

Commercial diplomats as corporate entrepreneurs: explaining role behaviour from an institutional perspective

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Abstract: This article presents the results of an empirical study on the roles of commercial diplomats at foreign posts. As commercial diplomacy is just starting to grow in importance in a globalising world, the actual work and activities of commercial diplomats at foreign posts have hardly been researched. This is relevant though, since it can help to advance theory that aims to understand commercial diplomacy's effectiveness. A model was developed that conceptualises commercial diplomats' roles as corporate entrepreneurial behaviour, and institutional theory was used to identify the contextual factors that influence their behaviour. By using a multi-method, qualitative and cross-sectional case study based on 23 self-selected, face-to-face, semi-structured interviews, we found that three types of commercial diplomats exist, each adopting a different approach in terms of the importance accredited to proactivity, the level at which it is pursued, and the intensity with which it is pursued. The influence of informal institutions increases for higher levels of proactivity in a specific order, namely background, skills and experience, cultural differences, and the working environment. Further research is needed to confirm these findings.

Keywords: commercial diplomacy; corporate entrepreneurship; role behaviour; informal institutionalism; proactivity.

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1 Introduction

Commercial diplomacy is of growing concern to governments and features two types of activities: policy-making and business support. Embassies, being active within networks of organisations that deal with business support and promotion (Kostecki and Naray, 2007), especially for SMEs (Naray, 2011; Kostecki and Naray, 2007), are at the front end of this spectrum. Commercial diplomacy research is relatively young, and hence also a rather unexplored field (Potter, 2004; Kostecki and Naray, 2007; Naray, 2011). Due to the increasing importance of commercial diplomacy in a globalising world, there is a demand for more research on it. A particular topic that has hardly been studied is the work and activities of the executors of commercial diplomacy policies and practices, the commercial diplomats at the foreign posts. Increasing our understanding of how commercial diplomats work will help to advance theory that can explain commercial diplomacy's contribution to a country's economy, its effectiveness, relevance, and usefulness, and lead to more systematic insights that can help commercial diplomats to improve their policies and practices. The objective of this research is to expand the current body of knowledge on this subject.

The environment in which commercial diplomats perform their activities, the business-government interface, can be better understood "by incorporating the institutional settings through which business and government must interact" [Hillman and Keim, (1995), p.212]. Kostecki and Naray (2007) point out several elements of such institutional settings, indicating that commercial diplomats with different styles have different backgrounds and extent of professional experience in business. Naray (2008, p.9) suggests that a commercial diplomat's style "can evolve quickly due to foreign influence, (...) background and personality". Furthermore, the role of a commercial diplomat strongly depends on host country characteristics such as proximity, culture and local business regime (Kostecki and Naray, 2007). The effects of informal institutions can be seen through a lens of corporate entrepreneurship, which deals with the way entrepreneurial behaviour manifests in the individual (Burgelman, 1983; Kuratko, 2007).

2 Theoretical framework

Diplomacy is "the conduct of relations between sovereign states through the medium of officials based at home or abroad" (Berridge and James, 2003). The implications of this definition for embassies are both political-economic and commercial (Yakop and van Bergeijk, 2009).

A comparison of economic diplomacy and trade and export promotion shows that commercial diplomacy, as opposed to economic diplomacy, focuses on business support and promotion and that it is a more entailing concept than trade and export promotion (Yakop and van Bergeijk, 2009; Mercier, 2007; Saner and Yiu, 2003; Potter, 2004; Kostecki and Naray, 2007; Naray, 2011; Rose, 2005; Wilkinson and Brouthers, 2000a, 2000b, 2006; Spence and Crick, 2004).

Commercial diplomacy is defined in terms of the considerations above and the definitions found in the academic literature, as in Potter (2004), Berridge and James (2003, p.42): "the work of diplomatic missions in support of the home country's business and finance sectors. Distinct from although obviously closely related to economic diplomacy, it is now common for commercial diplomacy to include the promotion of

inward and outward investment, as well as trade". Naray (2008, p.2) says that commercial diplomacy "is an activity conducted by state representatives with diplomatic status in view of business promotion between a home and a host country. It aims at encouraging business development through a series of business promotion and facilitation activities". An integration of these considerations leads to the following definition of commercial diplomacy that will be adopted in this study:

"Commercial diplomacy is an activity conducted by state representatives which is aimed at generating commercial gain in the form of trade and inward and outward investment for the home country by means of business and entrepreneurship promotion and facilitation activities in the host country based on supplying information about export and investment opportunities, keeping contact with key actors and maintaining networks in relevant areas."

The activities and areas in business and entrepreneurship promotion and facilitation have been comprehensively identified by Naray (2011), who proposed five areas in which commercial diplomats operate (promotion of trade in goods and services, protection of intellectual property rights, cooperation in science and technology, promotion of made-in and corporate image, and promotion of FDI) and six types of activities they perform (intelligence, communication, referral, advocacy, coordination, and logistics).

Commercial diplomats can be said to be actors that operate in a host country as members of either the diplomatic envoy or of a trade promotion agency (Saner and Yiu, 2003; Kostecki and Naray, 2007; Naray, 2011). Such commercial diplomats are categorised by Kostecki and Naray (2007) and Naray (2011) into three broad styles, of which Table 1 provides an overview.

Table 1 Three styles of commercial diplomats based on Kostecki and Naray (2007) and Naray (2011)

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

A caveat regarding these styles is that this table "only shows broad and so far typical tendencies" [Naray, (2008), p.10] of empirical observations. However, due to the emergent status of the field, no other classification has yet been made of commercial diplomats. Sridharan (2002) gives a number of attributes that he sees as important for the

development of the Indian commercial diplomatic apparatus, but a closer look at his suggestions reveals that they relate to economic diplomats rather than commercial diplomats.

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

3 Institutionalism

3.1 The commercial diplomat in the business-government interface

The environment in which commercial diplomats operate is the business-government interface, which can be better understood "by incorporating the institutional settings through which business and government must interact" [Hillman and Keim, (1995), p.212]. This importance of institutions in the business-government interface is reflected in Harris and Carr (2007, p.103), who assert that "different institutional arrangements are a clear reason why management behavior varies between countries", and in Nasra and Dacin (2009) and in Li and Samsell (2009), who point to the largely ignored effects of informal institutions in this interface and call more attention to it by contrasting rule-based and relation-based governance systems for international trade.

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

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

3.2 New institutional theory and the commercial diplomat

As said before, institutions can be formal and informal. While formal institutions usually exist in some tangible form, informal institutions are harder to identify. Helmke and

Levitsky (2004, p.727) define informal institutions as “socially shared rules, usually unwritten, that are created, communicated, and enforced outside of officially sanctioned channels”. The resultant informal rules are “not consciously designed or specified in writing – they are the routines, customs, traditions and conventions that are part of habitual action” [Lowndes, (1996), p.193].

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

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

Commercial diplomats, the actors in this study, occupy the normative (private-decentralised) pillar and theory predicts this pillar will “exert the most immediate control on individuals” [Ingram and Clay, (2000), p.537]. This is pointed out by Naray (2008, p.9), who suggests that a commercial diplomat’s style “can evolve quickly due to foreign influence, (...) background and personality”.

When looking at how commercial diplomats shape their role, our attention focuses on elements such as working habits, the immediate environment and personal experience, because these indicators are most likely to directly influence the way a commercial diplomat operates, as can be derived from specific elements found by Searing (1991) and Zenger et al. (2002). Seeing the observable behaviour by individual actors as a ‘proximate’ cause, with the informal institutional context functioning on a higher level as a ‘remote’ cause, is actor-centred institutionalism, a form of new institutionalism (van Lieshout, 2008).

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

4 Corporate entrepreneurship

4.1 *Commercial diplomats as agents of opportunity-identification*

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

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

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

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

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

4.2 *Corporate entrepreneurship as the key to understanding proactive behaviour*

A succinct rationale for using corporate entrepreneurship to address the proactive versus reactive issue is provided by Kuratko (2007, p.151) when stating that proactive behaviour is "the type of behavior that is called for by corporate entrepreneurship". The academic literature is dedicated to business manager behaviour, and consequently, corporate entrepreneurship is virtually always seen in the light of business continuity and competitiveness. While those elements are of considerably less concern to a commercial diplomat, the principles and processes of corporate entrepreneurship concern individual actors, and as such are transferable to other actors such as commercial diplomats.

The theory's transferable character is reflected in the academic literature, in which Sharma and Chrisman's (1999, p.18) view that corporate entrepreneurship is "the process whereby an individual or group of individuals, in association with an existing organization, create a new organization or instigate renewal or innovation within that organization" finds widespread agreement and confirmation (Dess et al., 2003; Keupp and Gassmann, 2009; Ireland et al., 2009; Peredo and Chrisman, 2004). The parallel with commercial diplomats becomes even starker when adopting the strategic entrepreneurship focus of corporate entrepreneurship, which involves "simultaneous opportunity-seeking and advantage-seeking behaviors (...) by emphasizing an opportunity-driven mindset" [Kuratko, (2007), p.159] and the concept of autonomous strategic behaviour, which states that entrepreneurial behaviour surfaces in a bottom-up and informal manner (Burgelman, 1983; Kuratko, 2007).

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

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

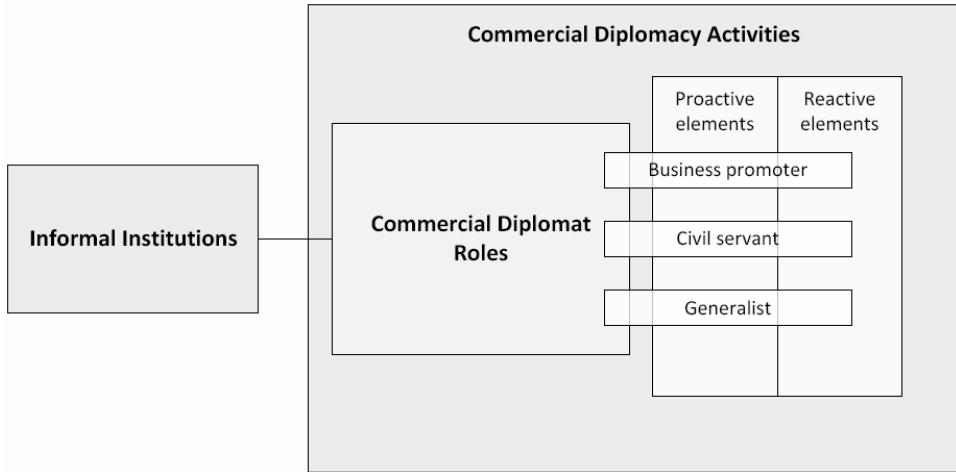
4.3 Interlinkages between the theories

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

4.4 Research model

The framework in Figure 1 is a synthesis of the theoretical concept and hence covers all elements of the literature review. It represents a conceptual model of the research question.

Figure 1 The research model based on the literature review



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

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

5 Operationalisation

A multiple-method, qualitative and cross-sectional case study was chosen as the focus lies on mapping the behaviour of commercial diplomats to enrich the understanding of a number of similar units and the processes being enacted within single settings (Eisenhardt, 1989; Gerring, 2007), resulting in testable emergent theory based on empirically valid findings (Eisenhardt, 1989; Pawson, 1996; Eisenhardt and Graebner, 2007).

Face-to-face, semi-structured interviews were conducted as this allowed for an interview-dependent variation of complex and open questions in relation to an exploratory study in which it is necessary to understand the reasons for the decisions, attitudes and opinions of the interviewees (Darlington and Scott, 2002; Esterberg, 2002).

Systematic observation and recording of the actions of a commercial diplomat in the form of a ‘participant as observer’, which focuses on discovering meanings behind actions, mainly by means of primary and experiential data recorded in a logbook, were chosen to complement the interviews by providing a background for them (Esterberg, 2002) and “heightens the researcher’s awareness of significant social processes”.

Sample selection of most-similar cases occurred on the basis of self-selection as this method was most useful where qualitative, exploratory research is needed (Darlington and Scott, 2002; Gerring, 2007). The choice of participants was based on the difference in institutional backgrounds between them and their expected expertise so as to increase the likelihood that the emergent theory of commercial diplomacy would be enhanced (Eisenhardt, 1989; Darlington and Scott, 2002; Esterberg, 2002; Eisenhardt and Graebner, 2007). A total of 33 possible participants were contacted, of whom 23 responded positively. The balance between participants from European and non-European countries was 14 to 9, which upholds the need for a wide variety of institutional backgrounds. All interviewees were stationed in Helsinki, and Table 2 provides an overview of them, including the number of years they had been stationed at Helsinki at the time of the interview and, for those appointed rotationally, the length of their careers.

Table 2 Overview of the interviewees

<i>Code</i>	<i>Country</i>	<i>Function</i>	<i>Appointed</i>	<i>Interview type</i>	<i>Years in Helsinki and years in career</i>	<i>Nationality (if different from country)</i>
G01	Argentina	Chargé D'Affaires	Rotationally	Face to face	3 and 25+	
G02	Belgium	Investment and Trade Commissioner	Rotationally	Face to face	2 and 9	
G03	Anonymous	Senior Trade Commissioner	Rotationally	Face to face	2 and 8	
G04	Chile	Third Secretary and Consul	Rotationally	Face to face	3 and 10	
G05	Czech Republic	First Secretary	Rotationally	E-mail	2 and 12	
G06	Denmark	Commercial Adviser	Locally	Face to face	6	Finnish
G07	Estonia	Second Secretary for Economic Affairs	Rotationally	Face to face and e-mail	4 and 8	
G08	Germany	Counsellor	Rotationally	Face to face	3 and 15	
G09	Hungary	Counsellor – Trade, Science and Technology	Rotationally	Face to face	7 and 20+	
G10	Italy	Commercial Attaché	Rotationally	Face to face	2 and 12	
G11	Japan	First Secretary	Rotationally	Face to face and e-mail	1 and 1	
G12	Korea	Third Secretary and Vice-consul	Rotationally	Face to face	3 and 3	
G13	Mexico	Trade Commissioner	Rotationally	E-mail	3 and 13	

Table 2 Overview of the interviewees (continued)

<i>Code</i>	<i>Country</i>	<i>Function</i>	<i>Appointed</i>	<i>Interview type</i>	<i>Years in Helsinki and years in career</i>	<i>Nationality (if different from country)</i>
G14	Spain	Economic and Commercial Counsellor	Rotationally	Face to face	6 and 13	
G15	Sweden	Second Secretary	Rotationally	Face to face	2 and 2	
G16	Switzerland	Deputy Head of Mission	Rotationally	Face to face	3 and 25+	
G17	Turkey	Commercial Counsellor	Rotationally	Face to face	1 and 1	
G18	UK	Director of UKTI	Locally	Face to face	9	Finnish
G19	USA	Regional Senior Commercial Officer	Rotationally	Face to face	2 and 16	
P01	Austria	Commercial Counsellor	Rotationally	Face to face	3 and 15	
P02	Germany	Assistant Managing Director	Locally	Face to face	25	
P03	Korea	Senior Consultant	Locally	Face to face	7	Finnish
P04	Norway	Manager	Locally	Face to face	4	Finnish

6 Results

6.1 Interviewee styles

The transcripts, notes and responses via e-mail were reviewed for each individual interview, and descriptive text segments and meanings were written down in list format with the terms used by the interviewees. This categorisation of the interviews in terms of the theoretical concepts by means of open coding, the first step in the analysis process (Esterberg, 2002), allows for an assessment of the roles that the interviewees have adopted in terms of Kostecki and Naray's (2007) and Naray's (2008) three styles of commercial diplomats (see Table 1).

As Kostecki and Naray (2007) and Naray (2011) only provide general terms with which to determine where a particular commercial diplomat stands, an initial categorisation of the interview results suffices to produce the following table.

Seventeen of the 23 interviewees have styles that are consistent with Kostecki and Naray's (2007) and Naray's (2008) typology (see Table 1), meaning that their approach toward commercial issues, leading concern and level of activity is fully in line with the style they have adopted.

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

Whereas a civil servant's usual leading concern is satisfying the Ministry of Trade, G04, G07 and G10 all answer to their Ministry of Foreign Affairs. The type of information and feedback they give to the Ministry of Foreign Affairs does not differ from what other civil servants forward to their Ministry of Trade. For this reason, the deviance is not a significant one.

Another ministerial arrangement is seen with G05, who answers to both the Ministry of Trade and the Ministry of Foreign Affairs. This is "a relic of the past system" (G05), and as with G04, G07 and G10, the deliverables are still the same.

In contrast to other business promoters, G13's leading concern is not client satisfaction but satisfying the Ministry of Trade. The reason this interviewee is classified as a business promoter and not a civil servant like other interviewees whose leading concern lies with the Ministry of Trade is the distinct approach toward commercial services and the proactive level of activity. These two factors, both indicators of a business promoter, outweigh the interviewee's leading concern.

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

By determining the styles that the interviewees adopt, Table 3 constitutes the 'commercial diplomat' part of the conceptual framework of Figure 1. Of the interviewees, nine are business promoters (P01, G02, G06, P02, P03, G13, P04, G18 and G19), nine are civil servants (G03, G04, G05, G07, G09, G10, G11, G14 and G17) and five are generalists (G01, G08, G12, G15 and G16). The next step is to ascertain the proactive and reactive elements for each of these styles and the informal institutions that are involved.

6.2 Cross-case analysis

As can be seen, the theory of corporate entrepreneurship functions as a means to distinguish between proactive and reactive behaviour. As individual within-case analysis has provided a distinction between business promoters, civil servants and generalists, cross-case analysis will now be applied to assess elements of corporate entrepreneurship and informal institutions for each of the three styles.

6.3 Corporate entrepreneurship

The elements pertaining to corporate entrepreneurship that arise through an inductive analysis of the data concern the reactive part of the interviewees' daily activities, their

views on the importance of the proactive part, and the manner in which they perform proactive activities. For each of the three styles, an assessment in terms of these elements will now follow.

6.3.1 *The business promoter*

6.3.1.1 *The business promoter's reactive activities*

Business promoters are “very actively involved with the *actual work*” (G19), as exemplified by G02¹ (who, commenting on what his trade office does, stipulates “trade and investments. Not the politics. Nor political economy, or economic policy”) and P01, who says that “our main work is what the companies are doing. It’s not so much what the others have to do, report to the ministry, more political reports (...). This we do only reacting when somebody’s asking for it”.

The major part of the ‘actual work’ requires them to respond to requests they receive from businesses as “they are our paying customers” (G06). For the most part, the business promoters provide a wide array of services² that covers the majority of the area-activity matrix, yet some of these services are much more popular than others.

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

The most commonly provided services are summarised by G19: “the most commonly provided services include matching programs (...) and partner search”. It is not uncommon for business promoters to stay involved during the entire process, as is the case with P01 and P04.

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

Being as involved with commercial issues as the business promoters are, the approach they adopt toward their reactive activities and services is generally a highly involved and personal one. As G19 says, the “job is hard to do without keeping close personal contact with businesses”. As for the differences in approach between members of private and governmental organisations, neither can be said to be more involved than the other. A comparison between G02 and G13, both members of a governmental organisation, and P01 and P03, both members of a private organisation, of the depth of their involvement with businesses from the home country shows that affiliation has no influence on the level of involvement. For example, while G02 makes appointments for home country business, saying that “the only thing they³ have to do is score of course”, G13’s involvement is much more superficial. The same is true for P03, who says that he operates as though he were “kind of an extension of their export sales department here”, and P01, who offers “almost everything but only on the first level support. (...) We can give hints in almost every aspect (...). That’s why I said behind the whole thing, but I would not say really accompanying to 100%”.

6.3.1.2 *The importance of proactivity*

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

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

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

6.3.1.3 *Proactive efforts*

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

The most prominent example of a business promoter who combines company-level efforts with institution-level efforts is P01, who attends and co-organises events in addition to his activities on the B2B level.

"We are trying to look for interesting fields and we are organizing events. (...) Co-organizing could be with Finnish ministry or with Finpro or also perhaps a seminar about Austrian wines with Alko together. (...) And of our own, it is different types, one which is more really with B2B (...) and others what we call Marktundierungsreise."⁴ (P01)

G02 provides an example of active opportunity seeking through keeping close contact with businesses, i.e., the company level.

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

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

That not every opportunity is one to be chased after is stipulated by P01, who focuses on markets "where the others are not already running to". His reasoning is that "if for example everybody would be running here to the wood industry because they say it's the

new market, I would not. I would promote it in Austria but I would think very long about really proactively doing an event for this sector. Because there are already too many others here”.

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

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

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

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

6.3.1.4 The business promoter’s corporate entrepreneurship in a nutshell

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

6.3.2 The civil servant

6.3.2.1 The civil servants reactive activities

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

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

G07: “We must put some red line we can’t step over because we simply can’t. We have our heavy work load and also some other diplomatic regions, so what we can do (...) for our businessmen, we can help them when there are some problems here (...). Then we can help in creating contacts here in Finland, give them advice, explain the business environment here, habit, and how to behave

in one or another situation for example. (...) We can also find suitable people who can take over and continue this advisory service. (...) Then we organize different events here, seminars and business missions here at the embassy or at Enterprise Estonia (...). And we offer also our premises for the firms if necessary for the Estonian counties or Estonian different trade associations if they ask. But (...) there are also some aspects below the red line. (...) We are not (...) trying to do some market investigations, we have not the time and resources for that, and this is not our job actually.”

Resource and time constraints render civil servants less deeply involved with home country businesses. Exemplary of this is G07's take, which is that “we can make some general (...) presentations concerning the Estonian economy (...) but we never do something concerning only one firm” (G07); a remark that resonates in almost every other case. As a result, the approach that most civil servants (apart from G03 and G04) take in providing their services is a distant one. Those who employ more involved approaches (such as G03, G04 and G14) are the final link in a chain of organisations that reaches from the home to the host country, in addition to being part of a dedicated trade office. The immediate advantage these two factors bring becomes apparent when considering G14's much more involved approach:

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

6.3.2.2 *The importance of proactivity*

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

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

6.3.2.3 *Proactive efforts*

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

In the group with an institutional focus, one (G07) is the head of a commercial section that is integrated into the embassy, one is the head of a section that mainly deals with

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

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

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

G05: “My key role is making people meet and keeping good notes. Why? You never know when an inquiry sent long ago may match with a recent offer.”

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

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

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

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

6.3.2.4 *The civil servants' corporate entrepreneurship in a nutshell*

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

6.3.3 *The generalist*

6.3.3.1 *The generalist's reactive activities*

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

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

When generalists do tend to business issues, this usually entails standardised responses such as a list of buyers in Finland. G01 presents a prime example of this when he says that he acquires most inquiries “per computer. They'd like to know for example continuously importers of meat, importers of wine, importers of fruit and I will have a list and we reply with the list” (G01). Regarding why the number of inquiries is so low, G08 says:

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

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

6.3.3.2 *Proactive efforts*

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

G15: “My job is more on a higher level actually, to promote the Swedish image together with the cultural attaché here and his assistant. So they're dealing more with, like, promoting Swedish, theater, literature, and, so we cooperate a

lot, and I have a business view. For example, Clean Tech or renewable energies is the area that the Swedish want to export in, and then we have a seminar, we get some Swedish speakers.”

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

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

6.3.3.3 The generalist’s corporate entrepreneurship in a nutshell

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

7 Informal institutions

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

7.1 The business promoter

7.1.1 The influence of culture

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

cultural differences pose for home country businesses except for P04, who points to language issues rather than cultural ones.

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

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

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

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

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

G02 notes that despite the differences between host countries (France and Finland in his case), the general outline of his work remains the same to some extent. “It works in Finland, to a lesser degree, but it always works (...). I can say yes, but I have seen this person (...) and it will work that way” (G02). What it comes down to, in the end, is that “you have to be admitted. (...) You have to ensure that you integrate well enough for them to let you in” (G02). P01 adds to this by saying that “many questions normally are quite the same we get all over the world. It is the answers that differ and that’s what makes it interesting, that you have to learn to get the right answer” (P01).

7.1.2 Background

Much like the way most interviewees agree on the role that culture plays, their backgrounds show striking similarities. Most business promoters, such as P02, P03 and P04, were trained in economics, though others (e.g., G02 and P01) have decidedly

different educational backgrounds. As for what drives the business promoter to take up a specific study, purely personal interest is the main determinant in this area rather than a planned career in commercial diplomacy, even to those who chose functionality over interest: “Law you need everywhere. (...) Law, (...) in my view, is only another view on the things. (...) You get another view on the things that you had before and that might help” (P01).

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

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

7.1.3 The role of skills and experience

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

However, the prevalence with which most business promoters mention skills gained through practice rather than formal education is telling, with G06 taking the most extreme viewpoint on the matter, saying that

“studies concerning economics and especially marketing and sales, it’s all true, but theoretical. (...) it’s a huge gap between the university and real life, I think. And of course you learn systematic ways of doing your work independently. But you can learn that anywhere (...). So in a way I think you have to have that (...) certificate that you are not totally dumb or lazy. But I don’t place so much value on my education, (...) I have almost the highest education you can have in my field, but in a way, I think it was a waste of time.” (G06)

Most business promoters hold a more mellow opinion, such as G02’s. “Books and reality differ a lot you know, you shouldn’t get too much from economic books because it doesn’t always work. (...) With us they hire people with an economic background in that sense, international experience, so most people have lived abroad”.

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

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

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

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

Skills gained from their predecessor or because of a training course followed at the commercial office or ministry are rare among business promoters and seem not to have as prevalent a role as the other skills mentioned above.

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

7.1.4 The work environment

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

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

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

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

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

7.1.5 The business promoter in a nutshell

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

7.2 The civil servant

7.2.1 The influence of culture

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

The benefits that a similar culture may hold are pointed out by G09 and underlined by G03, who states that “common interests and experiences makes it easier to initiative and pursue projects (...). As a result I can use these as references of common values we share with Finns. This helps break down barriers more quickly and leads to trust – I can empathize/understand Finnish perspectives”. In most cases the cultural differences are very small to begin with, as G04 indicates:

“there are some differences in that sense. But I think we share with Finns some things, like Chileans are a bit shy, like Finns are. (...) And for Latin-American standards, we are considered very organized, very tedious people. (...) In general, businessmen are very organized, serious, attached to compromises and schedules. (...) Probably because we’re a sort of mixture.”

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

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

7.2.2 Background

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

Much like the diversity in backgrounds, the reasons why a certain study was chosen are manifold. Two (G04 and G10) had a career in diplomacy in mind. “I studied journalism to then have my university degree because you need a university degree to get into the Chilean diplomatic academy. Even before I started journalism, I wanted to go to diplomatic academy to do what I do” (G04). Another civil servant who wanted to enter the public rather than the private field, but not diplomacy in particular, is G17. “After I graduated from the faculty of political science in Ankara (...) I thought I was confident enough to work in the private sector, but personally, I found it really risky for me”.

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

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

Furthermore, two of the civil servants (G09 and G14) studied at the University of Helsinki: a course on the national economy of Finland for one semester (G09) in order to “understand much better the different aspects in the economic development” and an MBA (G14). In particular, G14 indicates he benefited from this experience, as he

“had the occasion to interact with a lot of Finnish people at the company level, and see how they tick. (...) And this is really something which is quite useful, because (...) if you know how a person reasons (...) you are already halfway

through the entire rationalization process. (...) Also, I happen to know something more about their business culture.”

7.2.3 *The role of skills and experience*

Turning from educational background to skills gained from education as G14 has already done, it becomes clear that some civil servants argue that it does not matter what type of education one receives in economic diplomacy (G04 and G10) and that practice is much more valuable than theory (G05 and G07). Nevertheless, the position that G03 takes towards education is exemplary for most civil servants when he says that

“the skill set acquired in university ‘streamed’ me to the commercial side of the department and (...) the skills are applicable to the type of initiatives we undertake but also provide a basis for more non-commercial activities. (...) The combination of skills and experience acquired is portable (...) and more widely applicable than narrower fields of study. For example, understanding key managerial accounting concepts such as just in time production and inventories allows me to more fully engage with Finnish producers, and this can lead to identifying opportunities for home country suppliers or technologies.”

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

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

When it comes to skills gained from predecessors, the civil servants form two camps. Those who had virtually no overlap with their predecessor (G04, G05, G07, G10), in general terms, show no direct continuity in working style or approach (save G07). G04 presents the usual practice in this case in saying that “when I arrived, he was leaving. (...) So he left, and he left me a bunch of business cards, people he met, and bye”. To G05 this lack of contact carries no importance, as “what has to be carried on is the brand name”.

The second group consists of those civil servants who relate their approach to that of their predecessor (G03, G11 and G17). In G17’s case, he and his predecessor “could find time to meet and talk and meet other businessmen, and we started a new kind of approach

this year, and this is true for all other Turkish trade counselors from now on". While G03 was in touch with his predecessor, the one element that he emphasises is that "the least amount of disruption is probably (...) the best" (G03).

7.2.4 The work environment

Whereas the predecessor is not often seen as a crucial source of information, the civil servants who lead a team value it highly, as G14 and G03 indicate.

"The less specialized part of our home staff (...) do not provide the kind of expertise that you expect from a market analyst, so (...) we hire market analysts from the country of course." (G14)

"The local team at any posting must be recognized as a critical resource given their experience and local knowledge. (...) That type of knowledge is very useful when it comes to developing business programs, opening doors to home country companies, delivering key messages to host country decision makers and keeping in touch with contact persons." (G03)

Balancing one's own style of working and the established working style of a team of locally employed personnel takes time, as G03 found out.

"Despite my preference and expectations for a highly proactive work environment (i.e. provide what was asked as well as possible problems and solutions and areas to expand upon) (...) it was clear that this was not an inherent area of focus or experience for the team. (...) The subjects adjusted their expectations for the short term and began to build up an awareness of this requirement in the team." (G03)

The main obstacle in this process was recognised to be the host country culture by G03.

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

When it comes to living in Finland, the civil servants' international experience is such that they have little difficulty adapting, even though there is a slight contradiction in expectation and reality, as G14 labels it.

"The idea you had about Finland before coming here for good was that Finland was a very open country. (...) But then you come here and you (...) find out (...) they certainly project something which is a little bit different from what it feels. So in that sense, perhaps there is, (...) a minor contradiction perhaps." (G14)

Only one of the interviewees (G11) has difficulties in Finland due to his lack of international experience and tendency to continue doing "as I did in Japan" (G11). The exact opposite of this is G03, who says that

"the previous stay in Sydney (which was also quite laid-back) helped ease that transition. In general, I try to go with the flow of the host country as this is the most effective way to ensure productivity and maintain the work/life balance. I try to incorporate the way things work in the host country to my own way of working." (G03)

Some of the civil servants (G03, G04, G09 and G14) regard adapting to the host country as essential to their work. “You’ve got to be on their side, (...) I try to do things that Finnish people do. Really, I feel from my business counterparts that it makes a difference” (G04). G04 is backed by G03, who says that “common interests and experiences makes it easier to initiative and pursue projects (...). As a result I can use these as references of common values we share with Finns. This helps break down barriers more quickly and leads to trust”. In G09’s case, adapting to the host country was important for personal reasons: “it was my aim⁶. I prepared the road to that, but the most, more important was that I had two small children at that time and they went to Finnish school”.

7.2.5 The civil servant in a nutshell

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

7.3 The generalist

7.3.1 The influence of culture

As the generalists are not involved in commercial affairs, none of them deals with cultural differences between the home and host countries in the business sense. Only two of the interviewees, G15 and G16, stipulated that their home countries differ only slightly in this regard and that the host country should therefore constitute a more appealing market for home country businesses than the number of inquiries would suggest. According to G16, the main agent of stagnation here is his home country culture, thereby explaining the generalist’s approach toward proactive behaviour as relying on nation branding:

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

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

7.3.2 Background

When it comes to being posted, “any civil servant⁷ has to be multifunctional” (G16). This is also emphasised by G01, who indicates that “there are colleagues who choose always legal sectors, juridical, economics (...). I prefer political sector (...)” and G12:

“When I first joined the Ministry they always emphasized the fact that I have to be an all-round player. So if you’re a soccer player you have to be able to strike, defend, goalkeeper sometime, wing, centre back, everything. You have

to do everything. I can be in charge of economic affairs at the moment, but if I move to another embassy they might already have a person in economy there, so I can be in charge of consul matters, I can be anything. I think we have to be prepared.”

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

7.3.3 The role of skills and experience

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

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

7.3.4 The generalist in a nutshell

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

8 The observations as a background for the interviews

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

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

Given the classification of generalist, the findings presented in this section provide an indication of how the subject feels on the matter of activity and proactivity, and what role informal institutions play.

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

When it comes to informal institutions, the observations do not reveal much in this direction other than the fact that the subject is a career diplomat who entered the diplomatic service at an early stage in his career, with a background in law. The one noticeable aspect is the high level of appreciation he has of the activities of the trade officer, yet this in itself is not an indication of his views on the work environment. The lack of remarks on informal institutions regarding culture and the working environment are most likely due to the commercial diplomat hardly being involved in the commercial section's daily activities. Comparing this to the literature, it becomes clear that this is in line with what is to be expected as the interviewees hardly speak of cultural issues while the work environment is not commented on at all due to the small scale of the organisations that generalists usually operate in.

9 Conclusions

9.1 The business promoter

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

Business promoters see proactivity as the more important element of their job even though it is, quantitatively speaking, the smaller part. Not surprisingly, the methods business promoters employ show "opportunity-seeking and advantage-seeking behaviours" [Kuratko, (2007), p.159] and are extensive. Representation at fairs and events is used by business promoters to achieve name recognition, collaboration and

contact with host country institutions such as trade unions and ministries as well as close contact with host country businesses and to keep informed of opportunities for home country businesses, and it is not uncommon for many leads for proactive behaviour to be gathered through their reactive activities.

The business promoter has an educational background in business or economics, usually chosen out of personal interest and without the intention to enter the diplomatic field. Having a lot of experience in business (international), the business promoter places great emphasis on practical business skills rather than theoretical ones and sees the psychological component, knowing the people, as the most crucial one. Language skills are considered to add to the business promoter's success, yet Finnish is hardly attempted as it is felt to be virtually impossible to learn. Equally important is experience in the current post, which enables the business promoter to resolve issues and respond to requests more quickly, as well as benefiting proactive behaviour, explaining why business promoters prefer longer lengths of stay than what is usual for diplomats. Moreover, many business promoters are locally appointed or acknowledge the benefit of that. More often than not, the working atmosphere is firmly established, and the absence of change is seen to be very beneficial for the functioning of the team by those who are locally employed. The business promoter regards cultural differences (business) as crucial, even though they are quite small in most cases, and relates them to the importance of the existence of trade offices, their communication of these differences to home country businesses, and the way they deal with host country businesses. The degree to which these three elements are seen as important depends greatly on the difference between home and host country cultures.

9.2 The civil servant

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

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

The civil servants have educational backgrounds that vary from politics to business to more practice-oriented studies, chosen out of personal interest in some cases though more often in consideration of a future career or for job performance. This is reflected in their opinion on the role of skills and experience as the civil servant is keen to mention language⁸ and business skills as well as cultural awareness over skills gained during education, though he does not negate the importance of the latter. Having a practical mindset, the team of locally employed personnel is seen as a critical resource and leveraging the personal work style with that of the team can be hindered by cultural differences between the host and home countries, though international experience helps in dealing with such situations. The civil servant sees cultural differences as being of the utmost importance to his/her own adaptation to and functioning in the host country, small though these differences are in most cases. In dealing with local businesses, they leverage what is expected of them with their own method of working.

9.3 *The generalist*

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

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

10 Discussion

The findings of this research were compared with the theoretical framework and with its theoretical background. The findings and concepts were discussed to assess their implications for and possible contribution to the current body of knowledge on commercial diplomacy as one of the final two steps of the inductive analysis performed in this study is a "comparison of the emergent concepts (...) with the extant literature" (Eisenhardt, 1989).

Additionally, the limitations of this research are pointed out to assess the strength of the findings.

10.1 *Theoretical implications*

10.1.1 *The conceptual framework revisited*

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

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

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

Of lesser impact is the difference between host and home country cultures. The more involved a commercial diplomat is with commercial issues, the more importance he/she will attach to cultural differences and the more they will be seen to influence the personal work style, though this is also strongly dictated by the size of the cultural gap between the home and host countries. The influence of the working environment, partially falling

under the influence of cultural differences, is marginal yet increases as the expectations between the commercial diplomat and the locally employed team differ.

Given the direct influence that the aforementioned informal institutions have on how the commercial diplomat acts, the commercial diplomat's relationship with proactivity can be described along the lines of the influence that these informal institutions exert and coincides with the increased proactive behaviour that has been shown to exist in the three styles (with the generalist displaying the lowest amount of proactive behaviour and the business promoter the highest amount).

In general, the 'proactivity' element in Figure 1 pertains to commercial diplomats undertaking proactive efforts on the institutional and business level to increasing degrees of involvement, both in a quantitative sense (meaning the actual time they spend pursuing said activities) and a qualitative sense (meaning their view on its importance and their commitment to the cause).

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

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

Business promoters display the highest amount of proactive behaviour and actively budget and pursue proactive efforts on both the institutional and business levels, favouring direct contact with businesses through promotional events and visits, though often employing all possible means to identify opportunities for home country businesses.

10.1.2 The fit of results with informal institutionalism and corporate entrepreneurship

This research's main value was expected to be its contribution to the existing literature on commercial diplomacy, or more specifically, the role of the commercial diplomat by taking a closer look at Kostecki and Naray's (2007) and Naray's (2008) classification of three styles (business promoter, civil servant and generalist) as one of the theory's constituents. The results show that the theory of institutionalism and the theory of corporate entrepreneurship have been linked to these three styles. An assertion of the strength of these contributions now follows.

Corporate entrepreneurship has resulted in a means to identify how the commercial diplomat approaches "opportunity-seeking and advantage-seeking behaviours" [Kuratko, (2007), p.159]. Several factors eliciting entrepreneurial behaviour were found in the literature (e.g., resource availability and organisational structure), and this research mainly yields methods of "identifying and discovering opportunities that emerge within their environments" [Nasra and Dacin, (2009), p.584] rather than underlying causes for proactivity, though the factors found by Kuratko et al. (1990), Hornsby et al. (2002) and Kuratko (2007) have been touched upon during this research and can be seen to have some effect on the commercial diplomat's proactive behaviour, alongside informal institutions. All in all, the results suggest that Nasra and Dacin's (2009, p.584) assertion that "the state can actively engage in entrepreneurial behavior" is justified. However,

whether or not businesses benefit greatly from the information they receive remains unclear, and hence Spence and Crick's (2004) and Wilkinson and Brouthers's (2006) pessimistic view on this subject cannot be turned into optimism yet.

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

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

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

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

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

While we stipulate that the difference in institutional backgrounds is needed to increase the likelihood that the emergent field of commercial diplomacy evolves, this brings forth the question of whether and to what degree the cultural differences between the interviewees themselves have an impact on their views on cultural issues. A comparison of interviewees from dissimilar environments, e.g., G02 and G04, and G03 and G14, shows that generally interviewees value cultural differences highly in a manner that does not depend on the institutional background, but on the style that is adopted. This is mainly caused by the background as virtually all interviewees are highly experienced

in the international environment, rendering the cultural differences between the interviewees themselves to be of low impact on their differing views on cultural matters.

10.1.3 *The consequences for commercial diplomacy*

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

Table 2 is based on the general terms provided by Kostecki and Naray (2007) and Naray (2008), which are very loosely defined and lack substantial evidence as their three styles only show “broad and so far typical tendencies” [Naray, (2008), p.10] of empirical observations.

Comparing their findings to this study’s results shows that, broadly speaking, the division into three styles holds for all elements in Table 4. The results have particularly deepened the understanding of what they refer to as the ‘level of activity’ by adding the exact approach that each of the three styles adopts toward proactive efforts, thereby relieving this element of its largely undefined status. Furthermore, the results suggest that ‘approach’, ‘leading concern’ and ‘level of activity’ are interdependent elements that can be described along the lines of the proactive approaches as determined in this research.

Table 4 A new typology based on proactivity

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

Therefore, instead of looking at the individual elements described by Kostecki and Naray (2007) and Naray (2008), this study suggests that the approach toward proactivity is the main determinant of the commercial diplomat’s role as it encompasses the aforementioned authors’ elements and provides deeper insight. The benefit of such a division would be that it is relatively more measurable than the three styles determined by Kostecki and Naray (2007) and Naray (2008), as how a commercial diplomat approaches proactive behaviour (in terms of the importance accredited to it, the level at which it is pursued and the intensity with which it is pursued) can now be more narrowly defined than general outlines regarding ‘approach’, ‘level of activity’ and ‘leading concern’. Table 4 shows the typology that arises from this research in terms of proactivity.

11 Limitations

In general, the findings from case study research cannot be generalised to an entire population. However, as the findings relate to existing theory and result in testable theoretical propositions (Eisenhardt, 1989) and the sample selection represents an accurate cross-section of the population of commercial diplomats in Helsinki and hence, by extension, Western nations, the results are considered to be generalisable to Western nations.

This research is based on emergent theory that has not yet seen rigorous empirical testing and does not add to resolving this issue due to its inductive nature. Issues of interviewee bias were resolved by means of the non-sensitive nature of the information requested using open-ended questions and by offering the interviewees anonymity, and allowing them to be in charge of the recording device and acting as the final editors of their own interview transcripts.

Researcher bias in the analysis of the data persists as Eisenhardt's (1989) and Darlington and Scott's (2002) recommendation that multiple researchers perform the data analysis has not been followed while "the convergence of observations from multiple investigators enhances confidence in the findings" [Eisenhardt, (1989), p.536]. This limitation is counteracted by the fact that Eisenhardt's (1989) method was followed as closely as possible.

The observation method was chosen to mitigate the impact of validity issues, yet the results are too thin to provide a substantial background for triangulation. Furthermore, the amount of data gathered from interviews with the five generalists is significantly lower than that gathered from the business promoters and civil servants. Given the great similarities in their stories, it is believed that what has been found represents an exhaustive overview of the generalists' actions.

The causal relationship with informal institutionalism was not established, which weakens the link proposed in the research model and affects the construct validity as it is unclear whether the elements found to influence the commercial diplomat can be tied to institutionalism.

12 Recommendations for further research

While this research has connected commercial diplomacy to institutionalism and corporate entrepreneurship, commercial diplomacy holds many opportunities for expansion in HR or development studies, for example.

First of all, to alleviate the generalisation problem that arises due to the fact that this study took place in Finland, a Western nation, the same research should be carried out in other Western nations in order to see whether or not these conclusions will hold in similar institutional environments. Moreover, this type of research should be repeated in very different institutional environments such as South America, Africa, the Middle East and South-East Asia. If the principles of what has been found in this study hold for dissimilar institutional environments as well, this would add strength to the findings and conclusions.

Second, to increase the reliability of the results, it is recommended that the interviews be re-analysed by different and multiple researchers to counter researcher bias problems that may have affected the data analysis.

Third, deductive research is needed to ascertain the link between informal institutions and commercial diplomacy, and the order in which the elements discovered seem to influence the commercial diplomat in adopting a proactive approach; further research as to what ‘weight’ these elements have and why this particular order is present would give more insight into how and why they influence the commercial diplomat.

Fourth, certain types of proactive efforts are being increasingly heavily used by the commercial diplomat when progressing from generalist to business promoter. Deductive research is recommended to empirically test the results of this inductive research. In addition, the use of the commercial diplomat’s proactive efforts for businesses remains unclear and therefore requires that further research be undertaken to assess the success gained by businesses from such efforts.

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Notes

- 1 As the interview with G02 was conducted in Dutch, the quotes here are translated versions of the originals.
- 2 See, for example, the websites of G06 (<http://www.ambhelsingfors.um.dk/da/menu/Eksportraadgivning>), P03 (<http://www.kotra.fi/index.jsp>), P04 (<http://www.innovasjon norge.no>) and G18 (<http://www.ukti.gov.uk/export/countries/europe/northerneurope/finland.html>) for an extensive overview of the services these organisations provide.
- 3 In this context, 'they' refers to Flemish businesses.
- 4 'Marktzundierungsreise' is the German word for trade missions.
- 5 Nation branding "concerns applying branding and marketing communications techniques to promote a nation's image" [Fan, (2006), p.6].
- 6 To return to Finland.
- 7 In this case, the term 'civil servant' is used by the interviewee as an interchangeable term with 'career diplomat'. Its meaning therefore differs from the way it is used throughout this study.
- 8 Even though the Finnish language is generally seen as virtually impossible to learn.