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Business Diplomacy in Practice: A Grounded Theory Study in Management Among Professional Diplomats

A dissertation presented in partial fulfilment of the requirements for the degree of

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in
Management

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Fahad Alammar

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Abstract

**Background**: How can diplomacy contribute to the success of businesses and to better management and business practices in today’s complex and interconnected world? Diplomacy has been associated with business and commercial activities for thousands of years. However, due to the modern events of globalisation and increased geopolitical risks facing businesses, management scholars have been looking at the concept of diplomacy and have tried to apply it to management and organisational settings.

**Aims and Significance**: Despite the growing attention to business diplomacy, the literature remains limited and lacks clear empirical research that provides a practical understanding and conceptualisation of this subject. Therefore, this study looks at diplomacy from managers’ and diplomats’ perspectives in relation to business and management. Diplomacy continues to evolve in its practices, skills, and policies, and so do today's businesses. Investigating the range of professional diplomats’ responsibilities and knowledge could give managers and management researchers an understanding of the intricate complexity of the diplomat's task, which will enhance their own work. This research aims to address this issue by answering the question: *How do professional diplomats, in businesses and governments, understand business diplomacy? And what are the key elements associated with business diplomacy in practice?* The research objective is to examine the role of diplomacy in business and management and to investigate its related core elements that can help businesses and managers be successful in today’s business environment.

**Method**: To address this issue, an interpretative-exploratory study was conducted using the Straussian grounded theory approach. Using semi-structured interviews as the data collection method, twenty-one official diplomats, CEOs, businesspeople, and managers from both the private and public sectors were interviewed. Participants were asked to describe their understanding of diplomacy and what constitutes its basic elements and practice.
Findings: The study found that business diplomacy is a process of multiple integrated qualities. In particular, the findings indicate that business diplomacy is the capability to professionally and systematically manage and influence multiple stakeholders, as well as the operating environment, to advance business interests and to create favourable conditions for the firm. Consequently, the theory of Multi-Stakeholder Managing and Influencing (MSMI) in business diplomacy was developed that offers new insights into the area. MSMI suggests that business diplomacy is achieved through the integration of multiple qualities, namely: interaction and engagement, core knowledge competencies (CKC), multi-perspective consideration, and power-authority building (PAB). MSMI also suggests that these qualities are closely interrelated and co-dependent on each other.

Conclusions: The findings of this study contribute to our developing a scholarly understanding of business diplomacy, its meaning in practice, and what constitutes its core elements. As one of the earliest empirical studies in business diplomacy, this study broadens and deepens our views by offering new insights and theory. The findings contribute theoretically and practicably to the body of knowledge by suggesting that business diplomacy constitutes multiple qualities, is recognised and valued by participants, and is found to create long-term value for businesses. This has implications for businesses and universities as it encourages them to incorporate business diplomacy as a strategic tool to be learned and practiced at the organisational level. This study serves as a starting point for further empirical research in business diplomacy, and future researchers are encouraged to carry out larger-scale studies on different populations and industries to replicate and validate the theory.
Acknowledgements

When I arrived in New Zealand back in 2007 as a scholarship student from Saudi Arabia to study for my bachelor degree, my plan was to finish it and go back home. I never thought or dreamed, that in 2017, and after 10 years, I will be completing my PhD. This journey has been a rewarding and life-changing experience for me and was only made possible through the help and supports I received along the way.

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For non-English speakers, I would like to translate my acknowledgement to them.

Fahad Alammar
Auckland, New Zealand – December 2017
شكراً وتقدير

عندما وصلت إلى نيوزيلندا في عام 2007 كطالب مبتدأ من السعودية لدراسة درجة الدكتوراه، كانت خطتين هي التخرج والعودة للوطن. لم أفكر أو حتى أحلم، أنه في عام 2017، وبعد 10 سنوات، سوف أكون قد أكملت رسالة الدكتوراه. كانت هذه التجربة مجزية ورحلة غيرت حياتي، ولم تكن للتحقيق إلا من خلال المساعدة والدعم الذي تلقيته على طول الطريق.

أود أن أشكر أولًا وأقبل كل شيء الذي الراحل محمد العمر، الذي كان معلماً بالنسبة لي، والذي غرس بداخلني نذر جدب العلم والمعرفة. أود أن أشكر والدي، لطفية الصبيحي، التي ربتني ورعنتي وعلمتني قيم التسامح واحترام الآخرين وكان عليه أن تعاني غيابي المتقطع لمدة 10 سنوات. كل التقدير كذلك لأخواتي وأخواتي لمساعدتهم ودعمهم خلال هذه الرحلة.

أود أن أشكر زوجتي، إيمان السويد، لوجودها معي خلال كل تلك السنوات ودعمها لي. شكراً على وجودك بيضاني ودعمي وعلى رعايتي إبنتي، التي أضاء حياتنا، والذي كان دائماً يقطع عملي بعمرته المعتادة.

Can you play with me now Daddy?

أود أن أتوجه بالشكر الخاص إلى مدير برنامج الدكتوراه: د. فهد العزيز، الذي اعتبره صديق ومعلم، والذي دفعني إلى خارج منطقة الراحة للكتابة والنشر والطموح للأفضل. أنا مدين لرحلته إلى البداية، حيث أستطيع أن أذكر يوماً لا يوجد فيه رأسوني في نفس اليوم على الرغم من كثرة سفره وانشغاله.

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أود أن أشكر الملك الراحل عبد الله بن عبد العزيز مؤسس برنامج خادم الحرمين الشريفين للابتعاث الخارجي والمسؤول عن إعطاء أكثر من 250 ألف طالب/ة سعودي في جميع أنحاء العالم، ويشتري أنى كنت وأنا بهدف ترحيبه الذي تمثل بتقنية أكبر للطموح العربي السعودي. وأود أيضاً أن أشكر حكومة المملكة العربية السعودية، والملحقية الثقافية السعودية في نيوزيلندا، على دعمهم ومساندتهم المتواصلة.

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فهد محمد العمر
 haired - نيوزيلندا

ديسمبر 2017
Notice and List of Publications

During the time of doing my PhD, I have co-published several papers in journals, business magazines, and conferences. The contents of these publications came primarily from this dissertation. As a result, similarities may be observed between it and the other promulgated work. While I did my best to re-phrase and reference my co-published work, some might still notice a few similarities. The publications are listed below and are referenced throughout this dissertation where needed:

**Journal and Magazine Articles:**


Conference Presentations and Symposia:


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