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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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New Zealand.

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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

## شكر وتقدير

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

أود أن أشكر أولاً وقبل كل شيء والدي الراحل محمد العمار، الذي كان معلماً بالنسبة لي، والذي غرس بداخلي بذور حب العلم والمعرفة. أود أن أشكر والدتي، لطيفة الصبيحي، التي ربنتني ورعتني وعلمتني قيم التسامح واحترام الآخرين وكان عليها أن تعاني غيابي المتقطع لمدة 10 سنوات. كل التقدير كذلك لإخواني وأخواتي لمساعدتهم ودعمهم خلال هذه الرحلة.

أود أن أشكر نصفي الآخر، زوجتي، إيمان السويد، لوجودها معي خلال كل تلك السنوات ودعمها لي. شكراً على وجودك بجانبني ودعمي وعلى رعاية إبننا، إلياس، الذي أضاء حياتنا، والذي كان دائماً يقطع عملي بعبارة المعتادة:

Can you play with me now Daddy?

أود أن أتوجه بالشكر الخاص إلى مشرفي الرئيسي، البروفيسور ديفيد بولين، الذي اعتبره صديق ومعلم، والذي دفعني إلى خارج منطقة الراحة للكتابة والنشر والطموح للأفضل. أنا مدين لإرشاداته البناءة على كتاباتي وحياتي الأكاديمية. لا أستطيع أن أتذكر يوماً لم يرد فيه على رسائلي في نفس اليوم على الرغم من كثرة سفره وانشغاله.

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فهد محمد العمار  
اوكلاند - 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:

- 1- Alammar, F. M (2018, March 6). Digital diplomacy: How New Zealand can better sell itself. *Stuff.co.nz*. Retrieved from <https://www.stuff.co.nz/national/politics/102002297/digital-diplomacy-how-new-zealand-can-better-sell-itself>
- 2- Alammar, F. M. (2017, July). Why businesses need diplomacy. *New Zealand Management Magazine*, 31(6), 5. Retrieved from <https://management.co.nz/magazine-issue/management-july-2017-0>
- 3- Alammar, F. M., Cardow, A., & Pauleen, D. (2016, June). Does business diplomacy “Trump” political diplomacy? *The National Business Review*. Retrieved from <https://www.nbr.co.nz/subscribe/189974>
- 4- Alammar, F. M., Intezari, A., Cardow, A., & Pauleen, D. (2018). Grounded theory in practice: Novice researchers’ choice between Straussian and Glaserian. *Journal of Management Inquiry*. <https://doi.org/10.1177%2F1056492618770743>
- 5- Alammar, F. M., & Pauleen, D. (2016a). Exploring managers’ conceptions of wisdom as management practice. *Journal of Management & Organization*, 22(4), 550–565. <https://doi.org/10.1017/jmo.2015.53>
- 6- Alammar, F. M., & Pauleen, D. J. (2016b). Business diplomacy management: A conceptual overview and an integrative framework. *International Journal of Diplomacy and Economy*, 3(1), 3. <https://doi.org/10.1504/IJDIPE.2016.079170>

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- 1- Alammar, F. M. (2017, November). *Business diplomacy in practice: A grounded theory study in management among professional diplomats*. Symposium conducted at *Massey Business School PhD*. Auckland, New Zealand.
- 2- Alammar, F. M. (2016, November). Business diplomacy in practice: What do the experts say? Symposium conducted at *Massey Business School PhD*. Auckland, New Zealand.
- 3- Alammar, F. M. (2015, August). Business diplomacy in practice: What do the experts say? Symposium conducted at *Massey Business School PhD*. Palmerston North, New Zealand.
- 4- Alammar, F., & Pauleen, D. (2015, December). Business diplomacy in practice: What do the experts have to say? In *Australian and New Zealand Academy of Management Conference (ANZAM)* (p. 48). Queenstown, New Zealand.



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