2 of Thomas' pyramid-idea:**

Thanks a lot for the extensive responses to the idea of webshops. This may very well become successful!

In your contact with Mr. Schokkenkamp of thuiswinkel.nl you could indicate that Finland poses an interesting 'pilot':

1. Finns pay on time;
2. There is a large difference in prices, so buying from a Dutch webstore may be extra interesting;
3. Delivery via TNT post or any other delivery service is 2 to 4 days. That's fast;
4. Finland is a EURO-country.

I can see how webstores want to look into the possible speedbumps. The economic department in Helsinki is very willing to provide assistance. Things like search-engines in Finland, the Finnish right of withdrawal, payment- and delivery conditions can be looked into by us if needed.

If you or Mr. Schokkenkamp want to discuss this, we will of course be willing to!

**12-10-2010**

I'm joining in on a visit to a company that makes chairs (of Dutch design)

**19-10-2010**

There has been a conversation with the Helsinki city council on bicycles. Carita is going to contact a number of bicycle producers in the Netherlands and get them in touch with people here. There will be an event, organized together with the Danish embassy. They would love to see bicycles promoting the Netherlands in Helsinki.

Furthermore, there has been contact with Global Bakers: they want to contact partners themselves and appreciate the embassy's offer to contact for them. However, a few phone calls suffice to make contacts via the embassy. They want to keep a close eye on this to see how it goes.

**10-11-2010**

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<sup>14</sup> NL EVD is the Netherlands Foreign Investment Agency

Going to Martela next week Monday (November 15), they make chairs based on Dutch design. The only thing that'll happen in the aftermath is a mention in the newsletter.

Went to a reception at the Israeli ambassador's residence in the context of the 'Money Talks' forum. Spoke to entrepreneurs and Joseph Akerman of the Israeli commercial department in Stockholm. The atmosphere was very good. A number of awards were awarded for (among others) best powerpitch and for businesses that have contributed to the economic relationship between Israel and Finland. I spoke with someone of Technopolis and he told me that these types of events are organized twice per year in collaboration with the Israeli embassy in Finland. Some entrepreneurs said that this event was a good one to network with possible investors.

*15-11-2010*

Visited Martela. Heard how the Finnish and Dutch companies got in touch. There's going to be a short message in the newsletter about this. Corry's husband works at Martela, that's how the info was already available at the embassy.

*17-11-2010*

Imre Siil (Estonian embassy) invited me to a seminar next Friday. Obviously, I'm going.

*19-11-2010*

Went to a seminar at the Estonian embassy. A small amount of people, less than 20, and three presentations with very different topics. Talked to some people afterwards, during which it became clear that especially Tehnopolis appreciates the embassy's help and uses it more often for more name-recognition.

*08-12-2010*

Talked to Carita. She just finished a market scan (for IceWorld, so that's ice skating rinks). It's a document with many possible contacts, all approached via email or phone by Carita. She does not delve deeper than this: the ministry mandates that that does not happen.

*10-12-2010*

Global Bakers: Carita is actively trying to contact this organization to prevent the arising of miscommunications (for example, the organization complaining that the embassy didn't arrange anything for them upon arrival).

*13-12-2010*

Carita said that since English got more widely used here, the number of requests took a dive. In this morning's meeting she said that a Dutch company which she's been trying to contact for a year now does not respond. She's letting this go in the end.

## **Original (Dutch) observations**

*1-10-2010*

Thomas heeft veel contact met Engelse, Amerikaanse, Israëlische, Franse, Duitse, Japanse en Belgische (Vlaamse) ambassades, vooral op persoonlijk niveau erg veel. Zo is er bijvoorbeeld een 'eetclubje' met o.a. iemand van de Japanse ambassade.

*5-10-2010*

Met Thomas, Carita en een ondernemer uit NL (Clean Air) een gesprek gehad.

O gaf aan dat hij het niet handig vond om zelf eventuele contacten te bellen, maar dat hij dat graag via de ambassade wilde laten doen omdat de ambassade invloed heeft. Ter voorbereiding op de komst naar Finland heeft de voorlichting over Finse businesscultuur geholpen.

Erg informeel overleg over ervaringen en het lijkt alsof er al eerder veel contact is geweest tussen de 2 partijen.

De ambassade heeft dus een marktscan gedaan voor dit bedrijf en contact opgenomen met bedrijven in Finland die mogelijk geïnteresseerd zouden kunnen zijn.

De reden dat het bedrijf contact opnam met de ambassade is dat het al zaken doet in Finland die op een dood spoor lopen (het is een éénmanszaak waar ze nu mee bezig zijn). Voor het product zijn weinig concurrenten, wel veel substituten. Contact met één van de substituten leverde op dat er misschien een gesprek mee gepland wordt.

De ambassade komt zeer geïnteresseerd over en stelt vragen over het product.

Het lijkt wel alsof de ondernemer dit gesprek als een soort uitlaatklep ziet voor zijn bevindingen hier in Finland.

Het is een soort voortgangsgesprek.

Thomas zelf komt met een suggestie voor nieuwe markten: houten huizen/hutten en een natuurpark waar gebouwd gaat worden in het noordoosten van Finland.

Er heerst een goede sfeer.

O merkt op dat slecht contact met een bedrijf mogelijk komt door het slechte niveau Engels van de contactpersoon.

Ambassade beaamt dat Finnen niet altijd even goed zijn in Engels, maar vaak ook niet willen omdat ze denken dat ze niet al te goed zijn.

De ambassade heeft veel werk verricht om contacten te vergaren.

Aan het einde gesprekje over de moeilijkheid van de Finse taal en Zweedse families in Finland (die veelal behoorlijk rijk zijn). Er worden veelvuldig grappen gemaakt.

O liet uit zichzelf van zich horen en zal ook een vervolgbericht sturen.

O merkt op dat ambassades veel bereikbaarder zijn dan vroeger en geeft een voorbeeld van vroeger.

Aan het einde nog een aantal suggesties over de beste tijd om naar Lapland te reizen omdat O het in juni niet bijzonder indrukwekkend vond.

Met Carita kort gesproken over de handelsafdeling.

De ambassade gaat 1x per jaar, ism de Noordelijke ambassades, naar NL voor spreekdagen, waarin ondernemers worden voorgelicht. Meestal komen daar 50/60 bedrijven op af.

Vroeger waren er ongeveer 250 handelsaanvragen per jaar bij de ambassade, nu zijn dat er ongeveer 100.

Vorig jaar was er Seatech. Daarin werd geprobeerd om NL bedrijven te vinden die geïnteresseerd waren in handel.

Elke donderdag vindt er overleg plaats tussen de economische personen, ik ben uitgenodigd om daar bij te zitten. (Meestal elke donderdag dan).

6-10-2010

Mailtje gekregen van Thomas (zie onder): duidelijk voorbeeld van hoe hij een voorbeeld uit zijn eigen ervaring (privésituatie) neemt en daarmee een idee ontwikkelt, welke hij voorlegt aan een market consultant bij NL EVD International (onderdeel van het ministerie van EZ). Dat alles vanuit eigen initiatief.

*Zoals je waarschijnlijk weet ligt het prijsniveau in Finland aanmerkelijk hoger dan in Nederland. Dat bleek onlangs maar weer toen ik een cadeau voor de verjaardag voor mijn zoontje ging kopen: de piramide van Playmobil kost in Finland ruim 130,00 EUR. Als je de piramide bestelt via de Finland-website van Playmobil, dan betaal je 129,00 EUR (excl. portokosten). Als je via het Nederlandse [www.bol.com](http://www.bol.com) exact dezelfde piramide koopt dan betaal je 84,99 EUR. De verzendkosten naar Finland die bol.com in rekening brengt zijn 15,00 EUR (verzendkosten voor 5 producten (ongeacht de omvang) is 15,00 EUR). Voor precies dezelfde piramide betaal je dus 50% meer in Finland.*

*Met dit voorbeeld wil ik laten zien dat er voor Nederlandse bedrijven die via internet verkopen, Finland een interessante markt kan zijn. Met een relatief kleine investering (een Engelstalige of Finstalige website) en wellicht wat reclame kan door dergelijke bedrijven een behoorlijke extra omzet worden gemaakt. Zeker in een land met zo'n hoog prijsniveau én waar bijna iedereen on-line is.*

*Volgens mij is er een branche-organisatie voor bedrijven die via internet verkopen. Zou het een idee zijn die te benaderen en te bezien of er voor hun leden er mogelijkheden zijn om de Finse markt te bespelen?*

8-10-2010



Het mailtje van 6 oktober wordt ook echt wat mee gedaan bij EZ. Er komt een onderzoek naar die markt.

#### 11-10-2010

Het ging weer over het succes van O van 5 oktober, daar was de ambassadeur ook blij mee. Later in de vergadering kwam Thomas er nog ene keer op terug om nog een keer te melden dat O heel tevreden was met het werk van de ambassade.

Ook de 'piramide mail' komt weer naar voren en wordt nu zelfs als een gat in de markt gezien ('Van Leeuwen BV'). Daarnaast wordt gesproken over de goede handelspositie die NL heeft dmv meertaligheid, waar Finse bedrijven vaak alleen Noordelijke talen hanteren.

Sea Tech wordt actief achteraan gegaan door Carita.

#### Vervolg van piramide-idee Thomas:

*Veel dank voor jullie uitgebreide reacties op het idee van de webwinkels. Dit zou best iets kunnen worden!*

*Wellicht zou je in je contact met de heer Schokkenkamp van thuiswinkel.org kunnen aangeven dat Finland wellicht een interessante "pilot" is:*

- 1. Finnen zijn goede en stipte betalings;*
- 2. groot prijsverschil met Nederland, dus kopen bij NL webwinkel is extra interessant;*
- 3. bezorging via TNT Post of andere afleverservices is 2 tot 4 dagen. Erg snel dus.*
- 4. Finland is een EURO-land;*

*De eventuele hobbels die webwinkels eerst willen onderzoeken begrijp ik goed. De EA Helsinki is graag bereid assistentie te verlenen. Zaken als search-engines in Finland, de Finse regeling van herroepingsrecht, betalings- en leveringsvoorwaarden kunnen wij desgewenst nagaan.*

*Als jullie of de heer Schokkenkamp willen overleggen, dan zijn wij uiteraard tot jullie beschikking!*

#### 12-10-2010

15 November ga ik mee naar een bedrijf dat stoelen maakt (van Nederlands ontwerp).

#### 19-10-2010

Er is een gesprek geweest met de gemeente Helsinki over fietsen. Carita gaat contact opnemen met een aantal fietsproducenten in Nederland en deze in contact brengen met mensen hier. Er gaat een evenement worden opgezet, samen met de Deense ambassade hier. Het lijkt ze mooi als hier in Helsinki fietsen zijn waarmee Nederland wordt gepromoot.

Daarnaast is er contact geweest met Global Bakers: zij willen zelf contact leggen met de partners en appreciëren het aanbod van de ambassade om contact voor ze te leggen. Echter, met een paar telefoontjes kan het worden vastgezet via de ambassade. Ze willen er hier dicht op zitten om te kijken hoe dit verloopt.

#### 10-11-2010

Volgende week maandag (15 november) naar Martela, die maken een stoel van Nederlands design. Het enige wat er dan mee gebeurt is een vermelding in de nieuwsbrief.

Naar receptie op de residentie van de Israëlische ambassadeur geweest in het kader van het 'Money Talks' forum. Gesproken met wat ondernemers en Joseph Akerman, van de commerciële afdeling van Israël in Stockholm.. Voor dat gesprek: zie interview file Israël. De sfeer gisteravond was goed. Er waren een aantal awards uitgereikt voor o.a. beste powerpitch en voor bedrijven die in uitzonderlijke mate hebben bijgedragen aan de economische relatie tussen Israël en Finland. Ik heb met iemand van Technopolis gesproken en die wist me te vertellen dat dit soort evenementen tweemaal per jaar worden georganiseerd i.s.m. de Israëlische ambassade in Finland. Een aantal ondernemers zeiden dat deze gelegenheid een goede was om te netwerken met mogelijke investeerders.

#### 15-11-2010

Bij Martela geweest: die maken een stoel naar Nederlands design. Te horen gekregen hoe die bedrijven in contact zijn gekomen. Er gaat een kort bericht in de nieuwsbrief worden geplaatst hierover. De man van Corry werkt daar, dus op die manier was deze info er al bij de ambassade.

*17-11-2010*

Imre Siil (Estse ambassade) heeft me uitgenodigd voor een seminar van aanstaande vrijdag. Ga ik uiteraard naartoe.

*19-11-2010*

Naar een seminar geweest op de ambassade van Estland. Klein aantal mensen, minder dan 20, en qua inhoud sterk verschillende presentaties (zie klein rapport erover). Daarna met mensen gepraat, waarin duidelijk werd dat vooral Tehnopoli de hulp van ambassades vaak gebruikt voor meer bekendheid.

*08-12-2010*

Even met Carita gesproken. Ze heeft net een marktscan af (voor Ice World, schaatsbanen dus). Het is een document met veel mogelijke contacten, allemaal benaderd per e-mail of telefoon door Carita. Verder de diepte in dan dit gaat ze niet: het ministerie wil niet dat dat gebeurt (omdat dat dingen zijn waar je geld voor vraagt normaal gesproken).

*10-12-2010*

Global Bakers: Carita gaat actief te werk om contact op te nemen met deze organisatie om te voorkomen dat er miscommunicatie ontstaat (bijvoorbeeld dat de organisatie klaagt dat er niks is geregeld qua receptie voor ze bij aankomst).

*13-12-2010*

Carita zei dat het sinds dat Engels hier veel gebruikt wordt de handelsaanvragen steeds meer zijn gedaald. In de vergadering van vanmorgen zei ze dat een Nederlands bedrijf waar ze al een jaar contact mee probeert te krijgen (wat al eerder was gelegd) maar niet reageert. Uiteindelijk laat ze dit nu varen.