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Business Diplomacy: The elucidation to ease multinational corporation's business risk in developing countries and conflict-prone zones

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Author: Lisa Isabell Stümke
University of Twente
P.O. Box 217, 7500 AE Enschede
The Netherlands
l.i.stumke@student.utwente.nl

Abstract

These days, multinational corporations (MNCs) are no longer 'innocent' business actors but play an important role in international relations as well. Many MNCs revenues and market value are higher than the GDPs of countries. For many developing countries and conflict-related regions MNCs are attractive partners since they support economic growth. Entering markets and opening operations in developing countries or conflict-related regions is attractive for MNCs since the margins are high and the potential for growth extensive. However, operating in developing countries and especially conflict-related regions is also risky. Recent research already contributed to this topic for example by describing what kind of diplomatic actions were already accomplished by so called principled leaders in order to manage in conflict-related regions. But the topic needs far more research to better understand how MNCs act in conflict-related regions in order to survive. To fill the gap of research here, this study investigated on a more explorative basis the question: "How do principled leaders manage their company's business successfully by conducting business diplomacy in developing countries and conflict-prone zones?".

Grounded theory was used in this study as a basis for the methodology. Interviews were conducted with nine principled leaders from different MNCs that operated in diverse sectors. The results showed that business diplomacy was conducted by every MNC but to different degrees to minimize business' risks and maximize business' opportunities. Based on the data analysis a conceptual framework Business Diplomacy Framework Matrix was developed laying a theoretical foundation for understanding how MNCs can act when launching a new venture in a conflict-related region.

1st supervisor: Huub Ruël

2nd supervisor: Tanya Bondarouk

Keywords

Multinational company, Business diplomacy, developing country, conflict-prone zone, stakeholder management, positive long-term relationship, legitimacy

FIGURE 1: BUSINESS VS. GOVERNMENT, PERCENT IN TRUST

FIGURE 2: BUSINESS MUST LEAD TO SOLVE PROBLEMS

FIGURE 3: FRAGILE STATES INDEX 2015

TABLE 1: CURRENT PEACEKEEPING OPERATIONS OF THE UNITED NATIONS

TABLE 2: CONFLICTS AROUND THE GLOBE

TABLE 3: FOREIGN DIRECT INVESTMENT (NET INFLOWS → BOP, CURRENT US\$)

TABLE 4: QUESTIONS AND CATEGORIES RELATED TO SEMI-STRUCTURED INTERVIEWS

TABLE 5: BUSINESS DIPLOMACY FRAMEWORK MATRIX

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Introduction

Today, we talk about a globalized society living in a world that is becoming more and more interconnected and economically interdependent. To put it differently, economic, social or political problems are getting too big for MNCs as well as for governments to be figured out all by themselves (Westermann-Behaylo et al., 2015). Around the 1990s, the privatization and the power shift from the Western economy to the more developing economies compelled Western companies to leave the safe grounds of familiar economies and expand to other parts of the world such as Brazil or China for example. These occurrences evoked governments to pass their power of managing foreign policy goals and national tasks involuntarily even more to MNCs (Westermann-Behaylo et al., 2015). This in turn, created a situation in which governments must deal with the fact of lacking vital resources such as experienced and well educated people to get the country's business done. Here, good and diplomatic organized MNCs come into play. They expand their business entering emerging markets on the one hand and take on a diplomatic role by managing compound interactions between local stakeholders such as the local government, non-governmental organizations, local communities just to name a few.

Also, new opportunities appeared for some of the countries that are active in the global market economy on the one hand but simultaneously created governance gaps for others within the last century. Resulting from that unstable market situations were giving room to other types of conflict than the commonly known conflicts between states. An example of that is an intra-state conflict having

a lasting effect on many groups within the society as they mainly undermine human progress and economic development (Sidibe & Saner, n.d.). To provide some insights about the status quo, different sources showed that today more than sixty ongoing conflicts are taking place and simultaneously more than fifteen peacekeeping operations are being undertaken by the United Nations in so called conflict zones (United Nations, 2016; Council Foreign Relations, 2016; Wikipedia, 2016; see Appendix: Table 1 & 2).

Macnamara (2012) and Nelson, 2000 brought it to the point by stating that the field of commerce and diplomacy is no longer state-centric and no longer confined to official governmental interactions, since a variety of MNCs have a standing in world politics by negotiating and compromising sensitively with foreign authorities to ease these complex circumstances. As shown by a study undertaken by the Edelman Trust Barometer (2016) MNCs are as a matter of fact expected to go beyond serving their pure market demand and instead take responsibility to also respond to social public demands. Around 80 percent of the respondents believed and trusted in the fact that MNCs are more likely in the position to improve profits, economic as well as social conditions in the society where they operate compared to national governments (Edelman Trust Barometer, 2016; see Appendix: Figure 1 & 2; Nye, 2008).

Increased foreign direct investment in developing countries and conflict-prone zones is just another aspect why this study is of interest. The non-profit research and educational organization 'The Fund for Peace' gathered data from many countries with regard to their extent of fragility and came to the

conclusion that from 178 listed countries around 70.2 percent (125 countries) were characterized as “warning” and “alert” and hence count to the so-called conflict zones (Fund for peace, 2015; see Appendix: Figure 3). From these 125 conflict zones 54.4 percent experienced an increase in FDI in the period from 2011 to 2015 (The World Bank Group, 2016). To sum it up, MNCs are investing and operating in more than half of the world’s conflict zones, and because of their diplomatic skills are expected to assist those at the same time as they are successfully scooping out the business situation in these countries and regions (Nelson, 2000).

From previous research, different concepts appeared and match exactly what MNCs diplomatically practiced to sustain in emerging and conflict related economies. Scholars termed these concepts corporate diplomacy, economic diplomacy, business diplomacy and some more. To get a good understanding of this study, the next chapter elaborates on the different concepts in detail. Recent literature pointed out some pioneer businesses that successfully launched diplomatic actions. Tesco, a retailer originating from the United Kingdom, for example addressed the issue of labor grievances within the agricultural sector in South Africa in 2009 (Kotze, 2014). Next to that, DHL, representing one of the worldwide logistics companies operating in more than 220 countries, helped to re-establish the distribution of mail and parcels in Kosovo. More particularly, DHL supported the country in placing necessary logistics for continued service (Bennett, 2001). Another example is given by the multinational construction company ABB that has taken the diplomatic role and responsibility to encourage diversity

and improved ethnic relations in the workplace by bringing Bosnians, Kosovars and Serbs together. It helped rebuilding electricity infrastructures, which were damaged during the war that took place in 1992 and lasted until 1995 (Bennett, 2001).

Practical relevance

Practicing business diplomacy by building relationships with foreign authorities contributes on the one hand to the growth of developing countries and conflict-prone zones and grants access to foreign markets in terms of resources, labor and so forth on the other hand. Therefore, recent studies conducted by Melin (2016), Westermann-Behaylo et al. (2015), Ruël (2013), Ruël and Zuideman (2012), etc. contributed to the exploration of what kind of diplomatic actions were already accomplished by MNCs and were taken as the starting point regarding this study.

Finding out how successful business diplomats of pioneering MNCs behave and act to launch ventures in emerging and conflict markets is of interest is the goal of this study. What stakeholders are of importance to stay in contact with? What preparations must be taken care of before entering a developing country or a conflict-prone zone? How do business diplomats behave towards foreign authorities? What actions can help to get access to the respective market? All these questions were answered by this research and in turn gives input for other companies who plan to launch a venture in such a complex business environment. To sum it up, this study dived deeper into the topic of business diplomacy by investigating how these MNCs developed and encouraged interpersonal links with relevant stakeholders in the undiscovered context of

developing countries and conflict related areas. It should encourage MNCs not to ignore complex situations in the area of operation, but instead to take responsibility and handle them properly since threats and other difficult situations affect not only the emerging market itself but also all other parties involved. As a final step, a “Business Diplomacy Framework Matrix” was created to put into perspective all dos and don’ts for business diplomats when planning to launch a new venture in a developing country or a conflict-prone zone.

The following chapter starts with a literature review and a theoretical framework to give an idea about what is exactly meant by the term business diplomacy and how it is related to MNCs operating in developing countries and conflict-prone zones. After that, the qualitative methodology approach, which helped to analyze the semi-structured telephone interviews, is discussed. Chapter four to six present the research findings of this study, a discussion about these findings in relation to previous studies on this topic, and finally concluding remarks derived from first hand insights about how MNCs handle their business strategies with foreign stakeholders to establish a positive, long-term relationship.

Literature review and theoretical framework

This section provides an overview of recent and relevant literature trying to come up with a clear understanding of what business diplomacy is about. Moreover, this chapter aims to point out how the topics MNCs, business diplomacy and developing countries and conflict-prone zones are connected to come up with an appropriate research question.

Different facets of diplomacy

Several scholars conducted research about international companies that developed so called business competencies, helping them in building bridges between their company and the foreign and multifaceted political setting. In 2000 for example, business diplomacy was supposed to “influence economic and social actors to create and seize new business opportunities; working with rule-making international bodies whose decisions affect international business; forestalling potential conflicts with stakeholders and minimizing political risks; using international media channels to safeguard corporate image and reputation” (Saner et al., 2000, p. 13). About three years later Steger (2003) came up with a new conception of what international companies were urged to apply due to the globalization, and entitled it corporate diplomacy. In his eyes, it was a systematic and professional endeavor of international companies to get a license to operate and further to manage the business setting to guarantee that business is done smoothly (Steger, 2003, p.6-7). This is supported by what Heinz (2014) stated in his study. He clearly emphasized that advancing the corporate interest by negotiating

and creating alliances with key authorities such as governments, analysts, the media and NGOs is the most important aspect to focus on when it comes to business survival in an ever fast changing environment. Again, another facet of diplomacy is public diplomacy, which can be understood more as a two-way street being characterized by an exchange of information in terms of listening and talking. Most notably is the importance of credibility for this type of diplomacy since the outcome of the negotiation depends on what values international companies share with the respective foreign authorities and how they perceive the international companies’ messages and adapt to it accordingly. Yet others make a more detailed differentiation of the concept so as international companies can make use of business diplomacy on the one hand and commercial diplomacy on the other hand. Commercial diplomacy then is popularly understood as making policy in terms of working within a network of public and private actors who manage commercial relations using diplomatic channels and processes, and business support in terms of granting access to new markets (Ruël, 2013). Moreover, commercial diplomacy is represented as a two-dimensional concept, meaning that it is practiced by Heads of State and embassies on the one side and exercised by international companies on the other hand. The kind of diplomacy that is exercised by multinationals is also termed as business diplomacy, where the focus lies on its stakeholder management (Sidibe & Saner, n.d.). Here, managers negotiate, re-negotiate, compromise and set up long-term positive relationships with local authorities to establish a license to operate and increase the business’ power as well as its legitimacy (Ruël, 2013).

Most recent research switched to the term corporate diplomacy again and extended already existing research on this topic by adding aspects from research areas such as political corporate social responsibility, international relations, and peace studies (Westermann-Behaylo et al., 2015). For the purpose of this study the term business diplomacy was chosen for as the most appropriate facet, since its focus lies on stakeholder management of international companies.

The use of business diplomacy to gain power and legitimacy

International companies need the approval from the local government and other foreign authorities, who are in the possession of legitimate power. Therefore, international companies can make use of power and legitimacy as two independent tools or as a combination to build authority in such a strategically important market environment.

Power is generally understood as the capability of someone to determine other participant's way of thinking, which in turn leads to the desired result of a discussion or an event (Nye, 2008). For international companies, power seems to be an effective way to extend their control in terms of achieving a status of institutions within society (Ordeix-Rigo & Duarte, 2009). Thus, there are different modes of power that can be employed by international companies such as soft power, hard power and smart power (Hedetoft et al., n.d.; Ordeix-Rigo & Duarte, 2009). Soft power for example can be distinguished into three sub-types, namely coercive power that makes use of physical resources of forces, violence, or restraint, utilitarian power that is based on exchange of

material or of financial resources, and symbolic power that rests on normative and social symbols such as prestige, esteem, love and acceptance. Next to that, hard power is best known as military power or economic pressures that are used to control others to act accordingly. Finally, smart power represents the most effective and efficient way, namely the balanced combination of soft and hard power aligned to the respective situation.

Legitimacy on the other hand, plays an inevitable important role too. This study works with the definition that is provided for by Ordeix-Rigo and Duarte (2009). Here, a company's performance should give other authorities the impression that it is desirable, appropriate within the given society and accepted in the host country's constructed system of norms, values, and beliefs. To increase both, power and legitimacy, international companies have the possibility to make use of what recent research calls business diplomacy.

Tools of business diplomacy

Next to power and legitimacy, previous research revealed certain tools that business diplomats used while working abroad. An antecedent of all the following tools is "having a positive corporate diplomatic history" as a company (Nelson, 2000). Of course, this takes some time and depends on previous actions by the respective company in the home market. Presumably, a MNC had a rough strategy in dealing with stakeholders in the past, it seemed imaginable that it might face problems with foreign authorities particularly in developing countries and conflict-prone zones, since circumstances are already being heated up.

Another commonly known tool is having a “good reputation” as a company, meaning having a positive picture of a business partner makes every step easier to be settled (Ordeix-Rigo & Duarte, 2009). Since diplomacy is all about storytelling and seeking for compromises among all stakeholders regarding a certain issue, the fact of “being truly interested” in doing some good to foreign society in the short or and in the long-run helps in reaching the company’ business goals. Next to that a company that is “aware of who is who” in developing countries and conflict-prone zones is a very valuable tool of business diplomacy (Nelson, 2000). Here, pulling the right threads by involving the right stakeholders eases companies the chance to succeed as well as a promises bunch of money in the end. Finally, the “usage of media channels” in developing countries and conflict-prone zones is also related to other tools mentioned before in as much as good or bad reputation can influence the chance of succeeding with a business in an either positive or negative way.

The ambition of business diplomacy

Now, being aware of popular tools of business diplomacy the question of “when is business diplomacy carried out successfully?” still stands in the room waiting to be answered. Research done by London (1999) pointed it out very clearly. Business diplomacy is done successfully when two main goals are achieved, namely process goals and outcome goals. Under process goals London (1999) understood that companies are closely cooperating with all relevant stakeholders during the process where coercion, threats and other negative interactions are to be avoided. Further, communication among all participating parties should remain

flexible as well as open to new ideas. Outcome goals on the other side are recognized when negotiations have positive consequences either achieved unanimously or at a consensus. Moreover, achieved agreements should bring some stability to the negotiations by lasting for a certain time. Continuously striving to improve interpersonal competencies as well as establishing a group identity with a certain common interest is also a necessity of continuing positive long-term relationships that will stand future deals and disagreements. All in all, maintaining both, respect for all involved stakeholders and a diplomatic stance as well as being approachable fellow negotiating parties pays off for companies.

MNCs in developing countries and conflict-prone zones

Globalization of trade and investment has summoned for a changing nature of relations between states on the one hand and brought new players to the stage regarding the market economy on the other hand, namely MNCs (Banfield et al., 2003). Especially developing countries and conflict-prone zones inherent difficult characteristics to handle such as major foreign investment, weak legal frameworks as well as governance structures, confronting foreign investing firms with inevitable grievances when planning to launch a new venture there (Valente & Crane, 2010). Those characteristics posed differ in intensity, since they are highly contextual, industry and company specific (Banfield et al., 2005; Macnamara, 2012). Therefore, this study is particularly based on the understanding of developing countries and conflict-prone zones

as countries or regions that are already at risk or obviously becoming subject to non-violent and violent conflicts in terms of civil wars or at a more localized stage (Banfield et al., 2003). Recent years shed light on new types of conflicts going away from the idea that conflicts happen between states to more intra-State or internal conflicts (Sidibe & Sane, n.d.). Apart from that, MNCs offer valuable aspects such as credibility, neutrality, resources, and legitimacy and have an extensive reach that makes them receptive to take on a role connecting them with issues of peace, security, traditionally and preserve of state sovereignty as well as national identity these days (Banfield et al., 2003; Tripathi and Gündüz, 2008). As the former Secretary General Kofi Annan once stated, “At a time when more than 1 billion people are denied the very minimum requirements of human dignity, business cannot afford to be seen as the problem” (Valente and Crane, 2010). This quote once again makes clear that MNCs must take on a new role that not only includes the idea of following their own business goals but to go beyond that by considering other stakeholders’ positions, needs and responsibility for their actions in the foreign context.

There are two ways that MNCs can act in foreign contexts. On the micro-level, MNCs hold the responsibility of all impacts that derive from their corporate operations on their relationships with foreign authorities and society. Here, a negative example might be the exploitation of natural resources within poorer regions. Investment in such a valuable resource rather leads to grievances within a certain region than promoting development for all stakeholders. This situation is also related to as the “Dutch Disease”. When looking at the

macro-level, international companies focus to include the foreign contexts’ economic and natural environments as well as political impacts in addition to their own business performance but in collaboration with relevant stakeholders in the region. An illustrative example for the macro level is the provision of resources in combination with the support of MNCs to build a medical center in a developing country or conflict-prone zone rather than just donating money to the society. Such actions go beyond traditional philanthropy and corporate social responsibility and hence place MNCs in quasi-governmental roles in cooperation with other stakeholders to take major decisions about public welfare and social provision (Valente and Crane, 2010).

Recent research took a closer look at different relationships MNCs had with different foreign authorities when doing business abroad (Banfield et al., 2003). The present study added, where appropriate, results on the relationship between MNCs and the local security services in the respective foreign context. This type of relationship represents one of the most important ones when it comes to generating soft power. To strengthen the ties between MNCs and the foreign authorities, MNCs can go for joint trainings of their security service, grant assistance programs, or involuntarily give a hand to repressive governments in terms of providing them and the security service with certain supplies. Further, the knowledge about military psychological operations is important to influence foreign authorities’ behavior. That is to say, MNCs have to interpret deception or disinformation related issues in the right way so as to keep a good relation to the local security services. It can also be the case that local security services try to apply wartime tactics in

situations that seem ambiguous. As a result, potential danger may evolve when actions are interpreted in the wrong way. Moreover, a wide array of grievances also may evolve when the managements of a company and the local security services must work together. In many cases, MNCs are not allowed to choose for an own security services so as they are compelled to contract security services from the government in the end. Within many developing countries, governments' nature is rather repressive and politics are done in an undemocratic way. This can have a spillover effect on the provided security services with the result of violating the rights of local citizens while protecting the international company.

To sum it up, this study aims at conflating business diplomacy and MNCs in foreign conflict related contexts. Business diplomacy is a vital instrument for MNCs to master the micro and macro-level challenges they may face in developing countries as well as in conflict-prone zones. Previous research showed evidence of principled leaders of MNCs that acted as diplomatic actors was found but it is not covering what processes they went through (Melin, 2016). Therefore, the present study sets its focus on exploring how international companies take on their new role to reach their business goals without contributing to local tensions. The main research question reads then:

“How do principled leaders manage their company's business successfully by conducting business diplomacy in developing countries and conflict-prone zones?”

as illustrated by Figure 4. It is proposed that MNCs have a certain stakeholder management strategy at stake, which is representing actions

and tools of business diplomacy and hence has an impact on the business performance in the foreign context. According to this, the following seven sub-questions evolved:

Sub-question 1: “What are the general situations of successful business diplomats and their companies in developing countries and conflict-prone zones?”

Sub-question 2: “What are the main stakeholders that successful business diplomats deal with in developing countries and conflict-prone zones?”

Sub-question 3: “What are the main challenges that successful business diplomats face while launching a new venture or operating in developing countries and conflict-prone zones?”

Sub-question 4: “To what extent are there any policies introduced within successful operating companies that address [diplomatic] relations with important stakeholders in developing countries and conflict-prone zones?”

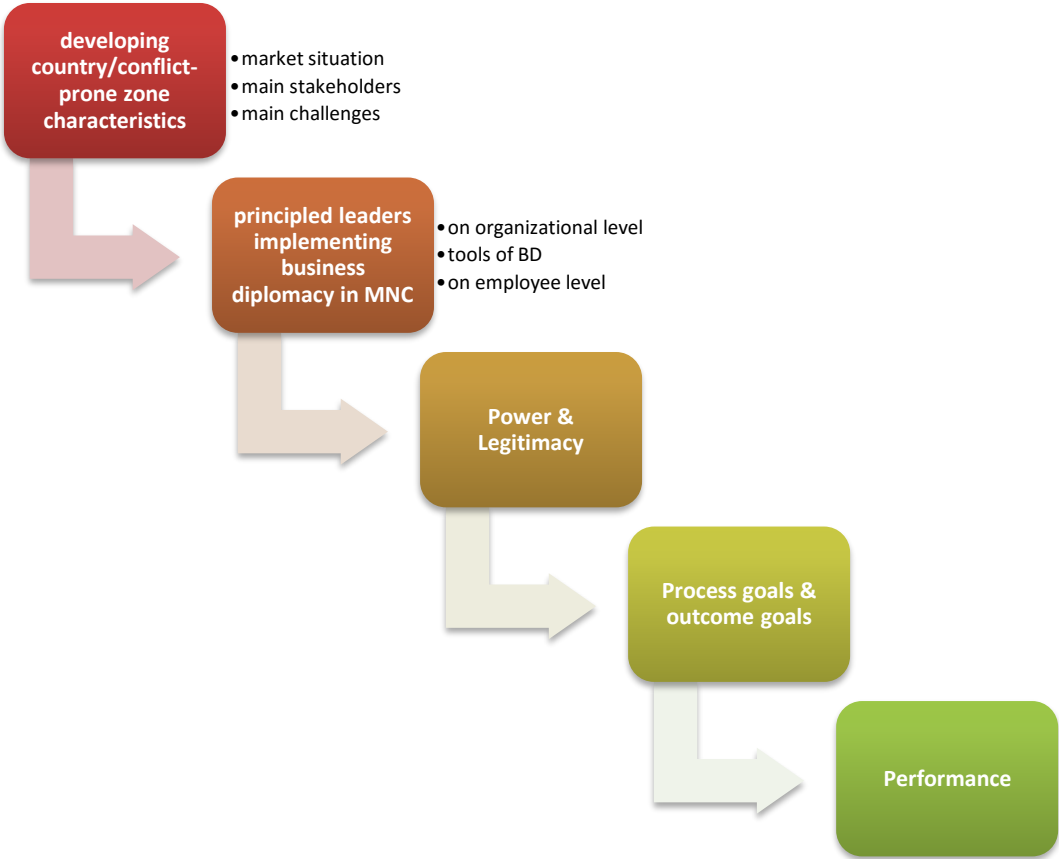
Sub-question 5: “What tools do successful business diplomats use to seek for [diplomatic] relationships with relevant stakeholders in developing countries and conflict-prone zones?”

Sub-question 6: “To what extent are there any employees especially assigned to deal with [diplomatic] relationships considering important stakeholders while launching a new venture or operating in developing countries and conflict-prone zones?”

Sub-question 7: “What can be learned from the experiences of business diplomats, who already conduct business diplomacy successfully in developing countries and conflict-prone zones?”

The next chapter draws on the theoretical background just discussed and points out what relevant choices are made according to transform the theory into practice.

Figure 4: Conceptual Model



Research methodology

Research Method

Choosing for the right research design leads the way to transferring the theoretical part into practice. These days, MNCs have yet to explore possibilities for meeting their policy as well as business targets in developing countries and conflict-prone zones. This is because most developing economies are still situated within weak regulatory, institutional and governmental frameworks that hamper MNCs to be successful and their foreign context. For that reason, this study used grounded theory, which was invented by Glaser and Strauss in 1967 and basically means to discover theory from data (Babbie & Mouton, 2001, Glaser & Strauss, 2009). In other words, it is a “general methodology for developing theory that is grounded in data systematically gathered and analyzed.” (Strauss & Corbin, 1994) Through actual research, meaning a continuous interplay between analysis and data collection, the researcher is able to evolve the theory (Strauss & Corbin, 1994). In order to justify this choice of using grounded theory two aspects need to be clarified. For one thing, this methodology is appropriate regarding the present study, because MNCs conducting business diplomacy in the context of developing countries and conflict-prone zones is still in the early stage of research. For another thing, grounded theory supports the goal of this study, which is to come up with a theory on how principled leaders exactly manage their companies’ business by behaving diplomatically in an unstable foreign environment. Next to the strengths of grounded theory, there are also two weaknesses that must be considered. Firstly, theory that will be generated, might be overly complex since research on this topic is at its infancies.

Secondly, results from later analysis might be too narrow and represent a rather idiosyncratic setting (Eisenhardt, 1989). The qualitative analysis process itself was conducted as the following. Data were collected by means of nine semi-structured telephone interviews, since there is not much coherent theory to conclude about how exactly principled leaders manage their stakeholder’s interests to pursue successful business in developing countries and conflict-prone zones. Doing the interviews enabled the researcher to get in touch with a sufficient number of principled leaders that are spread around the world in different foreign contexts. Using such a qualitative approach offered the chance for both, to observe the phenomenon under study substantially and to create a deeper understanding of it (Babbie, 2001). Next to that, it rated also higher on validity in comparison to any kind of surveys for example and endowed the researcher to get rich and in depth insights. Semi-structured interviews offered an initial direction due to some pre-determined questions but then left each interviewee the opportunity to answer in a more supplementary way in case the interviewee had additional relevant and valuable information. In this way, all the different categories that amount to the concept of business diplomacy discussed in the previous chapter could be reflected much more accurately. The semi-structured interviews in general take around 30 to 60 minutes and were confirmed by each respective interviewee by means of a transcribed version that has been sent to the interviewee after the interview has been taken place.

Research sample

The research sample for this study was drawn from nine semi-structured telephone interviews that were conducted in the period between October 2016 and April 2017. All selected MNCs met the following criteria (1) being an international driven company, and (2) operating in a developing country or a conflict-prone zone.

A wide range of developing countries and conflict-prone zones were covered by this research, namely the Niger Delta area, Nigeria, South Africa, Kenya, Honduras, Senegal, Moldova, Guatemala, Colombia, Bukavu (Central Africa), Congo, Sierra Leone, Rwanda, Russia, Ukraine, Belarus, Moldova. This offered to make interpretations and draw conclusions over a wide range, which does not mean the research findings can be generalized. Next to that, the selected MNCs operated within the following six sectors: machinery, oil and energy, farming, public policy, banking and oil and gas. For the sake of all interviewees it was decided to keep their as well as their company names anonymous.

Following this, a theoretical case selection with regard to the interviewees was made. Therefore, the researcher looked for those employees in the position of principled leaders, which are also called business diplomats, since they were the ones who made difficult decisions, resolved conflicts, and negotiated deals on behalf on their MNC.

The unit of analysis remains with the MNCs, since principled leaders acted on behalf of the MNCs they were working for. Coming to the point of selecting potentially interesting MNCs, this study started by screening trade mission documents as well as stock exchange lists from the Netherlands and Germany.

Additionally, the world's largest professional network LinkedIn provided a great opportunity to contact those international company representatives from those international companies that are doing business in developing countries and conflict-prone zones.

After both, the selection of MNCs and the conduct of semi-structured telephone interviews, raw interview data needed to be organized, coded and described. According to this, the present study turned the raw data into meaningful data by assigning every interview transcript to two people who analyzed them independently from each other. This proceeding avoided effectively the possibility of researcher bias. The conceptual model from chapter two came into play here again. Every concept was represented, or to put it differently, was coded by a different color so that everything said by an interviewee that was related to the category of a company's general situation in the foreign context was marked blue. This continues for all other categories as following. Interview data related to the category of main stakeholders were highlighted yellow; interview data assigned to the category of main challenges a MNC faced in a foreign context were colored red; interview data related to business diplomacy on the organizational level was shaded purple; interview data associated with tools of business diplomacy were marked green; and finally interview data that was linked to business diplomacy on the employee level was shaded orange. An overview of this in combination with the main interview questions can be found in the appendix (see Table 4). Reaching the point where categories were classified the heart of building theory from the cross-case interview data came into play by means of connecting and interrelating data.

Here, all cases were compared on basis of each color code (each representing one concept of interest) so as it was possible to look for similarities and differences between all the interviews. Next to that, it was decided to grant all interviewee's privacy through total anonymization, since more than half of the interviewees did not want to disclose any names. With prepared and managed interview data, the researcher was then allowed to start interpreting it, creating explanatory accounts as well as providing meaning to the main research question.

The following chapter is supposed to give an overview of the results from the analysis regarding the nine semi-structured telephone interviews that were conducted with relevant business diplomats from MNCs that were present in developing countries and conflict-prone zones.

Research findings and discussion

Results were drawn from nine semi-structured telephone interviews which were conducted in the period between October 2016 and April 2017. All selected MNCs met the following criteria (1) being an international driven company, and (2) operating in a developing country or a conflict-prone zone. A wide range of developing countries and conflict-prone zones were covered by this research, namely the Niger Delta area, Nigeria, South Africa, Kenya, Honduras, Senegal, Moldova, Guatemala, Colombia, Bukavu (Central Africa), Congo, Sierra Leone, Rwanda, Russia, Ukraine, Belarus, Moldova. This offered to make interpretations and draw conclusions over a wide array, which on the other hand did not mean the research findings could be generalized. Next to that, the nine MNCs operated within the following different six sectors: machinery, oil and energy, farming, public policy, banking and oil and gas. For the sake of all interviewees it was decided to keep their name as well as their company's anonymous.

This section contains different paragraphs whereby paragraph one deals with information interviewees gave about their company's general situation in the respective foreign context. Paragraph two lines out the most important stakeholders that MNCs must consider while doing business in a developing country or a conflict related region. The third paragraph discusses the main challenges these MNCs encountered in the past. Paragraphs four (business diplomacy on the organizational level), five (tools of business diplomacy) and six (business diplomacy on the employee level) consider all business diplomacy in a different

perspective. The last paragraph considers advices given from interviewed business diplomats for others who plan to launch a new venture in developing countries and conflict zones.

MNCs in developing countries and conflict-prone zones

Basically, interviewees expounded the situation of the company they worked for while working in developing countries or conflict-prone zones. This was very interesting since there were many different foreign contexts mentioned during the interviews. In this way, the first step for other companies was created so they can get an idea of how successful business looked like in such environments. Besides that, most of the interviewed principles leaders practiced business diplomacy for a long time on behalf of their companies making them good role models for any other businesses that want to launch a new venture in an exciting and difficult context.

Recalling sub-question one "What are the general situations of successful business diplomats and their companies in developing countries and conflict-prone zones?" can be answered as the following. As it was stated by one of the interviewees, companies did not play a crucial role in the past when it came to mitigating and solving conflicts. This has changed these days. In many developing countries and conflict-prone zones it was the case that companies' clients did not possess the knowledge and experience in implementing projects according to international standards for example. This, as well as weak governance structures in those areas were the main reasons why most of the MNCs focused their

investments and businesses goals especially on developing countries and conflict-prone zones.

The degree to which business diplomats and employees conducted business diplomacy highly dependent on the type of industry and the goal of the respective company. To give an example, back then in 1995 a brewery in Bukavu, the Democratic Republic of the Congo, somehow always was in working even in an environment characterized by violence and expulsion. It was not known whether and to what extent the brewery was involved in humanitarian aid situations but for some reasons the company was able to operate despite the problematic circumstances in that area. The best explanation for that phenomenon was that all actors in Bukavu had an interest in being provided with beer. As a conclusion to that, accomplishing special interests allowed companies to operate even in difficult conflict related situations as long as they were needed and communicated properly among all stakeholders.

Another interviewed business diplomat emphasized that a lot of aspects regarding business diplomacy needed to be studied, prepared for and planned before the actual launching of a new venture could start. In other words, only after proper preparation and analysis employees were supposed to take actions on foreign grounds on behalf of their companies. This was supported by the fact that very often companies failed to deliver their business, their product and their services even if their products were perfectly marketed and sold in Europe, simply because they were not familiar with the foreign context and in turn failed to comply with the framework of business diplomacy.

Almost every interviewed principled leader was acquainted with the term “business diplomacy” and most of them practiced it on a daily basis. Saying that, if businesses really want to operate successfully in such environments, the company and all its employees must conduct business diplomacy consciously. That is also why all interviewees live and breathe diplomacy not only during working hours.

Relevant stakeholders

Since companies differ in size, business goals and their operative sector there is by no means a one-size-fits-all group of stakeholders that every company should consider when launching a new venture in a developing country or conflict related region. Nevertheless, sub-question two reading “What are the main stakeholders that successful business diplomats deal with in developing countries and conflict-prone zones?” can be replied to by the following list of the most important stakeholders that were mentioned during the interviews:

- (1) state security apparatus,
- (2) local community,
- (3) NGOs in the field,
- (4) local government,
- (5) foreign local media/ international media,
- (6) clients,
- (7) employees of the company itself
- (8) embassies,
- (9) local authorities (e.g. National and Central Banks),
- (10) illegal groups,
- (11) competitors of the company itself,
- (12) brokers between the company and the

client, and

(13) the United Nations of course.

Not all the above listed stakeholders were necessary to stay in contact with. In fact, every company planned to do business in a developing country or conflict-prone zone must figure out, by a proper preparation that is discussed in the last paragraph in detail, which stakeholders are relevant to make the business a success.

Referring to the theory part the relationship between MNCs and the local military or the local security service represents one of the most important ones. During the interviews, it appeared that the military and local security services can step in and bring stability, especially in developing countries and conflict regions with little control over the country. How this looked like in practice is elaborated in the paragraph that deals with research findings about tools of business diplomacy.

Another stakeholder group thing that was stressed throughout the different interviews was the contact with embassies. Most of the interviewed principled leaders stayed in close contact to them and said that embassies are the right hand for them when it came to make the first contact with a foreign country. Embassies possess a huge bunch of information and established a network of important stakeholders that range from government officials to society representatives. Interviewees emphasized that embassies were always willing to help business diplomats with such an entrepreneurial vision by inviting them to events such as trade fairs, but usually business diplomats had to make the first move towards the embassies. It rarely happened that embassies send out invitations or made contact with employees of MNCs in the first place. One of the interviewees had

business in Honduras, where it was not that easy for him to establish any business relationships since the Dutch government, in this case, did not have its own embassy there. He still got lucky since there was one in Costa Rica. So only through the embassy in Costa Rica information as well as contacts could have been established which led his company to success in Honduras. Another interviewee had a totally different point of view and explained most of the contact to his stakeholders he did directly but of course embassies were one of his focal areas.

Main challenges

It got interesting when figuring out what made it so difficult for MNCs to be successful in a foreign turbulent environment and how successful ones in the end dealt with such situations. Therefore, the three most important answers to sub-question three “What are the main challenges that successful business diplomats face while launching a new venture or operating in developing countries and conflict-prone zones?” were: (1) Culture, (2) being blocked from the government, and (3) illegal groups.

To begin with, most of the interviewees mentioned three sensitive issues that every MNCs should stick to, namely (1) do not discuss politics, (2) do not discuss religion, and (3) do not discuss ethnic issues. Taking Ukraine as an example, one of the business diplomat’s company supplied its clients with machines for money destruction and had to deal with both, the Central Bank of Azerbaijan and Armenia, since both were the company’s customers. Also both clients knew that the company was doing business with the respective other client, which made the MNC paying attention to not share

information about each project. In case the MNC would have shared any information with its clients regardless of certain sensitive issues, barriers and mistrust might have resulted from that leaving the MNC with a business relationship with lesser or no business at all with those clients in the future. That is why business diplomats did not make any of the three sensitive issues part of the business itself.

Culture

To make contact with local stakeholders and authorities as a foreign company was for most interviewed principled leaders a big issue, because local people were culturally different in many cases. As pointed out, culture indeed consisted of two parts, where language accounted for 20 percent of the barrier whereas customs, habits and body language accounted for around 80 percent. Language barriers on the one hand could always be taken care of by sourcing an interpreter who supported the business partners with communication. Considering the other 80 percent of the barrier most of the communication and miscommunication happened through body language when business partners met. Giving a simple example, one of the western business diplomats once directly created the first barrier by trying to make the first touch regarding a middle-east originating business partner due to a handshake, which was normal in western society but in the middle-east it was not. This example shows clearly how easy it was to mess up a business relationship before it even started.

Luckily these days, most of the MNCs that operate in developing countries or conflict-related regions had American or European expats in their high-level management

positions, which made the whole approach a bit easier for those principled leaders that needed to get things done in the foreign area. Nevertheless, a way to tackle this challenge was to educate the company's employees by means of an in-depth culture course. In particular, it toughed employees different perspectives considering do's and don'ts about the foreign habits, language, politics, literature, sports, history and food. Unless employees of such MNCs did not absorb and work in the cultural reality of the certain country or region they made the whole process pretty hard for themselves.

In contrast to that, one of the principled leaders did not think of culture as a main challenge to a company who launched a new venture in a developing country or conflict-related region. He supported this by stating that his company did business with every country regardless of differences in religion or other cultural aspects. To sum it up, this perspective might be more an option where cultures are not that sensitive to foreign impressions in the first place.

Being blocked from government

Local governments still have a lot to say in unstable regions even with rather lethal and weak governance structures. Passing corrupt governments represented one of the three main challenges for a company that entered this specific country or region to do business. Governments decided for example, whether a company could be registered to do business legally in that area or not. Governments also dictated foreign companies to comply with certain rules such as having a local office and employing local people. This was indeed

something that blocked foreign MNCs from launching new ventures successfully. In the end, every company must be in the picture with whom it must deal with and whether there are exceptional cases where business diplomats can find ways to work around those blocking rules.

Illegal groups

Finally, illegal groups were also contributing to a challenging start for foreign MNCs who wish to expand their business in those areas. That is because most of the companies arrived at the developing country or conflict zone with a huge underestimation of the situation at stake. Business diplomats saw other MNCs fail to provide enough resources such as qualified people, financials, skills and materials when encountering illegal groups, because most of the time those illegal groups tried to gain trust from the local community by encouraging those people against the company's project in the end. To sum it up, MNCs are recommended to prepare their principled leaders with relevant resources to master and prevent them from walking straight into the trap. If there is no proper preparation and support for business diplomats, process as well as outcome goals are very unlikely to be achieved which in turn leads to low levels of power and legitimacy and ends with very difficult to rescue investment and apparently, no future perspective.

Business diplomacy on the organizational level

Regarding sub-question four reading "To what extent are there any policies introduced within successful operating companies that address [diplomatic] relations with important stakeholders in developing countries and

conflict-prone zones?" most of the interviewed principled leaders did not give that clear information about how business diplomacy was enrooted in their companies, were it written or official documents. This had also to do with the size and vision of the respective company. Most of the principled leaders stated that they and all other employees understood company ethics and followed so-called guidance policy books or project-stakeholder-strategies, covering all practices in guiding the way in which they approached and maintained relations with all regulatory stakeholders. More in depth, those strategies and guidelines were there to build trust and effective communication representing two vital parts of business diplomacy. It happened also the other way around, meaning that foreign companies got involved in the local authorities' framework by complying with certain standards to get a license to operate.

Some MNCs were even more bound to external performance standards such as the International Finance Corporation Environmental and Social Performance Standards predefined by the United Nations. In fact, it was not always crystal clear how companies needed to implement those, so it was up to the business diplomats themselves to work it out the best and closest way possible. This is also related to one of the challenges that were mentioned before, namely being blocked from the government. In case business diplomats failed to comply with those rules and standards there was a probability that their license to operate vanished or that the company got sanctioned by the government or other higher authorities. Therefore, business diplomats are highly recommended to do research about possible regulations and policies that are expected to be complied with.

Tools of business diplomacy

Talking about tools of business diplomacy the following paragraph gives answers to the question “What tools do successful business diplomats use to seek for [diplomatic] relationships with relevant stakeholders in developing countries and conflict-prone zones?”.

From the interviews, it appeared that adopting and practicing a certain set of tools facilitated building new positive and long-term relationships with local authorities. In turn, it was a must for every company that strived to do business in developing countries and conflict related regions. Therefore, a variety of indispensable tools were mentioned by the interviewed principle leaders.

For one thing, MNCs mainly had educated, intelligent and open minded people employed in the vital positions. They spoke the business as well as foreign language and were familiar with the local habits. The ultimate goal was to employ principled leaders, who understood the foreign context and who could navigate from the communities through the state, to the market. This of course demanded for official trainings as part of an in-house training academy before business diplomats entered a new and unstable market.

For another thing, good reputation was mainly seen as an advantage, since having a good reputation facilitated access and proved reliability to clients as well as other stakeholders. The key of those MNCs to get a good reputation was the perfect quality of the company’s product or service that had been established successfully in other markets, like their home market for instance.

In contrast to that, one of the business diplomats reported that good reputation also had a

downside because it preceded his company and him as the one in charge while he entered the developing country or conflict related region. To put it differently, companies especially with a good reputation had to be careful when they worked on their network in the destination country, since people who knew the company already tried to use it to make money themselves. In the end, it rather helped to be unknown by locals to prove them how good the company’s business really was. To sum it up, the type and goal of each company influenced to what extent their good reputation was helpful in building up a new business in a complex and foreign context or not. The wish to create development and knowledge of the foreign business environment played here a crucial role too.

Using and dealing with public international media was mentioned as another important tool of business diplomacy. To include media channels into companies’ business processes had a positive effect on spreading around information about the business’ vision and achievements for example. What business diplomats always considered according to this tool was that media channels were difficult to control and did not always display the facts as they were in reality. Hence, using public media was an option but it usually depended on the type of business as well as on the foreign government and its regulations. Some companies even decided to deal with local hosts more personally, meaning to spread news and announcements around themselves instead of using public media channels. In this way, MNCs could share information more effectively in terms of building positive and long-term transparent relationships, than public local and international media channels would

have done. Eventually business diplomats were familiar with handling media channels and were backed up with an organized team of employees that were experienced in journalism to deal with those aspects appropriately.

One of the most supported tools regarding business diplomacy was showing true interest in co-developing the local people's life while launching a new venture in their specific area. To give an example, the company mentioned earlier that was supplying money destroying machines to its clients told their clients with good intentions that the country and its communities benefited from buying their machines in as much as it was taken care of the country's environment by sticking to their clean banknote policy. This in turn, resulted in having clean banknotes circulating in the host country which was also a good image for the country itself. In the end, all interviewees highlighted that their companies went abroad with a long-term goal and therefore catered for that local communities also got a piece of the business-pie generated from the resources that belonged to the community. Related to the data from the Edelman Trust Barometer mentioned earlier and interviewee stated that showing true interest in the people's and country's success is the beginning of the success-chain in as much as it built trust which in turn led to the fact that communities expect MNCs to act as surrogate governments where local governments fail. From trust business diplomats came to generate power as well as legitimacy, which in turn helped to achieve process and outcome goals and finally resulted in a business' success.

In addition to that, all principled leaders stayed in close contact with local mediators helping them to get necessary insights on the society's needs and possibilities with the side

effect of building trust among all project partners. Most principled leaders were flexible and used corporate social responsibility policies to engage and strengthen such relationships. In fact, employment of locals was created where possible, which in some cases resulted in a tripartite agreement between the company, the state security apparatus, and the local community. Regarding such an agreement, local stakeholders had the company's business and employees monitored and secured against any other threats such as illegal groups. So, it was a win-win situation for all three the MNC and the country and its people.

Finally, every business diplomat established an assisting stakeholder network that every business diplomat must forge to gain a foothold in the foreign country or region. Such a network of important string pullers helped to gain access to important other stakeholders and brought business diplomats in the vital position of knowing who was who, where the debate was going and whom to contact first to get the business successfully done. Part of that were of course so-called facilitation centers that smoothed business processes to a great extent. Such centers were vital assets helping business diplomats by informing them about the situation at stake, health issues, applying for the right visa and so forth. Working together with such a facilitation center of course saved time and a lot of money that companies would have invested in figuring out all these aspects by their own employees who might not have been experts in those fields.

Business diplomacy on the employee level

Business diplomacy on the employee level again depended on the history, size and sector the respective company had and was working in. Sub-question six reading “To what extent are there any employees especially assigned to deal with [diplomatic] relationships considering important stakeholders while launching a new venture or operating in developing countries and conflict-prone zones?” was answered with two main trends that appeared during the interviews:

(1) MNCs employed a moderate big team where tasks were divided by stakeholder groups on the one hand; and

(2) MNCs employed no more than one person who was responsible for a whole geographical area including all kinds of stakeholders.

Regarding the first trend, an interviewee explained that by assigning certain people to certain stakeholders one kept good and positive relationships with them very easily. Meaning one employee was dealing only with NGOs, another was handling public affairs, yet another one was announced the management issue advisor, and one employee was dedicated to deal with the press. Altogether, a collaboration within a team like this made every project a joint effort.

As opposed to this, there were also companies that followed the line of employing one person that was either called a regional manager, an environmental manager, a business developer or even the CEO working together with a local liaison officer instead of a whole team. One of the principled leaders shared this view by saying that this allowed a better transmission of the company’s aims and objectives in the project to the local community.

Business Diplomacy Framework Matrix

The business diplomacy framework matrix (see Table 5, p. 25) was developed in order to answer the last sub-question that reads “What can be learned from the experiences of business diplomats, who already conduct business diplomacy successfully in developing countries and conflict-prone zones?”. In particular, this paragraph reveals advices interviewees gave regarding the topic that were not directly covered by the main interview questions. Each advice is a type of analysis ascribed and an associated action.

One of the first things that future business diplomats should do is checking the following aspects by conducting two but related types of analysis. On the one hand business diplomats should perform a PESTLE analysis, meaning to investigate the host country’s politics, economy, society, technology, legal framework and environment. Part of that are for example to make sure all employees get an official training on the host country’s language, habits, history, sports, religion, food. Further, and especially related to the environment business diplomats must ensure that all employees working in the developing country or conflict-prone zone are familiar with the conflict setting. This includes abduction training and diplomatic behavior lessons for example.

Then as a next step is was recommended to conduct a SWOT analysis, where strengths, weaknesses, opportunities and threats of the developing country or conflict region should be investigated. The SWOT analysis encompasses an evaluation of the company’s business risk, a list with all relevant stakeholders and how they can contribute to the company’s assisting network, a definition of the company’s business goal, followed by the

positive impacts the company brings with it for the host country and its people. All these steps are essential for a flawless preparation that precludes all possible obstacles regarding the company's business success.

After that, business diplomats should have a good understanding of what is to be expected from the launching of the new venture in the respective foreign setting. Being in the picture of whom business diplomats have to deal with and what the aspects, regulations and standards are that they have to obey then includes taking care of the legal aspects, right visas and health issues for employees. Having established the company's assisting network business diplomats should draw on state-owned or private security services located in the host country or region to assure the employees safety at all times. Following that, interviewees recommended to apply a value-chain-approach, meaning that business diplomats who are in charge of the company's operation should be aware of who their business partners, suppliers and customers are. In doing that business diplomats grant transparency to all involved stakeholders and can be sure that the whole process proceeds according to all regulations as well as to the International Anti-Corruption and Anti-Bribery Act. In the end, business diplomats can do business without having the fear of running into any hidden accusations or lawsuits.

To sum it up, the main research question reading "How do principled leaders manage their company's business successfully by conducting business diplomacy in developing countries and conflict-prone zones?" can be answered by a composition of all aspects above. In other words, successful principled leaders were prepared and researched the company's

new venture setting to minimize risks and maximize opportunities. The Business Diplomacy Framework Matrix is a first step and at the same time a checklist towards the right direction of launching a new venture in developing countries and conflict related regions. Especially the complexity and the unfamiliarity of the foreign setting makes it so important to prepare and get the necessary knowledge of all the do's and don'ts to be successful in the end.

The next chapter provides a conclusion accompanied by recommendations for future research on business diplomacy in the context of developing and conflict region.

Table 5: The Business Diplomacy Framework Matrix

Type of analysis	Action
PESTLE analysis → Socio-cultural factors covered → Preparation	✓ Make sure all employees get an official training on the target country/zone (including language, habits, history, sports, religion, food)
PESTLE analysis → Political, Economic, Socio-cultural, Technological, Legal, and Environmental factors covered → Preparation	✓ Make sure all employees are familiar with the conflict setting
PESTLE analysis → Socio-cultural factors covered → Preparation	✓ Make sure all employees behave in a diplomatic way regarding stakeholders
SWOT analysis -> Threats -> Preparation	✓ Make an evaluation of the company's business risks when launching a new venture in the target country/zone
SWOT analysis → Opportunities and Threats → Network	✓ Perform a stakeholder analysis
SWOT analysis → Strengths	✓ Define the company's goal with launching this new venture (Short-term or Long-term perspective?)
SWOT analysis → Opportunities	✓ Define positive impacts the company's work might have for the target country/zone
SWOT analysis → Opportunities → Network	✓ Contact the company's own government/embassies for information and support
SWOT analysis → Opportunities → Network	✓ Contact people/companies/authorities related to your industry in the target country/zone
SWOT analysis → Threats → Preparation	✓ Make a list of competitors who are also active in the target country/zone
SWOT analysis → Opportunities → Network	✓ Contact people/companies/authorities associated with legal matters in the target country/zone
SWOT analysis → Opportunities → Network	✓ Contact people/companies/authorities regarding immigration in the target country/zone
PESTLE analysis → Legal factors covered → Preparation	✓ Make sure all employees have the right visa
PESTLE analysis → Legal factors covered → Preparation	✓ Make sure all employees are provided with the right health matters (e.g. vaccinations)
SWOT analysis → Opportunities -> Network	✓ Contact security services (state-owned or private)
Business design	✓ Apply a value-chain-approach to grant transparency to all involved stakeholders
PESTLE analysis → Political and Legal factors covered → Preparation	✓ Comply with the International Anti-Corruption and Anti-Bribery Act

Conclusion and future research

Conclusion

The nine business diplomats, who all worked for MNCs, investigated and practiced business diplomacy to different extents. It is to say that data from the interviews with business diplomats from different MNCs revealed that business diplomacy is inevitable these days for MNCs to apply especially when launching ventures in developing countries or conflict-prone zones. Furthermore, data helped to answer all sub questions and the main research question by developing the Business Diplomacy Framework Matrix. In theory, the matrix encompasses all necessary steps that business diplomats must take care of before the actual launching happens. From experiences of the interviewees it was found that principled leaders counteracted certain challenges and managed their company's their stakeholder needs and demands by conducting business diplomacy. Performing business diplomacy and using its tools provided them with soft power and hence with a legitimate license to operate in the respective developing country and conflict region. Again, gaining soft power and a legitimate license to operate clear the way for smooth proceeding process goals and outcome goals of the company with its stakeholders. And finally, this resulted in a successful performance of the MNCs with a minimized business risk and a possibility to establish a positive and long-term relationship in the host country.

In summary, it can be stated that developing countries and conflict-related regions were and still are indeed promising destinations for MNCs who plan on expanding their business. Anyway, such a setting is not comparable with European markets and invokes not to

underestimate it, calling to consider the Business Diplomacy Framework Matrix.

Future research

For the present study, semi-structured telephone interviews have been conducted. Using the grounded theory, made it possible to explore on the existing concept of business diplomacy by adding data of business diplomats in a totally untouched setting, namely developing countries and conflict-prone zones. Data and permission to disclose information about the MNCs were limited to the extent that no names and in turn no in-depth knowledge of specific cases could be revealed.

Future research should pay attention to confirm those experiences and steps outlined in the Business Diplomacy Framework Matrix. This can be done by researching a wider array of MNCs who are active developing countries and conflict related regions. Furthermore, surveys or interviews with actual stakeholders of foreign investing MNCs offer relevant insights and understandings of what might be expected from those companies in particular. This might serve as an eye-opener to business diplomats who failed to launch a new venture in such a complex setting.

Apart from that, it is recommended to build an assisting network for the researchers of this topic on the one hand and offer the possibility also to MNCs who are interested in learning about business diplomacy. This can be realized by means of a World café, where MNCs are invited next to government officials, NGO representatives, and other stakeholders.

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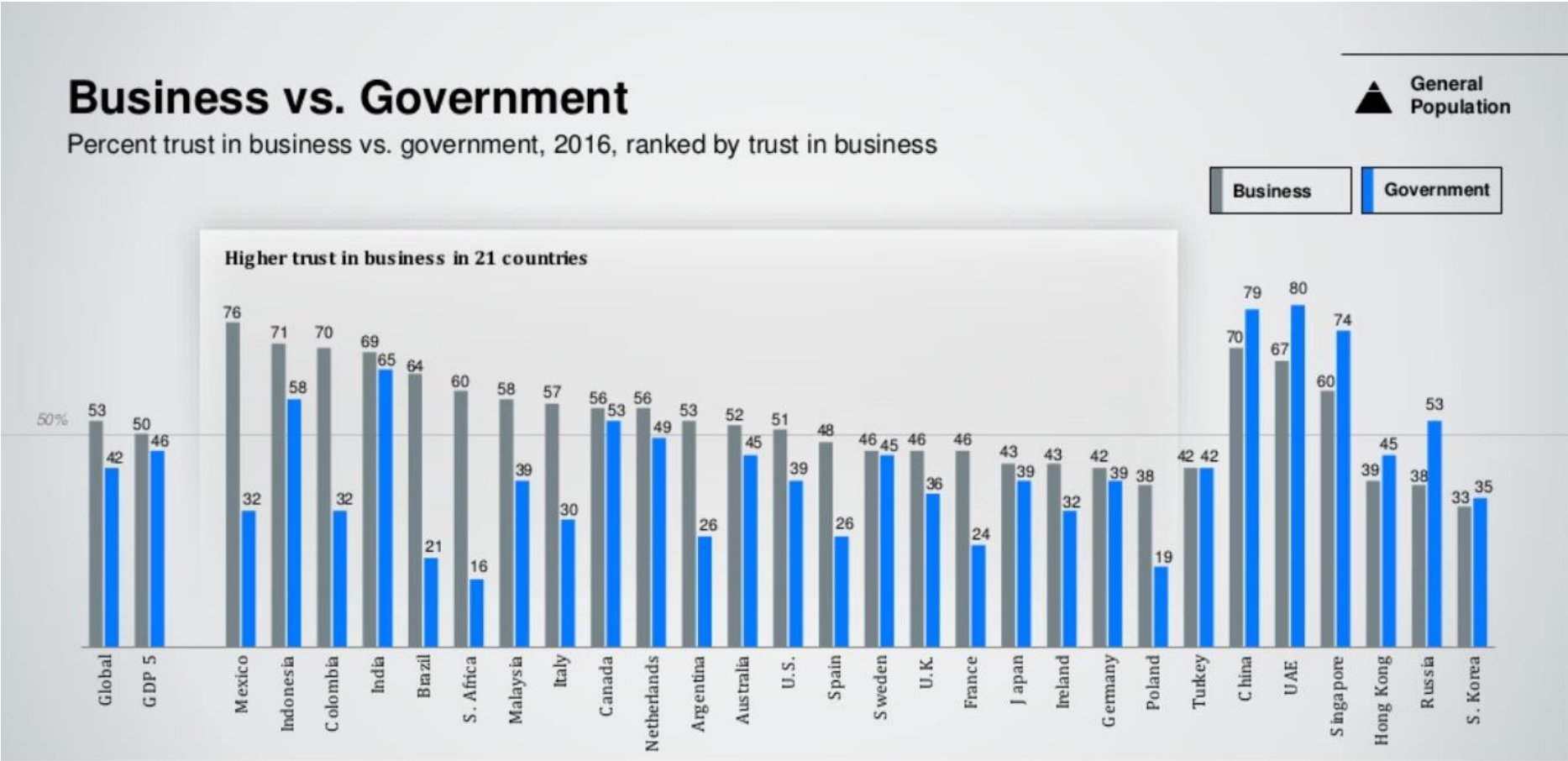
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Appendix

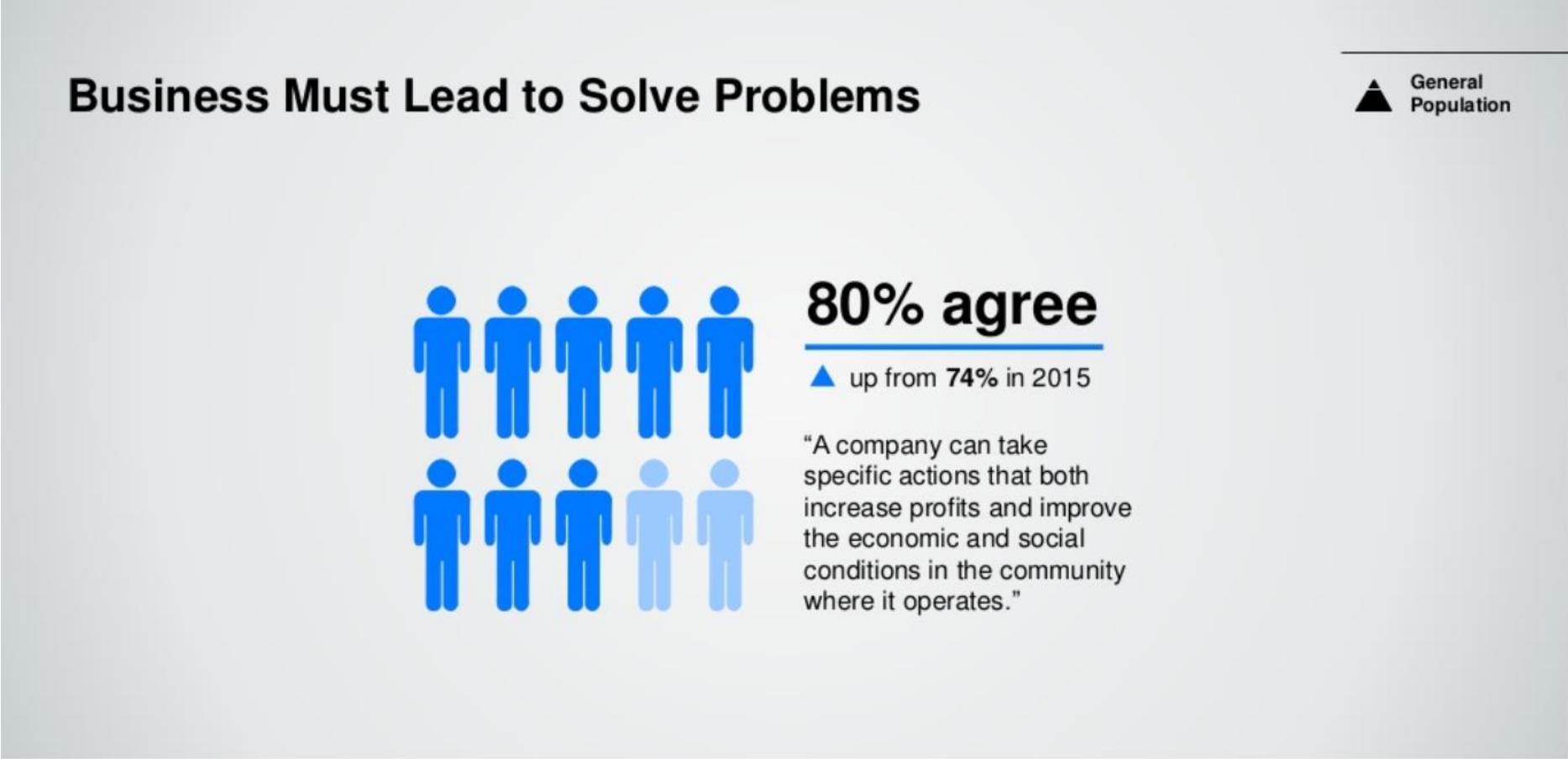
Figure 1: Business vs. Government, percent in trust



Source: 2016 Edelman Trust Barometer Q11-14. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal." (Top 4 Box, Trust) General Population, 28-country global total.

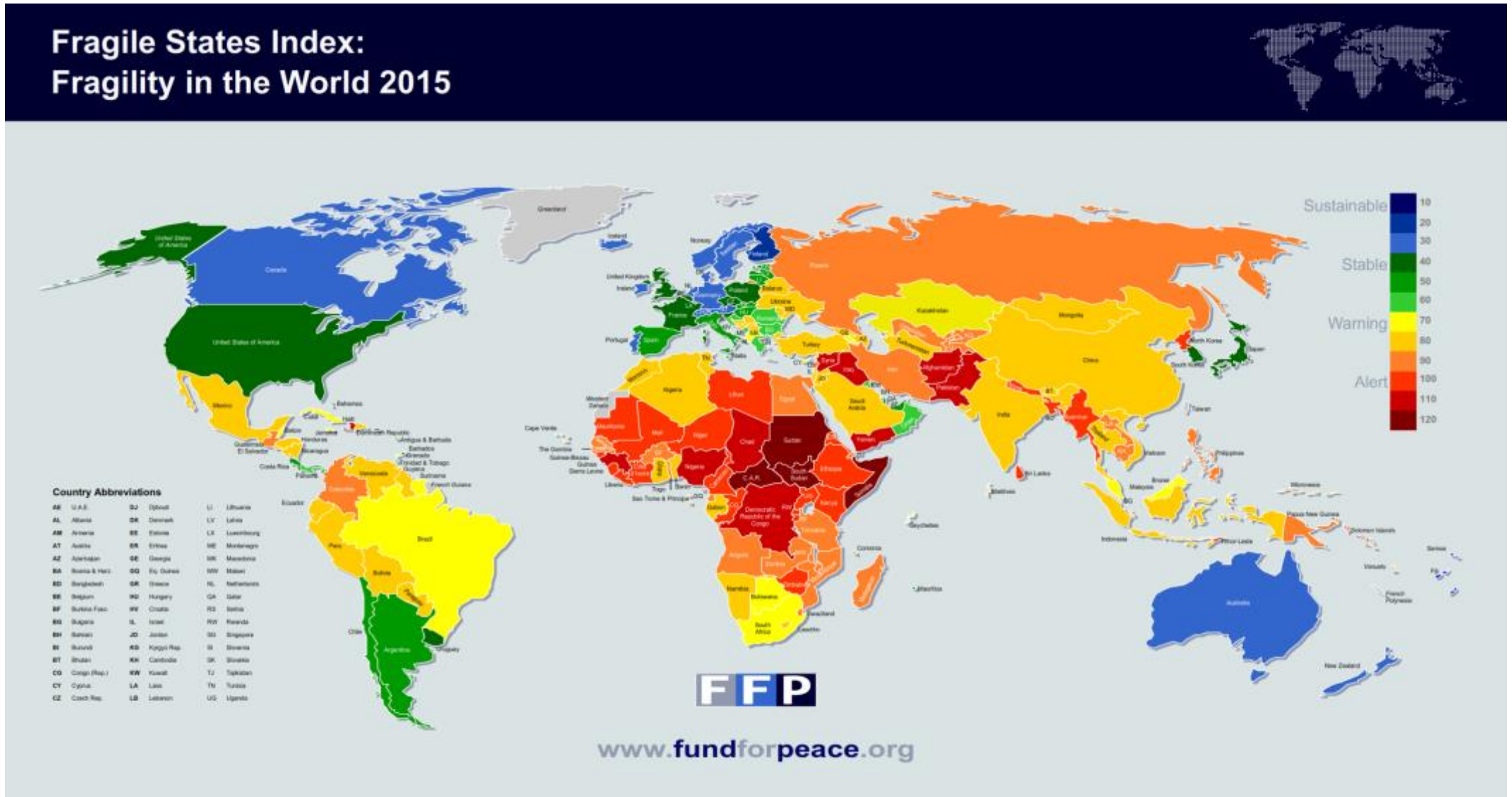
GDP 5 = U.S., China, Japan, Germany, U.K.

Figure 2: Business must lead to solve problems



Source: 2016 Edelman Trust Barometer Q249. Please indicate how much you agree or disagree with the following statement? (Top 4 Box, Agree). General Population, 27-country global total, question asked of half the sample.

Figure 3: Fragile States Index 2015



Source: Fund for peace (2015). Retrieved 21.05.2016 from: http://fsi.fundforpeace.org/map/2015heatmap_sml.png

Table 1: Current Peacekeeping Operations of the United Nations

Mission	Established in
<i>The Middle East und Maghreb</i>	
UN Truce Supervision Organization	May 1948
UN Interim Force in Lebanon	March 1978
UN Mission for the Referendum in Western Sahara	April 1991
UN Disengagement Observer Force	June 1974
<i>Asia and Oceania</i>	
UN Military Observer Group in India and Pakistan	January 1949
<i>Europe</i>	
UN Peacekeeping Force in Cyprus	March 1964
UN Interim Administration Mission in Kosovo	June 1999
<i>Sub-Saharan Africa</i>	
UN Mission in Liberia	September 2003
UN Operations in Côte d'Ivoire	April 2004
African Union-United Nations Hybrid Operation in Darfur	July 2007
UN Organization Stabilization Mission in the Democratic Republic of the Congo	July 2010
UN Interim Security Force for Abyei	June 2011
UN Mission in the Republic of South Sudan	July 2011
UN Multidimensional Integrated Stabilization Mission in Mali	March 2013
UN Multidimensional Integrated Stabilization Mission in the Central African Republic	April 2014
<i>The Americas</i>	
UN Stabilization Mission in Haiti	June 2004

Source: United Nations (2016). UN Peacekeeping Operations Fact Sheet. Retrieved June 1st, 2016.
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Table 2: Conflicts around the globe

Global Conflicts	
	Critical impact
Taliban in Afghanistan	Since 1978
Civil War in Syria	Since 2011
Territorial disputes in the South China Sea	
Tensions in the East China Sea	
North Korea Crisi	
War against IS in Iraq	Since 2003
Civil War in Libya	Since 2011
	Significant impact
Islamist militancy in Pakistan	
Sectarian conflict in Lebanon	
Islamist militancy in Egypt	Since 2011 ?
Conflict in Ukraine	Since 2014
Kurdish – Turkish Conflict	Since 1984
Criminal violence in Mexico	Since 2006
Israeli-Palestinian conflict	Since 1964
Boko Haram in Nigeria	Since 2009
Conflict between India and Pakistan	Since 1974 (Kashmir conflict)
War in Yemen	Since 2011
War in North-West Pakistan	Since 2004
	Limited impact
Nagoron-Karabakh conflict	Since 1988
Destabilization of Mali	Since 2012
Violence in the Central African Republic	
Violence in the Democratic Republic of Congo	Since 1996
Sectarian violence in Myanmar	Since 1948
Civil War in South Sudan	Since 2013
Islamist Militancy in Russia	Since 2009
Al-Shabab in Somalia	
Uighur conflict in China	
Political crisis in Burundi	Since 2015
Balochistan conflict	Since 1948 (Pakistan-Iran)
South Thailand insurgency	Since 1960
Insurgency in Northeast India	Since 1963
Colombian conflict	Since 1964
Naxalite-Maoist insurgency (India)	Since 1967
CPP-NPA-NDF rebellion (Philippines)	Since 1969
Moro conflict (Philippines)	Since 1969
Sectarianism in Pakistan	Since 1989
Xinjiang conflict (China)	Since 1989
Oromo conflict (Ethiopia)	Since 1992
Ogaden insurgency (Ethiopia)	Since 1995
Communal conflicts in Nigeria	Since 1998

Insurgency in the Maghreb (Algeria –Tunisia)	Since 2002
War in Darfur (Sudan)	Since 2003
Kivu conflict (DRC – Burundi)	Since 2004
Sudanese nomadic conflicts (Sudan-South Sudan-Ethiopia)	Since 2009
Turkey-ISIL conflict	Since 2015
Arab separatism in Khuzestan (Iran)	Since 1922
Kurdish separatism in Iran	Since 1946
West Papua conflict (Indonesia)	Since 1963
Cabinda War (Angola)	Since 1975
Internal conflict in Peru	Since 1980
LRA insurgency (DRC-CAR-South Sudan)	Since 1987
Internal conflict in Bangladesh	Since 1989
Second Afar insurgency (Eritrea-Ethiopia)	Since 1995
Ituri conflict (DRC)	Since 1999
Syrian civil war spillover in Lebanon	Since 2011
RENAMO insurgency (Mozambique)	Since 2013
ISLI insurgency in Tunisia	Since 2015

Source: Council Foreign Relations (2016). Global Conflict Tracker. Retrieved May 30th, 2016. From: <http://www.cfr.org/global/global-conflict-tracker/p32137#!/>

And

Wikipedia (2016). List of ongoing armed conflicts. Retrieved May 30th, 2016. From: https://en.wikipedia.org/wiki/List_of_ongoing_armed_conflicts

Table 3: Foreign Direct Investment (net inflows → BoP, current US\$)

Country	Foreign Direct Investment				
	2011	2012	2013	2014	
South Sudan	-	-	(-)78,000,000	(-)700,000,000	decreasing
Somalia	102,000,000	107,330,000	107,110,000	105,500,000	increasing or stable
Central African Republic	36,908,456	70,035,157	1,852,793	3,475,008	decreasing
Sudan	2,313,694,286	2,311,460,740	1,687,884,179	1,251,280,889	decreasing
Congo (D. R.)	-90,875,696	-420,534,934	-400,663,272	-343,601,083	increasing or stable
Chad	281,900,000	342,800,000	538,400,000	760,500,000	increasing or stable
Yemen	-517,842,928	-14,239,188	-133,570,896	-738,028,979	decreasing
Syria	-	-	-	-	
Afghanistan	57,620,844	61,525,860	39,663,686	48,756,005	increasing or stable
Guinea	956,040,000	130,000	3,250,000	566,000,000	increasing or stable
Haiti	119,000,000	156,000,000	160,377,879	99,000,000	decreasing
Iraq	2,082,000,000	3,400,000,000	5,131,200,000	4,781,800,000	increasing
Pakistan	1,326,000,000	859,000,000	1,333,000,000	1,778,000,000	increasing
Nigeria	8,841,113,287	7,069,934,205	5,562,873,606	4,655,849,170	decreasing
Cote d'Ivoire	301,577,299	330,274,412	407,476,278	462,038,433	increasing
Zimbabwe	387,000,000	399,500,000	400,000,000	544,800,000	increasing
Guinea Bissau	25,024,047	6,624,917	19,639,704	21,459,644	increasing or stable
Burundi	3,354,999	604,920	6,884,807	-	increasing
Niger	8,841,113,287	7,069,934,205	5,562,873,606	4,655,849,170	decreasing
Ethiopia	626,509,560	278,562,822	953,000,000	1,200,000,000	increasing
Kenya	139,862,091	163,410,210	371,846,696	944,327,305	increasing
Liberia	1,312,748,380	646,600,000	700,267,800	362,967,566	decreasing
Uganda	894,293,858	1,205,388,488	1,096,000,000	1,146,560,083	increasing or stable
Eritrea	39,000,000	41,358,137	43,858,858	46,510,786	increasing
Libya	-	1,425,000,000	702,000,000	50,000,000	decreasing
Mauritania	588,749,564	1,386,098,851	1,126,004,760	501,852,411	decreasing

Myanmar	2,519,813,313	1,333,856,137	2,254,603,965	1,398,232,002	decreasing
Cameroon	652,411,756	527,394,101	547,249,169	501,200,000	decreasing
North Korea	-	-	-	-	
Mali	556,147,162	397,865,237	307,853,389	198,927,339	decreasing
Sierra Leone	950,477,689	742,063,945	376,923,661	690,349,249	increasing or stable
Bangladesh	1,264,725,163	1,584,403,460	1,905,802,911	2,496,935,633	increasing
Congo (Republic)	2,179,856,146	2,151,894,023	2,913,934,094	5,502,260,247	increasing
Sri Lanka	955,920,000	941,116,591	932,551,318	944,246,587	increasing or stable
Timor-Leste	49,058,169	40,382,444	55,857,106	33,905,492	decreasing
Nepal	94,022,157	91,996,607	74,244,987	5,830,069	decreasing
Rwanda	106,210,000	159,814,905	257,642,420	291,726,096	increasing
Egypt	-482,700,000	2,797,700,000	4,192,200,000	4,783,200,000	increasing
Burkina Faso	143,657,309	329,300,899	490,264,068	341,898,203	increasing or stable
Djibouti	79,000,231	109,998,256	286,004,468	152,998,239	increasing or stable
Angola	-3,023,770,966	-6,897,954,559	-7,120,017,424	1,921,699,719	increasing
Lebanon	3,490,150,694	3,169,656,065	2,879,838,137	2,953,635,487	decreasing
Cambodia	795,460,489	1,440,978,035	1,345,044,252	1,730,355,930	increasing
Iran	4,276,718,690	4,661,734,400	3,049,945,000	2,105,494,000	decreasing
Mozambique	3,663,937,118	5,635,092,659	6,697,422,432	4,998,799,334	increasing or stable
Malawi	1,128,341,392	-52,302,532	634,708,256	715,693,148	increasing or stable
Togo	727,757,281	121,518,516	195,754,580	292,085,515	decreasing or stable
Philippines	2,007,150,725	3,215,415,155	3,737,371,740	6,202,380,556	increasing
Swaziland	93,211,829	89,720,141	29,442,304	26,584,894	decreasing
Solomon Islands	120,052,793	23,881,499	53,434,351	21,022,030	decreasing
Gambia	36,178,721	33,524,809	37,635,270	28,404,021	decreasing
Uzbekistan	1,635,145,064	563,040,470	686,036,031	751,433,911	decreasing
Zambia	1,108,500,000	1,731,500,000	2,099,800,000	1,507,800,000	increasing
Equatorial Guinea	1,975,000,000	2,015,000,000	1,914,000,000	1,933,000,000	decreasing

Laos	300,743,507	294,375,016	426,667,686	720,840,000	increasing
Madagascar	738,462,649	810,503,139	566,545,550	350,695,431	decreasing
Tajikistan	67,496,200	198,280,200	-54,166,500	260,785,960	increasing
Papua New Guinea	-309,831,004	-63,782,356	18,222,240	-30,389,395	increasing
Comoros	23,088,176	10,375,786	9,456,724	14,028,710	decreasing
Senegal	338,218,819	276,175,403	311,278,297	342,650,072	increasing
Colombia	14,647,755,354	15,039,372,277	16,208,664,127	16,151,013,402	increasing
Kyrgyz Republic	693,528,000	292,663,900	757,642,400	210,512,100	decreasing
Tanzania	1,229,361,018	1,799,646,137	2,087,261,310	2,044,550,443	increasing
Guatemala	1,139,659,133	1,263,638,429	1,353,141,908	1,204,670,350	increasing or stable
Russia	55,083,632,500	50,587,554,700	69,218,898,709	22,890,510,447	decreasing
Lesotho	61,173,319	56,648,555	50,429,031	46,521,786	decreasing
Algeria	2,571,237,025	1,500,402,453	1,691,886,708	1,504,685,496	decreasing
India	36,498,654,598	23,995,685,014	28,153,031,270	33,871,408,468	increasing or stable
Israel/West Bank	8,727,600,000	8,467,600,000	12,448,100,000	6,738,000,000	decreasing
Georgia	861,327,476	425,891,698	705,357,085	1,647,343,208	increasing
Thailand	2,468,144,240	12,894,549,139	15,822,132,057	3,718,726,247	increasing
Nicaragua	936,300,000	767,658,534	815,500,000	883,500,000	decreasing or stable
Benin	161,091,309	281,564,661	360,240,965	377,358,669	increasing
Bhutan	31,141,615	24,380,674	49,784,378	8,379,987	decreasing
Venezuela	3,889,000,000	2,199,000,000	6,927,000,000	-	increasing
Honduras	1,042,571,021	1,067,550,208	1,069,029,263	1,294,065,691	increasing
Bolivia	858,941,070	1,059,965,391	1,749,612,614	72,595,677	decreasing
Turkmenistan	3,391,100,000	3,129,600,000	3,076,000,000	3,163,500,000	decreasing
Bosnia	471,610,992	391,976,946	336,758,906	496,764,251	increasing
Azerbaijan	4,485,120,000	5,293,250,000	2,619,437,000	4,430,466,000	increasing or stable
Jordan	1,473,521,127	1,497,323,944	1,748,569,035	1,760,422,535	increasing
Fiji	416,719,478	267,146,323	158,212,691	278,909,582	decreasing

China	280,072,219,150	241,213,868,161	290,928,431,467	289,097,181,064	increasing
Ukraine	7,207,000,000	8,175,000,000	4,509,000,000	847,000,000	decreasing
Ecuador	643,709,359	567,035,301	732,016,206	773,101,946	increasing
Tunisia	432,666,012	1,554,269,129	1,058,622,582	1,004,668,149	increasing
Belarus	4,002,400,000	1,463,600,000	2,246,100,000	1,862,000,000	decreasing
Indonesia	20,564,938,227	21,200,778,608	23,281,742,362	26,349,225,591	increasing
Morocco	2,521,362,081	2,841,954,371	3,360,909,924	3,582,296,219	increasing
Turkey	16,176,000,000	13,282,000,000	12,457,000,000	12,765,000,000	decreasing
Maldives	423,530,664	227,976,867	360,816,336	363,269,189	decreasing or stable
Serbia	4,929,898,533	1,276,100,599	2,059,702,251	1,999,520,402	decreasing
Sao Tome & Principe	32,152,349	22,471,527	5,782,345	27,098,307	decreasing or stable
Micronesia	-400,946	453.160	1,892,007	800.000	increasing
Cape Verde	102,224,984	137,096,308	93,377,246	132,441,073	increasing
Moldova	347,930,000	282,580,000	290,460,000	349,930,000	increasing or stable
Vietnam	7,430,000,000	8,368,000,000	8,900,000,000	9,200,000,000	increasing
Peru	7,664,946,687	11,917,886,685	9,297,768,037	7,884,539,124	increasing or stable
Ghana	3,247,588,000	3,294,520,000	3,227,000,000	3,363,389,444	increasing
Mexico	23,328,272,040	19,491,663,030	44,885,843,190	24,154,173,750	increasing
Saudi Arabia	16,308,280,000	12,182,373,333	8,864,693,333	8,011,786,667	decreasing
El Salvador	122,500,004	447,709,564	242,345,997	474,801,761	increasing
Paraguay	447,766,667	745,400,000	74,000,000	523,250,000	increasing
Gabon	696,000,000	832,473,111	967,532,993	972,866,924	increasing
Dominican Republic	2,197,500,000	3,415,900,000	1,599,900,000	2,385,300,000	increasing
Namibia	712,307,885	595,211,781	-558,328,983	493,302,263	decreasing
Guyana	246,800,000	277,910,000	200,558,390	237,750,049	decreasing
Armenia	653,219,756	496,636,701	379,854,997	404,344,951	decreasing
Suriname	145,288,761	124,348,749	137,463,325	-209,526,323	decreasing
Kazakhstan	13,760,291,529	13,648,134,374	9,946,760,285	7,597,703,264	decreasing
Samoa	8,984,743	13,887,919	24,179,519	22,838,888	increasing

Cuba	-	-	-	-	
South Africa	4,139,289,123	4,626,029,122	8,232,518,816	5,740,650,679	increasing
Cyprus	2,078,721,742	1,233,052,957	3,765,400,619	861,137,244	decreasing
Malaysia	15,119,371,191	8,895,774,251	11,296,278,696	10,608,698,827	decreasing
Belize	95,348,525	194,201,409	92,247,731	141,097,030	increasing
Jamaica	172,757,165	413,333,448	591,928,347	595,111,532	increasing
Macedonia	507,920,733	337,911,248	402,458,310	60,879,915	decreasing
Bahrain	780,851,064	891,223,404	988,829,787	957,712,766	increasing
Grenada	42,648,184	31,489,863	74,688,413	40,439,427	decreasing
Brunei	691,170,275	859,061,565	775,641,999	567,889,727	decreasing
Botswana	1,092,802,291	147,058,313	188,606,246	393,180,125	decreasing
Brazil	71,538,657,409	76,110,663,189	80,842,996,727	96,895,162,916	increasing
Seychelles	143,240,665	613,208,776	57,288,923	108,307,072	decreasing
Albania	1,049,425,306	920,080,650	1,253,783,309	1,149,384,241	increasing

Source: The World Bank Group (2016). Retrieved May, 23rd 2016. From:
<http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD>

Table 4: questions and categories related to semi-structured interviews

INTERVIEW QUESTIONS	CATEGORIES	COLOUR
What are your experiences about how your company gets involved developing countries and conflict-prone zones?	General situation in foreign context	Blue
Have you ever heard before of the concept of business diplomacy? Or to put it differently, does your company deal with foreign stakeholders consciously to build up positive long-term relationships?	General situation in foreign context	Blue
What are the main stakeholders you deal with when doing business in developing countries and conflict-prone zones?	Main stakeholders	Yellow
What are the main challenges or issues while working for your current company in developing countries and conflict-prone zones?	Main challenges	Red
Are there any policies (e.g. stakeholder management strategy) introduced within your company that address [diplomatic] relations with foreign authorities?	Business diplomacy on the organizational level	Purple
What tools are important for a company to apply when seeking a [diplomatic] solution with local stakeholders in developing countries and conflict-prone zones?	Tools of business diplomacy	Green
Are there any special employees assigned to deal with [diplomatic] relations considering foreign authorities when your company operates in developing countries and conflict-prone zones?	Business diplomacy on the employee level	Orange
In the end, you are free to add something about the topic “Business Diplomacy: The elucidation to ease companies’ business risk in developing countries and conflict-prone zones” that was not covered by the questions posted before, but that you still find important to tell.	Other	Magenta

Source: invented by the author of this thesis

