Business Diplomacy Relevance in Successful International Endeavours of MNCs: A Multiple Case Study Analysis

Rui Manuel Monteiro

Doctoral Programme in Business and Management Studies

Specialization: Marketing and Strategy

Supervisor: Raquel Filipa do Amaral Chambre de Meneses Soares Bastos Moutinho

Co-supervisor: Carlos Henrique Figueiredo e Melo de Brito

September, 2022

To Carla Morais

For Filipe Morais Monteiro

For Bernardo Morais Monteiro

A need to transmit knowledge and skills, a desire to acquire them,

are constants of the human condition.

Mastery and apprenticeship, instruction and its acquisition

must continue so long as societies exist.

Life as we know it could not carry on without them.

George Steiner

Lessons of the Masters, 2004

Résumé

Rui Manuel Ribeiro Monteiro was born in 1976, in Vila Nova de Gaia, Porto, son of Manuel Monteiro and Maria Ribeiro. He completed a professional course as an Accounting and Business Technician in 1996, going on to work, in 1997, at Universo Banco Directo (SONAE Group).

In 1998, he began to work at Porto Derivatives Exchange (now, Euronext Lisbon) and continued his career on the capital markets as a Stock Trader, and, later, as a Project Manager and as an Account Manager in investment banks and asset management/ brokers' firms until 2005 (Banco Finibanco and Banco Carregosa, Golden Assets).

Between 2005 and 2008, he returned to the Euronext Group (Interbolsa). After that, he worked as an Independent Business Consultant in the capital markets sector until 2014 and from 2015 to 2019, in an international Portuguese group (CJR Renewables), first as a regional CFO for Europe and Asia and, later, as a Senior Investment Officer.

In 2008, he did a Preparation and Evaluation Course for those Over 23 Years Old at the University of Minho and went on to obtain a Bachelor's Degree in International Relations at the School of Economics and Management, having graduated in 2011. In 2013, he concluded his Master's Degree in International Economics and Business at the School of Economics and Management of the University of Porto (FEP). In the academic year of 2016/2017, he enrolled in the Doctoral Programme in Business and Management Studies at FEP and, in 2018, the doctoral proposal in the Marketing and Strategy specialization was approved, which made him a PhD candidate.

He is a Guest Assistant since 2017 at the School of Engineering - Polytechnic of Porto (ISEP), and since 2018 at the Portuguese Institute of Marketing Administration (IPAM). In 2019, he was also a Guest Assistant at FEP. He is the author of various scientific articles and has participated in several international conferences. Since 2020, he is the Director of the Municipal Department of Economics at the Porto City Council.

Rui Monteiro lives in Porto, is married and a proud father of two sons.

Acknowledgements

- To my Supervisor, Professor Raquel Meneses, my *maître à penser*, for embracing this research project, for her constant support during the most difficult times, for her endless encouragement and for continuously challenging me to go above and beyond, always aiming for excellence and nothing else;
- To my Co-supervisor, Professor Carlos Brito, for his vital insights, strategic guidance and critical judgement, that permanently raised the value of this work;
- To Galp Group, who very generously agreed to collaborate on this project, namely Diogo Almeida, Joana Garoupa, Anna Bergström, Sandra Aparício, Ana Sofia Silva, Jorge Carvalho, and a special thanks to Sandra Rebelo, who helped coordinate all of these contributions;
- To EDP Group, who also very generously agreed to collaborate on this project, namely Ana Sofia Vinhais, Eduardo Moura, Nuno Rebelo, Thais Machado, Rafael Solis, Ricardo Ferreira, Vanda Martins, Duarte Belo, and a special thanks to Gustavo Pizzaro, who helped coordinate all of these contributions;
- To Professor Carlos Alves, Director of the PhD Program in Business and Management Studies, and Professors Hortência Barandas and Belém Barbosa for their critical insights throughout the annual assessments;
- To Professor José Rodrigues (ISEP) and Professor Teresa Aragonez (IPAM), who trusted me to start my academic journey as an Invited Assistant, and to Professor Catarina Roseira of FEP;
- To Ricardo Valente (Porto City Councilor), who allowed and trusted me to continue my relations with the academia;
- To my closest PhD colleagues, with whom I have worked and who supported me throughout this journey, Heitor Benfeito, Joana Desport Coelho and Francisco Lima, and to my long-term friend Luís Fernandes;
- To my parents and my parents-in-law for their example, and to my aunt Maria for her support during my several trips to Lisbon;
- To my wife and my two sons for their unending patience, understanding and encouragement during these last years… and (in memoriam) to Pantufa, my faithful companion.

Abstract

Since the end of the 20th century, we have witnessed an exponential growth of international business, following the liberalization of the world trade. Despite the overall context that since then has driven firms to perceive their scope of operations as increasingly global, firms continue to face significant challenges when doing business abroad. Additionally, more recent events such as the COVID-19 pandemic and the war in Ukraine, have raised new and unexpected issues. In this context, Business Diplomacy is an important tool to support firms conducting operations beyond borders. This study aims to understand how Business Diplomacy supports firms who operate in international markets. This goal gives rise to two major research questions that have conducted the investigation: (i) how can BD help firms overcome the barriers to internationalization and (ii) how can BD foster the motives of the internationalization process? Based on a framework built upon the literature review, an in-depth qualitative analysis was carried in Galp and EDP, two of the most important Portuguese firms, based on a set of interviews as well as secondary data. The analysis of these cases reveals the relevance of Business Diplomacy in management practices when addressing the challenges of doing business abroad. Moreover, the results indicate that the impact and relative importance of Business Diplomacy depend on two variables: (i) the firm's intrinsic characteristics and (ii) the foreign (targeted) market context. On this basis, Business Diplomacy is recommended as a tool to leverage firms' success when aiming to manage and increase their foreign presence. It is also suggested the use of the firm's foundations as strategic actors to engage with the array of interested parts that are able to impact firms' foreign performance. Further research is needed to assess to what extent these results can shift when firms from different nationalities, cultures and sectors are considered.

Keywords: diplomacy, internationalization, mode of entry, strategy, positioning, barriers, motives.

Resumo

Desde finais do século XX assistimos a um crescimento exponencial dos negócios internacionais, na sequência da liberalização do comércio mundial. Apesar do contexto geral, que desde então levou as empresas a perceberem o seu espectro de operações como cada vez mais global, as empresas continuam a enfrentar desafios significativos ao realizar negócios no exterior. Além disso, eventos mais recentes como a pandemia COVID-19 e a guerra na Ucrânia levantaram questões novas e inesperadas. Neste contexto, a Diplomacia Empresarial é uma importante ferramenta de apoio às empresas que realizam operações além-fronteiras. Este estudo tem como objetivo compreender como a Diplomacia Empresarial apoia empresas que operam em mercados internacionais. Por sua vez, este objetivo dá origem a duas grandes questões de investigação que conduziram o estudo: (i) como pode a Diplomacia Empresarial ajudar as empresas a ultrapassar as barreiras à internacionalização e (ii) como pode a Diplomacia Empresarial fomentar os motivos do processo de internacionalização? Com base num enquadramento construído a partir da revisão da literatura, foi realizada uma análise qualitativa aprofundada à Galp e à EDP, duas das mais importantes empresas portuguesas, com base num conjunto de entrevistas, bem como em dados secundários. A análise desses casos evidencia a relevância da Diplomacia Empresarial nas práticas de gestão ao enfrentar os desafios de fazer negócios no exterior. Além disso, os resultados indicam que o impacto e a importância relativa da Diplomacia Empresarial dependem de duas variáveis: (i) as características intrínsecas da empresa e (ii) o contexto do mercado externo (alvo). Em face do exposto, a Diplomacia Empresarial é recomendada como uma ferramenta para alavancar o sucesso das empresas quando procuram gerir e aumentar a sua presença no exterior. Sugere-se também a utilização das figuras das fundações corporativas como atores estratégicos para envolver o leque de partes interessadas que podem impactar no desempenho externo das empresas. Mais investigação será necessária para avaliar até que ponto estes resultados podem mudar quando empresas de diferentes nacionalidades, culturas e setores são consideradas.

Palavras-chave: diplomacia, internacionalização, modo de entrada, estratégia, posicionamento, barreiras, motivos.

Contents

List of Tables

List of Figures

Abbreviations

ASEAN: Association of Southeast Asian Nations

B2B: Business-to-Business

B2C: Business-to-Consumer

BD: Business Diplomacy

CPA: Corporate Political Activity

CPS: Corporate Political Strategy

EU: European Union

FDI: Foreign Direct Investment

GATT: General Agreement on Tariffs and Trade

GDP: Gross Domestic Product

IB: International Business

ICC: International Chamber of Commerce

IPO: Initial Public Offering

IR: International Relations

JV: Joint Venture

LOF: Liability of Foreignness

LOO: Liability of Outsidership

LPG: Liquefied Petroleum Gas

MBE: Multinational Business Enterprise

MNC: Multinational Corporation

MNE: Multinational Enterprise

NAFTA: North American Free Trade Agreement

NGO: Non-Governmental Organization

OLI: Ownership, Location and Internalization

SME: Small and Medium-Sized Enterprise

WEF: World Economic Forum

WOS: Wholly Owned Subsidiaries

WTO: World Trade Organization

1. INTRODUCTION

State of the art

Since the early studies on International Business (IB), researchers have focused their attention on both conceptual frameworks and business approaches that are likely to support firms overcoming the challenges of doing business abroad (e.g., Hymer, 1976; Zaheer, 1995, etc.). This gave rise to the development of a number of different models aiming to cope with the difficulties associated with the internationalization process (Hadley & Wilson, 2003; Håkansson & Snehota, 1989; Johanson & Mattsson, 1988; Johanson & Vahlne, 1977, 2009; Vahlne & Johanson, 2013, etc.).

On the other hand, researchers on the field of International Relations (IR) have increasingly developing the economic perspective (Moons & van Bergeijk, 2017), and in the last two decades related in particular to firms foreign business practices, that gave birth to the modern concept Business Diplomacy (BD), since the ground-breaking work of Saner et al. (2000), that firestarter the research until today (Ruël, 2022a).

The advent of this contemporary concept is based on the assumption that firms can no longer rely only on the best price or product to be successful in the international arena, i.e., only based on market dimensions. Hence, firms need to incorporate non-market dimensions in their overall strategy to be able to address the multitude of elements that constitute the environment in which they operate and that increasingly affect their performance, thus the proposition of BD (Doh et al., 2022).

The academic research since the beginning of the 21st century has been focused, namely, at the theoretical level, following the novelty of the concept and its need to be recognized by the main areas where it is anchored (IB and IR), something which has been gradually accomplished following the increasing cadence of research in this field (Ruël, 2022a).

On the other hand, the research regarding the usefulness of BD in firms practices (at managerial level), and particularly in internationalization endeavors, i.e., the potential effect when adopting this strategic mindset when aiming to do business across the border, has been scarce (Ruël, 2022a), indicating some (few) research works about (potential) higher relevance of BD practices in firms acting in (i) specific industries (oil and gas, pharmaceutical and chemical industry, etc.) (Ruël & Wolters, 2016), and/or in weak institutional settings (Saner & Yiu, 2014).

Research gaps

This research focuses on the ability of doing business abroad, which raises a number of challenges that must be managed so that firms can succeed when operating in international markets (Knight & Liesch, 2016).

The work addresses the role played by BD to support firms in their internationalization process (Doh et al., 2022). In this context, BD is considered a strategic tool that enables firms to cope with the external environment in which they operate regarding differentiated actors that are likely to affect their ability to conduct business abroad (Ruël, 2022a). Therefore, it is perceived a need and relevance for the corporation to be equipped with a tool that enables it to manage this multifaceted and international set of challenges (Doh et al., 2022; Falcão et al., 2021).

Hence, the research problem focuses on the impact that BD can have in the internationalization process:

How does Business Diplomacy support firms
when operating in international markets?

Following the above contextualization, the objective of this research project is to further develop and consolidate the bridge between the two fields of knowledge: IB, regarding the *challenge* of doing business abroad; and IR, regarding the *tool* of BD, in order to assess its usefulness in firms' internationalization endeavors (van Willigen, 2020).

The aim is thus to expand the theory of internationalization of the firm at a theoretical level and enhance the international management field at a business practice level. The ultimate goal is, thus, to assess how BD enables the process of internationalization, i.e., the effect that it has on firms that adopt this strategic mindset when aiming to do business across the border.

This research project follows the few number of previous empirical works on BD (e.g., Saner & Yiu, 2005; Suren, 2014), being recognized a gap and relevance of research problems by the academic community (Ruël, 2020), when it comes to addressing the application of the theoretical concept of BD i.e., there is a lack of scientific knowledge inside the black box of firms practices, on how BD is implemented (put into action) taking in consideration the architecture, modus operandi, etc., of the organization.

Following the known literature on the subject of BD, and in particular the empirical research on the application of the tool, the originality of the purposed research problem lies on the application of the concept specifically to the internationalization process of the firm, with this being of relevance for the academic community due to the contribution to the field following the previously mentioned gap in the area. The importance of this subject can also be assessed following previous empirical research (Monteiro & Meneses, 2015; Ruël & Wolters, 2016; Saner & Yiu, 2005) that shows that international corporations are paying increasingly more attention to non-market players that affect their bottom line. Therefore, the present research project aims to shine a light both on a theoretical and practical level of BD, in order to provide added value to the field per se and to firms' management practices.

Research questions

Following the previous considerations, and given the research problem stated before, this research aims at responding the following research questions:

(1) *How can BD help firms overcome the barriers to internationalization?*
(2) *How can BD foster the motives of the internationalization process*?

The first research question aims to address the challenges related to the barriers in the internationalization process, focusing on how BD in its multiple dimensions is able to minimize the influence of these frictional forces that can be embodied by different forces (e.g., governmental policies and foreign market needs and practices).

The second research question aims to assess how BD can be a catalyst for firms to engage with foreign markets, with the tools claimed by BD that aim to strengthen the firm's ability to engage in internationalization processes being key (e.g., adopt a triple bottom line culture, create social capital and secure a favorable reputation).

Methodology

In order to address these research questions, it is important to understand the framework of doing business abroad that embodies multiple dimensions such as (i) *Motivations* (e.g., efficiency or market seeking), (ii) the myriad of different *Barriers* (such as foreign business practices and distribution channels), the (iii) *Internationalization Processes* per se that encompasses different dimensions, as well as the (iv) *Entry Modes*, which vary from export to wholly owned subsidiaries.

The empirical work was conducted based on a framework for analysis that was drawn upon the literature review with BD in its core with two main groups connected representing the workflow of the internationalization process - one upstream (barriers and motivations) and another downstream (internationalization processes).

Taking into consideration the type of research questions (*how*) and the overall goal of the research project, the investigation followed a qualitative approach since this is recognized as the best method to examine real business dynamics. Hence, the analysis was based on established variables (firm selection), on a measurement device (framework) and on data (primary data, such as interviews; and secondary data, such as annual reports, institutional web sites, press releases, etc.) that were later analyzed using NVivo software.

Expected results

The foreseen outcome of this work is to effectively assess the added value that BD as a strategic tool can generate for the benefit of the firm aiming to do business abroad and achieve its full potential.

Since the end of the 20th century, there have been dramatic changes that have resulted in more favorable overall conditions for firms to venture themselves in IB (communications, transportation, etc.). Despite this, significant challenges remain (business practices, government policy, etc.) alongside new ones (e.g., increasing competition and sustainability) that can impact a firm's performance internationally (Ruël, 2022a). Nonetheless, the last decade is characterized by a number of events that have conducted to what most people call "deglobalization" or "slowbalization". The crises of sovereign debts, the Brexit, the COVID-19 pandemic, the US-China decoupling and, more recently, the war in Ukraine have led to a realignment of international actors giving rise to a true process of "reglobalization".

Hence, the reasons of this to be carried out research project are the following. At a theoretical level:

- to enhance the intersection between the fields of IB (Business) and IR (Diplomacy), strengthening the synergetic and symbiotic cross fertilization that resulted in the concept of BD;
- to advance the concept of BD, aiming to enhance its contribution to the area concerning the internationalization process, alongside the advancement of the concept per se at large.

At a managerial level:

- to empower firms with a tool of BD, leveraging their ability to do business abroad;
- to enhance the likelihood of a successful internationalization process of firms, through (also) the use of the BD tool.

Following the mentioned theoretical gaps regarding the role of BD in the workflow process of firms doing business abroad, there was a mandatory need to identify suitable firms, taking into consideration the goals of the research project of organizing a theoretical framework where BD is now part of it, thus being able to consider it in the workflow of the international process of firms.

Hence, two international Portuguese groups perceived to have a potential high-level correlation with BD were selected for this research: Galp and EDP. This sample was chosen because the firms were considered as two cases that best help to understand the subject and that are suitable to answer the research questions, taking into consideration that BD is *industry-specific* (more relevant and can generate a greater impact in specific sectors) and is also more valuable in *weak institutional settings* (e.g., Latin America or Africa), thus a purposive sampling was used (Ruël & Wolters, 2016).

Structure of the thesis

The thesis is organized into five main chapters besides this Introduction: (i) Literature Review, (ii) Framework for Analysis, (iii) Methodology, (iv) Analysis and Findings, and (v) Conclusion.

After this Introduction, the thesis addresses the Literature Review focusing on two main areas: the internationalization process and diplomacy. The first addresses the barriers, entry modes, strategies and positioning of firms when doing business abroad; the second focuses on the genesis, evolution and related concepts of BD. Then, the Framework for Analysis is presented, followed by the Methodology which also addresses the case selection process (Galp and EDP) and the qualitative approach adopted alongside the data analysis process using NVivo software.

Afterwards, comes the chapter dedicated to the Analysis and Findings of both cases individually, followed by a comparative analysis, with the novelties vis-à-vis the state of the art preceding this work being presented: *Matrix of Business Diplomacy Relevance* and *Artful Business Diplomacy*. Lastly, the Conclusion starts with a summary, followed by the answers to the research questions, and the theoretical and practical contributions alongside the limitations and suggestions for future research.

2. LITERATURE REVIEW

2.1. Introduction

Since the last quarter of the 20th century, dramatic changes, which have culminated in more favorable overall conditions, have taken place. Specifically, progress in communications, information networks, transportation, the liberalization of the world trade (e.g., the General Agreement on Tariffs and Trade [GATT] and the World Trade Organization [WTO]), the creation of economic integration projects (e.g., the European Union [EU]) and regional trading blocs (e.g., the Association of Southeast Asian Nations [ASEAN] and the North American Free Trade Agreement [NAFTA]) have leveraged the firms' ability to engage in internationalization endeavors, making it easier and faster to act globally without the traditional shackles related to size, resources and experience (Dicken, 2014).

However, despite these changes, the fact remains that firms continue to face significant challenges when going abroad, alongside new ones that in part originate from the aforementioned factors that have enabled them to do business abroad (e.g., increasing competition). Therefore, they could be interpreted as a double-edged sword, and it is difficult to straightforwardly assess which part weighs more - if the threats or the opportunities (Saner & Yiu, 2003).

Some of the most relevant contemporary internationalization theories are now grounded in the importance of the network (Johanson & Vahlne, 2009), i.e., in the ability of the firm to belong to a network and, consequentially, take advantage of a leverage pool of knowledge and connections that are relevant to succeed. It is important to note that BD is also intrinsically connected to the ability to create and manage bonds with all the (business and non-business) actors that interact with the firm and that have impact in its overall performance (Yiu & Saner, 2017).

The literature review is divided into three main fields: internationalization process, diplomacy and business diplomacy. The former is discussed in a number of sections addressing (1) *barriers*, (2) *entry modes*, (3) *strategies* and (4) *positioning.* Diplomacy is addressed in section (1) *genesis and evolution* and (2) *related concepts*, followed by the last field, business diplomacy per se, and finished with an overall conclusion.

2.2. Internationalization

The IB field was originally established with the aim of understanding the phenomenon of Multinational Enterprise (MNE) and its form of doing business across borders, taking into consideration that this particular dynamic had a series of distinctive factors as for the challenge of managing operations outside the home country in a perceived globalized world (Friedman, 2005).

However, this thesis of increasing globalization is being challenged (progressively abandoned and even replaced) by the effect of *de-globalization*, i.e., a movement towards a less connected world, characterized by powerful nation states, local solutions, border controls, etc., a trend that was more recently strengthened by the effect of COVID-19 (Sułkowski, 2020).

Regarding the concept of internationalization tout court, and for the purpose of this work, we can consider it as the process of increasing the involvement in international operations (Welch & Luostarinen, 1988) and, alongside the view of Calof and Beamish (1995), as the process of adapting exchange transaction modality to international markets, which involves specific challenges (costs, risks, etc.) that firms need to identify, address and overcome or minimize in order to achieve the full potential of doing business abroad, or in the view of Johanson and Mattson (1988), the establishing and development of positions in relation to counterparts in foreign networks.

Today, a key element is the ability of the firm to build relationships inside relevant networks (*insidership*), because it is through relationships that firms are, to a large extent, able to learn, build trust and commitment regarding the internationalization process (Doh et al., 2022; Johanson & Vahlne, 2009)

Thus, in this context of internationalization, firms are challenged to positioning themselves as international business players, being the reasons (motives) related, first and foremost, to its overall strategy, and that can be of different types and changing throughout the time.

2.2.1. Motives

Dunning, one of the main authors in IB, also worked on the motives for internationalization. Dunning, one of main authors in the field of IB, also carried research on the topic of firms' motives to do business abroad. In a first approach, Dunning (1988) - based on the work of Behrman (1972) and sharing the same motive (*search*) - proposed three main motives: *market-seeking, resource-seeking and efficiency-seeking,* and, afterwards (1993), set out a more comprehensive list dividing it in *main* motives (*natural resource-seeking, market-seeking, efficiency-seeking* and *strategic asset* or *capability-seeking*) and *others* (*escape investments, support investments* and *passive investments*).

In a later work (Dunning & Lundan, 2008), the main motives mentioned above were reaffirmed, being these the classic motives in the current state of the art regarding the internationalization, and, regarding the others mentioned, they were, throughout time, disregarded by the subsequent literature and its own authors.

The works about internationalization motives continued into the 21st century (e.g., Collinson et al., 2016; Pett et al., 2004; van Tulder, 2015), being at their core, generally, nevertheless some new terms, aligned with the previous work on this subject, in an IB environment characterized by the boom of technology (e.g., the Internet) and the continuous growth of the globalization of the markets (Verbeke, 2014).

A set of motives proposed (Dicken, 2014), as the need for increasing the *market share,* aiming to be an *industry leader* of the field, or the goal of pure *firm growth,* can be linked to the previous motives presented by Williams (1992) of increased sales, being that the author in case defends that no matter the motives nothing is more important than *global profit* per se in the long run.

Another typology (Pett et al., 2004) proposed the following motives for doing business abroad: the *inter alia* (possession of unique organizational competencies), *existence of* *idle operating capacity*, *prevalence of home market constraints*, *pressures by domestic competitors*, *identification of business opportunities in overseas markets* and *encouragement by external agents*, etc., so both internal and external factors influence internationalization motives, with the management being ultimately responsible for making the strategic decision to internationalize (or not) after assessing all the aforementioned possible scenarios. This view can be associated with the previous work of Kacker (1985) and Treadgold and Davies (1988) of *push* (associated with the home market) and *pull* (associated with the foreign market) forces, also later embraced by Bartlett and Ghoshal (2000).

In a more recent approach to this theme (Czinkota et al., 2009), it is reaffirmed the typically categorization in two dichotomies from early works (e.g., Treadgold & Davies, 1988): *internal* (firm-based), i.e., proactive, exploiting internal strengths, and *external* (environment-based), i.e., reactive, seeking opportunities in overseas markets in response to the environmental pressures' original from, being that we can generally associate the proactive movies as *offensive* and reactive motives as *defensive* by nature (Pett et al., 2004).

Another set of motives for internationalization proposed were *expanding sales*, *acquiring resources* and *minimizing risk* (Daniels et al., 2019), i.e., a combination of the increase sales motive of Williams (1992) and the resource approach of Dunning and Lundan (2008), being this last view also shared in other recent work in the field of IB (Verbeke, 2014).

In a different approach, Collinson et al. (2016) argue a wide range of motives for going abroad, most of them not a novelty following previous approaches (*exploring rising markets, diversify, reduce costs, take advantage of high-tech know-how through FDI*), but others somewhat new (*follow the competitor* and *overcome protective devices*). In a recent literature review about the motives for internationalization (Cuervo-Cazurra et al., 2015), it was presented an approach based upon managerial expectations of two types: *economic-driven*, exploitation or exploration of resources and capabilities, and *psychology-driven*, obtaining better host country conditions or avoiding poor home country conditions.

The combination of both result in the following four motives: *sell more* - exploit home country resources and capabilities; *buy better* - exploit host country resources and capabilities; *upgrade* - explore new resources and capabilities in the host country to advance home country operations; and *escape* - explore better conditions in the host country to prevent constrains in the home country (Cuervo-Cazurra et al., 2015). This classification argues to be less theoretical and based on theory-driven motives, which can more easily explain why managers engage in internationalization processes, i.e., based on behavioral economics that positions the manager as the main actor in charge of the decision of engaging (or not) in internationalization processes (Cuervo-Cazurra et al., 2015).

In one of the latest work regarding internationalization motives of firms (van Tulder, 2015), it is put forward a holistic approach based on five dimensions: *intrinsic* and *extrinsic*, *primary* and *secondary* (sector related), *tactics* (emergent) and *strategic* (intended) *reasoning over time*, *global* and *local ambitions* and *high* and *low degree of coordination*. This approach is based on three phases: *trigger event* (the decision per se to internationalize in search of greater markets, more resources, etc.), *internal alignment* (the need to reassess the implemented strategy considering the internal and external conditions for expansion) and *external alignment* (to seek structural alignment with non-market actors in three distinct dimensions: local, international non-governmental organizations [NGOs] and governmental organizations).

Regarding the internationalization motives presented by different authors throughout time, the four main motives of Dunning and Lundan (2008) - *natural resource-seeking*, *market-seeking*, *efficiency-seeking* and *strategic asset* or *capability-seeking* - are the main typology considered in IB works at large, from internationalization theories (e.g., Uppsala Model of Vahlne and Johanson, 2013; Eclectic Paradigm of Dunning and Lundan, 2008) to Joint Venture (JV) and FDI dynamics (Larimo et al., 2016; Meyer, 2015), and other international contemporary subjects such as reshoring (Wan et al., 2019).

The *natural resource-seeking* motive concerns firms that go abroad to access resources that are not easily available in their home country or that can be obtained at a lower cost abroad (e.g., physical resources, un-skilled or semi-skilled labor, technological and managerial expertise). This can also be achieved by investing in infrastructure to exploit specifics resources such as oil, gas, etc. (Dunning & Lundan, 2008), i.e., *buy better* (Cuervo-Cazurra et al., 2015).

Market-seeking refers to firms that go abroad to find and/or increase their customer base, by supplying goods or services to a particular country or region (from existing markets to new markets). Since this type of firm usually has its own brands/trademarks, the internationalization endeavor aims to leverage them by doing business abroad (Dunning & Lundan, 2008), i.e., *sell more* (Cuervo-Cazurra et al., 2015). The *efficiency-seeking* motive is about firms that go abroad to lower their costs. This is usually achieved by making investments (e.g., production facilities) to gain economies of scale, scope and time, being that the increasing dynamics of offshore outsourcing - due to technological advances - have in a way helped firms achieve these same goals but with less need of FDI (Dunning and Lundan (2008), i.e., *buy better and sell more* (Cuervo-Cazurra et al., 2015).

This approach usually bears significant risks that can put the firm in harm's way, taking into consideration that we are usually talking about the exploration of finite resources in foreign countries, and which often have a significant and long-term impact on the habitat of the local populations (Dunning & Lundan, 2008).

Strategic asset or *capability-seeking* is about firms that go abroad to obtain strategic assets (tangible or intangible), that are not available in their home country and that are relevant for their long-term strategy. The challenge in this case is to be the first to identify and secure the assets before the competition, having in mind that in this case the first advantageous move can make all the difference in the long-term success (or lack thereof) of the firm (Dunning and Lundan (2008), i.e., *upgrade* (Cuervo-Cazurra et al., 2015). A limitation to this approach is that all the four motives mentioned above are based on the assumption that managers have a proactive orientation, not including reactive and/or defensive actions (e.g., follow the competitor, protect existing markets), which is not always the case (Benito, 2015).

2.2.2. Barriers

In view of the current status quo in IB, *the world is our market*, and despite the conditions that leveraged the firm's ability to go abroad in the last decades (technological revolution, liberalization of the world markets, regional trading blocs, etc.), the fact remains that businesses continue to face significant challenges when moving outward into the international stage (Saner & Yiu, 2003).

The barriers in general are *the problem* at hand, and can be categorized as follows: LOF/LOO, lack of experiential knowledge, demands and expectations of stakeholders, governments and international organizations rules, negative or suspicious attitudes towards foreign actors, local competition attacks and social concerns – nevertheless the different impacts of each of them following the type of industry the firm is in -, and the goal of the firm is to overcome or minimize all of these challenges (Monteiro & Meneses, 2015).

When going abroad, firms can experience different obstacles and react differently to them, largely, but not only, because of the characteristics of its management, the organization (size, experience, etc.), the environment in which the company operates, industry, etc. However, first and foremost, they need to, once a particular international market has been targeted, define an entry mode, which differs significantly from one market to another in the degree of resources' commitment and level of involvement (Julian, 2009). Understanding the barriers to internationalization could lead to minimizing their effect which results in a better entrance and, ultimately, an improvement in various countries' trade performance (Oliveira et al., 2018; Zhao et al., 2017). The main focus should concern *importance*, *frequency*, *intensity* and their *negative effect* on the internationalization of firms (Julian, 2009).

The main barriers to internationalization are related to *market attractiveness*, *foreign business practices*, *venture management characteristics*, *distribution channels*, *foreign* *market needs*, *government policy* and *competition* (Julian, 2009). Regarding the *market attractiveness*, it refers to the challenges of providing after sales service, high costs associated with selling abroad (e.g., transportation) and difficulties in quoting prices with volatile exchange rates (Julian & Ahmed, 2005).

The barrier concerning *foreign business practices* refers to the difficulty to understand import regulations and procedures, the risks of selling abroad, the host country government's actions (e.g., import quotas), and, the most common, the exchange rate, namely through currency devaluation practices (Evans & Mavondo, 2002). Another barrier concerns the *venture management characteristics* that includes managerial indifference towards the value of internationalization, management emphasis on developing home markets, insufficient staff to manage international trading - especially in small and medium-sized enterprises (SMEs) - and a lack of capacity for foreign expansion (O'Cass & Julian, 2003). Another relevant aspect is the misunderstandings of managers regarding the information of the potential foreign market (e.g., laws and taxes) that can lead to the loss of opportunities and, in sum, to a mix of misconceptions, unrealistic fears and inertia that in fact are all linked to the lack of qualified staff that can engage and overcome this type of challenges (Julian, 2009).

About the *distribution channels*, they can either be firm owned or third-party owned, but not all firms are able to be vertically integrated which reduces its range of options. And, when it comes to the barrier *foreign market needs*, it concerns differences in product usage in foreign markets, language and cultural differences and the need to adapt products to meet foreign customer preferences that need to be balanced (O'Cass & Julian, 2003). The questions that arise here is whether to adapt and how much to adapt, and it is a decision made based on the costs of a localized strategy and the respective benefits of better serving the local market (Julian, 2009), i.e., the never-ending positioning dilemma of global vs local - *Glocal* -, following the previous outdated view of the *globalization of markets* of Levitt (1983).

An adequate positioning of the firm to this predicament is related to market expectations, which in turn is based on market knowledge, being the quality of the response directly related to the level of knowledge regarding each particular market, that differs from one geography to another (and that is also dynamic). Thus, the challenge of the firm is to respond in the most effective way by adapting to market expectations that are continuously changing based on the evolving nature of the market knowledge (Hadley & Wilson, 2003).

Regarding the barrier *government policy*, it concerns the lack of government assistance in overcoming the various barriers and the lack of a tax incentive provided by the home country government for companies that internationalize (Gençtürk & Kotabe, 2001). Lastly, the *competition* barrier concerns the competition from local firms in foreign markets and the competition from foreign firms in foreign markets, which, according to the microeconomic theory, the entry of new firms into a competitive market reduces the profits of the market participants (Pindyck & Rubinfeld, 2018).

2.2.3. Processes

Entry Modes

The four classic entry modes of internationalization are *Export*, *Licensing* or *Franchising*, *JV* and *WOS*. This specific order of the entry modes perceives an international expansion model that emphasizes the role of experience and learning in determining the entry mode, thus assuming a snowball process where companies gradually increase their commitment to newly entered markets as they gain knowledge and capabilities (Zhao et al., 2017).

Following this approach, firms might initially enter by Exporting or Licensing/ Franchising, thereby acquiring some local knowledge while minimizing local investments. As they gain knowledge and capabilities, firms can then increase their exposure through a JV or, in an ultimate stage of commitment, by establishing a WOS, having in mind that there are advantages and disadvantages to each entry mode (Johnson et al., 2017).

The outlined (gradual) entry modes, based on the increasing commitment of the firm, are closely linked to the issue of knowledge, being that the access or lack of it will determine the level of commitment and, subsequently, the entry mode in case, i.e., more knowledge equals to potentially more commitment (e.g., FDI) and less knowledge to less commitment (e.g., Exports) (Zhao et al., 2017). The knowledge can assume different dimensions (objective vs experiential, firm vs network, first-hand vs second-hand), with some of them being more difficult to access than others (experiential knowledge is more difficult to acquire than objective knowledge), although the firm might nevertheless have the ability to attain it (the network knowledge through insidership). Hence, we can assume a direct correlation between the level of market knowledge and the chosen entry mode/level of commitment (Zhao et al., 2017). Following the incremental internationalization model of the Uppsala School, *Exports* is the baseline option. (Hollender et al., 2017; Johnson et al., 2017; Wang & Ma, 2018).

Hence, the barriers on exports are all of those that constrain the firm's ability to initiate, develop or sustain international operations, i.e., at all stages, although the nature and severity of these obstacles differ in difficulty and impact from one stage to another, which is one of the main failures of firms during international endeavors. Thus, the removal or mitigation of these impediments have a significant and direct impact on the internationalization propensity and probability of success of firms when engaging with international markets (Leonidou, 1995). In the literature review (Kahiya, 2018), it was possible to also confirm the relation between IB theories and the export barriers: *incremental internationalization* (Johanson & Wiedersheim-Paul, 1975), *resource-based view* (Barney, 2001), *institutional* (Peng et al., 2008) and *network* (Johanson & Mattsson, 1988).

Licensing or *Franchising*, another entry mode, is a contractual agreement whereby a local firm receives the right to commercially exploit a product's technology or a service's concept for a fee during a specific period (Hollender et al., 2017; Johnson et al., 2017; Madanoglu, 2017). Regarding the barriers to internationalization of this entry mode, we can consider the size, i.e., the bigger the operation the easier it is to secure capital in foreign countries, because the need to invest in building foreign reputation requires considerable resources. Another barrier is the need to establish networks of professional business services that are the support of operations abroad, namely specialized suppliers (Alon & McKee, 1999).

In addition to the mentioned barriers, we can consider the imposition of national standards, the local testing rules, the complexity of foreign legal systems, the inability to practice without the license of the home country's professional bodies, the overcoming of psychic distances, the need of local track record, the excessive costs for setting up local operations, the difficulty in obtaining information on tenders, the high administrative costs of bidding, the exemption clauses in public procurement, the need for a new business model in the foreign market, the cultural differences, the language barriers, among others. (Ojasalo & Ojasalo, 2011).

Regarding the entry mode of *JV*, i.e., jointly owned companies where the international investor shares assets, equity and risk with a local partner.(Hollender et al., 2017; Johnson et al., 2017; Larimo et al., 2016). The main barrier of internationalization in this entry mode is, first and foremost, the mandatory requirement to find two entities to form the JV, with this "marriage" being more difficult than it seems, having the basic assumption of it to be complementary between both parties, i.e., each part brings an advantage to the table (e.g., technology and marketing expertise) because the whole is greater than the sum of its parts, which is leveraged by the figure of the JV (Johnson et al., 2017; Larimo et al., 2016). Hence, JVs enable firms to acquire some of the benefits of internalizing knowledge, without the full set-up costs of a merger, with the barriers being the cultural distance (that can lead to misunderstandings and disruption), the risk associated with propriety rights and uncertainty about technological competence, as well as the firms' beliefs about its needs of independence, government restrictions, etc. (Buckley & Casson, 1996).

Another barrier that can be considered is the set-up cost of continuous switch of JV partners due to the increasing rhythm of innovation, which assumes that the reason for the creation of the JV, based on the view of product life cycle, is increasingly shorter and, thus, more difficult to achieve positive returns with (Buckley & Casson, 1996).

Finally, the last entry mode, ***WOS***, involves full control through setting up an entirely new operation (greenfield) or by acquiring a local firm (Edman, 2016; Johnson et al., 2017). Regarding the barriers of this entry mode, we can list the following: the possession and exploitation of monopoly power and of scarce, the unique and sustainable resources and capabilities; the managers capabilities to identify opportunities; the patent protection; the marketing, production and financial scale; the rareness and non-imitability of resources, and the capability of firms to create and utilize them; the natural or artificial cross-border barriers; the transportations costs; the immobile assets, etc. (Dunning, 2000).

Strategies

In the above dilemma, it is underlined the issue of international strategy and the four main approaches - *Export, Multi-Domestic, Global* and *Transnational* - based on a matrix of a stronger or weaker positioning of the firm regarding two main forces: global integration vs local responsiveness, i.e., the never-ending dilemma of global vs local (Johnson et al., 2017). These four main strategies must not be seen as binaries choices or as immutable. On the contrary, the choices made by businesses is a blend of all the possible strategies taking into consideration the different geographies, business units, etc., alongside the internationalization drivers that are at the origin of doing business across the border (Johnson et al., 2017).

Returning to the main issue of perceptions, it concerns the need to design the *perceptual map* of each country in order to address the market in case in the best way possible, i.e.: to understand the market structure; to examine target markets, the degree of segmentation, and the similarity of customer needs, interests, and segments; and to determine what benefits to stress and which customers to target (Ganesh & Oakenfull, 2000).

Hence, perceptual maps are important to determine the positioning decision that firms need to adopt when entering a new foreign market. These positioning maps were first proposed by Hotelling (1929) and firstly introduced in a marketing context by Johnson (1971), and this technique is since then being used to gather data about product positioning, competitive market structure, consumer preferences and brand perceptions. In sum, it is a visual representation of how consumers view a set of products/services and the respective brands associated with them in relation to the competition (Ganesh & Oakenfull, 2000). Perceptual mapping is about *psychological* positioning (e.g., advertising) and does not concern physical characteristics (objective reality). Thus, it is focused on the consumers perceptions regarding the importance given by them to key attributes, and the ultimate goal is to have the perfect mix between all of those variables in order to deliver the ideal branding for that specific market segment (Ganesh & Oakenfull, 2000).

The issue of positioning in the context of IB compels the firms to address a series of extra dimensions, beyond the ones already considered when examining an internal market. The reason being that across the border it is not straightforward that (a) the perceptions are the same regarding the most valued attributes, (b) competition standards may differ from one geography to another and (c) standardization can be applied inside the same market segments (Ganesh & Oakenfull, 2000).

Therefore, in order to overcome this positioning challenge at the international level, it is important to address three issues regarding each foreign country: the market *hierarchy*; the stage of the *product life cycle*; and which customers to target, a *broad-based* or a *focused* market strategy (Ganesh & Oakenfull, 2000).

Positioning (and the use of perceptual maps) is a powerful tool in understanding consumer perceptions and preferences in order to adopt the positioning strategy that best serves the goals of the firm in each segment/market/country targeted, being the ultimate goal to win the battle of perceptions of the consumers vis-à-vis the competitors, in order to have an effective and successful international positioning strategy (Ganesh & Oakenfull, 2000).

Positioning

Strategic positioning refers to what benefits firms should highlight in their products when addressing/targeting a specific market segment, i.e., it is more of a battle of perceptions than of products per se, so, in this point of view, the customers mind is more important than the marketplace. Hence, it is relevant to understand the psychology of consumers (perceptions), with the role of the firm being to influence those perceptions to their best advantage (Trout & Ries, 2001).

In an international setting, positioning becomes even more complex and critical because, beyond the usual degree of homogeneity in consumer characteristics and behavior when analyzing an internal market, it is also required to understand the similarities and differences across countries on a number of dimensions (Political, Social, Cultural, etc.).

As such, the perceptions must be identified in regard to each host market/country, with one of main challenges being to find the right balance between adopting a more *tailored* positioning (in order to better address clients' preferences) or adopting a more *standardized* positioning (to take advantage of scale of economies) (Ganesh & Oakenfull, 2000).

2.3. Diplomacy

In this section, we will address the field of Diplomacy in all the dimensions that are related to the present work. We start by addressing its origin, followed by the related concepts that have emerged throughout time in relation to the fields of Economics and Management, and, lastly, we shall address the core concept in case: business diplomacy.

2.3.1. Genesis and Evolution

In order to better understand the importance and context of BD in IB, it is important to first clarify the concept that is precedent, i.e., its roots - Diplomacy -, and, second, clarify the contemporary notions that are related and/or interconnected to it, namely Economic/Commercial Diplomacy and Corporate Diplomacy.

Following World War II, diplomacy began to be associated with new actors (above, below and parallel) besides the state (which was the only key actor until then), such as inter-governmental organizations, NGOs and, most importantly, following the present work, MNCs, resulting in a new set of IR beyond the classical dichotomy of state vs state (Leira, 2016). Hence, the contemporary diplomacy (post-Cold War), in this era of globalization, is beyond the states and governments view of the 1961 Vienna Convention on Diplomatic Relations (which only acknowledged the states as actors in IR), being this now a new international setting where global economics are a pivotal figure (Battersby & Siracusa, 2014).

MNCs, in the IB stage, have grown exponentially in terms of number and scale, being responsible for a large share of the word trade - some of them with revenues above the Gross Domestic Product (GDP) of some countries. Because of this dimension, they are more subject to international public society scrutiny (e.g., NGOs), especially when the industry of the firm has a significant impact on the natural resources and on the overall society of the host countries that accommodates them (Battersby & Siracusa, 2014; Monteiro & Meneses, 2015).

Following this scenario, governments are eager, and dispute between them, to capture MNCs attention to bring their businesses inside their national borders (e.g., FDI), because this represents employment, the increase of tax revenues, etc., which results in a strong bargaining power from MNCs vs the states, following the arbitrage they instigate in order to access the better overall conditions to conduct their investments (tax rates, investment incentives, etc.). The state, here, is also under public scrutiny in order to assure a fair balance between the MNCs benefits vs the community at large (Battersby & Siracusa, 2014). This close connection between the state and private initiative, following the array of actions triggered and conducted by the state in relation to national business operating abroad and foreign firms doing business at their home country, is referred to as Economic/Commercial Diplomacy (Saner & Yiu, 2003).

2.3.2. Related Concepts

The concept of BD is many times associated with terms that can, at first, be perceived as equivalents. Therefore, it is necessary to clarify BD vis-à-vis other related concepts, and this work is a continuous challenge of the field (Alammar & Pauleen, 2016). BD should not be perceived as a *silver bullet* solution, but an additional management tool accessible to managers when engaging in IB. Moreover, nevertheless its own identity, this concept is (naturally) connected to others (Alammar, 2018) that are also related to the need to manage a myriad of challenges when engaging with foreign markets.

Hence, it does not aim to overshadow or diminish other management concepts.

Table 1 presents the related concepts of BD, and, with support of some variables (Key Employer, Organizational Setting, Performance and Goals), the aim is to differentiate it from the other fields mentioned, having in mind that these distinctions are not mutually exclusive, i.e., the different concepts can in some cases share some characteristics and overlap in relation to BD.

Table 1: Business Diplomacy Related Concepts

Field	Key Employer	Organizational Setting (Focus)	Performance	Goals
Diplomacy	Governments	Inter-governmental	Conducting of relations between states by peaceful means	To build and sustain positive relations between states
Economic/ Commercial Diplomacy	Governments	Inter-governmental/firm-government	Pursuing economic gain for the country	To promote the outward and inward foreign investment
Corporate Political Activity/ Strategy	Large Businesses	Firm-government	Influencing and shaping governments' policies and politics	To obtain more favorable market and condition for the firm
Public Relations	Businesses	Firm-government/firm-business stakeholders	Guarding corporate image and reputation	To build and sustain corporate image and reputation
Stakeholder Management	Businesses	Firm-government/firm-business stakeholders	Creating positive relationships with stakeholders	To establish a positive relationship and to keep stakeholders informed
Public Affairs	Businesses	Firm-government/firm-business stakeholders	Managing corporate external environment	To build and cement ongoing relations/to influence policy
Lobbying	Businesses/ Governments /NGOs	Inter-governmental/firm-government/NGOs-government	Influencing policy and decision makers	To obtain more favorable market or production conditions
Corporate Diplomacy	Large Businesses	Firm-government/firm-firm	Pursuing economic gain for the business and coordination of MNCs and their subsidiaries	To influence and create favourable conditions for corporate activities

Field	Key Employer	Organizational Setting (Focus)	Performance	Goals
Business Diplomacy	Businesses (small, medium and large)	Firm-government/firm-firm/firm-business and non-business stakeholders/intra-firm	Establishing and managing a positive long-term relationship	To create legitimacy and a social license to operate

Source: Alammar (2018)

Following 1, and nevertheless the previous in-depth characterization of the base concept of Diplomacy per se, its key employer is governments, the organizational setting is inter-governmental, the performance is based on relations between states, with the goal of building and sustaining positive relations between them (Alammar, 2018).

Regarding the following related concept, Economic/Commercial Diplomacy, the key employer is also governments, the organizational setting is inter-governmental and firm-government, the performance is measured by pursuing economic gains for the country, with the goal being the promotion of outward and inward foreign investment, in order to improve the overall economic landscape of the nation (Alammar, 2018). There seems to be a trend in the field of Diplomacy at large, particularly after the end of the Cold War and with the dawn of globalization, of *less geopolitics and more economics,* which has resulted from the fact that "trade and economic relationships has moved to the centre of diplomacy" (Ögütçü & Saner, 2008, p. 42).

Economic Diplomacy was the first concept that derived from diplomacy per se in the field of IB, concerning "the use of government relations and government influence to enable international trade and investment (…) through a broad range of actions of (semi) permanent international representations (embassies, consulates and other public sector business support facilities) and diplomatic bilateral activities (trade and state visits)" (Moons & van Bergeijk, 2017, p. 336). The importance of Economic Diplomacy is related to a series of world events starting with the prevalence of Liberalism over Communism in the post-Cold War period, followed by a sequence of small revolutions - reduced transportation costs, enhanced means of communication, political reforms, liberalization of the world trade (e.g., GATT and WTO), economic integration projects (e.g., EU), creation of regional trading blocs (e.g., NAFTA and ASEAN) (Dicken, 2014). Hence, the role of Economic Diplomacy has never assumed so greater relevance thus far as it assumes now, as an relevant component of foreign policy for governments, through the support of the internationalization of their economy and subsequently of their businesses/firms (Ferreira & Gonçalves, 2009). Therefore, Economic Diplomacy comprehends the existence of a multiple of actors and their complex relationships, considering two main aspects aiming to promote the country's economic performance: firstly, the classical bilateral relations between state and international economic organizations; secondly, trade diplomacy through the action of diplomatic missions (Saner & Yiu, 2003).

The trade diplomacy is perceived as Commercial Diplomacy, often considered equivalent to Economic Diplomacy (Mercier, 2007) or Financial Diplomacy (Okano-Heijmans & Ruël, 2011). However, Economic Diplomacy is more orientated to general economic policy-making and trade agreements (Saner & Yiu, 2003) and Commercial Diplomacy is much more specific, i.e., focused particularly on businesses' support, such as trade and export promotion (Potter, 2004). Thus, Commercial Diplomacy can be viewed as the "government interventions to advance the commercial interests of their nationals' firms operating abroad" (Gertz, 2018, p. 95), using diplomatic channels and processes aiming to exploit comparative advantages and take advantage of the international opportunities, or as "the work of a network of public and private actors who manage commercial relations" (Lee, 2004, p. 51).

Despite the present globalization scenario that emerged during the post-Cold War era, we can trace back some of the assumptions of Commercial Diplomacy to Ancient Rome, i.e., there were proactive diligences performed by states, governments and rulers with the specific purpose of improving and increasing trade relations with third parties by supporting and promoting national businesses and industries abroad (Ruël & Visser, 2012). In sum, the association between Economic Diplomacy and Commercial Diplomacy happens due to the government being the key diplomatic actor in both cases. However, in one it promotes the economic activity of their country (Lee & Hudson, 2004) and in the other it supports national businesses abroad (Naray, 2011), respectively.

Economic/Commercial Diplomacy expresses a strong involvement between the two actors (state and firm) by the "interstate economic relations manifested through firm-specific activities" (Yeung, 2011, p. 628), combining through it the interests of both parties by enhancing investment opportunities in their home countries (e.g., FDI) and, at the same time, promoting new business opportunities for their national businesses across the border (e.g., exports), which culminates in a positive-sum game, since the better the home businesses the better the state in general (GDP, Corporate Income Taxes, etc.).

The other related concept presented in Table 1 is Corporate Political Activity (CPA) and Corporate Political Strategy (CPS). Following the characterization proposed, the key employer is large businesses, the organizational setting is firm-government, the performance is about influencing and shaping governments' policies and politics, with the goal of obtaining more favorable market and conditions for the firm (Alammar, 2018).

CPA is viewed as a "strategy whereby firms attempt to influence government policymaking, to advance their strategic goals" (Hadani, 2012, p. 945), while CPS are the firms' "attempts to shape government policy in ways that are favorable to the firm [which] are commonly employed across many countries" (Gorostidi-Martinez, 2017, p. 375). Both concepts are viewed as a tool for influencing public policymakers, i.e., a short-term focus (Ruël & Wolters, 2016) and an unidirectional influencing tactic, being that BD is a two-way flow of interactions (Saner & Yiu, 2014).

These two fields (CPA/CPS) have underlined strategies (e.g., lobbying) in order to influence and shape policies and politics from governmental bodies, with the objective of enabling the firm to operate in the most favorable business environment possible (Hillman et al., 2004). On the contrary, BD aims for a positive-sum game and long-term relationships, intending to achieve legitimacy and a license to operate. Although there are some overlaps between CPA/CPS and BD, in the sense that both aim to influence external stakeholders, the main emphasis and core are distinctive (Ruël, 2013).

The other related concept presented in Table 1 is Public Relations. In Public Relations, the key employer is businesses, the organizational setting is firm-government/firm-business stakeholders, the performance regards the need to safeguard the corporate image and reputation, and the goal is to build and sustain the corporate image and reputation (Alammar, 2018). Public relations can be defined as a "strategic communication process that builds mutually beneficial relationships between organizations and their publics" (PRSA Staff, 2012, p. 1), aiming to create, sustain and develop positive-sum relationships in the long-term, with the ultimate goal of protecting and promoting the firm's brand and reputation, which is today a management function (Theaker, 2018).

There is a common ground between Public Relations and BD (e.g., relationship management and brand reputation), thus some authors have proposed a redefinition of Public Relations (Macnamara, 2012; Pedersen, 2006). This is partly explained by the fact that Public Relations combines different fields, hence the intersection between the two concepts and the above proposition. What differentiates the two fields is mainly the long-term strategic approach to a wider context of IB (Kesteleyn et al., 2014) and other actors that can affect the bottom line of the firm (Saner & Yiu, 2005). Moreover, BD's assumption is that it should be conducted in the light of diplomatic principles (such as discretion) and continuously by high representatives of the firm vis-à-vis at the same level the respective stakeholders that can impact on the overall performance of the business (Pedersen, 2006).

Another term related to the concept of BD is Stakeholder Management, and following the characterization drawn in Table 1, the key employer is businesses, the organizational setting is firm-government/firm-business stakeholders, the performance is focused on creating positive relationships with stakeholders, with the goals of establishing a positive relationship and keeping stakeholders informed (Alammar, 2018).

From all the related concepts (apart from Economic Diplomacy), Stakeholder Management is, without a doubt, the most developed field and can here be briefly described as "a partnering mentality that involves communicating, negotiating, contracting, managing relationships and motivating" (Freeman & McVea, 2001, p. 201), and a "never ending task of balancing and integrating multiple relationships and multiple objectives" (Ibid., p. 195).

Stakeholder Management is considered one of the tools of BD (Saner & Yiu, 2005; Westermann-Behaylo et al., 2015), since one of its purposes is to scan and manage the external environment and also play a role on conflict resolutions. Nevertheless, both concepts are distinctive, in the sense that the BD mindset is more extensive, i.e., an overall strategy that in the end aims to outcome into a form of sustained competitive advantage for the firm.

The last related concepts identified in Table 1 are Public Affairs and Lobbying, with these two particular activities not being in the scope of BD (Saner & Yiu, 2014). The main difference is the fact that BD highlights very significantly the importance of the IB environment in their activity, and the two above-mentioned fields do not give much relevance to this dimension in their activities (Kesteleyn et al., 2014).

Concerning Public Affairs, and following the characterization proposed, the key employer is businesses, the organizational setting is firm-government/firm-business stakeholders, the performance concerns managing the corporate external environment, with the goal of building and cementing ongoing relations and influencing policy. Therefore, Public Affairs is about "dealing with central government and local authorities with the aim of monitoring, influencing, communicating, or implementing public policies" (Ordeix-Rigo & Duarte, 2009, p. 554), being some of its stakeholders NGOs, the media, etc.

Lobbying is the "strategic communication of politically relevant information by officers of a corporation to those political actors who have the power to substantially influence public policy outcomes in that policy-making environment" (Anastasiadis et al., 2018, p. 208), which is different from BD, since it aims to advance the firm's interests by promoting legal frameworks that favor businesses.

In the case above, and following the characterization in Table 1, the key employer is businesses/governments/NGOs, the organizational setting is inter-governmental/firm-government/NGOs-government, the performance is based on the capability of influencing policy and decision makers, with the goals of obtaining more favorable market or production conditions (Alammar, 2018).

The other related concept outlined is Corporate Diplomacy, i.e., “the capability that some major transnational corporations develop to draft and implement their own programs, independent from the government’s initiative” (Ordeix-Rigo & Duarte, 2009, p. 561). This is one of the terms most closely related to BD, many times viewed as a synonym despite minor differences, with some authors using both terms interchangeably (e.g., Monteiro & Meneses, 2015; Ruël & Wolters, 2016).

Following the categorization in Table 1 for Corporate Diplomacy, the key employer is large businesses, the organizational setting is firm-government/firm-firm, the performance is related to pursuing economic gain for the business and coordination of MNCs and their subsidiaries, with the goal of influencing and creating favorable conditions for corporate activities (Alammar, 2018).

In the beginning, Corporate Diplomacy was only associated with internal coordination between MNCs and their subsidiaries (Hofstede, 1991). But since then, it has evolved into including external counterparts, aiming to obtain legitimacy to operate (Henisz, 2016), with most authors arguing that today it aims to engage and manage relationships with multiple stakeholders, with the goal of advancing the firm’s interests (e.g., Westermann-Behaylo et al., 2015), which is what is also advocated by BD.

Hence, there is some overlap between the two concepts, noting that some authors argue that the aim to advance the firms interests by establishing alliances and managing relationships with stakeholders in order to have the most favorable possible business environment to operate is Corporate Diplomacy (e.g., Henisz, 2017) while others state that it is BD (e.g., Saner & Yiu, 2014).

Steger (2003) makes no distinction between the company’s relationship with the internal and external environment as Saner and Yiu (2003) do, focusing mainly on the external interactions of managing relationships with several stakeholders, and thus assuming and defining Corporate Diplomacy as “an attempt to manage systematically and professionally the business environment in such a way as to ensure that *business is done smoothly*” (Steger, 2003, pp. 6-7).

Despite the above, the difference between the two concepts (BD vs Corporate Diplomacy) is that Corporate Diplomacy is solely associated with large enterprises relationships at the corporate level while BD is also related to SMEs at business level between economic actors, being that Corporate Diplomacy does not include the SMEs dynamics at all (Asquer, 2012; Saner & Yiu, 2014).

In sum, following this dichotomy of Corporate Diplomacy vs BD, as well as the understanding of two of the most preeminent scholars on the subject (Saner & Yiu, 2003), we can characterize Corporate Diplomacy as internal, related to the company’s culture and its adaptation to the cultures of the countries where it operates, and also concerning the relationship between the parent company and its affiliated companies (subsidiaries and/or associates), nevertheless the evolution of the scope of concept per se, for example, going beyond the business logic (de Carvalho Spínola & Cotton, 2022; Salvi & Ruël, 2022), in the context of geopolitics rivalries (Li et al., 2022) or following the post-covid world (Bolewski, 2022; Manfredi-Sánchez, 2022). On the contrary, BD can be characterized as external (national and international) and related to the relation between the firm and their external constituencies (business and non-business related).

The last concept in Table 1 for analysis is BD, which shall nevertheless have a more detailed analysis in the next subchapter. Once again following the characterization proposed, the key employer is businesses (small, medium and large), the organizational setting is firm-government/firm-firm/firm-business and non-business stakeholders/intra-firm, the performance aims to establish and manage a positive long-term relationship, with the goals of creating legitimacy and a social license to operate (Alammar, 2018).

Some key differentiation between BD and the above related concepts is that BD aims to align the firm’s interest with the ones where it conducts its operations, which is a mandatory pre-condition in order to obtain the legitimacy from the local stakeholders.

Moreover, BD focuses on the wider perspective and has a need to manage all the array of actors (business and non-business related), always with a long-term and sustain positive-sum perspective, aiming to ultimately achieve a broad license to operate while diminishing potential risks (e.g., backlashes) and, at the same time, leveraging all the potential of the business on the host market/country (Ruël & Wolters, 2016; Small, 2014).

BD principles are aligned with a market-oriented management mindset, grounded, however, in a more wide and interconnected series of assumptions, that gives body to the distinctive concept of BD, aiming (whenever possible) for win-win and long-term positive outcomes with all the firm's counterparts, in a triple bottom line view (Alammar, 2018).

Hence, in a globalized world, firms can benefit from a BD management strategy, aiming to align their values and priorities across markets (Economist, 2019), with the firm being the prime diplomatic actor, and seeking to secure a sustained and valuable relationship within the market/country where it aspires to install and develop its businesses (Kesteleyn et al., 2014).

Following the previous consideration regarding the concepts of Corporate Diplomacy and Business Diplomacy, and taking into consideration that the main actor behind both of them is the firm, and also having in mind the approach from other authors regarding the use of these two taxonomies interchangeably (e.g., Monteiro & Meneses, 2015; Ruël & Wolters, 2016), from this point onwards the concepts of BD and Corporate Diplomacy will be considered as equivalents.

2.4. Business Diplomacy

In the following sections, we conduct an in-depth analysis of the concept of BD, since the first references until today, and detail the several mechanisms that give body to this tool, that will comprise the core of our framework for analysis.

2.4.1. Concept

Although this field only began to be academically addressed at the end of the 20th century, there are, however, previous references to BD, with the first one being from Charles Jackson (Jackson, 1950), the editor of Fortune magazine, where in an article entitled *Total Business Diplomacy*, he exhorted American enterprises to engage in BD practices in order to gain access to international markets.

This attitude was related to the new IB landscape that developed after World War II, taking into account three major factors: the emergence of new state actors (e.g., processes of independence in Africa), the increased international competition (Europe and Japan), and the end of the *honeymoon phase* that MNEs experienced from the early 1950s to the mid-1960s (Dunning & Lundan, 2008).

Hence, the era of the *footloose enterprise* (Caves, 1996) was over, so there was a demand for “moving from *business as usual* to *business with ethics*, and from being a corporate *raider* to be a corporate *resident*” (Saner & Yiu, 2014, p. 313). Later, in the same magazine, Christian Herter of Socony Mobil Oil Company (known today as Mobil), presented the same idea in a piece entitled *Corporate Diplomacy In Foreign Countries: A Challenge to American Business*, stating that the “welcome mat was out” (Herter, 1966, p. 408) resulting in “difficult and unprecedented problems” (Ibid, p. 407) that could only be successfully overcome “through the continuous practice of imaginative and intelligent corporate diplomacy” (Ibid, p. 407).

In the 90s, several works were published (e.g., Strange, 1992; Trice et al., 1995), highlighting the contribution of London (1999) that portrayed BD as “the skillful resolution of differences between people in all kinds of corporate and competitive issues” (London, 1999, p. 172), thus aiming to reach consensus, to overcome conflicts and to negotiate win-win situations.

Nevertheless the aforementioned works, it was only in the beginning of the 21st century, with the seminal works of Saner et al. (2000) and Steger (2003), that BD gained a new outlook (which continued and has grown and expanded until today), portraying it, respectively, as a core competency for global companies and as the strategy for a volatile and fragmented business environment.

Saner et al. (2000) state that for international businesses to improve their effectiveness, they should develop their own form of diplomacy as an integrated function inside the organization in order to manage multiple stakeholders. Thus, BD is of helpful when it comes to dealing with foreign country expectations since there is a need to “build bridges between core businesses and the complex political environments within which global firms conduct business” (Saner et. al., p. 80).

International businesses can prevent extra costs (e.g., settlements), the loss of business opportunities and market share (e.g., boycotts), as well as prevent reputational capital (e.g., bad press), if they are “equipped with adequate diplomatic know-how, political foresightedness and social competence” (Saner et al., 2000, p. 82), i.e., BD.

Table 2 presents a summary of the most relevant BD definitions until the present moment.

Table 2: Definitions of Business Diplomacy

Author(s)	Definition
(Saner, et al., 2000, p. 85)	“[I]nfluencing economic and social actors to create and seize new business opportunities; working with rule-making international bodies whose decisions affect international business; forestalling potential conflicts with stakeholders and minimizing political risks; and using multiple international forums and media channels to safeguard corporate image.”
(Steger, 2003, pp. 6-7)	“[A]n attempt to manage systematically and professionally the business environment in such a way as to ensure that ‘business is done smoothly’, basically with an unquestioned ‘license to operate’ and an interaction that leads to mutual adaptation between corporations and society.”
(Muldoon, 2005, p. 355)	“[S]uccessfully managing complex interactions with governments, multilateral institutions, and global social movements.”
(Amann et al., 2007, p. 34)	“[T]he attempt to manage the business environment systematically and professionally, to ensure that business is done smoothly, with an unquestioned license to operate and an interaction that leads to mutual adaptation between corporations and society in a sense of co-evolution.”
(Ordeix-Rigo & Duarte, 2009, p. 561)	“[T]he capability that some major transnational corporations develop to draft and implement their own programs, independent from the government’s initiative, to pursue similar diplomatic aims.”
(Ruël, 2013, p. 41)	“[T]he representation and communication activities deployed by international businesses with host government representatives and non-governmental representatives in order to establish and sustain a positive relationship to maintain legitimacy and a license to operate.”

Author(s)	Definition
(Saner & Yiu, 2014, p. 317)	"[P]ertains to the management of interfaces between a MNE and its external non-business counterparts (NGOs, CSOs, international organizations (IOs), national and local governments) that have an impact on the MNE's reputational capital and its ability to shape and influence its operational environment."
(Søndergaard, 2014, p. 357)	"[T]he ability to function effectively and simultaneously in a wide range of market conditions and to interact with external stakeholders such as governments, supranational institutions and global social movements."
(Small, 2014, p. 377)	"[W]hen a company's commercial interests align with a home or supportive government's national interests in order to overcome the actions of a host government that have harmed, or will harm, the company's business in that host country."
(Haynal, 2014, p. 410)	"[T]he management of the risks posed by, and the maximization of opportunities latent in, power beyond an entity's direct control."
(Monteiro & Meneses, 2015, pp. 23-24)	"[T]he actions (engage with multiple stakeholders, create long-term alliances, promote a triple bottom line business culture, uphold the corporate brand and reputation, increase transparency, act in international forums, etc.) undertaken by firms, when dealing with their surrounding environment (home and abroad), concerning multiple actors, market and non-market related, so as to overcome the intrinsic business constraints of doing business abroad, thus emerging as a strategic management mindset, in line with the overall strategy of the organisation, aiming for a win-win type of engagement."
(Alammar & Pauleen, 2016, p. 9)	"[T]he practice of establishing and maintaining positive relationships with internal and external business and non-business stakeholders, including employees, businesses, governments and civil society actors, to create and maintain legitimacy and a social licence to operate, create alliances, and shape and influence the environment."
(Ruël, 2022a, p. 20)	"[T]he goal of engaging in business diplomacy is to focus on the establishing and nurturing of long-term relationships with the focus on create[ing] legitimacy in a foreign business environment as the ultimate goal."

Source: Adapted from Alammar (2018) and developed.

According to this view of Saner et al. (2000), BD is able to create new business opportunities (e.g., through international agreements), help generate social capital (e.g., by addressing host countries needs and expectations) and build relationships and social influence (e.g., through involvement in local communities). Therefore, BD has the goal of "influencing economic and social actors to create and seize new business opportunities; working with rule-making international bodies whose decisions affect international business; forestalling potential conflicts with stakeholders and minimizing political risks; and using multiple international forums and media channels to safeguard corporate image and reputation" (Saner et al., 2000, p. 85).

The other previously mentioned seminal work (Steger, 2003) states that BD is not about crisis management but about crisis prevention, and that "companies are intertwined with surrounding society" (Steger, 2003, p. 6), i.e., the business environment (governments, international organizations, NGOs, investors, customers, retailers, employees, unions, communities, media, regulators, activists, etc.) that constitutes market and increasingly non-market forces. Steger (2003) characterizes this scenario where businesses operate as a “goldfish bowl transparency” (Steger, 2003, p. 6), where perception is reality and if there is a problem anywhere in the world, it can have a global impact on the entire organization, being now the condition for international businesses to operate the need to have a “license to operate” (Ibid, p. 7) that requires “an interaction that leads to mutual adaptation between corporations and society (in a sense a co-evolution)” (Ibid, p. 7).

Amann et al. (2007) refer to BD as the need to “manage the business environment systematically and professionally, to ensure that business is done smoothly” (Amann et al., 2007, p. 34) with a mindset to detect and understand emerging issues, to look beyond the short-term profit and to have a crisis prevention and not a crisis management approach.

Another view of BD makes a direct correlation to the internationalization process (Führ & Paixão, 2009), defining it as an “activity of interaction with the external environment in favour of the interests of the company (...) privately and also at the government level (...) as the main focus for the company designing its internationalization through the initiation or increase of export of their products, promoting him in the midst of international trade” (Führ & Paixão, 2009, pp. 10-11).

According to Sarfati (2009), the current size and complexity of MNCs should drive their focus beyond the market, hence they need to “coordinate its market objectives with its objectives in relation to governments and the organized society” (Sarfati, 2009, p. 1). BD is thus perceived as a “multinational strategy to deal with all global corporate stakeholders” (Ibid, p. 12), which should address four basic elements: market, government, society, and information, regarding both primary (e.g., marketing and operations) and support activities (e.g., human resources and infrastructures).

Moreover, according to the view of Ordeix-Rigo and Duarte (2009), MNCs need to secure through BD a “status that goes beyond a license to operate” (Ordeix-Rigo & Duarte, 2009, p. 555) and need to “show their citizenship and their responsibility toward society” (Ibid,

p. 556), hence the need to actively engage with society, which is a role that goes beyond the classic dimension of generating products/services, employment and wealth, by creating institutions (e.g., foundations), granting support (e.g., by sponsoring local social projects), having in mind that all of this has to be done in an osmosis way, and not in an unilateral process of the corporation towards society.

The emphasis on reputation is also highlighted by Demirdjian (2007), who stated that this dimension in today's global society can either make or break businesses, thus it is relevant for corporations to engage in a strategy that comprises the demands of the multiple stakeholders that constitute the market and affect the bottom line of the firm in order to survive, separating from its country's image and employing their own separate diplomacy (BD).

The importance of managers in BD is also relevant, following the need for the "mediat[ion] [of] conflicts and [the] advancing [of] business interest by negotiating and forging networking with key players in the global market including government officers, religious and labor leaders, and influential non-governmental organizations" (Ali, 2009, p. 258), with the position in the international stage of the CEO of large MNCs being today equivalent to (and sometimes even greater than) some government officials.

Following a growing number of local and international NGOs, international businesses are due to face significant demands and expectations. Therefore, if "equipped with adequate diplomatic know-how, political foresightedness and social competence" (Saner et al., 2000, p. 82), i.e., BD, they are able to better manage conflicts such as the case of the Shell Oil conflict in Nigeria or the Chinese investment in Myanmar (Mogensen, 2017).

However, BD is not only about crisis prevention or crisis management. It aims to, first and foremost, leverage the firm's ability to create new business opportunities (through international public and private agreements), to create social capital (by addressing the host countries' needs and expectations) and to build networks of relationships (with government bodies, international rule makers, etc.), aiming to ensure a sustainable, positive-sum and long-term favorable external environment to operate in (Ruël, 2013). As mentioned before, there is a demand of "moving from *business as usual* to *business with ethics*, and from being a corporate *raider* to be a corporate *resident*" (Saner & Yiu, 2014, p. 313), hence, there is a need to "manage the business environment systematically and professionally, to ensure that *business is done smoothly*, with an unquestioned *license to operate* and an interaction that leads to mutual adaptation between corporations and society in a sense of co-evolution" (Steger, 2003, pp. 6-7).

The present relevance of BD can in a way be assessed by following an issue of the journal *Advanced Series in Management* of 2017, which is exclusively dedicated to this field, entitled *International Business Diplomacy* (e.g., Marques, 2017; Sidibé, 2017; Windsor, 2017), where BD is portrayed as the "strategic management of interfaces between an enterprise and its external non-business counterparts that have an impact on its reputational capital and license to operate (...) strengthen[ing] an enterprise's ability to shape and influence its operational environment" (Yiu & Saner, 2017, p. 36).

The most recent works on BD do not deviate from the core fundamentals of the concept determined above (Alammar & Pauleen, 2016; Amann et al., 2007; Haynal, 2014; Monteiro & Meneses, 2015; Muldoon, 2005; Ordeix-Rigo & Duarte, 2009; Ruël, 2013; Saner & Yiu, 2014; Saner et al., 2000; Small, 2014; Søndergaard, 2014; Steger, 2003), nevertheless the never-ending refining of its meaning: "*diplomat-like* actions in seeking to accommodate, avoid and manage external risks to the entrepreneurial activity" (Antunes (2020, p. 20).

Alongside that, we have the natural evolution of the concept, following structural changes, such as COVID-19 (Ahmed & Gupta, 2021), that can push it to new perspectives, for example, to a model based on the catholic social thought (Ruël, 2022b, 2022c), or the impact of technology, that disrupted diplomacy and the way of doing business following the pandemic (Economist, 2021), as well as other topics from the recent past that will now gain the possibility to thrive, such as the role of BD for sustainable value chains (van Gorp, 2018).

Besides the concept per se, new avenues of views continue to be developed, which shows the interest of scholars in the development of this field, such as the corporatist view (David & Eichenberger, 2020), that through the action of organizations, like the International Chamber of Commerce (ICC), can be linked to BD since the 1920s (Hoffer, 2021), that stakeholder management should be the new role of BD (Falcão et al., 2021), or innovative approaches based on BD to transform the business paradigm and to make MNEs fit the Sustainable Development Goals (Yiu et al., 2022).

What seems to remain, despite the passing of time and the increasing work in the field, is a lack of empirical research in order to address the application of the theoretical concept (Ruël, 2020), i.e., inside the black box of MNEs practices, which is what the present research project aims to shine a light on, nevertheless the existence of some one-off works but with different (history) focus (Clulow & Mostert, 2020; Rönnbäck & Broberg, 2022; Veevers & Pettigrew, 2020; Wirta et al., 2022).

Today, the performance of MNCs is deeply related to the ability of managing its business environment, perceiving through it a new form of social contract regarding businesses vis-à-vis the society, hence the need for "their own representational mechanisms to manage the complex relationships that mark today's global system" (Muldoon, 2005, p. 341). Since its origins, the IB field is also deeply related to the need of supporting firms to overcome the intrinsic challenges of doing business abroad. Because of this, the concept of BD is rooted in that specific concern. The evolution of the MNC status in IB and, consequently, the need for a growing emphasis on relationships promoted the emergence of the concept of BD, so both areas are strongly interconnected (Doh et al., 2022).

In sum, BD represents a strategic management tool that enables the firm to manage the external environment in which it operates, regarding multiple actors (market and non-market related), that increasingly affect its ability to conduct business abroad (and consequently its overall performance), so the perceived usefulness for the corporation to be equipped with a tool that enables it to manage this multifaceted and international set of challenges.

2.4.2. Intervention Mechanisms

Following the above characterization and scope of BD, it is now necessary to detail the tool in practice, i.e., the specific management mechanisms underlined in this concept in order to further ahead assess to what extent those instruments are used and are relevant, when adopted by the firm to overcome, manage and/or minimize the previously identified challenges of the internationalization process, thus, ultimately, assessing its impact on the performance of the firm.

The intervention mechanisms of BD are summarized in Table 3, with all of the tools under its perceived role and scope being based upon an extensive literature review (Monteiro & Meneses, 2015) where all of these tools were associated with the concept of BD, i.e., what it advocates and incorporates, with this assortment of instruments being the portrait, in all its extension, of the full scope and added value of an effective practice of BD.

Table 3: Business Diplomacy - Intervention Mechanisms

Identification	Theoretical Reference
Act in international forums	(Sarfati, 2007)
Create a positive environment about the business and its impact on society	(Saner & Yiu, 2014)
Create social capital, accumulate contacts and build social influence	(Ali, 2009; Ordeix-Rigo & Duarte, 2009 Saner et al.,2000)
Create alliances with key players in the global marketplace	(Watkins, 2007)
Engage with multiple stakeholders	(Ali, 2009)
Enhance the adaptation process to other cultures	(Saner & Yiu, 2003)
Increase transparency of decision-making	(Ali, 2009)
Leverage capabilities through economic diplomacy	(Monteiro & Meneses, 2015)
Negotiate, promote long-term commitments, aim for win-win situations	(Monteiro & Meneses, 2015)
Protect the corporate brand and reputation	(Demirdjian, 2007)
Support a triple bottom line business culture	(Muldoon, 2005)

Source: Monteiro and Meneses (2015)

The mechanisms mentioned in Table 3, following past empirical studies (e.g., Monteiro & Meneses, 2015; Saner & Yiu, 2005), can be more or less present and differ depending on the sector or the firm. Thus, throughout this research, alongside the other research goals, it will be possible to assess the frequency of each of them and (if the case) add more mechanisms associated with the practice of BD, which could mean that a hierarchy can be established.

Based on the list presented in Table 3, we can compile the BD mechanisms into the following main categories, and then each of them will be detailed in terms of the goals proposed:

Table 4: Business Diplomacy - Intervention Mechanisms: Consolidated

Identification
Act in International Forums and Take Advantage of Economic Diplomacy
Adopt a Triple Bottom Line Culture
Create Social Capital and Increase Transparency
Engage with Multiple Stakeholders
Enhance Culture Adaptation
Establish Alliances and Integrate Networks
Protect the Corporate Brand/Reputation

Act in International Forums concerns the ability of the firm to be represented at supra-national forums, such as the specialized agencies of the United Nations (World Intellectual Property Organization - WIPO, International Labour Organization - ILO, etc.), but as well as the public-private initiatives such as the World Economic Forum (WEF), where many of the rules, standards, etc., of IB are forged (e.g., Saner & Yiu, 2005; Sarfati, 2007). Hence, it seems important that firms (e.g., through national/regional associations) are present and, thus, able to participate and give their input concerning the framework in which they will operate, and that will impact on their IB activities and, consequently, performance.

If possible, the above dynamic should be aligned with the *Economic Diplomacy* of the home state of the firm, i.e., concerted positions (public and private) in terms of the agenda regarding supra-national decisions where the state plays a major role in defining IB rules and standards with other parties (other states or supra-national bodies). For example, at the EU level, in the most assorted number of subjects (taxes, health and safety, competition, etc.), that will have a direct impact on the firm's IB activities (Monteiro & Meneses, 2015).

The following group of BD mechanisms, *Triple Bottom Line*, i.e., the need for the firm to go "beyond the traditional measures of profits, return on investment, and shareholder value to include environmental and social dimensions" (Slaper & Hall, 2011, p. 4), is naturally integrated in this field because it entitles the same grounded principles of BD (e.g., Muldoon, 2005; Saner & Yiu, 2005).

The environmental and social dimension comprehends the need to incorporate in the overall business strategy issues related to them. For example, concerning the environmental dimension, the air and water quality, the energy consumption, the natural resources, etc., should be addressed and, regarding the social dimension, it should be concerned (at the community or region level) education, access to social resources, health and well-being, quality of life, etc. (Slaper & Hall, 2011).

Another BD mechanism group is the need to *Create Social Capital* and *Increase Transparency*. The first is about the need of the firm, through effective actions in the field (e.g., by establishing a foundation and supporting a charity institution) to gain the trust and confidence of its stakeholders, and, during that process, build social capital (credits) to better manage the situations that will come along concerning their doubts, fears, suspiciousness, etc. (e.g., Ali, 2009; Ordeix-Rigo & Duarte, 2009).

While *Increase Transparency* concerns the importance of the firm to state its goals and roadmap to achieve them, and to be clear and open with all the stakeholders that will (directly and indirectly) be affected by the firm's plan of action. Otherwise, it will be (by default) perceived as a position of mislead that will inevitably, and with unforeseeable negative consequences, affect its overall performance following a negative reaction of its stakeholders (e.g., Ordeix-Rigo & Duarte, 2009; Steger, 2006).

One of the ways to increase transparency is to have in place a communication plan to address some natural concerns of the local actors such as: who is this firm?, why are they here?, how will their presence affect my life and the community? (Ordeix-Rigo & Duarte, 2009).

Another BD mechanism group is the need to *Engage with Multiple Stakeholders*, i.e., to build a stakeholder's map (business and non-business related) that will directly and indirectly be affected by the firm's business activity, by identifying their concerns and expectations, and, based on that assessment, being proactive in engaging with them, with the aim of generating the best possible operation environment for the firm to operate in, that will not condition the full potential of the firm as well as it will have all the stakeholders' concerns and expectations addressed (e.g., Ali, 2009; Amann et al., 2007).

The following mechanism of BD is *Enhance Culture Adaptation*, which is the need of the firm to take into consideration the culture where it is conducting its business. It is important to adapt its positioning (Saner & Yiu, 2003), because it cannot simply replicate the approach from one cultural context to another, hence the need for adaptations, i.e., to tailor the response to the receiver in each case, taking into consideration the different cultural frameworks from one location/country to another (Hofstede, 1991). If the firms do not take this singularity into consideration, there is a risk of the message being misinterpreted, which can, subsequently, result in some sort of loss, that could jeopardize the goal of a good relationship with all its stakeholders.

Another BD mechanism group is about *Establish*(ing) *Alliances* and *Integrat*(ing) *Networks*. *Establish Alliances* is about identifying and then establishing key partnerships, aiming for a positive-sum and long-term relationships, in order to more efficiently take advantage of the existing structures (e.g., Muldoon, 2005; Watkins, 2007). Moreover, the need to *Integrate Networks*, i.e., the insidership status, is a key condition in order to prevent one of the key liabilities of the internationalization process (LOO), being the goal to have mutual benefit network relationships alongside the most added value condition of belonging to the network: to share and access knowledge of several parties that otherwise would have taken a long time and would be very expensive to acquire, and in some cases would even be unreachable (e.g., Hohenthal et al., 2014; Vahlne & Johanson, 2013).

The last BD mechanism group is *Protect the Corporate Brand/Reputation*, being it a growing challenge for MNCs to manage due to the condition mentioned before that states that businesses operate in a "goldfish bowl transparency" (Steger, 2003, p. 6), where the scrutiny is constant and is able to be conducted by anyone (nevertheless a more professional approach by NGOs and the Media at large). Hence, the work of sometimes decades of MNCs can vanish in a split second with only a post on social media, anywhere and at any time in the world, regarding a misconduct of the firm (e.g., Demirdjian, 2007; Eskew, 2006). Thus, in order to minimize these risks, the firm needs to have in place strong and fast replying mechanisms to prevent this exposure and, at the same time, to react to campaigns that aim to (unfairly) jeopardize its brand and reputation.

In sum, BD embodies much more than the first (wrong) perception of some new arrangement (old wine, new bottle) of stakeholder management. It embodies that dimension alongside others (cf. Table 4), with its distinctive attribute being the proactive strategic management mindset in relation to all actors (related and not related to the market) at local, regional, national and supranational level (political, economic, social, etc.), aiming to secure (by adapting, changing, etc.) the best business environment framework where it operates, in order to reach its full potential, free from any sort or form of shackles that can prevent the firm from accomplishing its goals.

2.5. Conclusion

Despite all the developments in the IB environment in the last decades and advances in the theoretical frameworks and business practices regarding the internationalization process, a condition remains unchanged: firms, when engaging with foreign markets, continue to face significant specific and inherent challenges (that are maybe even greater today than in the past). IB happens in a complex and global business environment, driven by globalization, but significant differences remain (e.g., work values, institutional organization and personal relationships), as shown by works such as the GLOBE project (House et al., 2004). Hence, there is a need for firms to adapt, even with the existence of cultural awareness and sophisticated business practices.

Internationalization can bring benefits to enterprises, but at the same time generates disadvantages vis-à-vis indigenous firms, i.e., local firms have more and better access to market information and are more rooted in the local environment, hence the importance of the network in order to have access to knowledge on the foreign environment, and, in doing so, be better positioned to overcome one relevant liability (LOO), among others (Johanson & Vahlne, 2009).

The *raison d'être* of BD is IB and, in particular, Internationalization. In sum, *Diplomacy Means Business* (Ruël, 2013) and despite BD not having firmly entered the discipline of IB (since it is a relatively new topic), there is a place in this field (van Willigen, 2020), perceiving an (increasing) cross-fertilization between the two fields that will benefit both. To effectively put BD in place there is a need to monitor the surrounding environment, mapping the relevant stakeholders' expectations (proactively and not reactively), empowering the public in order to pursue interests shared by both actors, all in order for the firm to be able to gain social capital - one of the most relevant assets in the 21st century business environment (Ordeix-Rigo & Duarte, 2009). Hence, BD is relevant to prevent confrontations that can lead to unpredictable losses at multiple levels for the firm, as well as to ensure a sustainable and long-term favorable external environment in each country where it operates, i.e., making the environment suitable for business and to eliminate (or reduce as much as possible) risks and uncertainties that can jeopardize the firm's goals (Doh et al., 2022).

In sum, international businesses can no longer rely only on the best price or product in order to be successful, i.e., solely on market dimensions, they need to incorporate non-market dimensions in their overall strategy in order to be able to address the multiple players that constitute the environment in which they operate and that increasingly affect their performance. Thus, the need for "their own representational mechanisms to manage the complex relationships that mark today's global system" (Muldoon, 2005, p. 341), i.e., BD, that according to the latest work of Saner (2019) is the "ability of MNCs to effectively interact with non-business stakeholders wherever the MNCs have business interests be they in the form of local production, distribution channels or sales offices." (p. 590).

After analyzing the IB context and constraints that firms face in the internationalization process vis-à-vis what the concept of BD can offer to them, there is space and relevance to assess how and to what extent this tool can help and impact firms in overcoming the challenges of doing business abroad and being able to achieve their full potential.

3. FRAMEWORK FOR ANALYSIS

3.1. Introduction

The framework for analysis draws upon the previous work of the literature review, where it was outlined the present state of the art of BD, which corresponds to the theoretical base through which the research questions shall be addressed.

The framework per se is not static. Following the present work, it can also be subject to changes, which is one of the possible outcomes of this research project, taking into consideration that there are dimensions that are assumed to be present and that can be or not be confirmed, dimensions that emerged from the collection of primary data that were not present in the original framework, or new forms of organization of its current structure per se.

Hence, we will start by expressing the research questions and subsequently present the framework for analysis, developed upon the literature review, as a tool to reply to the project queries.

3.2. Research Questions

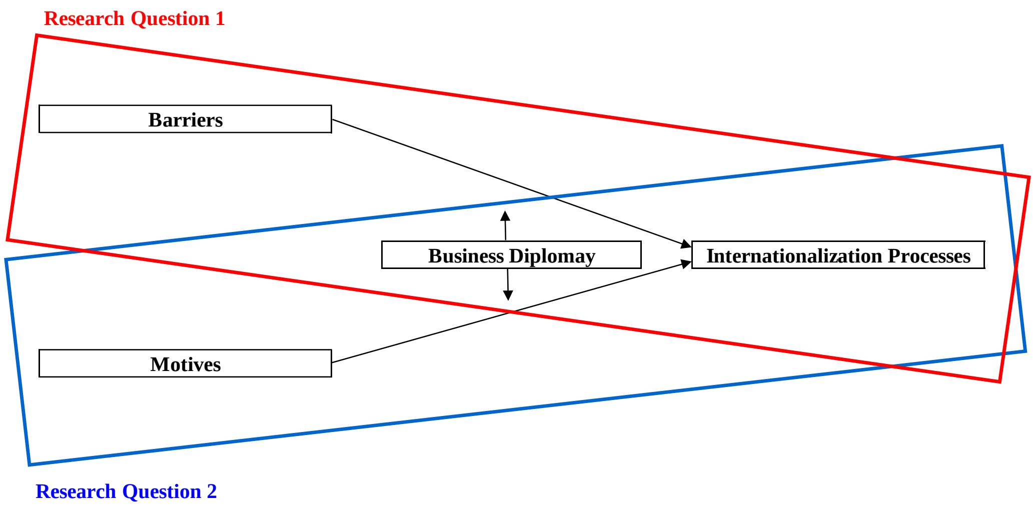
Following the general framework presented bellow in Figure 1, the two proposed research questions are:

(1) *How can BD help firms overcome the barriers to internationalization?*

(2) *How can BD foster the motives of the internationalization process*?

Thus, the ultimate goal is to assess how BD enables the process of internationalization, i.e., the effect that it has in firms that adopt this strategic mindset when aiming to do business across the border. In order to address this research problem, *i.e.*, a *how* question, the qualitative approach is the one that best serves this purpose (Pratt, 2009). Despite the extensive literature regarding the two fields of knowledge mentioned above, following the novelty of crossing these two areas (BD), there is a need to build a brand-new framework that embodies both. This implies and reinforces a type of approach based upon theory building (Yin, 2017), alongside exploratory studies (Eisenhardt & Graebner, 2007).

Figure 1: General Framework



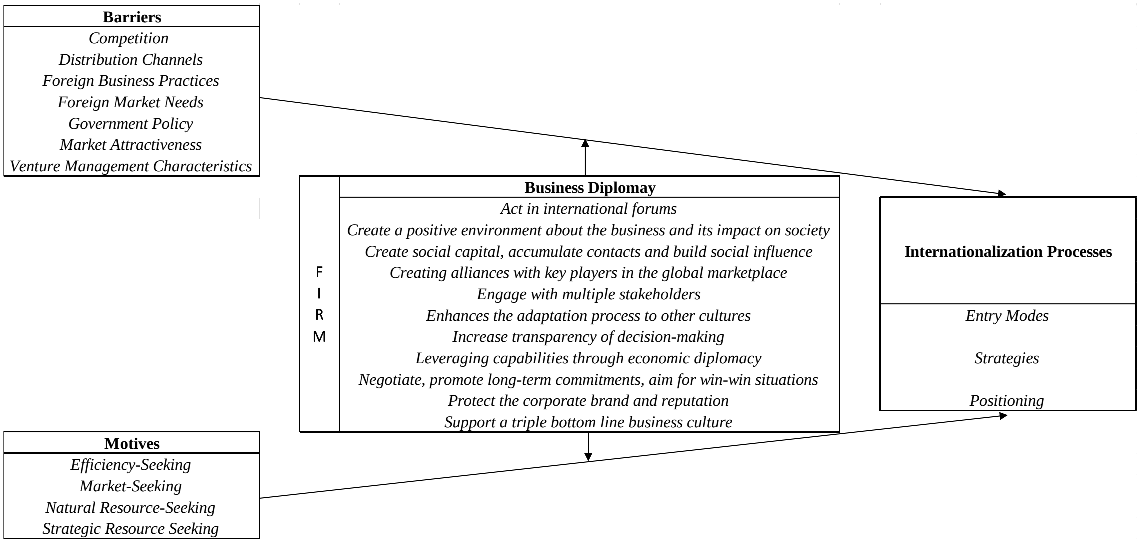
The position and role of BD in the general framework must be perceived as a moderator, that impacts on the international dynamics of the firms as they follow through the paths of doing business abroad, where BD is portrayed as a strategic tool to help facing the intrinsic challenges that since the beginning were present in this journey and that over recent times have changed significantly, becoming also increasingly complex to handle in this VUCA (volatility, uncertainty, complexity, and ambiguity) world (Bennett & Lemoine, 2014).

3.3. Framework for Analysis

In order to present the research findings in a way that can be easily comprehended, there is a need to build a conceptual framework, where it becomes clear how the results were obtained and how they were interpreted in an aggregated manner (Yin, 1981). The detailed framework for analysis presented in Figure 2 has BD in its core with two main groups connected, one upstream and another downstream: upstream (Motives and

Barriers); downstream, with the Internationalization Processes that comprehend three dimensions: Entry Modes, Strategies and Positioning.

Figure 2: General Framework for Analysis



BD is at the center stage of this workflow which implies, based on the existent literature and some empirical studies, an effect on the level of performance of the internationalization process of the firm, i.e., the ability to contribute to the firm's better management of the intrinsic challenges of doing business abroad, and, thus, be able to achieve all its potential by adopting/integrating the BD tool in its overall internationalization strategy. In Figure 2, it is also perceived that this tool works as a support, and not like a detractor, following the firm's decision of doing business abroad, not conditioning the strategy/rationality of the firm to cross the border based on their own competitive advantage. Hence, BD has impact in the *impact* that motivations and barriers have in the internationalization process, so we can consider it as having a moderator effect.

Hence, BD aims (i) to *ease* the barriers and (ii) *leverage* the expected results of the firm in the internationalization process, by act upon, i.e., using its toolkit (cf. Figure 2) that aims to improve the overall position of the firm in relations to before (note use) vs after (use) scenario, improving the positioning in relation to its key stakeholders, aligned with its overall goals of doing business abroad.

BD has thus the potential to have a direct positive effect on firm performance, in regard to several dimensions (e.g., reputation) (Suren, 2014), and across different industries (e.g., Pharmaceutical and Agro-Industrial) (Saner & Yiu, 2005), aiming in the end to enhance the firm positioning (vs not adopting this tool). More than avoiding potential hardships, BD aims to have a preventive management in relation to its foreign counterparts (demands and expectations), otherwise if may jeopardize the firm ability to achieve its goals and reach its full potential when doing business abroad (e.g., Shell Oil conflict in Nigeria or the Chinese investment in Myanmar (Mogensen, 2017).

Figure 2 is based upon the theoretical framework outlined in Literature Review, namely the dimensions of the Internationalization Process and the concept of BD, that upstream originated the Research Questions (cf. Figure 1), and that downstream will link to the Methodology (Epistemological Paradigm, Methodological Approach and Research Design). Hence, the theoretical explanation of Figure 2 is built around the central piece of BD being in the middle of the workflow of the internationalization process of the firm, i.e., a path that the firm sets out to carry out based upon a series of Motives (Dunning & Lundan, 2008) while at the same time recognizing a set of Barriers (Julian, 2009). In this crossroad, BD presents itself as a tool to both cancel or reduce the impact of the Barriers faced and to foster the expected results of doing business abroad (Ruël, 2022a), being that each BD dimension can relate to one or more barrier or motive, with the ultimate goal of this wedge in the workflow of the firm's internationalization process being to increase the results in the foreign market by comparison of not using this tool, independently of the chosen Entry Mode, Strategies or Positioning.

In sum, as mentioned in the beginning of this work, there is a crossroad between IB (Business) and IR (Diplomacy), which results in a synergetic and symbiotic cross fertilization that is BD. With the aim of presenting the research findings in a way that can be easily comprehended, the analysis will follow the framework shown in Figure 2, because only like this it is noticeable the actual effect of BD in terms of the IB practices by MNCs, and thus the level of presence and relevance of them in the overall performance of the firm.

In order to manage the coding process in the most efficient way possible, Tables 5 to 8 summarize the theoretical dimensions into “twitter definitions” because it is not manageable, when looking at the data, to permanently have into consideration all the several definitions of several authors.

Table 5: Short Definitions - Motives

Dimension	Short Definition	Author(s)
Efficiency-Seeking	Firms that go abroad to lower their costs, being this usually achieved by making investments (e.g., production facilities) to gain economies of scale, scope and time.	Dunning & Lundan, (2008), i.e., buy better and sell more (Cuervo-Cazurra et al., 2015)
Market-Seeking	Firms that go abroad to find/increase their customer base, by supplying goods or services to a particular country or region (from existing markets to new markets), with this type of firm usually having its own brands/trademarks.	Dunning & Lundan (2008), i.e., sell more (Cuervo-Cazurra et al., 2015.)
Natural Resource-Seeking	Motive concerns firms that go abroad to access resources that are not easily available in their home country or that can be obtained at a lower cost abroad (e.g., physical resources, un-skilled or semi-skilled labor, technological and managerial expertise).	Dunning & Lundan (2008), i.e., buy better Cuervo-Cazurra et al. (2015)
Strategic Resource-Seeking	Firms that go abroad to obtain strategic assets (tangible or intangible), that are not available in their home country and that are relevant for their long-term strategy.	Dunning & Lundan (2008), i.e., upgrade Cuervo-Cazurra et al. (2015)

Table 6: Short Definitions - Barriers

Dimension	Short Definition	Author(s)
Competition	The competition from local firms in foreign markets and competition from foreign firms in foreign markets, which, according to the microeconomic theory entry of new firms into a competitive market, reduces the profits of the market participants.	(Pindyck & Rubinfeld, 2018)
Distribution Channels	They can either be firm owned or third-party owned, but not all firms are able to be vertically integrated, which reduces its range of options.	(O'Cass & Julian, 2003)
Foreign Market Needs	Differences in product usage in foreign markets, language and cultural differences and the need to adapt products to meet foreign customers’ preferences that need to be balanced.	(O'Cass & Julian, 2003)

Dimension	Short Definition	Author(s)
Foreign Business Practices	The difficulty to understand import regulations/ procedures, risks of selling abroad, host country government actions (e.g., import quotas), and, the most common, the exchange rate, namely through currency devaluation practices.	(Evans & Mavondo, 2002)
Government Policy	The lack of government assistance in overcoming the various barriers and the lack of a tax incentive provided by the home country government for companies that internationalize.	(Gençtürk & Kotabe, 2001)
Market Attractiveness	The challenges of providing after sales service, high costs associated with selling abroad (e.g., transportation) and difficulties in quoting prices with volatile exchange rates.	(Julian & Ahmed, 2005)
Venture Management Characteristics	Includes managerial indifference towards the value of internationalization, management emphasis on developing home markets, insufficient staff to manage international trading - especially in small and medium-sized enterprises - and a lack of capacity for foreign expansion.	(Julian, 2009) (O'Cass & Julian, 2003)

Table 7: Short Definitions - Business Diplomacy

Dimension	Twitter Definition	Author(s)
Act in International Forums and Take Advantage of Economic Diplomacy	The firm to be represented at supra-national forums (public and private) and aligning positions in terms of the agenda regarding economic policy that impacts business in their internationalization processes.	(Moons & van Bergeijk, 2017) (Saner et al., 2000)
Adopt a Triple Bottom Line Culture	The firm to go beyond the traditional measures of profits, return on investment and shareholder value, to include environmental and social dimensions.	(Muldoon, 2005) (Saner & Yiu, 2005)
Create Social Capital and Increase Transparency	The firm, through effective actions (e.g., by establishing a foundation), to gain the trust and confidence of all its stakeholders, and to better manage the situations that will emerge (e.g., doubts, fears) through an open dialogue.	(Ordeix-Rigo & Duarte, 2009) (Steger, 2003)
Engage with Multiple Stakeholders	The firm's engagement with business and non-business parts, that will be affected by the firm, identifying their concerns and expectations, and based on that assessment, be proactive in engaging with them, aiming to generate the best possible environment for the firm to operate.	(Ali, 2009) (Amann et al., 2007)
Enhance Culture Adaptation	The firm to take into consideration the culture where it is conducting its business, that is important to establish its positioning in relation to its counterparts.	(Hofstede, 1991) (Saner & Yiu, 2003)
Establish Alliances and Integrate Networks	The firm to identify and establish key partnerships, aiming for a positive-sum and long-term relationships, and to gain insidership status in order to prevent liability of foreignness/liability of outsidership, aiming to also have benefits of integrating the networks.	(Muldoon, 2005) (Watkins, 2007)

Dimension	Twitter Definition	Author(s)
Protect the Corporate Brand and Reputation	The firm's mindset to manage all its actions, being aware that it operates in a goldfish bowl transparency, where the scrutiny is constant, and thus be able to manage its relations to all its stakeholders, nevertheless a more systematic approach to some groups (Media, Non-governmental organizations, etc.).	(Demirdjian, 2007) (Steger, 2003)

Table 8: Short Definitions - Internationalization Process

Dimension	Short Definition	Author(s)
Entry Modes	Export, Licensing or Franchising, Joint Ventures, and Wholly Owned Subsidiaries, being that this specific order of the entry modes perceives an international expansion model that emphasizes the role of experience and learning in determining the entry mode.	(Zhao et al., 2017)
Positioning	Benefits firms should highlight in their products when targeting a specific market segment, i.e., more of a battle of perceptions than of products per se, so the customers' mind is more important than the marketplace in this point of view.	(Trout & Ries, 2001)
Strategies	Export, Multi-Domestic, Global and Transnational - based on a matrix of a stronger or weaker positioning of the firm regarding two main forces: global integration vs local responsiveness, taking into consideration the different geographies, business units, etc.	(Johnson et al., 2017)

The expected added value of this study is to assess BD, not only from the point of view of the firm's actions, but it is also expected that this research sheds new light on how BD works inside the structure of the firm in relation to the different areas of the company, taking into consideration that the role of BD is not institutionalized in a specific structure, and, on the contrary, is the result of the actions of several structures of the company and of external related entities such as foundations. Hence, after the decision of going abroad is triggered, the role of BD is to act upon all the variables that can impact on the overall performance of the firm by eliminating or decreasing potential negative effects while at the same time leveraging all the potential ones. The aim is to evaluate how corporations envision the international setting where they are established and conduct business, what business practices they have in place in order to cope with that environment and to what extent the concepts of BD are present in the strategy of the organization.

Previously empirical research (Monteiro & Meneses, 2015; Ruël & Wolters, 2016; Saner & Yiu, 2005) show that international corporations are paying increasingly more attention to non-market players that affect their bottom line. However, the response is in many cases ad-hoc or *window dressing*, and also frequently unidirectional and not integrated in the overall strategy of the business, which collides with the principles of BD.

3.4. Conclusion

After expressing the research questions and having subsequently outlined the general framework for analysis (based upon the literature review), alongside the presentation of the detailed (framed) dimensions of each group (Motives, Barriers, BD and Internationalization Processes), we can now move forward to address the methodology that best suits the research project in order to achieve the goals defined above.

4. METHODOLOGY

4.1. Introduction

For a good methodological approach, the research questions must guide the choice of the research methods, and not the other way around. Therefore, one needs to establish the approach that best serves that purpose. The qualitative approach has been increasingly cited and recognized, with it nowadays being no longer considered as less valuable than the large-scale hypothesis testing (Eisenhardt & Graebner, 2007), as well as being the best method to examine real business dynamics, especially when the boundaries between phenomenon and context are not yet clear (Yin, 1981).

In the following sections, there will be an outline of the work that needs to be performed and, subsequently, the methods to be applied, alongside the criteria used to select the firms, with all of these choices supported in light of the objectives defined and the tools available to accomplish them. We will start by addressing the Epistemological Paradigm, followed by the Methodological Approach (Qualitative and Firm Selection), then the Research Design (data collection, data sources and data analysis), finishing with a Conclusion.

4.2. Epistemological Paradigm

In order to properly address the methodology, we must start by addressing the epistemological paradigm, taking into consideration, on the one hand, the positivism or post-positivism paradigm, and, on the other hand, the interpretivism paradigm, with the aim of identifying the ideal position in one of these paradigms and applying it throughout the research. However, it is known that the qualitative research is more prone to the interpretivism paradigm, even if this is not a binary or mutually exclusive approach (Dana & Dumez, 2015).

The positivism approach has its roots in the field of the natural sciences (physics, biology, chemistry, etc.) in the 18th century and in the works of the French philosopher Auguste Comte, that adapted the methodology to be used in the field of the social sciences, which aimed to understand the laws of human behavior and social life (Tekin & Kotaman, 2013). The goal of positivism is to reach the objective truth, facts, and laws. The objectivity of the researcher and the data collection are critical devices to a successful positivist research; hence, it aims to control variables and to apply experiments to test the reality of a theory or gather data about variables expected to be related. Thus, if objectivity is established, results derived from the research can be generalized (Tekin & Kotaman, 2013).

The positivist approach consists of the following main steps: (i) creating a hypothesis, (ii) establishing variables (sampling) and measurement devices, (iii) data collection and (iv) data analysis. The main criticism of this approach is that it ignores the complexity of social matters and interactions, and is based on an one-dimensional linear cause and effect view (Xinping, 2002). Answering to this criticism, the post-positivism emerged in the 20th century from the field of anthropology. It aimed to understand the social phenomena holistically, accepting the complexity of the social phenomenon, thus assuming possibilities, multiple points of view and perspectives, and emphasizing that different variables may affect the proceeding of the whole (Tekin & Kotaman, 2013).

The basic assumptions of the post-positivist approach (still anchored on objectivity and reality) assume that the researcher is also part of the methodology (being flexible, open-minded, self-reflective and critic). Social issues are complex and interrelated, nothing is static (no universal laws, but conditional realities that can be valid for some time), and multiple sources should be considered, promoting the triangulation of the data, which helps to prevent potential errors and/or bias (Ryan, 2006).

Therefore, even in works of a qualitative nature, it is essential to adapt strategies to guarantee their credibility and validity (Noble & Smith, 2015). A triangulation was thus carried out - a method advocated by Yin (2017) -, which allows the confirmation of information and helps to avoid misinterpretations through the possibility of the data having different origins, so, when the information obtained from different sources matches, the evidence acquires increased strength.

Hence, the validity was accomplished by the use of primary-data (between the interviews themselves) and secondary-data (also between themselves and in relation to the different interviews). Additionally, the credibility was also ensured by the listing of the meaning of each dimension, (cf. Tables 5 to 8), which was based on the literature review and that composes the general framework for analysis (cf. Figure 2).

In the other spectrum of the epistemological paradigms, the interpretivism approach is more prone to qualitative research (Dana & Dumez, 2015). This approach concentrated on the meaning of social interactions, claiming that it is different than natural reality because the subjects of social reality are human beings and their relationships, being the goal to understand the meaning of social realities for those experiencing them, with the core difference to the positivism approach being the fact that it is subjective (Tekin & Kotaman, 2013). Hence, the interpretivism approach does not aim to standardize research methodologies. On the contrary, it provides room to deploy less structured techniques because it is implicit the impossibility of objectivity as portrayed by the positivism and post-positivism approach, and that the knowledge that outcomes from the process is not universally valid, but contextual and restricted to the given moment in time (Tekin & Kotaman, 2013).

Thus, the interpretivist approach is based on the fact that (i) there are no objective and extrinsic facts in social life, (ii) every person has their unique conceptualization of the concepts, (iii) the researcher is a part of what is being explored so they affect and are affected by the social that they are exploring (co-evaluation), and (iv) how people interpret and make sense of their world has to be understood in order to gain insight into why individuals act the way they act (Tekin & Kotaman, 2013).

In sum, the interpretivism paradigm emphasizes individualization while rejecting the notion of objective facts and laws, and, therefore, does not have generalization issues. Hence, it tries to explain and solve the present situation, and everything beyond that time is out of its scope.

In the present research project, and following its goals and methodological base (qualitative, supported by an in-depth firm analysis), the paradigm that most applies to it is the interpretivism paradigm. The goal is to understand the action of MNCs in relation to their internationalization process through the use of BD, which is a subjective approach, not aiming to standardize due to its contextual (two Portuguese MNCs of the energy sector) and restricted moment in time (recent past to present time).

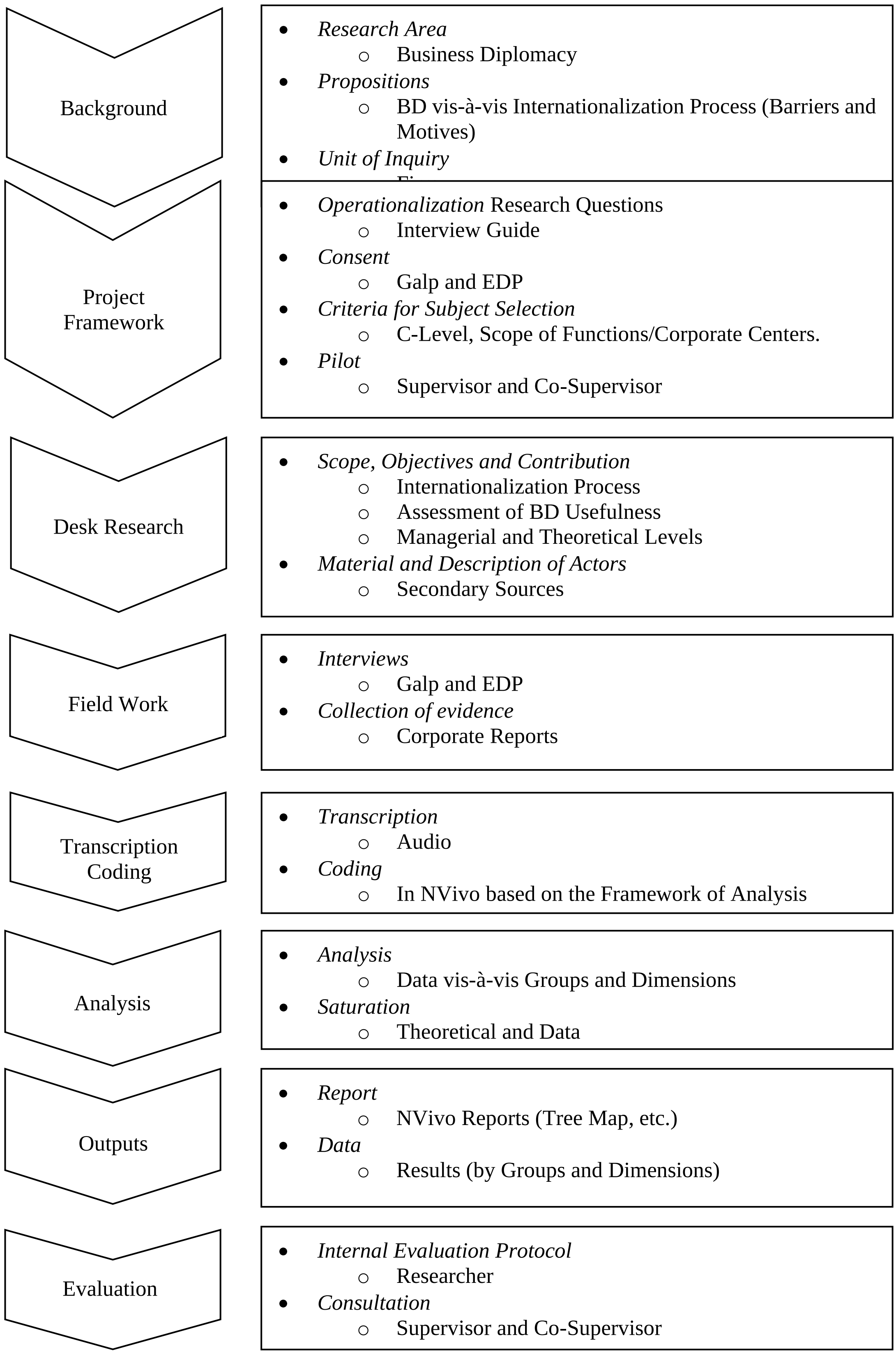
However, we can also observe principles of the positivism paradigm because the analysis will be based on facts (primary and secondary data), there are going to be established variables (sampling: firm selection) and measurement devices (framework), data collection (interviews, etc.), and data analysis (NVivo software), which will also be aligned with the post-positivism approach, i.e., a holistic view, thus assuming several possibilities and multiple points of view, since the social issues are complex and interrelated and nothing is static.

4.3. Methodological Approach

The methodological approach is defined in order to address, in the best way possible, the formulated research questions - (1) *How can BD help firms overcome the barriers to internationalization? and* (2) *How can BD foster the motives of the internationalization process*? -, taking into consideration the also proposed framework for analysis as well as the literature review.

Following the above, a research case protocol was applied, taking into consideration the empirical work purposed (Figure 3), that consists in a proposed research workflow, based on others applied in social research (Maryl et al., 2020).

Figure 3: Research Case Protocol



Source: Adapted from Maryl et al. (2020).

4.3.1 Qualitative Approach

The qualitative and quantitative approaches have been in opposition since Aristotle (364 BC–322 BC), but despite the fact that there is some distrust until today, qualitative has become increasingly recognized as a systematic research tool, as the number of scientific works using this methodology is growing both in number and in relevance in the academic world - as mentioned by the editors of the Academy of Management Journal, it is the "coming of age for qualitative research" (Bansal & Corley, 2011, p. 233).

Qualitative research is the most suitable tool to address *how* questions rather than *how many* (Pratt, 2009). *How* questions are related to a more explanatory purpose and are the ones that can best address complex and real-life contexts, dealing with operational links and relational causalities, and not with pure frequency observations (Yin, 2017). As mentioned by Van de Ven and Engleman (2004), *how* questions describe and explain temporal sequences of events studied over time. The qualitative method is usually done in an exploratory mode, i.e., the study of new topics that are new and, therefore, under-researched, being key to assess the actual novelty of the field alongside its merit for research, with both of these issues being already addressed and justified previously (Birkinshaw et al., 2011).

The circumstances where the qualitative approach is the most appropriate for a research project are: when the research topic is new, when large sets of data are not yet available, when it is highly complex and in need of an in depth description, when the variables are difficult to quantify, or when it requires an analysis focused on formulating recommendations rather than deducting general models (Glowik, 2016). It is important to note that all of them relate (to a more or less extent) to the field of BD and to the particular goals of the present research project.

The view of the qualitative researcher regarding the social phenomena is from a holistic perspective (Feagin et al., 1991). Hence, the qualitative research appears as broad, with panoramic views vs a micro-analysis, being that the more complex, interactive and encompassing the narrative, the more suitable qualitative approach is, based on interpretative data and applying *logic in practice*, i.e., built on an apprenticeship model and of practical and specific experiences (Birkinshaw et al., 2011), or as mentioned by Creswell and Creswell (2018), the discourse of *cases and contexts*. Nevertheless some empirical studies regarding the field of BD (e.g., Saner & Yiu, 2005; Suren, 2014), in order to address the outlined research questions, there is a need to collect primary qualitative data from different firms (mostly) due to the lack of pre-existent sets of data, with the aim of, during that process, better comprehend this contemporary field of BD.

In the qualitative approach, the researcher extracts the meaningful data, organizing it into categories, creating their own standards and subjects, from bottom to top, in units of information, working from one side to the other, between the subjects and the data bank, until a consistent set of themes establishes itself (Creswell & Creswell, 2018). The fundamental ideal of the qualitative method is to learn about the problem with the participants and to guide researchers in a way that it is possible to obtain that information in an interpretative way, i.e., the researchers make an interpretation of what they observed and, in the end, a broad framework emerges, which compiles a report of the different perspectives and the factors identified (Creswell & Creswell, 2018).

4.3.2 Cases: Galp and EDP

Case studies are useful for theory development (Aaboen et al., 2012) because of their exploratory and descriptive nature, especially in the cases of new and/or complex phenomena (Breslin & Buchanan, 2008), which is the case of BD. The case study research approach looks deep into a subject in a naturalistic context, aiming to confront theory with the real world (Piekkari et al., 2009). Yin (2017) portrays the case study method as an empirical inquiry that examines a contemporary phenomenon in depth, in its real-life context.

Systematic combining (vs a single approach) naturally offers a stronger ground for theory building, through it providing a more strong, sustainable and trustworthy information, with the results being incrementally developed over time, through research phases based on both inductive and deductive reasoning, in a continuous cycle of back and forth from data collection and analyses to problem formulation, i.e., not a series of planned and subsequent steps but of an organic building of the *case story* (Glowik, 2016).

The ability to gather more than one case promotes a more robust, precise, generalized and testable basis for theory building (Yin, 2017), thus allowing the verification of whether an occurrence is an idiosyncrasy of the case in question or if it is replicable in other ones, therefore becoming easier to make constructions and connections. It is also possible to more accurately establish definitions, levels, etc., as well as it is possible for a broader exploration of the research questions and theoretical elaboration (Eisenhardt & Graebner, 2007). Furthermore, the sample intervals usually range within qualitative research and, depending on the authors, between five and seven (Yin, 2017). In this case, the approach proposed is of a deep dive analysis into two cases: Galp and EDP.

This in-depth research is observed in the holistic approach to each organization, i.e., not only by a single point of view of a person in an organization, but from several points of view inside of the firm and from different areas and perspectives (detailed further ahead) with both a bird's eye view and an in-depth view of the organizations. Hence, next we will substantiate the adequacy and complementarity of these two choices, taking into consideration the research project goals, and how to secure a holistic and in-depth view of both organizations, especially, but not only, from primary sources.

4.4. Research Design

In order to empirically address the research questions, it is necessary to, first and foremost, identify the potential firms that can be especially relevant, i.e., those that are able to provide valuable information about their management practices (collected through semi-open questionnaires, followed by in-depth interviews), and then establish the principles of the data procedures in order to comply with a rigorous system regarding the information collected.

4.4.1 Case Selection

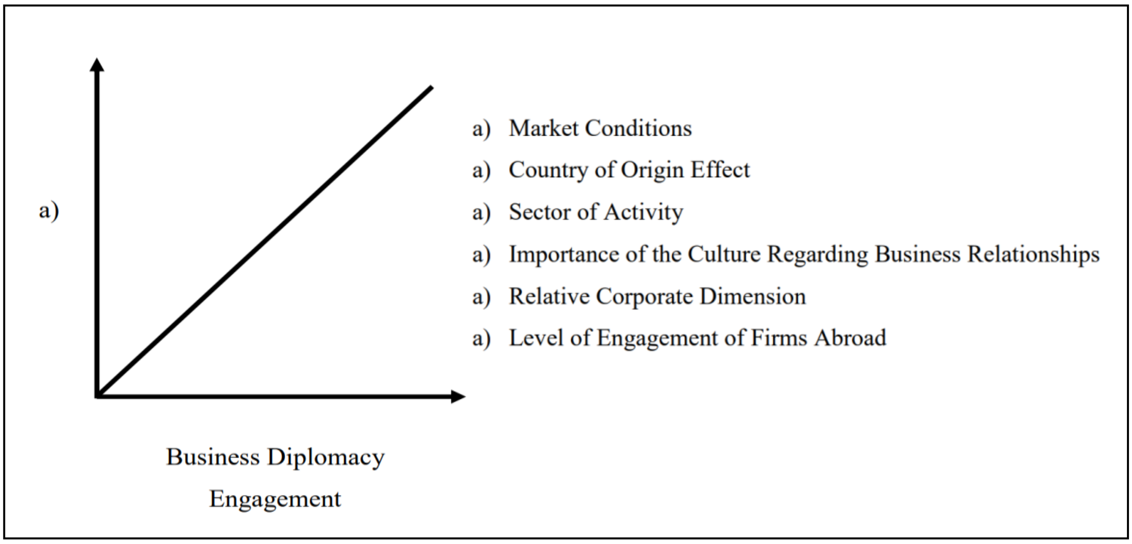
The sample does not aim to be representative of the population in order to generalize the findings and, therefore, test the theory. It is, however, based on particular cases that can better offer insights regarding the research questions framed (Eisenhardt & Graebner, 2007). In the sampling procedure, the major concern is to gather a collection of cases that promote an appropriate matching between the reality and the theoretical constructions, hence the idea that samples, when regarding cases, must represent a population, i.e., are able to be used in a large-scale hypothesis testing, is wrong. Hence, the question is how can a theory be generalized if the cases are not representative, and the answer being that the aim is not to test a theory, but to develop a theory (Eisenhardt & Graebner, 2007).

Therefore, theoretical sampling is appropriate (not random or stratified), i.e., the cases are selected because they are particularly suitable for generating theoretical insights (Eisenhardt & Graebner, 2007; Pratt, 2009), in this particular case regarding an emergent phenomenon (BD) in order to extend the already existing theory (Eisenhardt, 1989). The samples are, thus, chosen by their contribution to the development of the theory of the case and not by the uniqueness of a given case, i.e., they are chosen for theoretical reasons such as replication, extension of the theory, contrary replications, or elimination of alternative explications (Yin, 2017). In sum, it is all about the cases that best help understanding the subject and answer the research questions framed (vs a random sample selection).

Taking into consideration that BD is *industry-specific* (Ruël & Wolters, 2016), i.e., despite its overall usefulness, it is more relevant and can generate a greater impact in specific sectors (finance, oil and gas, extracting industries, pharmaceutical, chemical), and is also more valuable in *weak institutional settings* (Ruël, 2013; Saner & Yiu, 2014), such as in some countries of Latin America or Africa (Valderrey et al., 2022), we will use a purposive sampling.

BD also has a direct correlation to a series of *moderators* that impact on its ability to be more or less significant for the firm (Figure 4), i.e., it can be more or less sensitive to engage in BD practices if the variables in case are stronger or weaker in the context of the business characteristics, such as, for example, if the *sector of activity* of the firm involves exploration of natural resources in a foreign destination and if the *country of origin*'s perception is very negative in that location, with BD having a greater impact on the overall results of the firm in comparison to the case to which these conditions did not apply to.

Figure 4: Moderators of Business Diplomacy Engagement



Source: (Monteiro, 2013, p. 112)

This view of "moderators" in BD practices has recently been further explored, being argued that they depend upon two key dimensions of the global institutional governance regime faced by the MNEs: the governance level and the degree of rule Institutional Maturity (Doh et al., 2022). Hence, two international Portuguese groups (Galp and EDP) were chosen, due to their strong relations to the moderators mentioned above, being perceived that they have a (at this stage, theoretical) potential high-level correlation with BD dimensions in their internationalization dynamics.

In addition to the above reasons, Galp and EDP are (despite the apparent similarities following the same overall sector; energy) contrastive and complementary (as detailed next), taking into consideration, among others, its differences regarding position in the chain value, international dimension, geographic dispersion, clients, products or services, stakeholders, etc. Galp's main sectors are oil and gas, and even if EDP is also related to the energy sector, it does not operate in these exact same areas, which are very delicate because they involve the exploration of natural (and, thus, limited) resources in foreign locations. Nevertheless there are other MNCs, at the worldwide level, that could generate more valuable data, but, as mentioned previously, we should consider the ability and resources to effectively access the firms in case to secure an active collaboration. With that said, we are confident that the proposed firms will not come shorter in relation to other greater international groups that could have been considered in this sample.

Galp Case

Galp is an integrated multinational utility with 24 years of history and has more than 6 thousand employees worldwide, operating in the exploration and production of oil and natural gas, in the refining, distribution and commercialization of oil, and in the trading and commercialization of gas and power (Galp, 2021a). Looking in depth into the reasons on why Galp was chosen, the mandatory pre-condition is to be internationalized, and, in this case, Galp is present in 10 other countries besides Portugal (Angola, Brazil, Cape Verde, East Timor, Guinea-Bissau, Mozambique, Namibia, São Tomé and Príncipe, Spain and the Kingdom of Eswatini) and is spread over four continents (Europe, Africa, America and Asia) (Galp, 2021a), which constitutes a good sample in terms of dimension and of geographical diversity, that is very important to avoid potential errors and/or bias.

The following key element is the sector of activity (energy), that has a strong and wide impact on the stakeholders map in this type of business, even more so because Galp acts upstream (explores and produces oil and natural gas) as well as it its acts in the refining & midstream (processing and refining of crude oil) - alongside having commercial (B2B and B2C [Business-to-Consumer]), renewables and new businesses and ventures - with a direct presence through FDI, which is very relevant in this context, i.e., high level of engagement of the firm in the foreign market (Galp, 2021a). Furthermore, some of the countries in case have a very strong historical relation to Portugal, with some African countries having Portuguese as their official language, which can be relevant in terms of country-of-origin effect and the importance of the culture regarding business relationships, which are both moderators of BD (cf. Figure 4), besides the other key variables mentioned above.

One of the recent news of Galp regarding matters that can be linked to the dimensions of BD is the increasing commitment of full disclosure of all its activities, i.e., a holistic view of the business (stakeholder capitalism), following its subscription to the ESG's principles (Environmental, Social and Governance), becoming the first Portuguese company to adopt these metrics of the WEF (Galp, 2021b), a concept that is grounded in the share value for all stakeholders following the concept of Porter and Kramer (2019).

EDP Case

EDP is a vertically integrated multinational utility company with 46 years of history that has been strengthening a relevant presence in the international energy landscape, having more than 12 thousand employees worldwide, and being present throughout the whole value chain of electricity and in the activity of gas supply, highlighting its renewable energy portfolio (EDP, 2021a). Having also in mind the mandatory pre-condition of having international operations, EDP was chosen. In this case, EDP is present in 28 markets and is spread over four continents (Europe, Asia, North and South America), which constitutes a very good sample in terms of size and of geographical multiplicity, that, as mentioned before, is very important to avoid potential errors and/or bias (EDP, 2021a).

The following key element is the sector of activity, which is also the energy sector (but with a different positioning from Galp), again with strong and wide impact on the stakeholders map of this type of operations, operating in four major areas: (i) Generation (Wind, Hydro, Gas, Coal, Solar and Others), (ii) Transmission (transport network by high voltage lines), (iii) Distribution (channeling energy to the distribution grid) and (iv) Supply (relationship with the final consumer) (EDP, 2021a), having, thus, a direct presence through FDI, which, as mentioned before, is very relevant in this context regarding the level of engagement of the firm in the foreign market.

In the case of EDP, there are also some countries with a very strong historical relation to Portugal, but this is less relevant than in the case of Galp. Following the above, it is also clear that, taking into consideration the key variables of the moderators of BD (cf. Figure 4), EDP is also a potential good choice in relation to the perceived presence of BD dimensions in their internationalization dynamic. In the last strategic update of EDP, we can make a link to BD, in particular to the stakeholders' policy, where there is a clear message about creating superior value, i.e., positively impacting society, based upon an adaptation and transformation across all counterparts, by implementing policies towards a sustainable value chain, giving rise to a progressive cycle of corporate integrity with positive effects for all (EDP, 2021c).

4.4.3 Data Analysis

The collected qualitative data should be organized around the central subjects with data elements and not in random narratives, meaning, in a specific framework, - for example, consolidating segments of different interviews that address the same topic - but with some flexibility attached in order to be able to adjust it as the research progresses (Yin, 1981). Another relevant issue when dealing with qualitative data is coding, and for that it is necessary to use categories that are neither too small nor too big. Also, it is important to take into consideration the fact that not everything should be coded, only the data related to the research questions at hand should, in order to prevent an overwhelming number of codes that can be distractive and unmanageable in the long run (Yin, 1981). The objective is to extract meaning from the data collected, to prepare the data for analysis and to conduct multiple analyses, going deeper and deeper to comprehend the data, in order to be able to perform a broad interpretation of its meaning in the end (Creswell & Creswell, 2018).

The data in qualitative research can be analyzed in two main ways: either by coding facts and establishing cross-case patterns, or by recognizing analogies (explanations) along different cases with acceptable levels of variation. But, whatever the option, the researcher must build a chain of evidence at each step of the way until they reach a conclusion (Yin, 1981).

Finally, in order to build explanations, there is a need to correctly interpret the facts, then consider some alternative explanations to those facts, and, in the end, come up with a conclusion based on a single explanation that looks the most coherent with the facts gathered - a process similar to that of detective work when constructing an explanation for a given crime (Yin, 1981).

The process of analyzing the data consists in gathering raw data, organizing and preparing it for analysis, full reading, coding, establishing themes' descriptions, inter-relationship of themes and descriptions and, finally, establishing interpretations of themes and descriptions, where the final goal is the lessons learned (Creswell & Creswell, 2018). We will start the codification by using the theoretical categories as presented in Figure 2 and, afterwards, grounded codification will be applied, i.e., systematic steps, generating categories of information (open coding), selecting one of the categories and positioning it inside a theoretical model (axial coding), and then it will be constructed a narrative from the interconnection of those categories (selective coding) (Creswell & Creswell, 2018) - a process that can be used in a systematic combining approach.

Qualitative validity must be achieved by verifying the precision of the results by employing the appropriate procedures. In terms of qualitative reliability, it must be accomplished by a coherent approach between the different cases. The aim of the qualitative approach is not, as mentioned previously, generalization, given that its real value lies on a specific description, i.e., more on a *particularity* than the *generalizability* (Creswell & Creswell, 2018).

In sum, content analysis is a set of methodological tools that apply to extremely diverse discourses - which is the case in question - through the use of multiple techniques (namely category analysis), such as the calculation of frequencies and the extraction of translatable models and structures (Bardin, 2009). Therefore, an effort is made to interpret, which oscillates between the rigor of objectivity and the richness of subjectivity, i.e., an attraction of the latent (the unspoken). The goal is to achieve *theoretical saturation* and *data saturation,* the moment where additional data has none or minimal effect with respect to the main objectives of the research project (Eisenhardt, 1989), to be able to, in the end, perform a broad interpretation of its meaning (Creswell & Creswell, 2018), with the support of specific software: NVivo. This is able to support the researcher by organizing and analyzing non-numerical data (in this case, the transcripts of the interviews) and classifying (coding), sorting and arranging information, and, in the end, it is able to export the information already treated to afterwards conduct a critical analysis about the outputs produced.

Accordingly, in NVivo, it was first created the two cases (Galp and EDP) in the *data warehouse*. Afterwards, for each case, it was created an entry for each interview (cf. Table 3 and 4) with the interviews transcripts later being inputted. Lastly, the *codes* were created following the general framework for analysis (cf. Figure 2), and, consequently, the coding per se was executed, generating results per interviews and cases whenever the dimensions were verified vs the framework for analysis upon the literature review, without ruling out the emergence of new insights that were not initially considered in the original framework. Hence, following the empirical research vis-à-vis the framework that was built upon an extensive literature review, it is possible to assess the evidence or the possible lack of BD dimensions, and, regarding those that are present, we can define to what extent they are relevant in the successful international endeavors of MNCs. Plus, those that can emerge and that were not originally in the framework (following the literature review) can, thus, be added as new dimensions in BD (cf. Figure 2), or a new rearrangement to the overall framework per se (structure, consolidation, etc.) can be done.

4.4.2 Sampling

The primary sources of information were semi-structured interviews, based on an interview guide (Appendix) that allowed the capturing of information about the relevance of BD in the IB environment where the selected businesses operate. The semi-structured interview is recognized as a good instrument to address management issues (Schwartzman, 1993) and is associated with the *localist perspective*, i.e., it enables an approach to the world from the perspective of the interviewed (Qu & Dumay, 2011), that in this case are IB executives. Since this is a semi-structured interview (vs a structured interview), the script guideline may be adapted before and during the interview, according to the type of interviewee and the course of the interview (Gill et al., 2008; Seidman, 2006).

The interview guide is structured into different types of questions, namely: *introductory questions*, to layout the context of the subject; *indirect questions*, to gradually approach the core subject of the study; and, lastly, *direct questions*, to confront the interviewee about its real experience vis-à-vis the theoretical assumptions laid out before the empirical work (Qu & Dumay, 2011). Nevertheless the contextualization of the research project objectives, carried out previously in a formal letter of request for collaboration, and another subsequent information than can be provided if required, the interview guideline is not, by default, made available in advance (unless expressly demanded), in order to assure the least rehearsed and institutional speech possible. In sum, it aims to be an organic and interactive process (Eisenhardt, 1989).

This tool enables the collection of rich empirical data when the phenomena studied is not a standardized practice that can be evaluated by a given number of pre-established variables. Nonetheless, there are advantages and disadvantages to this method as with all the others. Thus, the aim of the interview is to promote a narrative regarding the subject, specifically about the research questions framed, that can later be intertwined in a pattern-match of theory and data regarding the elements that can be identified across the multiple cases studied (Eisenhardt & Graebner, 2007).

The interview is a relatively spontaneous speech - an expression of what the person lived in relation to something. The main challenge here is to reconcile the singularity of each case (vertical analysis) with the plurality of all the cases (horizontal analysis), as they are not mutually exclusive but complementary, carrying out two levels of analysis in order to obtain greater richness and consistency of results (Bardin, 2009). The interview is aimed to be carried out, whenever possible, in a face-to-face manner, since this method is commonly recognized as the one that best serves the purposes of qualitative research, and in particular when dealing with semi-structured/in-depth interviews, which is the case (Sturges & Hanrahan, 2004).

This approach has the ability to perceive visual cues, such as body language (Creswell & Poth, 2016), verbal cues such as hesitations (Miller, 1995) and social cues such as voice intonations (Opdenakker, 2006), that provide valuable information beyond the speech per se that is observed in the transcripts. Thus, face-to-face interviews (contrary to telephone interviews) enables the development of a rapport and natural encounter (Shuy, 2003) that impacts the capability of gathering rich qualitative data, mainly due to its ability to establish, in the words of Gillham (2005), an *interpersonal chemistry*. Hence, following the above theoretical framework, the construction of the interview guide (Appendix) was based upon the international dynamics of firms vis-à-vis BD, to achieve, more than just binary replies to specific questions, a narrative around the organization's experience in doing business abroad, aiming for a holistic view based upon the different types of counterparts, that would be more at ease in some dimensions than others (depending on their area of expertise), contributing to those with a more in-depth view, as mentioned above.

The interview guide (Appendix) was structured in three main parts: 1. Introduction (I1 and I2), an overall contextualization of the research project and the BD concept; 2. International Dynamics (Q1-Q4), addressing key issues such as motives, processes, positioning and barriers; and, 3. BD (Q5-Q8), assessing the correlation of the concept to the practices of the organization (existence, evaluation, stakeholders, etc.).

The relationship between the questions applied in the interview guide and the different components of the theoretical framework are not linear (straight relationship), following the above-mentioned type of interview (semi-structured) and also taking into consideration that the issues addressed are not standardized practices by firms.

Thus, the association between the dimension of the theoretical framework and the questions of the interview guide are presented in Table 9.

Table 9: Interview Guide Model

Topics	Questions	Information Intended
Motives	1. What has been motivating your internationalization process in the various markets where the firm operates (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)? Can you give examples?	Typo of Motives (Efficiency/Market/Natural/Strategic Seeking).
Internationalization Processes	2. When it comes to the processes of internationalization, what determines your entry mode (Exports vs FDI), strategy (Global Integration vs Local Responsiveness)? 3. And what determines your positioning (what is your product/service's distinct element in comparison to your competitors)? Can you give some examples (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)?	Type of Entry Modes, Strategies and Positioning
Barriers	4. What are the barriers/difficulties that you deal the most with when it comes to internationalization? Can you give some examples in the markets where the firm operates (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)?	Type of Barriers (Competition, Distribution Channels, Foreign Market Needs, Foreign Business Practices, Government Policy, Market Attractiveness and Venture Management Characteristics).
Business Diplomacy	5. To overcome those barriers, can we consider that your group has a Business Diplomacy strategy? In the case it does, how do you integrate that strategy in the various markets where you operate? Can you give some examples (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)? 6. When and how did that Business Diplomacy approach to the international markets start? 7. In what way has that approach been useful to your group in the markets across borders, facilitating in particular the internationalization process? Can you give some examples? 8. In relation to Business Diplomacy, who are your main partners? Can you give some examples in the various markets where the firm operates (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)?	Dimensions of BD applicable (Act in International Forums and Take Advantage of Economic Diplomacy, Adopt a Triple Bottom Line culture, Create Social Capital and Increase Transparency, Engage with Multiple Stakeholders, Enhance Culture Adaptation, Establish Alliances and Integrate Networks, Protect the Corporate Brand and Reputation).

The type of questions of the second part are more circumscribed vs the ones of the third part that are more boundless - in an exploratory (detective work) approach - and nevertheless the proposed guide, the interviewee is able (and encouraged) to add other insights (which are welcome, and that were not originally outlined in the guide). Lastly, the questions are to be adapted following each interview path, thus all interviews are different since it is not a rigid guide.

In each interview it is implied, following that the overall script aims to cover all the scope of dimensions of BD, that naturally some of these dimensions will be more reported following the different type of respondents. And, in the end, a revision (if needed) may take place to detect flaws, repetitions, inconsistences, etc., to afterwards improve it in order to be the most effective, following the proposed goals of the data collection (Wahyuni, 2012). Nevertheless the primary sources of information mentioned above, it will be considered as secondary the company and industry sources such as annual reports, press releases, media, etc., (Glowik, 2016), with the goal of expanding the data available, that could be useful to the research project (Eisenhardt & Graebner, 2007).

After this critical analysis and the subsequent choice of Galp and EDP, the following step was to identify the most suitable respondents in each of the organizations, taking into consideration: (i) the BD dimensions (cf. Table 4), (ii) that there is no specific respondent in this filed (e.g., no BD Department), and (iii) that it includes a wide range of areas of the business organization. This matchmaking work was conducted in cooperation with the organizations, based on a first proposal by the researcher, following the analysis of each of the organization's corporate governance structure, based on their latest Annual Reports (EDP, 2021a; Galp, 2021a), thus aiming to identify the most correlated Corporate Centers/Business Units in relation to all the BD dimensions (Table 4). In the case of Galp, the Corporate Centers/Business Units were five (Table 10), including a respondent of the Corporate Foundation (Fundação Galp). In the case of EDP, the Corporate Centers/Business Units were six (Table 11) and including a respondent of their Corporate Foundations (Fundación EDP).

Following the above, all the interviews were planned to be face-to-face. However, after the World Health Organization declared the outbreak of the new SARS-CoV-2 virus (severe acute respiratory syndrome coronavirus-2) a pandemic on March 11, 2020, the remaining interviews were carried out remotely, in order to not jeopardize the work schedule.

Table 10: Galp Respondents Counterparts

Name Citation in Text	Function	Corporate Center/Business Unit	Education	Date	Place	Interview Time
Diogo Almeida (Galp / DA)	Unit Manager	Strategy and Market Intelligence	Engineering	11.02.2020	HQ Lisbon	53m
Joana Garoupa (Galp / JG)	Strategical Developers	Marketing and Communication	Communication	11.02.2020	HQ Lisbon	80m
Anna Bergström (Galp / AB)	Public and Corporate Affairs	Legal	Languages	09.03.2020	HQ Lisbon	51m
Sandra Aparício g(Galp / SA)	Area Manager	Marketing and Communication	Engineering	09.03.2020	HQ Lisbon	41m
Ana Sofia Silva (Galp / AS)	Area Manager	Safety and Sustainability	Engineering	04.05.2020	Remote	46m
Jorge Carvalho (Galp / JC)	Strategical Developers	Galp Marketing Internacional	--	14.05.2020	Remote	43m
						5:14h

Table 11: EDP Respondents Counterparts

Name Citation in Text	Function	Corporate Center/Business Unit	Education	Date	Place	Interview Time
Ana Sofia Vinhais (EDP / ASV)	Director	Institutional Relations and Stakeholders Department	International Relations	20.05.2020 00	Remote	55m
Gustavo Pizarro (EDP / GP)	Project Manager	Institutional Relations and Stakeholders Department	Engineering	20.05.2020	Remote	
Eduardo Moura (EDP / EM)	Deputy Director	Sustainability Department	Economics	05.06.2020	Remote	74m
Ricardo Ferreira (EDP / RF)	Director	Studies and Competition Department	Economics	18.06.2020	Remote	43m

Name Citation in Text	Function	Corporate Center/Business Unit	Education	Date	Place	Interview Time
Vanda Martins (EDP / VM)	Director	Fundación EDP España	Management	22.06.2020	Remote	33m
Rafael Solis (EDP / RS)	Director	Comunication and Stakeholders Management EDP Renewables	Communication	25.06.2020	Remote	36m
Nuno Rebelo (EDP / NR)	Director	Comunication and Stakeholders EDP Brasil	Economics	01.07.2020	Remote	88m
Thais Machado (EDP / TM)	Manager	Comunication and Stakeholders EDP Brasil	Political Science	01.07.2020	Remote	
Duarte Belo (EDP / DB)	Board Member	EDP Renewables	Management	18.07.2020	Remote	31m
						6:00h

In addition to the interviews, other type of sources were also considered (Table 12) in order to expand the data available since it could be useful to the research project, and, thus, carrying out triangulation, which brings more assurance to the quality of the data and all the information, i.e., a stronger consubstantiation (Eisenhardt, 1989).

Table 12: Firms Data Sources

Firm	Type	Format	Source	Observations
Galp	Primary	Personal Interview	Diogo Almeida	In-Person
Galp	Primary	Personal Interview	Joana Garoupa	In-Person
Galp	Primary	Personal Interview	Anna Bergström	In-Person
Galp	Primary	Personal Interview	Sandra Aparicio	In-Person
Galp	Primary	Personal Interview	Ana Sofia Silva	Online
Galp	Primary	Personal Interview	Jorge Carvalho	Online
Galp	Secondary	Reports	Annual Report: 2020, 2021	n/a
Galp	Secondary	Corporate Website	galp.com	n/a
Galp	Secondary	Foundation Website	fundacaoGalp.com	n/a
EDP	Primary	Personal Interview	Ana Sofia Vinhais	Online
EDP	Primary	Personal Interview	Gustavo Pizarro	Online
EDP	Primary	Personal Interview	Eduardo Moura	Online
EDP	Primary	Personal Interview	Nuno Rebelo	Online
EDP	Primary	Personal Interview	Thais Machado	Online
EDP	Primary	Personal Interview	Rafael Solis	Online
EDP	Primary	Personal Interview	Ricardo Ferreira	Online
EDP	Primary	Personal Interview	Vanda Martins	Online
EDP	Primary	Personal Interview	Duarte Belo	Online
EDP	Secondary	Reports	Annual Report: 2020, 2021	n/a
EDP	Secondary	Corporate Website	edp.pt	n/a

Firm	Type	Format	Source	Observations
EDP	Secondary	Foundation Websites	Spain: fundacionedp.es Brazil: brasil.edp.com/pt-br/instituto-edp	n/a

Although the permissions to record the interviews (and to make use of other data made available) were granted, because some information could be considered sensitive in respect to business strategy and stakeholders management in particular, and based on the premise that the qualitative research should impose no harm (Qu & Dumay, 2011), the interviews transcripts will be restricted to the general public by default, nevertheless being possible to make them available upon request (e.g., other research projects), but always conditioned by the last approval of the interviewee/firm in case.

4.5. Conclusion

Taking into consideration the research questions and the overall goals of the research project, the methodology was defined in relation to the epistemological paradigm (interpretivism), the working approach (qualitative, based on firms), the research design (justification of the case selection of Galp and EDP), the definition of the data sources (primarily through semi-structured interviews and other secondary sources), and, lastly, the data analysis procedure (coding, supported by NVivo).

The next step, which corresponds to the following chapter, consists in extracting the results produced by doing a deep-dive analysis. First, regarding each case and, then, by doing a comparative assessment, with both the aim of addressing the outlined research questions and of assessing the advent of new findings that were not present in the literature review and in the subsequent framework for analysis, which can possibly shine a new light on the field of BD.

5. ANALYSIS AND FINDINGS

Following the analysis of different interviews from Galp and EDP (in total, 15), that covered a broad scope of areas inside each firm, it was possible to obtain a holistic view of the organizations.

The corporate business units ranged from the ones more commonly related to BD (Stakeholder Management and IR) to several others (Strategy, Marketing, Sustainability, Operations, etc.), alongside Foundations, which are a strategic instrument of this type of organizations that operate in highly sensitive sectors (energy, etc.) with great impact on the communities where they are (exploration of local natural resources, etc.). Hence, it was possible to assess what was (i) aligned or not aligned with the literature review assumptions, (ii) what was not present in the literature review that, therefore, we can consider as new insights, and (iii) address other issues that were not previously perceived. We will start by addressing the outcomes (Research Findings), and then move forward to the next level of analysis (Findings' Discussions), finishing with an overall conclusion.

Following the detailed framework for analysis based upon the literature review (cf. Figure 2), in which the coding and analysis were based, it is now possible to assess the level of representation of the dimensions of BD, and more than the absolute results per se, for the purpose of this analysis, the allocation by each category ordered from the most to the least observed dimensions can be pointed out. We first look into each firm's results separately (Galp and then EDP), which is followed by the presentation of the overall results, a comparative analysis, and, finally, an overall view of BD's presence on the internationalization dynamics of the firms.

5.1. Galp

In the following sections, we will start by presenting an overview of the firm, followed by the results (regarding the general framework for analysis, cf. Figure 2), and ending with the discussion of the outcomes generated.

5.1.1 General Overview

We can trace the roots of the present company back to the year 1846, with the start of the gas lighting system. Later, in 1933, the international dimension of Galp emerged with the creation of a mixed French and Portuguese capital (SONAP), whose main objective was to develop the commercial activity and distribution of petroleum products in the national market and in some of the former colonies, namely Angola and Mozambique (Galp, 2021c). However, the internationalization per se only started in 1977, with the exploration and production business by surveying opportunities in oil exploration in Angola. That was expressed in 1982, with a stake in a block (Galp, 2021c).

In 1999, Galp went into the exploration and production business in Brazil with the acquisition, together with Petrobras, of the concession of two 10% interests in blocks located in the ultra-deep waters of the Santos Basin. At the turn of the century, following the ongoing process of privatization of Galp, the company incorporated international players in its capital structure, such as Eni (Italian) and Iberdrola (Spanish) (Galp, 2021c). Later, in 2007, Galp obtained a natural gas trading license in Spain and started the exploration and production businesses in Mozambique and East Timor, with a stake in one and five blocks, respectively. In the same year, Galp had a stake in the consortium with Petrobras and Shell, in Brazil's most significant oil discovery in 30 years (Galp, 2021c).

In 2008, Galp acquired the Iberian subsidiaries of Agip and ExxonMobil, and, in the following year, started production in Angola. In 2010, it began commercial production in Brazil, in a consortium with Petrobras and BG Group. In 2011, the first discovery of a large natural gas deposit in Mozambique occurred (Galp, 2021c). In 2012, Galp made a capital increase in Petrogal Brasil subsidiary and other related companies, and, in 2014, completed the first well operated offshore by the company in Morocco. In 2016, it reinforced its operation in Brazil again by increasing production, and, in 2017, hit record production. Brazil is still the leading international market operation in exploration and production businesses (Galp, 2021c).

Today, in terms of its global presence, Galp has operations in 10 countries spanning over the four continents, developing upstream, industrial and energy management, commercial and renewables, and new businesses operations (Spain, Brazil, Angola, Mozambique, Cape Verde, Guinea-Bissau, São Tomé and Príncipe, Namibia, Kingdom of Eswatini and East Timor). Additionally, Galp exports to other 80 countries (Galp, 2022a).

Galp Foundation

Looking at the entire ecosystem of Galp, it is important at this stage to understand the role of its Foundation (Fundação Galp). There seems to be an alignment with the BD principles, which makes it act probably more as a BD actor than the firm itself for strategic reasons that we will see further ahead. Galp Foundation was created in 2009, as a private non-profit public utility entity, with the mission of serving the community and its sustainable development, seeking to be an active agent (Fundação.Galp, 2022a).

The Foundation intervenes in several areas, namely in social development, energy and environment, education and culture, intending to fulfill its commitments in the social intervention and support the development of Galp as a group, being present on three continents: Europe (Spain), Africa (Angola, Eswatini, Guinea-Bissau, Cape Verde, São Tomé and Príncipe and Mozambique) and America (Brazil) (Fundação.Galp, 2021). In 2020, the Foundation directly impacted the lives of over 232 thousand people, worked with more than 1,500 social partners, and, in the context of the pandemic, reached more than 680 thousand people, with this also happening in part due to Galp's employees that offered over 600 hours of volunteering (Fundação.Galp, 2021).

In the letter of the Board of Directors of the Management Report and Accounts of Galp Foundation, it stated the aim for a positive-sum game between the firm goals and its stakeholders, "a necessary balance between growth and the well-being of the population… [with the] purpose of generating shared value" (Fundação.Galp, 2021, p. 6), while not being concealed the business background, "The return on investment with regard to education is undeniable, both in terms of personal empowerment and social or even economic impact" (Fundação.Galp, 2021, p. 6).

Internationalization Process

Looking now at each country, and thereof at the internationalization history of Galp, and following the international order presented in the annual report (Galp, 2021a) - Spain, Brazil, Angola, Mozambique, Cape Verde, Guinea-Bissau, São Tomé and Príncipe, Namibia, Kingdom of Eswatini and East Timor -, it is noticeable that there is a majority group of Portuguese speaking countries as well as former colonies: Angola, Brazil, Mozambique, Cape Verde, Guinea-Bissau, São Tome and Principe and East Timor.

The productive surplus in Portugal triggered the internationalization process in **Spain**, in 1979. So, the neighboring market (five to six times bigger than Portugal) was the "most natural" movement, alongside other subsequent external factors such as the liberalization of the sector in Portugal and the country's accession to the European Economic Community (now, EU), Galp thus becoming an Iberian player (Galp / DA). Galp's activity continued at the beginning of the century, highlighting, in 2007, the obtainment of the natural gas trading license, then, in 2008, the acquisition of the distribution networks of Agip and Esso, and later, in 2010, the acquisition of Madrileña Gás (Galp, 2019).

The importance of Spain as a strategic market for Galp is present to this day because it was, again, the first foreign market where the new group's strategy of moving to renewable energy occurred (Suspiro, 2020). This organic relation is due to the geographical proximity, cultural affinity, brand awareness, shared supranational political framework, etc. Despite the market challenges per se, the Iberian Peninsula remains the central hub of operations because of this unequivocal proximity between Portugal and Spain (Galp / DA), thus being almost perceived as an *internal market*. Nowadays, Galp is present in Spain, at the commercial level, in the downstream business, focusing on the marketing of oil products, natural gas, electricity and associated services, and at the renewables and new businesses level, with a renewables portfolio and solar-self consumption solution (ei - energía independiente, a company specialized in solar energy that provides personalized offers and installations to businesses and households) (Galp, 2022a). At the community level, Galp, through its Foundation (Fundação Galp), operates in different dimensions from sponsoring scholarships for education to empowering talent and digital transformation, and, most recently, by also playing an active role in the mitigation of the COVID-19 crisis (Fundação.Galp, 2021).

In **Brazil**, Galp has been present since 1999, involved in various projects in different phases of exploration, appraisal, development and production, while working in consortium with local and international players (Petrobras, Shell, Total, Chevron, ExxonMobil, Pré-Sal Petróleo, Equinor, etc.) (Galp, 2022b). In 2007, it made the most extensive oil discovery since the 1960s in the Tupi well (Galp, 2019). The internationalization to Brazil occurred following a series of auctions and the natural relationship between Portugal and Brazil, which is also promoted by economic diplomacy. This resulted in acquisitions in some blocks, always in partnership (Galp / DA). At the moment, Galp operates in Brazil at the upstream level, in various projects from exploration to production phases (Santos, Campos, Pernambuco and Paraiba basins), and at the renewables level, through the acquisition of two solar projects under development, which makes it possible to gain access to high-quality assets in a country where the company has been present for more than 20 years (Galp, 2022a). Through the Foundation, at the community level, Galp has since 2020 engaged in helping fight the pandemic crisis with the program "COVID-19 | One gesture changes everything" (Fundação.Galp, 2021).

Concerning **Angola**, Galp started its operations in 1982, with the exploration and production business (with a stake in a block), with oil production activity beginning in 1991 (Safueiro). Later, in 1999, another field went into production (Kuito) (Galp, 2019). In 2007, the company entered the natural gas sector by participating in a consortium to develop research activities and exploration and, in 2009, it started oil production in Tômbua-Lândana, in a consortium operated by Chevron (Galp, 2021c). At the community level, also through the Foundation, it is as well present through the program "COVID-19 | One gesture changes everything" by, for example, donating drinking water (Fundação.Galp, 2021). Currently, Galp is present in Angola at the upstream level, in five projects sanctioned and six exploration licenses, with some of the most prominent companies in the oil sector worldwide (Chevron, Eni, Total, ExxonMobil, etc.), among other locally (Sonangol, Cabinda Gulf, SNPC, etc.) (Galp, 2022b). At the commercial level, it concentrates oil products’ marketing activities in two companies: Petrogal Angola (distribution and marketing of lubricants) and SonanGalp (owned by Galp by 49% and Sonangol 51%, distribution and marketing of liquid fuels and lubricants in the retail and wholesale segments) (Galp, 2022a).

Galp presence in **Mozambique** started in 1957, with the distribution of petroleum products. Since then, Galp has led important projects related to natural gas production. It has been in the upstream business since 2007, by signing the farm-in contract with Eni and the Empresa Nacional de Hidrocarbonetos (also known as ENH) (Galp, 2022a). It also works with other partners in projects such as Mozambique Rovuma Venture, ExxonMobil, China National Petroleum Corporation and Kongas (Galp, 2022b). Nowadays, Galp is present in Mozambique at several levels (upstream, commercial, community investment and sponsorships), in a consortium in one of the most relevant regions for the future of natural gas production (Galp, 10%; Mozambique Rovuma Venture, 70%; ENH, 10%; Kogas, 10%), and with a distribution network of 66 service stations and a strong presence in the lubricants and Liquefied Petroleum Gas (LPG) market. Galp has also developed several social impact projects for local communities (Galp, 2022a). At the commercial level, Galp is currently an important player in the distribution of products, assuming a notable leadership in the LPG market, alongside investment in logistics parks with strategic locations. This enables double the storage capacity in the southern part of the country and thus extends its area of influence in this region of Africa, expanding its activities to neighboring countries (Galp, 2022a).

At the community investment level, Galp (through Galp Foundation) actively promotes various social projects with an impact on the community, with a particular focus on the areas of education and energy transition, being its mission to promote universal access to sustainable energy sources and energy development initiatives (e.g., project Energiza since 2019), in partnership with FUNAE (also known as Fundo de Energia), a Mozambican public institution (Fundação.Galp, 2022b). Lastly, at the sponsorships level, it has partnership protocols with the National Football Team since 2009 (also being the historical sponsor of the Portuguese National Football Team, for two decades) (Galp, 2022a). The community engagement of Galp in Mozambique (through Galp Foundation) is the most prominent worldwide in terms of the scope of programs: Scholarships for Education, from 2020-2023; Educate for the Future, an ongoing project; Education for women, from 2020-2021; Believe & Lead, in 2020; Empowering Talent and Digital Transformation, in 2020; and Integration of Displaced Communities, in 2020; alongside transversal (ongoing) ones, such as the ones related to the fight against the COVID-19 pandemic (Fundação.Galp, 2021). Mozambique is growing in the oil and gas industry and is expected to become the third largest producer in Sub-Saharan Africa by the middle of the next decade (Galp, 2022a). The size and quality of the resources discovered will be transformational for the country and will also play a fundamental role in Galp's production profile, contributing to a lower carbon portfolio mix aligned with the company's strategic commitment to a smooth energy transition (Galp, 2022a).

Regarding **Cape Verde**, Galp is present since 2007, through the purchase of a part of the share capital (37,5%) of Enacol (when listed at the time on the stock exchange) (ENACOL, 2022b). Today, it is only present at the commercial level (oil products), through a 48.3% stake in Enacol, with B2B (a retail network that covers every island through a network of commission-based agents) and B2C (a wholesale segment, in marine and air bunkers, LPG and lubricants) activities (Galp, 2022a). Additionally, there is a JV with Sonangol (Galp / JC) through Enacol (ENACOL, 2022a). The Foundation of Galp is also present in Cape Verde at the community level through the program "COVID-19 | One gesture changes everything" by, for example, donating ventilators to hospitals (Fundação.Galp, 2021).

Galp is present in **Guinea-Bissau** since the late 1950s. Nowadays, it is only present at the commercial level. It is the market leader in distribution and marketing segments of liquid fuels, lubricants and gas, which is ensured through stakes in several companies, namely Petromar (80%, focuses its activity on the import, distribution and marketing of liquid fuels, LPG and lubricants, in the retail and wholesale segments), Petrogás (65%, ensures the import, storage, distribution and marketing of LPG), CLC GB (90%, ensures the storage of liquid fuels) and ASB (50%, provides storage related services and ensures the supply of jet fuel) (Galp, 2022a). Through Galp Foundation, the company is also present at the community level. The project Fumukaba, which is implemented since 2018, is an example of that, and it consists of replacing charcoal and firewood with butane gas for the preparation of food in Guinea-Bissauan households (Fundação.Galp, 2022b), besides the Foundation having in place the already mentioned transversal program in the fight against COVID-19 (Fundação.Galp, 2021).

Galp is present in **São Tomé and Príncipe** since 2015, through the acquisition of a 45% stake in a block (in which it holds operatorship); in 2016, it expanded its presence with the acquisition of a 20% stake in three more blocks (although, in 2019, it decided to withdraw from one of them). In 2020, Galp assumed the operator role in these blocks (Galp, 2022b). Again, the Foundation is as well present in this geography at the community level, with several programs (Educate for the Future, Empowering Talent and Digital Transformation), alongside the above-mentioned program related to the pandemic (Fundação.Galp, 2021). Currently, in **São Tomé and Príncipe,** it operates only at the upstream level, through stakes in several blocks, and one of them in a consortium (Galp, 45%; Shell, 45%; Agência Nacional do Petróleo, 10%) (Galp, 2022a).

Galp has been present in **Namibia** since 2012, when it signed a farm-in agreement in oil exploration licenses located offshore (Galp, 2022a), and, in 2013, it made an exploration campaign (three wells were drilled, although none of them resulted in a commercial discovery) (Galp, 2022b). In 2016, Galp reached an agreement with the Namibian government to secure some exploration licenses in an area of about 20,000 km^2, where the existence of hydrocarbons has already been proven. In 2018 and 2019, it made continuous assessments (Galp, 2022b). Nowadays, Galp is at the upstream level and holds two exploration licenses located in the country's offshore (Galp, 2022a) in a consortium (Galp 80%; National Petroleum Corporation of Namibia, 10%; Custos, 10%) (Galp, 2022b).

Regarding the **Kingdom of Eswatini** (former Swaziland), since 2008, Galp is only present at the commercial level, through marketing and distribution of lubricants, LPG and liquid fuels in the B2C, through a network of service stations, and in the B2B segment (Galp, 2022a), having entered through an acquisition (Galp / JC). At the community level, the Foundation is again present through the program Scholarships for Education, besides the support against the pandemic crisis (Fundação.Galp, 2021).

Lastly, Galp is present in **East Timor** since 2007, in the exploration and production business, with a minority stake (10%) in five blocks, and executed its first exploration well (Galp, 2021c) in 2010.

Table 13 summarizes the milestones of the journey of Galp in the internationalization process.

Table 13: Galp Internationalization Timeline

Year	Country	Description
1933	Angola	Development of commercial activity and distribution of petroleum products.
1933	Mozambique	Development of commercial activity and distribution of petroleum products.
1950	Guinea-Bissau	Start of operations.
1957	Mozambique	Start of operations with the distribution of petroleum products.
1977	Angola	Exploration and production business by the survey of opportunities in oil exploration.
1979	Spain	Start of the internationalization process.
1982	Angola	Start of operations with the exploration and production business, with a stake in a block.
1991	Angola	Start of oil production activity in Safueiro.
1999	Angola	Field goes into production in Kuito.
1999	Brazil	Start of operations with the exploration and production business with the acquisition in blocks (Santos Basin).
2007	Angola	Entry of the natural gas sector with participation in a consortium to develop research activities and exploration.
2007	Brazil	Acquisition of a stake in a consortium in the most extensive oil discovery since the 1960s in the Tupi well.
2007	Mozambique	Start of the exploration and production businesses with a stake in two blocks and a farm-in contract.
2007	Spain	Obtainment of a natural gas trading license.
2007	East Timor	Start of the exploration and production businesses with a minority stake in five blocks.
2007	Cape Verde	Purchase of a part of the share capital, when listed at the time on the stock exchange.
2008	Spain	Acquisition of the Iberian subsidiaries of Agip and ExxonMobil.
2008	Kingdom of Eswatini	Start of operations through an acquisition.
2009	Angola	Start of oil production in Tômbua-Lândana through a consortium.
2010	Brazil	Start of commercial production in a consortium.
2010	Spain	Acquisition of Madrileña Gás.
2010	East Timor	Execution of the first exploration well.
2011	Mozambique	Discovery of the largest natural gas deposit.
2012	Brazil	Capital increase in Petrogal Brazil subsidiary and other related companies.

Year	Country	Description
2012	Namibia	Signature of a farm-in agreement in oil exploration licenses located offshore.
2013	Namibia	Exploration campaign in three wells.
2014	Morocco	Completion of the first well operated offshore.
2015	São Tomé and Príncipe	Acquisition of a stake in a block.
2016	São Tomé and Príncipe	Expansion of its presence with the acquisition of a stake in three more blocks.
2016	Namibia	Agreement with the Namibian government to secure some exploration licenses.
2019	São Tomé and Príncipe	Withdraw from one of the blocks.
2020	São Tomé and Príncipe	Assumes the role of the operator in the blocks.

Following the above, Galp (as expected) does not have a single formula for internationalization; ranging from acquisitions to JVs, through a partner or a conglomerate of companies (with "partnership" being nevertheless a keyword). This approach is strongly related to the need of obtaining licenses to operate, privileging (whenever possible) a majority of capital (thus having control) (Galp / JC). Besides, it embodies different roles in the chain value, sometimes upstream (exploration and production) and other times downstream (refining of crude oil, distribution of petroleum products and natural gas, and the generation and sale of electricity).

5.1.2. Results

Table 14 presents in detail the results of the coding process of Galp, following the framework for analysis based upon the literature review (cf. Figure 2), which takes into consideration the primary data collected (interviews), organized by References (the count of the number of selections within that Category/Sub-Category that have been coded) and Files (the count of the number of sources/interviews within that Category/Sub-Category that have been coded). The subsequent assessment will follow the general framework for analysis (cf. Figure 2) applied to Galp, following the natural workflow of the internationalization process and the role of BD in this process: upstream - Barriers and Motives; downstream - the Internationalization Processes; and BD at its core.

In Figure 2, we can observe the main categories (Motives, Barriers, Internationalization Processes, and BD) and their respective sub-categories/dimensions. It should be noted that the overall results (in absolute terms) are smaller in relation to the category of BD because the core of the general framework for analysis (cf. Figure 2) and the main focus of the interview (Appendix) is BD.

Table 14: Galp Coding Results

Framework for Analysis (cf. Figure 2)		Total Number of Interviews: 6	
Categories	**Sub-Categories**	**NVivo**	
		References	**Files**
Motives		**52**	**-**
	Efficiency-Seeking	15	3
	Market-Seeking	12	4
	Natural Resource-Seeking	12	3
	Strategic Resource-Seeking	13	4
Barriers		**15**	**-**
	Competition	2	2
	Distribution Channels	0	0
	Foreign Market Needs	2	1
	Foreign Business Practices	7	4
	Government Policy	1	1
	Market Attractiveness	3	2
	Venture Management Characteristics	0	0
Business Diplomacy		**328**	**-**
	Act in International Forums and Take Advantage of Economic Diplomacy	51	6
	Adopt a Triple Bottom Line culture	65	6
	Create Social Capital and Increase Transparency	70	6
	Engage with Multiple Stakeholders	56	6
	Enhance Culture Adaptation	11	4
	Establish Alliances and Integrate Networks	24	5
	Protect the Corporate Brand and Reputation	51	6
Internationalization Processes		**7**	**-**
	Entry Modes	3	2
	Positioning	2	1
	Strategies	2	1

5.1.2.1. Motives

In terms of motives, i.e., what are the drivers that trigger firms to act in pursuing this strategic path and subsequently undertake the actions necessary to accomplish the goal of doing business abroad, the four listed in the literature review (cf. Figure 2) seem important.

The most referred was ***Efficiency-Seeking*** (References: 15; Files: 3), taking into consideration the level of investment in this sector and the need for economies of scale (through the scope of operations) that enables it to be competitive. Particularly in the specific geography of the Iberian Peninsula: "*…to take advantage of the existing logistics… there has to always be a competitive advantage that stems from the existence of infrastructure, be it our refineries, or the existence of logistics parks, and the retail network in some countries where we were…*" (GALP / DA); and, "…[it] *is clear that our entire Iberian strategy is built on communication vessels between the two geographies, they are not two completely separate strategies, there are communication links, which are competitive advantages that we consider ourselves to have in a market that is shared…*" (GALP / DA). This view is present in the literature review (Dunning & Lundan, 2008), i.e., the driver of going abroad with lower costs through investments (e.g., production facilities) to gain economies of scale, scope, etc.

The following category with a significant weight was ***Strategic Resource-Seeking***. However, considering that in the case of Galp this type of *resource* is equal to the one categorized as ***Natural Resource-Seeking***, it does not make much sense to separate these two categories because Galp seeking strategic resources is, by default, seeking of natural resources. Hence, in the case of Galp, it is expected evidence following the need to obtain strategic and natural assets (Consolidated - References: 25; Files: 4) that are relevant for its long-term strategy in different geographies, such as Brazil or Spain (flagship international markets) - "*…and then the opportunity arose, at the beginning of this century, to participate in a series of auctions in Brazil... and we acquired a participation in some blocks, that, later, as a result of the work developed, came to demonstrate excellent geological assets, and, therefore, today we have a stake in these blocks, they* *are producing, so they are our main upstream asset*…" (Galp / DA) -, or that are important to support (in particular) its upstream business in geographies such as São Tomé and Príncipe or Mozambique: "…*we are looking to position ourselves at the upstream level in the Atlantic basin… at the moment, we are also in the process of drilling the first hole in São Tomé, where we have also identified a set of blocks that we consider interesting*…" (Galp / DA).

Both categories (respectively) are aligned with the literature review (Dunning & Lundan, 2008). They identify and secure strategic resources and assets that can make all the difference in the long-term success of the firm, such as the increasing positioning of the group in the renewables sector and the access to natural resources that are not easily available in the home country or that can be obtained in better conditions abroad, namely specific ones like oil, gas, etc.

The remaining category observed was ***Market-Seeking*** (References: 12; Files: 4), which, following the ambition of Galp, is expected to take into consideration the natural limitations of its borders (even with the access to the current EU marketplace), starting with its neighboring market and thereafter others where similarities are found: "…*we felt that we had the ability and competitive advantages to approach a market like Spain, 5 to 6 times bigger than ours*…" (Galp / DA); "…*as a result of language or as a result of the relationship, there was a natural tendency for us to be in these markets, and, therefore, Guinea-Bissau, Cape Verde, Angola and Mozambique*…" (Galp / DA); and, "…*in Africa, continued growth is projected, in some cases more than 10% in the various economies, and, thus, it is a natural bet that we continue to* [be present in African markets]*, because… it is a possible destination for some of the product we produce in our refineries, when and if it turns into a surplus in the economies we are in today*…" (Galp / DA). This last dimension is also aligned with the literate review (Dunning & Lundan, 2008), i.e., the increase of its customer base by supplying goods or services to a particular country or region.

5.1.2.2. Barriers

In terms of barriers, i.e., the forces that can negatively affect the internationalization process and on which BD tools can act to minimize or eliminate them, from the seven listed in the literature review, in the case of Galp, the most present was ***Foreign Business Practices*** (References: 7; Files: 4), especially when the firm goes outside its natural and/or closer geographies of operation: "…*there is a whole set of licenses and authorizations that are necessary for us to carry out the activity, which can be issued more or less easily, depending on the greater or lesser availability that there is for* [foreign firms]…" (Galp / JC).

In this dimension, it is also clear the different institutional contexts. Although this difference is expected, it can differ in difficulty depending on the level of disparity between the institutional setting of reference of the firm and the foreign market, "…*any firm that internationalizes faces problems related to rules that are different from one country to another, especially when you leave the European Union, which, after all, is an organization… The European Union makes* [the institutional context] *easier* [to understand when it involves different member states]..." (Galp / AB). The overall above is, thus, aligned with the literature review (Evans & Mavondo, 2002). In this case, among others, it states the difficulty to understand legal regulations, procedures, etc., beyond the letter of the law.

The second most present dimension was [lack of] ***Market Attractiveness*** (References: 3; Files: 2), due to a wide range of conditions that can make the firm more or less prone to deciding to go abroad (costs of transportation, volatility of exchange rates, etc.): "…*there are geographies where entry can be easier, or facilitated, but if, from a business point of view, that doesn't make much sense, it doesn't make sense to look at it*…" (Galp / JC) - referring to the geography of Africa, and in particular Morocco, viewed as a potential market where the above-mentioned balance must be assessed -; or in another case of gasoline export to the United States of America: "…*even being balanced in our needs, this takes away from us the opportunity to put the product there*…" (Galp / DA), which is also mentioned in the literature review (Julian, 2009), i.e., the high costs associated with selling abroad, including increased transportation costs to ship products to foreign markets.

The following two categories had the same weight. Regarding ***Competition*** (References: 2; Files: 2), it is a natural barrier that is related to the intrinsic competitive advantage and strength of the firm in a foreign market - "…*Spain may be the most difficult case. In fact, it is not by chance that non-Spanish companies find it very difficult to enter the market, it is a very competitive market*…" (Galp / DA) -, being that these barriers can be manifested in several dimensions like brand recognition - "…*it is difficult when you reach a Spanish market: who is Galp?*" (Galp / JG). These aspects are reflected at large in the literature review (Pindyck & Rubinfeld, 2018), i.e., the competition from local firms after the entry of new firms into a competitive market (like in the exemplified case of Spain), that reduce the profits of the foreign market participants, in relation to local firms.

However, the particular issue of the lack of ***External Recognition*** mentioned above is not directly present in any of the descriptions given vis-à-vis the current state of the art based upon literature review (cf. Table 6), so we should consider this a novelty.

In the case of ***Foreign Market Needs*** (References: 2; Files: 1), it relates to specific requirements that the firm must address (for example, in this case, marketing strategies) to have full integration and avoid LOF: "…*we have to pay attention to having people of different nationalities, having situations that are not just urban, in particular because we have African markets, we have to have situations that work for the various markets…*" (Galp / JG), and this is possible to also observe in the case of the (local) naming of products when being exported, for example: "…*And, suddenly, we find that Tangerina has absolutely no meaning… we have commercial activities in Eswatini, and there they speak English, so Tangerina is almost unpronounceable…*" (Galp / JG), and this is clearly present in the literature review (O'Cass & Julian, 2003), regarding the concern of different product usage, language and cultural differences, which, in sum, is the need to adapt products in order to meet foreign customer attributes.

Lastly, ***Government Policy*** was observed (References: 1; Files: 1), and it concerns barriers that are related to the view of FDI by the foreign host country (protectionism, tariffs, etc.), especially in this area: "…*the oil and gas sector is a sector with many particularities, and in which geopolitical issues have a huge impact… there is a greater co-penetration between politics, business, diplomacy*…" (Galp / DA), with Iran being an example of these particularities - "…[Iran] *was our supplier for many years until the current and previous Iran blockade began…*" (Galp / DA). This also relates to the literature review (Gençtürk & Kotabe, 2001), regarding government positioning when it comes to international trade, that can make it more or less prone, following the global context, through the use of several instruments (barriers, taxes, etc.).

The remaining two categories were not observed (References: 0; Files: 0) as barriers in the case of Galp (***Distribution Channels*** and ***Venture Management Characteristics***), the first related to market characteristics and the second to the firm's profile. In our view, this can be explained by the fact that Galp is vertically integrated and is already extensively present in international markets where this type of barrier could not be confirmed at all. Regarding the first possible barrier (*Distribution Channels*), because of the strategy adopted by the firm when moving abroad (e.g., JV), the distribution channels are first and foremost secured, otherwise the internationalization process would not make sense. And when it comes to the other possible barrier (*Venture Management Characteristics*), it can also not be perceived as a barrier due to the inherent culture of Galp that since the 1930s began to do business abroad in Africa (Angola, Mozambique, etc.), followed by the neighboring country Spain, and, later, Latin America (e.g., Brazil). Galp has, therefore, until today spread over four continents and more than 10 countries (cf. Table 13) and counting.

5.1.2.3. Business Diplomacy

In Figure 5, we can directly observe the dimensions of BD that (more or less) stand out regarding the case of Galp.

Figure 5: Galp - Business Diplomacy Dimensions

Source: NVivo Tree Map of Galp

The most prominent category is ***Create Social Capital and Increase Transparency*** (References: 70; Files: 6). Present in all the interviews and with very significant absolute value of records, it is explicit the strategic importance of *creating social capital* for successful internationalization processes, including the use of specific instruments (Corporate Foundations) to achieve these goals: "*…the Galp Foundation has…, in the last three years, started to leave Portugal and begun to play that role... Which also coincides with the growth of some of the countries we are talking about, that have greater challenges in terms of the Human Development Index, and the Foundation, with its purpose of social inclusion, of having social impact, emerges as a partner of Galp Group to implement investment projects in the community…*" (Galp / SA), or "*…Mozambique is already doing several things, some of which are even quite substantial in the area of social responsibility within the scope of the Rovuma project, together with our partners. Therefore, there is almost a social development grant for Maputo, with all the project* *partners, and this grant is being managed, in particular, by ENI, which is the majority shareholder, and by Exxon and by us…*" (Galp / JG).

Regarding *Increasing Transparency,* it is also clear the position of the firm and its effort to also secure this valuable asset for successful international ventures: "…*the Dow Jones* [Sustainability Index] *has, in our case, 23 categories, that is, 23 questions, which consolidate a questionnaire, of more or less… an average of six questions… basically, 150 questions* [in total]... *the company not staying in a certain index is a lack of transparency*…" (Galp / AS) and "…*we have internal guidelines, as I said earlier, of assessment, of requirements, of environmental, social, security and safety aspects that are implemented, right? In a logic of impact assessment, in the communities where we are going to settle, that is. And, therefore, there is this whole part of implementing these regulations to ensure that what we are doing… that the standards are correctly applied… but also* [that we disclose] *them with the greatest possible transparency, and always verified by a third-party*…" (Galp / AS).

The referred above is aligned with the literature review (Ordeix-Rigo & Duarte, 2009; Steger, 2003) when the firm, through effective actions (e.g., establish a foundation: Fundação Galp), aims to gain the trust and confidence of its stakeholders (overcoming obstacles, clarifying doubts, ruling out fears, etc.) through a constant and transparent bi-directional dialogue and interaction.

Almost with the same importance is the following dimension of BD, ***Adopt a Triple Bottom Line Culture*** (References: 65; Files: 6), which is also present in all the interviews and with a very significant absolute value of records. The firm's approaches seem based on this principle, by a significant number of actions that are present and are recognized by international and independent stakeholders, such as the *Dow Jones Sustainability Index,* where Galp strengthened its position as Europe's most sustainable company and world's number 3 in its industry (Galp, 2020), which is corroborated in the primary data collected: "…*and so, in Africa, for example,* [partnership, trust and sustainability] *can have a very positive impact. In these communities, the idea that we are sustainably in the economies/geographies where we find ourselves in, that we are not there to exploit an* *asset and disappear…*" (Galp / DA) and "*…Within the scope of Energiza, this does not happen that way; we are talking about solar villages, when, in fact, Galp as a whole is not yet developing the solar component in Mozambique, so the driver was, purely and exclusively, a social driver…*" (Galp / SA). These outcomes are also supported in the literate review (Muldoon, 2005; Saner & Yiu, 2005), when the firm adopts a vision beyond the traditional measures of profits (return on investment and shareholder value) to include environmental and social dimensions, being in this case possible to understand the firm's positioning and commitment: Galp Foundation, in 2020, directly impacted the lives of over 232 thousand people (and, in the context of the pandemic, reached more than 680 thousand), and employees presented over 600 hours of volunteering, in eight foreign countries, alongside Portugal. (Fundação.Galp, 2021).

Nevertheless the above-mentioned (overall alignment with the concept of Triple Bottom Line), here it is mentioned something new vis-à-vis the current state of the art based upon literature review (cf. Table 7), and that is the concept of ***Benchmark*** *with best practices* (alignment with the big rivals), so we should considerer this as a novelty.

The following dimension, ***Engage with Multiple Stakeholders*** (References: 56; Files: 6), is also a critical and strategic area of BD present in Galp, that we can observe following the scope, increasing professionalism and attention dedicated to it, beginning from the top management: "*...I was recruited, basically, to try to harmonize this area a little, to systematize the area of stakeholder management, which is a relatively recent bet at Galp…We work in Brussels and Lisbon, mainly, in public affairs...Spain, too, of course, there are campus managers in all the geographies…there was a new political term in Brussels, right? With a new commission, a new parliament, we immediately identified the people and the entities…*" (Galp / AB), or "*...Mozambique, which is actually more active at the moment, the relationship with local stakeholders, assessing the database of who is important and who is not important, is always the driver of those who are in the country... be they public relations, be they institutional, whatever their nature…*" (Galp / JG). These results are aligned with the literature review (Ali, 2009; Amann et al., 2007), i.e., the firm's engagement with business and non-business counterparts (e.g., EU bodies) that can affect the firm, aiming to identify their concerns and expectations, and, ultimately, striving to attain the *license to operate* (Steger, 2003).

Act in International Forums and Take Advantage of Economic Diplomacy (References: 51; Files: 6) is also a dimension very strongly represented in Galp's approach to BD. Regarding the first part (*international forums*), the spectrum and importance are very clear, "*…we have also established links with other business associations, for example, the World Economic Forum, which we have also worked with. We recently joined the Hydrogen Council, a board of companies that aims to promote hydrogen as an alternative energy source of energy…*" (Galp / DA), and "*...We work a lot with the Portuguese-Angolan and Portuguese-Mozambican Chambers of Commerce, so we have this relationship, as well with the industrial confederations in the countries where we are. At the European level, we work with European sectoral associations, which play a critical role in Brussels…*" (Galp / DA).

Concerning the second part (Economic Diplomacy): "…[it] *is almost impossible to have an internationalization strategy without working some sort of business diplomacy. So, it has to happen. The relationship with entities, Governments, Chambers of Commerce, official entities… everything becomes much more difficult* [without it]. *We made contacts with the Embassy of Morocco in Portugal, with the ambassador, who gave us a fantastic opening and opened many doors for us in Morocco…*" (Galp / JC), and "*…historically,* [the oil and gas sector] *has always been like this, a sector in which there was a greater co-penetration between politics, business, diplomacy, so* [BD] *is a very relevant area. As such, there has always been a great effort made by both the Portuguese diplomacy and the various people who have been working at Galp over the decades…*" (Galp / DA). Here, the result is also within the scope of the literate review (Moons & van Bergeijk, 2017; Steger, 2003), i.e., the firm's ability to be present or represented in international forums (public and private), such as the mentioned WEF or ICCs, aiming to align positions in terms of its own agenda vs economic policy, that are able to impact the firm's business strategy, as mentioned through the work of embassies, foreign officers, etc.

Protect the Corporate Brand and Reputation (References: 51; Files: 6) is equally relevant, and the actions implemented to secure and transmit its values and legacy are clear; a predefined view for each of its stakeholders, that the firm aims to spread in a consistent and aligned way with its overall strategy: "…*we now always ensure that everything we open has, for example, electric mobility stations so that we can tell the story that it is not just a gas station, it is a point of sale that people need for their mobility... as we increase our presence in countries, we even have what we call an "opening book", which is already quite structured to ensure that… a retailer, a reseller or even a personally owned point of sale… that the way in which Galp operates is as coherent as possible whenever, whether in Spain, Mozambique or Eswatini...*" (Galp / JG), or "*…in all the markets where we are, every two years we analyze the evolution, the information. Depending on the results, we act: we do more campaigns or fewer campaigns; we do more social projects or fewer social projects; we do more events or fewer events; we participate more or less in conferences. Basically, we end up auditing through a reputation study, we mark out through a study the performance we have in brand and communication in the countries where we are…*" (Galp / JG). This dimension is again present in the literature review (Demirdjian, 2007), i.e., the firm's mindset to manage all its actions, being aware that it operates in a *goldfish bowl transparency* (Steger, 2003), where the scrutiny is constant, therefore it aims to manage its relations to all its counterparts in a regular basis (e.g., reputational studies) and in key narratives and positionings; in the current case of Galp, of moving to renewable energy (Suspiro, 2020).

The remaining dimensions have a lower representation, especially the last one in comparison to all the others: *Establish Alliances and Integrate Networks*, and, finally, *Enhance Culture Adaptation*. Regarding ***Establish Alliances and Integrate Networks*** (References: 24; Files: 5), there is a propensity of Galp to operate in this way, especially in a sector of high demand, complexity, and risk: "…*for example, in Guinea, we have a partner. In fact, we have a conglomerate of companies in Guinea, but we have partners in almost all of them. We always have a majority of capital. Cape Verde also has a joint venture with Sonangol. In Angola, too, therefore it is a joint venture with Sonangol. Mozambique is where we are alone… therefore, this model of partnership, of the joint venture, it is something that we do not discard and, therefore, as long as it makes sense,* *we move forward in partnership*…" (Galp / JC), and "…*there is, today, a much greater need to establish bridges and partnerships between peers and, therefore, we no longer just look at other companies as competitors, but we are all competitors and partners in different situations,… in fact, today the same company may be working with us on a project and competing with us in another, and companies have to be able to separate the waters and establish these different networks*…" (Galp / DA). This dimension is also present in the literature review (Muldoon, 2005; Watkins, 2007), i.e., the firm's ability to identify and establish key partnerships, aiming for a positive-sum and long-term relationships, in order to gain insidership status to prevent LOF/LOO, alongside being there benefits of integrating the networks. This is clear in Galp's approach, following its scope of partners in different countries and from different origins (ENI, Sonangol, ExxonMobil, Petrobras, etc.).

The last (and less) observed dimension in BD was ***Enhance Culture Adaptation*** (References: 11; Files: 4). Nevertheless its overall importance, it is not very present because of the type of products that Galp offers (oil, gas, etc.), where there is a small margin of local adaptation need, being thus more related to brand adaption and marketing strategies than the products per se: "…*all of a sudden, we find that Tangerina does not signify anything in Spain, it has absolutely no meaning, and… we have commercial activities in Eswatini, and they speak English there, so Tangerina is almost unpronounceable. So, let's do the process in reverse, which is, Tangerina is not suitable for international markets, and therefore we have to decide: one, we have two brands, which makes no sense in a firm of our size; or two, we will only have one brand, but that means that we have to terminate Tangerina*…" (Galp / JG), and "*...In Africa, I would say it will be like that. This is an example, isn't it? How the geographies are, in fact, different, and, therefore, we will have… I remember that, many years ago, there was talk of a Europe at various speeds, and it is a bit of this, too. I see this a lot in the company… in this company… I see this, and I think that this… and it is okay, it can be like that, as long as we know the geography we work with…"* (Galp / AB).

These findings are also aligned with the literate review (Hofstede, 1991; Saner & Yiu, 2003), i.e., the goal of the firm of taking into consideration the culture where it is conducting its business, which is key to establish a local connection, like the case mentioned of brand adaptation, and the firm needs to also be aware of the overall context of the geographies where it operates (in the example provided, Europe vs Africa).

5.1.2.4. Internationalization Process

We have presented the general framework for analysis (cf. Figure 2), followed by the upstream analysis (Barriers and Motives) and BD (at its core). Now, we reach full circle by addressing the Internationalization Process(es). Compared to the previous categories of the framework, the number of absolute observations was very low, due to the focus of the interview guide. Thus, the references to these dimensions should take that into consideration in order to avoid abusive generalizations.

From the three listed dimensions in the literature review, starting with the ***Entry Modes*** (References: 3; Files: 2), Galp mainly opts for JVs, alongside acquisitions, noting that in the downstream business the strategy is for the Galp brand to be represented, following the relation of B2C (vs the B2B business upstream, where the customer is different and the brand per se is not so relevant). This is strongly related to the type of industry and the operations' modus operandi worldwide: "…*of the geographies where we are, in some we started operations from scratch or almost from scratch, in others there were acquisitions. Eswatini was an acquisition. We started operations in Mozambique, but then we did an acquisition at Shell, which made us take a significant leap in the operation there*…" (Galp / JC), and "…*in Guinea-Bissau, we have a partner… In Cape Verde, we also have a joint venture with Sonangol. In Angola, too, so it's a joint venture with Sonangol… Therefore, this model of partnership, of the joint venture, is something that we do not discard and, therefore, as long as it makes sense, we move forward in partnership…*" (Galp / JC).

The above is aligned with the literature review (Julian, 2009). There is an adaptation between the entry mode selection of Galp in the different geographies taking into consideration, firstly, its internationalization strategy, and, secondly, the perceived difficulties and limitations in each of the foreign locations, with a distinction between upstream and downstream markets. Hence, in the upstream markets the brand is less relevant and, thus, more prone to partnerships (also taking into consideration the high level of investment), while the downstream market is more given to higher control (majority or alone), following the need and importance of brand control, and also considering the final leg of the chain- value (closer to the final client).

Considering ***Positioning***, we can highlight the following concerning different foreign markets: "…*In Africa, we have brand notoriety in Portuguese-speaking countries, which have a very strong connection to Portugal, either by family connections or either through the Portuguese media/television. It is a brand that for them is relatively natural and to which they even look as a modern brand, and that, alongside our ability to do business in these geographies also for reasons of cultural proximity, gives us an advantage over other international players*…" (Galp / DA), and "…*Galp brand's notoriety in Spain is entirely different from what it has* [in Portugal]*, so the brand awareness is different. As such, the strategy used, in terms of Marketing, in terms of image, turns out to be different*…" (Galp / DA). Here, it is explicit the issue of perception (Trout & Ries, 2001), in this case of the brand: potential benefits firms can highlight in their products when targeting a specific market segment, i.e., more a battle of perceptions than of products per se, so the market mind in this standpoint of view is more important than the marketplace. Thus, the empirical gathered data is aligned with the literature review (Ganesh & Oakenfull, 2000). Galp is designing the products that can provide the best benefits (physical, psychosocial, economic, etc.) for each foreign market, highlighting the attributes that are most relevant to the consumers. Additionally, it is noted that the positioning can be very different following also very different market contexts (e.g., EU vs Africa).

Lastly, regarding ***Strategies*** (References: 1; Files: 1), in the overall analysis of Galp, it is transparent the shift from oil and gas to the renewable energy market (LUSA, 2021). But, in the short term, it is noted that the focus continues to be in the traditional markets in terms of products and geographies. Spain continues to represent the international platform for internationalization to others, namely Africa: *"…our entire Iberian strategy is built on communication vessels between the two geographies… African downstream markets are markets with a much smaller dimension in terms of volume but, unlike the European markets, that are stagnant and whose projection for oil and gas products is one of a very low growth and almost stagnation in the next decade,…in Africa, it is projected a* *continuous growth…"*(Galp / DA), and "*…in our refineries, when and if it becomes a surplus in the economies we are in today, it is a natural destination for this product, and we continue to see the African market as a market that is growing and is not being able to make the energy transition at the rate we are doing in Europe, and will continue, at least for 20/30 years, to need refueling. Therefore, it is a way to mitigate our activity in terms of markets.*" (Galp / DA). In this case, the literature review is also reflected in the data collected in terms of the adaptation of the strategy to the state of the art of each foreign market, with Galp aiming (following its international scope of operations) to achieve the best tradeoff between global integration vs local responsiveness: Glocalization (Robertson, 1995).

5.1.3. Discussion

Galp, because of the different types of businesses, markets, locations, and circumstances, does not have a single internationalization strategy. So, the BD dimensions also vary following the challenges that need to be addressed or that best fit the end goals: if we are talking about European markets or not; consortium leader or not; related to historical Portuguese markets or not; just trading or exploring; etc.

Following each case, we can potentially observe more or less presence of the different BD dimensions, i.e., the dimensions are more or less applicable following each theater of operations (cf. Figure 5). If we look closely to the geographical scope of the internationalization process of Galp, Spain is a natural market expansion due to a series of characteristics in relation to the home country (geographical, cultural, brand recognition, etc.), that has contributed to be the first international extension of the new chapter of the group's recent strategy of moving to renewable (solar) energy (Suspiro, 2020).

After Spain, the Portuguese speaking countries (with strong ties to the home country's history) are obvious (Brazil, Angola, Mozambique, Cape Verde, Guinea-Bissau, São Tome and Príncipe, and East Timor) - being this the perceived order of importance following the Annual Reports (Galp, 2021a) -, with others, also in the African continent: Namibia, and the Kingdom of Eswatini.

Looking at the international scope of Galp, we consider here a degree of *openness* of these countries (in this case selection, strategically high), but in relation to other foreign locations/markets it may not be the case, which should be considered in the internationalization process of the firm, thus impacting on the potential role that BD can play in different scenarios.

Taking this into consideration, the least observed BD dimensions in Galp is thus, by far, *Enhance Cultural Adaptation* (cf. Table 14), being the dispersion of all the others more or less present, with the exception of *Establish Alliances and Integrate Networks*. The lack of observance of the *Enhance Cultural Adaptation* dimension can be explained due to the type of products/services of the company's portfolio, which by nature has low adaptability requirements, and also because the country selection strategy (as mentioned above) is based upon cultural proximity (language, geography, etc.).

When it comes to the exception of *Establish Alliances and Integrate Networks* (even if seemingly contradictory), it might happen because in this area (where the volume of investments is by default very high and the time for the return of investment very long) it is intrinsically expected that the business is developed through partnerships, where the position of the firm varies from the majority shareholder and operational leader to a minority investor.

Hence, from the seven BD dimensions present in Galp (cf. Figure 5), five are evenly distributed (*Act in International Forums and Take Advantage of Economic Diplomacy, Adopt a Triple Bottom Line Culture, Create Social Capital and Increase Transparency, Engage with Multiple Stakeholders, Protect the Corporate Brand and Reputation*), and the two mentioned above are marginally present, which shows their overall relevance, not (positively nor negatively) highlighting either of them.

It should be noted that the *Reputation* dimension can be linked to the Country-of-origin effect, i.e., the perceived view of foreign market stakeholders in relation to the home-country of the firms in case (Portugal), that in this case is a reversed effect: the origin country is viewed as renowned following its track record and positioning from the past and present (e.g., former colonies).

Looking at the BD dimensions, and cross-checking them with the other parts of the general framework for analysis (cf. Figure 2), starting with the **Motives** (Efficiency/Market/ Natural/Strategic Seeking), it is explicit a relationship between BD vis-à-vis the different motives, i.e., some BD dimensions are (naturally) more applicable than others, namely: Natural Resource-Seeking vs Adopt a Triple Bottom Line Culture (e.g., renewable energy sources in Mozambique vis-à-vis social projects such Energiza about solar villages); Strategic Resource-Seeking vs Establish Alliances and Integrate Networks (e.g., solar assets in Angola through a JV with Sonagol); Market-Seeking vs Create Social Capital and Secure a Favorable Reputation (e.g., in Mozambique as an important commercial player, alongside the Foundation's work in several energy projects promoting sustainable development).

The **Barriers** (*Competition*, *Distribution Channels*, *Foreign Market Needs, Foreign Business Practices, Government Policy, Market Attractiveness, Venture Management Characteristics*) are assumed to be the main focus of intervention of BD, and nevertheless the overall level of the observations (cf. Table 14), there is a relation between BD vis-à-vis the different barriers, i.e., some BD dimensions are (naturally) more applicable than others, namely: Competition vs Establish Alliances and Integrate Networks (e.g., the challenge of the Cape Verde market addressed through a JV with Sonangol); Foreign Market Needs vs Enhance Culture Adaptation (e.g., in African markets vis-à-vis the need for adaptation such as the case of the brand Tangerina in Eswatini, where it is almost unpronounceable); Government Policy vs Act in International Forums and Take Advantage of Economic Diplomacy (e.g., in the case of the Angolan and Mozambican markets, the close relationships with the Chambers of Commerce). In this Barriers' context, the case also revealed, following very different type of markets where Galp operates, that the political organization of the country can vary significantly (e.g., Brazil is a Federate country composed by 26 states), hence we can perceive the existence of different levels of *bureaucracy*, thus the role of BD can (potentially) be more useful in markets with a more complex political organization, taking into account the demand and complexity derived from those contexts.

In the last group of the above-mentioned framework, **Internationalization Process(es)** (*Entry Modes*, *Positioning*, *Strategies*), BD can also be connected, being, in this case, an overall presence of the dimensions, not being possible to more or less pinpoint one in particular.

In sum, BD is present in Galp's internationalization endeavors, with this being more or less related to specific dimensions (cf. Table 14) following, first and foremost, the intrinsic characteristics of the business, its strategy, and targeted markets (among others), i.e., a set of variables, that in this case highlight the potential impact that BD practices can have in the outcome when engaging with foreign markets.

In sum, BD can range from high to low relevance, depending on the intrinsic conditions of the Firm and in relation to (each of) the targeted Market(s). In the case of Galp, the variables regarding the firm's characteristics that had potential impact were (i) the country of origin, (ii) the company's size, (iii) the form of internationalization adopted, and (iv) the position in the chain-value. In relation to the market, the variables observed (in a common denominator approach because they change from one to another) were (v) the predisposition to foreign business players, (vi) the country's administrative organization, and (vii) the institutional maturity.

In addition to this, a specific instrument that stands out to achieve its goals in the internationalization process is the use of the group's Foundation, noting that its mission is much related to the principles of BD. However, it has a nuclear difference vs the firm directly per se, which is the perceived view of its stakeholders when engaging with this type of (non-business) actor, that is not directly related to the most negative view of the firm (profits, shareholders, etc.), which makes all the difference in the firm's ability to achieve its goals - "to ensure that 'business is done smoothly', basically with an unquestioned 'license to operate' and an interaction that leads to mutual adaptation between corporations and society in the sense of co-evolution" (Steger, 2003, pp. 6-7) -

being thus able to achieve, within these conditions, its full potential when doing business abroad.

5.2. EDP

The following sections will start with a presentation of a general overview of the firm, which is followed by the results (concerning the general framework for analysis, cf. Figure 2) and that ends with the discussion of the outcomes generated.

5.2.1 General Overview

Despite EDP being only created in 1976, we can trace and link its roots to the history and the electrification of Portugal, going back to the 19th century. The first experience was in 1878, with the lighting of the streets of the Citadel of Cascais (EDP, 2022c). However, despite the country's economic and social development, gas lighting persisted until 1965, when it was replaced by electrical in some neighborhoods of Lisbon (EDP, 2022c). With the so-called Electricity Law (1944), the country moved to a new phase of electricity (production and distribution), shortly after forming the first companies in this area, respectively: Hidro-Elétrica do Zêzere and Hidro-Elétrica do Cávado, and later, in 1947, Companhia Nacional de Eletricidade (EDP, 2022c).

EDP was created in 1976, as a public company, with three main goals - (i) total electrification of the territory, (ii) to improve the quality of the services it provided and (iii) tariff standardization (EDP, 2022c) - through the nationalization and merge of the 13 main Portuguese companies in the electricity sector in mainland Portugal. However, the emerging challenges of the 21st century (focused on the liberalization of the energy market) led to the privatization of the company of EDPR, in 2013, after a process that took several years (EDP, 2022c). Since the beginning, EDP has shown an extraordinary growth, being currently present in 27 international markets: Belgium, Brazil, Cambodia, Canada, Chile, China, Colombia, France, Greece, Hungary, Indonesia, Ireland, Italy, Japan, South Korea, Malaysia, Mexico, Peru, Poland, Romania, Singapore, Spain, Taiwan, Thailand, United Kingdom, United States of America and Vietnam (EDP, 2022a).

The most substantial international presence is in Brazil (Conventional and Renewable Generation, Transport, Distribution and Supply) and in Spain (Conventional and Renewable Generation, Distribution and Supply), with the remaining countries (except Macau with just offices) being focused on Renewable Generation: Belgium, Canada, Chile, France, Greece, Hungary, Italy, Mexico, Peru, Poland, Romania, South Korea, United Kingdom, USA and Vietnam (EDP, 2022a).

EDP Foundations

Looking at the entire ecosystem of EDP, it is relevant to, at this stage, understand the role of its three international Foundations (Fundação EDP in Portugal, Fundación EDP in Spain, and the Instituto EDP in Brazil) because of their perceived alignment with the BD principles, acting probably more as a BD actor than the firm itself, for strategic reasons that we will see further ahead.

Starting with ***Fundação EDP*** in Portugal, it is a non-profit, private institution with public utility status created in 2004, with the mission of contributing to the improvement of people's quality of life, through the promotion, development and support of social, cultural, scientific, technological, educational, environmental and legacy-protecting initiatives, with particular emphasis on the energy sector (Fundação.EDP, 2022a). The scope of Fundação EDP in Portugal is just local in the areas of Contemporary Culture, Social Innovation and Science & Energy (Fundação.EDP, 2022c). So, giving the focus on international endeavors of the context of this work, we will focus on the other Foundations that are based and act abroad in two key geographies for EDP: Spain, Fundación EDP; and Brazil, Instituto Brasil.

Regarding ***Fundación EDP***, it started as the Hidrocantábrico Foundation, established in 1997, but changes to the shareholding structure of the company led to EDP Foundación in 2013, with a mission of strengthening the commitment in the geographical spheres in which the group operates, with particular emphasis on environmental, social, cultural and educational areas, where the efficient and responsible use and generation of energy plays a decisive role (Fundación.EDP, 2022). According to the latest annual report (Fundação.EDP, 2020), the amount of the initiatives promoted by the Fundación EDP, in

2020, added up to 3.2 million euros - with 19% of the total amount allocated to measures against COVID-19 - based on four main areas of action: (i) Education and Research, (ii) Culture, (iii) Environmental and (iv) Social (Fundação.EDP, 2022b).

Regarding Education and Research, the areas of action are: the training of young university students through their grant programs, primary and secondary education; the implementation of different initiatives aimed at the rational use of energy, alongside the importance of renewable energies; research in the field of energy and all aspects of the efficiency of the energy system, alongside the critical aspect of bio-medicine and bio-technology (Fundação.EDP, 2022b). In 2020, this area represented 26% of the Foundation's budget, impacting a total of 152 trainees from 10 Spanish universities that have joined the program. Since its implementation, more than 100 people have joined the staff of EDP in Spain (Fundação.EDP, 2020).

Concerning Culture, the areas of action are: music; the conservation of historical-artistic heritage; and the recognition of the most outstanding human values (Fundação.EDP, 2022b). In 2020, this area represented 20% of the budget of the Foundation, with multiple projects, collaborations and support in art, music, etc., all over the country (Fundação.EDP, 2020). Regarding the Environmental, the areas of action are: conserving and recovering exceptional environmental spaces; and education, dissemination and direct intervention (Fundação.EDP, 2022b). In 2020, this area represented 4% of the Foundation's budget, with several initiatives such as the plantation of trees (with more than 140 thousand trees having been planted since 2009), fish restocking, etc. (Fundação.EDP, 2020). Regarding the last field, Social, the areas of action are: the improvement of people's lives in the territories where the company operates; and the focus on the most disadvantaged groups in the regions and countries where EDP operates (Fundação.EDP, 2022b).

In 2020, this area represented 44% of the budget of the Foundation, with several initiatives such as EDP Solidária, which improves the quality of life of the people in the regions in which EDP carries out its activity. Since 2015, it has supported 121 projects, to which it has allocated more than 3 million euros and that has benefited more than 200 thousand people. Energia Solidária, another program, promotes energy efficiency and sustainability. Since 2015, it has supported 331 families and 69 centers, thus benefiting more than 70 thousand people, among others (Fundação.EDP, 2020).

Instituto EDP, established in 2008, is responsible for all the social investments provided by EDP in Brazil. It works as a relation platform that contributes to social inclusion, quality of life and community welfare. Instituto EDP operates through projects that provide access to citizenship, culture, sports and education, directly contributing to human and social development and reaffirming its management transparency (Instituto.EDP, 2022a). Hence, its vision is to preserve life and be an agent of social transformation. Its mission is to strengthen social transformation work through four performance fronts: (i) Healthy Society, (ii) Fair Transition, (iii) Inclusive Education and (iv) Transformative Culture (Instituto.EDP, 2022a).

Regarding Healthy Society, Instituto EDP focuses on contributing to the strengthening of public health policies and social well-being through several programs such as Public Health (focused on the improvement of public health infrastructures in Brazil), Well-Being (providing support to projects focused on the awareness of and access to a healthy lifestyle), and Vulnerable Communities (health and well-being projects to support low-income communities, indigenous, quilombolas[1] and older people) (Instituto.EDP, 2022a). Concerning Fair Transition, it focuses on accelerating a fair energy transition based on clean and accessible energy for all through several programs such as New Frontiers (products and services looking for a low carbon transition in communities), Climate Risks (identification of climate risks in vulnerable communities in the area where Instituto EDP operates) and Income Growth (projects with low carbon technologies that provide income growth for those involved) (Instituto.EDP, 2022a).

Regarding Inclusive Education, Instituto EDP focuses on promoting education as a tool for development and social inclusion through several programs such as Environmental Education (projects that provide content aimed at environmental emergence and shortage

[1] A community made up of about 300 descendants of the ex-slave Benvindo Pereira dos Anjos that seeks to maintain its African roots, through the quilombola culture, their stories of struggle and way of life.

of resources), Digital Inclusion (access to technology and distance education, providing digital inclusion in 100% of the schools attended by Instituto EDP) and Training for Educators (develop social and emotional skills for educators) (Instituto.EDP, 2022a).

Lastly, Transformation Culture is focused on providing access to and promoting art and culture as a vehicle of transformation of society through several programs such as Portuguese (preservation of the linguistic heritage and Lusophone culture), Art and Culture (incentive to local peripheral artists), Music (use of music as a way of inclusion and promotion of social development) (Instituto.EDP, 2022a).

According to the latest report (2020) of Instituto EDP, since the beginning of its activities in 2008, it has already invested above R$ 140 million in more than 600 social projects and 3.5 million people have benefited from the programs that promote access to citizenship, culture, sport and education, across 12 states and 60 municipalities in the country (Instituto.EDP, 2022b).

Internationalization Process

Looking now at each country and thereof the internationalization history of EDP, it is perceived a strategy based on geographies of great prospective value, alongside a clear relation in terms of geography (Spain) and Portuguese speaking countries (Brazil), with these two being nuclear markets, together with the United States of America.

The internationalization of EDP began in 1996 in **Brazil**, due to several factors, namely: strong cultural, political and economic links between the two countries; a market with a high growth rate of electricity demand; and the increase of the privatization process of the Brazilian electricity sector. Despite this, there were also some challenges, namely: scale; management of local specificities/cultural integration; risk management (regulatory, country, exchange rate, etc.) and vertical integration of the business, etc. (Teles, 2016). EDP then started its operations in Brazil through an acquisition (21%) of a distribution company in Rio de Janeiro (Companhia de Eletricidade do Estado do Rio de Janeiro), and, in the following year, there was another acquisition of a project for a hydroelectric plant (Lajeado) in the state of Tocantins. In 1998, it acquired (17% of) an electricity distribution company (Empresa Bandeirante de Energia) and, in 1999, there was an indirect stake in two electricity distribution companies (Escelsa - Espírito Santo Centrais Elétricas and Enersul - Empresa Energética de Mato Grosso do Sul) (Teles, 2016).

The consolidation of the entry into the Brazilian market took place in 2001, with the Public Acquisition Offer and spin-off of Empresa Bandeirante de Energia, an acquisition of 95% of Peixe Angical hydro project and the start of construction of a thermoelectric plant in Bahia (Teles, 2016). In 2002, EDP acquired control of Escelsa and Enersul and, in 2003, the portfolio was reorganized through a partnership with Furnas in Peixe Angical and the sale of the thermoelectric plant in Bahia (2004). In 2005, EDP made an Initial Public Offering (IPO) of Energias do Brasil, which brought together all of EDP's activity in Brazil. In 2006, the Peixe Angical hydroelectric plant started operating; in 2007, there was an investment in a coal-fired thermoelectric plant in Pecém. In 2009, the expansion to renewables took place (through EDPR) with the acquisition of two wind farm projects (Horizonte and Água Doce) and later, in 2010, the construction of the Tramandaí wind farm (the largest in Brazil to date) started (Teles, 2016).

Currently, with over 20 years of experience, EDP in Brazil is one of the largest private companies in the electricity sector operating throughout the value chain, with more than 10 thousand direct and outsourced employees. It operates in the Transmission, Commercialization and Energy Services, with six hydroelectric generation units and one thermoelectric plant; in Distribution, it serves around 3.4 million customers in São Paulo and Espírito Santo; and has recently acquired a stake in Centrais Elétricas de Santa Catarina (EDP, 2022b).

Another key international market for EDP is **Spain**, which results from favorable factors, namely: physical energy interconnections with Portugal; the anticipation of a trend towards regional integration; an increase in critical mass in the Iberian market; a tendency towards the integration of the gas and electricity businesses. There are, however, some challenges, namely: size and functioning; and the management of the regulatory framework (Teles, 2016). Thus, in 1998, EDP established a strategic partnership with

Iberdrola through the cross-purchase of shares in the share capital, and, right after, a joint internationalization process took place through the acquisition of positions in electrical companies in Guatemala, but it was a short-run, because, in 2001, following the intention of a merge with Endesa, this strategy would be jeopardized (Teles, 2016).

In 2001, EDP and the Spanish bank Cajastur launched an IPO for 100% of the capital of the Spanish electric company Hidroeléctrica del Cantábrico, which was successful. For EDP it represented not only an opportunity for growth in a market of vital strategic importance for the Group but also the entry into a company with a very attractive portfolio of assets (e.g., renewable wind and gas), with a management team whose qualities were demonstrated by the success achieved in the liberalization process of the electricity sector in Spain and with operational and strategic complementarities that anticipated a significant potential in obtaining short-term synergies, continuing other acquisitions (e.g., 2005, Nuon España) (Teles, 2016).

In 2005, the group started a strategic internationalization process targeting the renewable sector, beginning in **France** through the acquisition of three wind farms of the company Nuon France, and later (2014) with a JV with Engie. Then, **Belgium** in 2006, also through the acquisition of a stake in a company (Greenwind) that had wind farms in project and exploration. These decisions were based on markets of high potential for growth and profitability, that also had the skills that the group needed: small in size, worked well as a team, plus credibility and many projects in the pipeline - vs other markets that were considered at the time but were not followed through (e.g., Germany) because they did not comply with those requirements (Teles, 2016).

This strategy was enhanced in 2007, with the internationalization to the **United States of America**, through the acquisition of Horizon Wind Energy. It elevated EDP's position as a leading global player in the area of the renewable energies, alongside a leading position in the U.S. market, which had high growth prospects and that at the same time diversified the group sources of revenue, reducing the risks of the respective portfolio (Teles, 2016). Also, in the same year, EDP entered the **Poland** market by acquiring Relax Wind Parks, with wind projects to be developed (Teles, 2016).

With the international growth of EDP in the renewable sector in 2007, the group created, in Spain, EDP Renováveis (also known as EDPR), a wholly-owned subsidiary responsible for the entire renewables business, that today is a global leader in the renewable energy sector and the fourth largest producer worldwide, with a robust development portfolio, first-class assets and a market-leading operational capacity (EDPR, 2022). With the entry into the North American market and the interest of investors capable of investing in this sector, the conditions for EDPR to carry out an IPO were met, making this operation very useful to fuel the international growth of the company (Teles, 2016). One of the first markets EDPR entered was **Romania** (2008), where it acquired 85% of the companies Renovatio Power and Cernavoda Power, which owned several projects at various stages of development, with the motives for entering this market in detriment of others being those already mentioned above (Teles, 2016).

Also, in 2008, EDPR joined EDP Brazil to explore the Brazilian market by acquiring 100% of the share capital of CENAEE: Central Nacional da Energia Eólica. This entry of EDPR into South America is natural because it is a market with cultural affinities and where the group was already present (Teles, 2016). EDPR expansion continued, in 2010, to **Italy** through the acquisition (85%) of the Italian company Wind, which allowed it to add to its portfolio several wind projects in privileged locations, in different stages of development. This also made EDP become exposed to one of the most attractive markets in Europe, with the main motives in this particular case being the great potential for business through long-term contracts with guaranteed returns (Teles, 2016).

In 2010, EDPR entered the **United Kingdom** through a JV with Respol, securing the exclusive rights for the development of offshore wind farms. The motive was the access to the knowledge of the partner in the area, with it being relevant for understanding the importance of being present in this market (offshore) given its great potential for growth (Teles, 2016).

Also, in 2010, EDPR went into **Canada**, through the acquisition of a portfolio of wind farm projects under development in Southwest Ontario. This market is considered an important part of its long-term growth strategy in North America, having this international expansion slowed down for reasons related to the 2008 crisis and the changing of its growth strategy (more risk weighting) until 2014 (Teles, 2016).

In 2014, EDPR entered **Mexico** by signing a long-term electricity supply contract in a wind farm through a partnership with Industrias Peñoles (well-known for its high solvency and knowledge of the local market). This market also met the EDP's criteria in terms of selective growth, self-financing and increased profitability, in an emerging economy, with rapid growth in demand for electricity. This is aligned with EDPR's goals of having 20% of its new growth in emerging markets. This agreement is significant since Mexico is located close to Houston (in The United States of America, where EDPR has a strong base) and has the same language as Spain (where EDPR is headquartered) (Teles, 2016).

Fast forward to the present, according to the latest Annual Report (EDP, 2022a), the main international markets remain the previously mentioned (Spain, Brazil and the United States of America), nevertheless adding others to its internationalization scope, however with lower significance: Cambodia, Chile, China, Colombia, Greece, Hungary, Indonesia, Ireland, Japan, Macau, Malaysia, Peru, Singapore, South Korea, Taiwan, Thailand and Vietnam (EDP, 2022a).

Table 15 summarizes the milestones of the journey of EDP in the internationalization process.

Table 15: EDP Internationalization Timeline

Year	Country	Description
1996	Brazil	Start of operations through an acquisition (21%) of a distribution company in Rio de Janeiro: Companhia de Eletricidade do Estado do Rio de Janeiro.
1997	Brazil	Acquisition of a project for a hydroelectric plant (Lajeado) in the state of Tocantins.
1998	Brazil	Acquisition (17%) of an electricity distribution company: Empresa Bandeirante de Energia.
1998	Spain	Start of operations by establishing a strategic partnership with Iberdrola through the cross-purchase of shares in the share capital, and right after a joint internationalization process takes place through the acquisition of positions in electrical companies in Guatemala.
1999	Brazil	Indirect stake in two electricity distribution companies: Escelsa - Espírito Santo Centrais Elétricas and Enersul - Empresa Energética de Mato Grosso do Sul.

Year	Country	Description
2001	Brazil	Public Acquisition Offer and spin-off of Empresa Bandeirante de Energia, acquisition of (95%) of Peixe Angical hydro project and start of construction of a thermoelectric plant in Bahia.
2001	Spain	End of the strategic partnership with Iberdrola, following the intention of a merge with Endesa.
2001	Spain	Launch of an Initial Public Offering, together with the Spanish bank Cajastur, for 100% of the capital of the electric company Hidroeléctrica del Cantábrico.
2002	Brazil	Acquisition of Escelsa and Enersul.
2003	Brazil	Reorganization of the portfolio through a partnership with Furnas in Peixe Angical.
2004	Brazil	Sale of the thermoelectric plant in Bahia.
2005	Brazil	EDP's activity in Brazil is brought all together by an Initial Public Offering of Energias do Brasil.
2005	France	Start of operations by acquiring three wind farms for the company Nuon France.
2006	Brazil	Start of operations of the Peixe Angical's hydroelectric plant.
2007	Brazil	Investment in a coal-fired thermoelectric plant in Pecém.
2007	United States of America	Start of operations through the acquisition of Horizon Wind Energy.
2007	Poland	Start of operations by acquiring Relax Wind Parks, with wind projects to be developed.
2007	Spain	Creation of EDP Renováveis (EDPR), a wholly owned subsidiary responsible for the total renewables business of the group.
2008	Romania	Start of operations (through EDPR) through an acquisition (85%) of the companies Renovatio Power and Cernavoda Power, that owned several projects at various stages of development.
2008	Brazil	EDPR joins EDP Brazil to explore the Brazilian market by acquiring 100% of the share capital of CENAEE: Central Nacional da Energia Eólica.
2009	Brazil	Expansion to renewables, through EDPR, by acquiring two wind farm projects: Horizonte and Água Doce.
2010	Brazil	Start of the construction of the Tramandaí wind farm (the largest in the country to date).
2010	Italy	Start of operations (through EDPR) with the acquisition (85%) of the company Italian Wind, which allows it to add to its portfolio several wind projects.
2010	United Kingdom	Start of operations (through EDPR) with a joint venture with Respol, securing the exclusive rights for the development of offshore wind farms.
2010	Canada	Start of operations (through EDPR) by acquiring a portfolio of wind farm projects under development in Southwest Ontario.
2014	France	Joint venture with Engie.
2014	Mexico	Start of operations (through EDPR) by signing a long-term electricity supply contract in a wind farm through a partnership with Industrias Peñoles.
2016	Belgium	Start of operations by acquiring a stake in Greenwind, with wind farms in project and exploration.

5.2.2. Results

Table 16 presents in detail the results of the coding process of EDP, following the framework for analysis based upon the literature review (cf. Figure 2), which is based on the primary data collected (interviews), and organized by References (the count of the number of selections within that Category/Sub-Category that have been coded) and Files (the count of the number of sources/interviews within that Category/Sub-Category that have been coded).

It should be noted that the overall results (in absolute terms) are smaller concerning the category of BD because the core of the general framework for analysis (cf. Figure 2) and the main focus of the interview (cf. Appendix) is BD.

Table 16: EDP Coding Results

Framework for Analysis (cf. Figure 2)		Total Number of Interviews: 9	
Categories	**Sub-Categories**	**NVivo**	
		References	**Files**
Motives		**127**	**-**
	Efficiency-Seeking	7	4
	Market-Seeking	36	4
	Natural Resource-Seeking	43	7
	Strategic Resource-Seeking	41	7
Barriers		**25**	**-**
	Competition	0	0
	Distribution Channels	0	0
	Foreign Market Needs	2	2
	Foreign Business Practices	9	3
	Government Policy	14	5
	Market Attractiveness	0	0
	Venture Management Characteristics	0	0
Business Diplomacy		**261**	**-**
	Act in International Forums and Take Advantage of Economic Diplomacy	29	7
	Adopt a Triple Bottom Line culture	35	7
	Create Social Capital and Increase Transparency	65	7
	Engage with Multiple Stakeholders	50	7
	Enhance Culture Adaptation	37	7
	Establish Alliances and Integrate Networks	28	7
	Protect the Corporate Brand and Reputation	17	5
Internationalization Processes		**29**	**-**
	Entry Modes	21	7
	Positioning	5	4
	Strategies	3	3

5.2.2.1. Motives

This dimension accesses the drivers that trigger the firm to act in pursuing this strategic path and to subsequently undertake the actions necessary to accomplish the goal of doing business abroad.

Taking into consideration that in the case of EDP, following its operation profile, there is a close relation between the ***Natural Resource-Seeking*** and ***Market-Seeking***, it seems that market demand is preconditioned (it will only be viable) if there are natural resources. Hence, in the case of EDP, it is expected evidence related to the need to seek natural resources and markets (Consolidated - References: 25; Files: 4) that are key (regarding *Natural Resource-Seeking*) to following its strategy of transition to the renewables sector: "…*Wind farms, we look at countries where there are opportunities, where the wind capacity of locations is not exhausted, we see what the regulatory framework is... what is the remuneration that these parks will have, how is that energy… the energy is sold*,…" (EDP /RF); and, "…*Because it is an objective of EDP, in Spain, to grow with solar energy, in the south of Spain*..." (EDP / VM).

Regarding the *Market-Seeking* dimension, following the ambition of EDP, it is expected that the natural limitations of its borders (even with following access to the current EU marketplace) are taken into consideration, starting with the neighboring market: "…*It is expected that EDP, sooner or later, that at this moment already has some positions, shall we say, at least in 15 countries… 14 countries, but is already focusing on others, it is expected that it will also go to many geographies where it is not today*…" (EDP / EM); and, "…*in fact… I mean, we acquired a stake in Electra at the time because we thought that the PALOP's markets could be a way of expanding the company itself*…" (EDP / RF).

Both dimensions - *Natural Resource-Seeking* and *Market-Seeking* - are aligned with the literature review (Dunning & Lundan, 2008), i.e., there is a need to (respectively): (i) access resources that are not available in the home country and that are indispensable to achieving its strategic goals, with EDP being a worldwide utility firm in the renewables sector; and (ii) increase its customer base by identifying specific projects (in the case of EDP, increase of a project finance perspective that enables it to have more elasticity).

The next category with a significant weight was ***Strategic Resource-Seeking*** (References: 41; Files: 7). This is perceived following the strategic decision of EDP to enter the renewable energy market, being examples of it (i) the acquisition, in 2007, of Horizon Wind Energy in the United States of America that catapulted the group to a leading global renewables player of wind power, and (ii) the privatization of some utility public companies in Brazil, respectively: "*…"why not buy a company called Horizon, in the United States of America?, which is a renewable energy company... we are going to bet on this path, on the path of expanding to other territories." And that's how we entered the United States of America, too. Whether the United States of America, Canada…*" (EDP / AV); "*...we entered the moment of privatization of some public companies…*[EDP] *entered first by buying a part of Eletropaulo, which was like the public energy company of the State of São Paulo… now, since 2 years ago, it became EDP São Paulo… then, we did IPO later, here in Brazil…*" (EDP / NR), with this being aligned with the literature (Dunning & Lundan, 2008), i.e., the identification and security of assets that can have a strategic impact on the long-term goals and positioning of the firm, such as the ones mentioned above (Horizon in the United States of America, Hidrocantábrico in Spain, etc.).

Lastly, about *Efficiency-Seeking* (References: 7; Files: 4), taking into consideration the level of investment in this sector and the need for economies of scale (through the scope of operations) that enables it to be competitive: "*…There also is always the concern with the continuous optimization of the portfolio, and this solid balance, between what is a low-risk profile, is strategic…*" (EDP / AV); "*…EDP, in fact, has developed a set of know-how, experience, knowledge, which allows it to bring some kind of competitive advantages over other companies in the European market, or even worldwide…*" (EDP / RF), and these views are also present in the literature review (Dunning & Lundan, 2008), i.e., the driver of going abroad to lower costs through economies of scale, scope, etc.

5.2.2.2. Barriers

In terms of barriers, i.e., the forces that can affect the internationalization process and on which BD tools can act to minimize or eliminate them, from the seven listed in the literature review, the most observed in the case of EDP was ***Government Policy*** (References: 14; Files: 5): "*…if the governor of Spain decides to change some rule, right? And it has a direct impact on the business, on the goals and results that have been traced…*" (EDP / AV), and "…[the Government of Romania decided] *to cut the remuneration of the Green Certificates by half. So, all of this, when we enter a market like this, it is necessary to keep track of everything…*" (EDP / RF). This is aligned with the literature review (Gençtürk & Kotabe, 2001), regarding government positioning through several instruments (barriers, taxes, etc.). In this case (among others), the challenge of managing policy volatility can drastically impact (positively or negatively) the business plan of the firm.

The following barrier assessed was ***Foreign Business Practices*** (References: 9; Files: 2): "*…Romania: we got in… with a local company, with local people from Romania, and which is good, it also worked well, right? Then, we have other problems, those of regulatory exchange in the market…*" (EDP / RS) and "*…so that we can get interactions with governments, with regulators, with stakeholders, that make us feel like a local company, right… so, the barriers are many, aren't they? And I believe they depend on each project, on each market…*" (EDP / RS). This is also aligned with the proposed literature review (Evans & Mavondo, 2002), i.e., the difficulty to understand the particularities of each international market that can differ from the home country in terms of regulatory nature, among others.

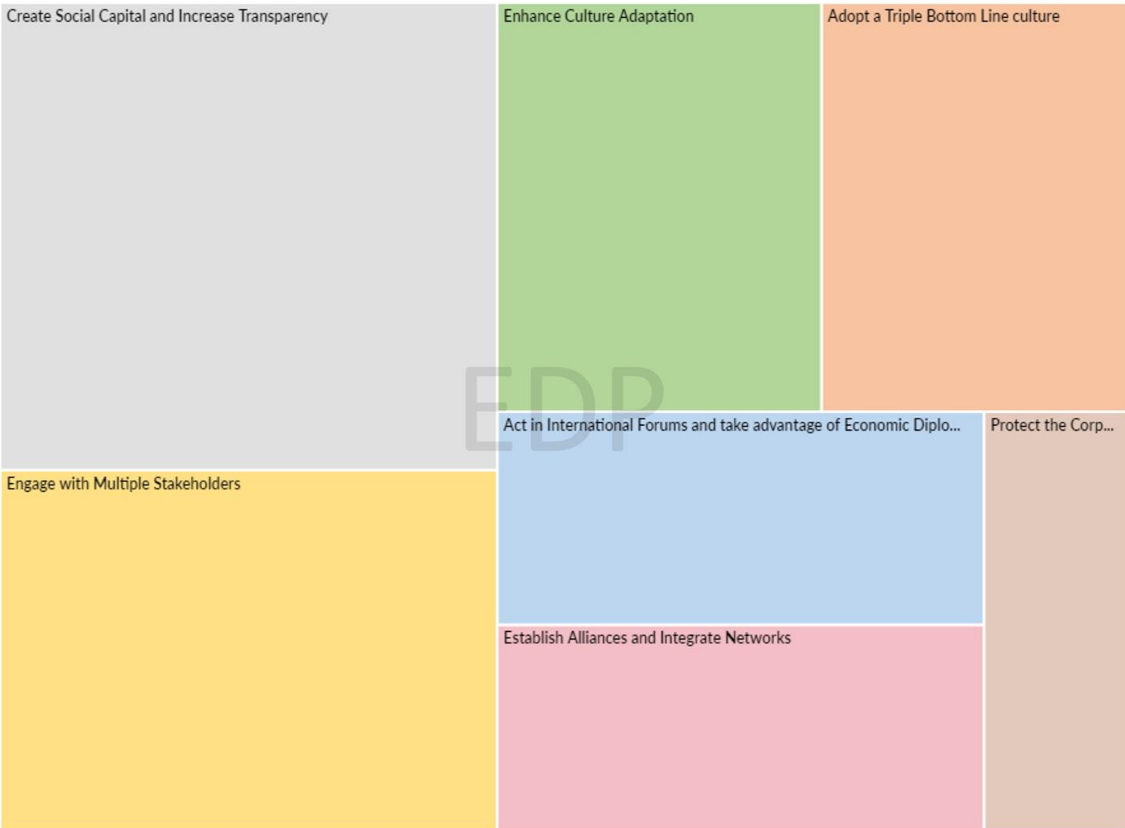
When it comes to ***Foreign Market Needs*** (References: 2; Files: 2), it relates to specific requirements that the firm must address (e.g., marketing strategies) in order to have full integration in the market "*…stakeholders range from business promoters, regulators, banks, financiers… when I say regulators, there's also a political component, obviously... So having a good... a good access to anyone who can give us, either directly or indirectly, information about it, I think that's the first barrier...*" (EDP /DB), with this being clearly present in the literature review (O'Cass & Julian, 2003), concerning, for example, language and cultural differences, which, in sum, is the need to adapt the firm's products/services to meet foreign customer characteristics, and the access to information is critical in this dimension.

Regarding the remaining Barriers identified in the literature review (***Competition, Distribution Channels, Market Attractiveness*** and ***Venture Management Characteristics***), following the interviews, there was no evidence of their presence in the case of EDP, which does not mean that these barriers do not exist, but that they did not apply to the case in question following the firm's intrinsic characteristics, being that in relation to the *Distribution Channels* and *Venture Management Characteristics*, the first is related to market characteristics and the second to the firm's profile, that impact in the results per se. This is particularly evident in the barrier *Distribution Channels,* which can be explained due to the fact that EDP is vertically integrated, with a strategy that when moving abroad, first and foremost, secures this dimension - otherwise, the internationalization process does not make sense (e.g., through a JV). It is also evident in the case of the barrier *Venture Management Characteristics*, which could also not be identified due to the inherent culture of EDP that since the late 20th century began to do business abroad, starting in Brazil, followed by other key international markets such as Spain and the United States of America (cf. Table 15) (and currently having operations in 28 markets spread over four continents), which means that the firm was already extensively present in international markets and, thus, *Venture Management Characteristics* did not present itself as a barrier.

5.2.2.3. Business Diplomacy

In Figure 6, we can directly observe the dimensions of BD that (more or less) stand out regarding the case of EDP.

Figure 6: EDP - Business Diplomacy Dimensions



Source: NVivo Tree Map of EDP

The most prominent dimension was ***Create Social Capital and Increase Transparency*** (References: 65; Files: 7), present in all the interviews, hence it is noticeable its strategic importance in the spectrum of BD: "…*there is a great social commitment, there is a commitment to local communities, there is a commitment and involvement with society*…" (EDP / AV), and, for example, "…*a Portuguese company supporting the museum of Brazilian independence*…" (EDP / NR), which was the case of *Museu Paulista* at the University of São Paulo, also known as the *Museu do Ipiranga* (EDP, 2019). Regarding *Increasing Transparency*, the policy of the firm is clear: "…*when we develop an initiative to raise the awareness of a community entity, there is a record of transparency*…" (EDP / RF), therefore, we can also see in the records of the firm (e.g., Annual Reports) and affiliate entities, namely EDP's Foundations abroad - Fundación EDP in Spain and the Instituto EDP in Brazil - that they play a main role in the deployment of the BD of the group.

The referred above is aligned with the literature review (Ordeix-Rigo & Duarte, 2009; Steger, 2003) when the firm, through effective actions (e.g., by funding major cultural equipment), aims to gain the trust and confidence of its stakeholders (overcoming obstacles, clarifying doubts, etc.) through a constant and transparent bi-directional relationship.

The following dimension was ***Engage with Multiple Stakeholders*** (References: 50; Files: 7), being EDP a pioneer and deeply committed to it. Taking into consideration (among others) that since 2013 there has been a specific policy approved by the Executive Board (EDP, 2022d): "…[EDP] *is a company that is totally focused on those who are its stakeholders, whether internal or external. And when we take this approach, when we enter a new market, it's this... this DNA is not forgotten... the relationship that is created and the engagement that is created with different stakeholders…*" (EDP / AV), it is visible the level of engagement in key markets, "…*today, we have more than 900 stakeholders mapped in Brazil*…" (EDP / NR). This approach is grounded in the literate review (Ali, 2009; Amann et al., 2007), i.e., the need to professionally and systematically manage all the business and non-business counterparts, with a clear and high-level support from the management, seeking to identify their concerns and expectations, and aiming to ultimately attain the *license to operate* (Steger, 2003).

Regarding ***Enhance Culture Adaptation*** (References: 37; Files: 7), the firm's approach in, for example, Brazil, is apparent: "…*Of course we "tropicalized" this, right? We made some adaptations to the maps, to the business rules… We had to adjust them because they have a lot of particularity, a lot of complexity, right? So, an adjustment was made*…" (EDP / NR) and "…*it is difficult for it to be the same as the Portuguese one, isn't it? It has… it tries to keep some elements in common there, but it is a culture adapted to the Brazilian reality*…" (EDP / GP). These findings are also aligned with the literate review (Hofstede, 1991; Saner & Yiu, 2003). The goal of the firm is to take into consideration the culture where it conducts its business, which is necessary to establish an effective connection, like the case mentioned of "tropicalization", i.e., to adapt to the local context to maximize the firm's potential of success.

The next dimension was ***Adopt a Triple Bottom Line Culture*** (References: 35; Files: 7), which seems to be important: "…*what is common to this is that the business card is always sustainability. There is no other*…" (EDP / EM), alongside the strategic role of EDP's Foundations that are able to embrace this holistic view, for example, in Brazil through Instituto Brasil: "…*We must always have an Institute, because an Institute has a more social, humanitarian charism. What's more, when the work is finished, our Institute continues, over the years, to make the entire relationship between the Municipality, between the company, what more is needed. And, therefore, they have a continuous work of social support in all these areas where we built*…" (EDP / NR), or in Spain through Fundación EDP "…*the Foundation goes hand in hand with the business to strengthen its presence and increasingly leverage its value…"* (EDP / VM).

EDP's position in this respect can also be assessed by its track record in independent and international records, like the *Dow Jones Sustainability Index*, being currently one of the global companies with the best sustainability practices, and even the first on the list out of 103 evaluated electrical utilities (EDP, 2021b). These outcomes are also supported in the literature review (Muldoon, 2005; Saner & Yiu, 2005). The firm adopts a vision beyond the traditional measures of profits (return on investment and shareholder value) to include environmental and social dimensions. In this case, the firm's strategic positioning is clear through its two international Foundations that constitute *de facto* the preference vehicle in this dimension (however, it can also be related to another previously mentioned dimension: *Create Social Capital*).

Regarding ***Act in International Forums and Take Advantage of Economic Diplomacy*** (References: 29; Files: 7), there is an engagement of EDP in international stages: "… *there are various spheres of prestige and influence… another case, for example, the World Business Council for Sustainable Development… a forum where 200 multinationals meet, whose drive is sustainability*…" (EDP / EM), and "…*it's not possible for a Minister, or a Secretary of State, or a Prime Minister, to come here and not have an agenda that is not adjusted and aligned with EDP*…" (EDP/NR). Here, the result is also within the scope of the literate review (Moons & van Bergeijk, 2017; Steger, 2003), i.e., the firm's ability to be present or represented in international forums (public and private), such as the above-mentioned UN forums, aiming to align positions in terms of its own agenda vs economic policy, that is able to impact on the firm's business strategy, as mentioned through the work of foreign officers (among others).

The next dimension was ***Establish Alliances and Integrate Networks*** (References: 28; Files: 7), being clear the strategic importance of this premise for EDP's international ventures: "…*Nowadays, it's not just that it's known, and the big companies that want to enter the energy sector, I'm talking about companies like Shell, like Repsol, like ENGIE, want to work with EDP*…" (EDP / RS) and "…*it is a fundamental instrument that applied under different conditions, in different ways, which often result in joint ventures, whether with local players, or with partnerships, even with the Government itself, protocols, collaboration, clear agreements, whatever it may be*…" (EDP / RF), perceived as included in EDP's Balance Sheet where *Investments in Joint Ventures and Associates* ascend to more than 1.350 Million Euros (EDP, 2022a). This dimension is also present in the literature review (Muldoon, 2005; Watkins, 2007), i.e., the firm's ability to identify and establish key partnerships, aiming for a positive-sum and long-term relationships, and gain insidership status to prevent LOF/LOO, alongside the benefits of integrating the networks, being this clear following the scope of partners in different countries and from different origins (Shell, China Three Gorges, etc.)

Lastly, regarding ***Protect the Corporate Brand and Reputation*** (References: 17; Files: 5), EDP is also focused on this important element that seems impossible to disregard: "…*The notoriety of the brand itself is also the result of a relationship work with the stakeholder*…" (EDP / AV), "…*the brand is something very valuable, and that cannot be treated randomly*…" (EDP / RS) and, "…*When we make a management of stakeholders' plan, we want to create added value to the business, but we also want to increase the reputation... of the company itself*…" (EDP / AV).

The above dimension is again present in the literature review (Demirdjian, 2007), i.e., the firm's mindset to manage all its actions, being aware that it operates in a *goldfish bowl transparency* (Steger, 2003), where the scrutiny is constant, aiming to manage its relations to all its counterparts, in a regular basis, and at the present moment it is even more relevant following the strategic decision of EDP to progressively move towards a greener market positioning (EDP, 2022a).

5.2.2.4. Internationalization Process

Following the general framework for analysis (cf. Figure 2), after the upstream study (Barriers and Motives) and the presentation of BD (at its core), we reach full circle with the three dimensions of the Internationalization Processes.

Starting with ***Entry Modes*** (References: 21; Files: 7), EDP mainly approaches it through two ways, by a JV or an acquisition: "…*in the entry mode, if it's a joint venture, or direct investment, I think… I mean, it will depend on the niche, in the sense that, we have here a… in some cases, a totally Direct Investment, in other cases, we have some examples of joint ventures*…" (EDP / DB), being noticed, however, a more substantial presence through acquisitions, especially in key markets (Spain, United States of America, Brazil) vs JVs (in minor cases and of less importance) in others (France, UK, etc.). This is aligned with the literature review (Julian, 2009). It is perceived the adaptation between the entry mode's selection and the strategy of the internalization process, with a distinction between high-level markets and the others. The first ones are more prone to higher control (total or majority of the share capital) through acquisition vs the latest ones, which are more prone to partnerships, taking into consideration a series of conditions (level of investment, risk, etc.).

The following dimension viewed was ***Positioning*** (References: 5; Files: 4), being noticed a clear strategy of integration to avoid LOF: "…*the board of EDP in Brazil is not… and we are talking about a Portuguese company… a multinational of Portuguese origin. But EDP's board in Brazil… I mean, the company is led by Miguel Festas… but the remaining board members are Brazilian people... I think that's the positioning. And an example are board positions. If we look at… who makes up the board of EDP in Brazil, who makes up the board of EDP Renováveis*…" (EDP / AV), with the critical role of the Foundations being highlighted, in the case of Spain (Fundación EDP): "…*I decided to align the Foundation's activities with EDP's business strategy, because I think this is essential to reinforce the Group's positioning and presence*…" (EDP / VM). This empirical gathered data is aligned with the literature review (Ganesh & Oakenfull, 2000), i.e., EDP's positioning to achieve its full potential in each market, and make full use of its toolbox (e.g., Foundations), which is clearly aligned with the principles advocated by BD (Create Social Capital, Enhance Culture Adaptation, etc.).

Lastly, regarding ***Strategies*** (References: 3; Files: 3), the pivotal role of the Foundations is obvious. In the case of Spain (Fundación EDP): "…*at this moment, I already have a 3-year plan, so I already know exactly which areas they want to grow in, but there is this adjustment, that is, I analyze with them, they tell me where they want to grow, what are the strategic areas and then I see from the Fundación side what initiatives I can do to help the business get there*…" (EDP / VM). In this case, the data collected also reflects the literature review in terms of the adaptation of the strategy to the idiosyncrasies of each foreign market, i.e., the positioning of the firm regarding two main forces: global integration vs local responsiveness, taking into consideration the different geographies, business units, etc. (Johnson et al., 2017).

5.2.3. Discussion

EDP's internationalization strategy depends on the positioning that the firm aims to achieve in each market, and it is possible to point out two main groups: strategic (Spain, Brazil and the United States of America) and the remaining others, so the presence of BD dimensions (cf. Table 16) varies following the level of commitment and challenges to be addressed. Therefore, we can observe the presence of more or less BD mechanisms, i.e., being more or less applicable, following each international theater of operations. Looking at the geographical scope of EDP (especially at the beginning of its internationalization journey), we can see a natural influence of geography, culture and political environment. Spain and Brazil are two of the main markets, nevertheless others that follow (namely the United States of America), taking into consideration the strategic plan of EDP to increasingly shift its positioning into the renewable energy market sector (EDP, 2021c).
The present international scope of EDP has the goal for growth as the main driver, taking into consideration emerging opportunities, first in Europe, afterwards in Latin America, and more recently in Asia, while using the main markets mentioned above as hubs for expansion into those geographies. It should be noted that the case revealed, following the

presence of EDP in very mature/ organized markets (e.g., EU) vs others weaker markets (e.g., Africa and Latin America), the existence of different levels of *institutional maturity* from one market to another, than can impact the internationalization process of the firm and, subsequently, the role of BD following the goals of the organization.

Looking at the overall results of EDP (cf. Table 16), it is visible an equitable distribution among the majority of BD dimensions, standing out the dimensions related to social capital and a triple bottom line, with a clear stakeholder centricity view. Hence, following EDP's strategy of an in-depth relationship with the stakeholders in each foreign market, the firm (especially) uses its Foundations as instruments (in Spain, Fundación EDP; and in Brazil, Instituto Brasil), which are the main vehicles in deploying BD in flagship markets, with the advantage of (indirectly) working business dimensions, without this being perceived by its stakeholders at first sight, which grants the firm/business a very valuable *business card* to foreign markets.

At this stage, it is worth mentioning that even if the Foundations are only present in two foreign markets, there seems to be a spillover effect in terms of corporate brand and reputation that is able to reach other geographies, advocating thus for the overall group positioning in this respect.

Therefore, from the seven BD dimensions verified in EDP (cf. Figure 6), nevertheless some highlights (*Create Social Capital and Increase Transparency* and *Engage with Multiple Stakeholders),* the remaining are evenly represented (*Act in International Forums and Take Advantage of Economic Diplomacy, Adopt a Triple Bottom Line Culture, Enhance Culture Adaptation* and *Establish Alliances and Integrate Networks*) with a less significant representation of *Protect the Corporate Brand and Reputation*.

Looking at the BD dimensions, and cross-checking them with the other parts of the general framework for analysis (cf. Figure 2), starting with the **Motives** (Efficiency/Market/ Natural/Strategic Seeking), perceived a relationship between BD vis-à-vis the different motives, i.e., some BD dimensions are (naturally) more applicable than others, namely: Natural Resource-Seeking vs Adopt a Triple Bottom Line Culture (e.g., hydroelectric exploration vis-à-vis through Instituto Brasil, the support of, among others, the independence of *Museu do Ipiranga*); Strategic Resource-Seeking vs Establish Alliances and Integrate Networks (e.g., the acquisition of Horizon in the United States of America vis-à-vis close business relationships with key international players such as China Three Gorges, ENGIE, Shell, etc.); Market-Seeking vs Create Social Capital and Secure a Favorable Reputation (e.g., the presence and continuous expansion to the key market of Spain vis-à-vis all the work developed through Fundación EDP in the country).

Concerning the **Barriers** (*Competition, Distribution Channels, Foreign Market Needs, Foreign Business Practices, Government Policy, Market Attractiveness, Venture Management Characteristics*), they are assumed to be the main focus of intervention of BD, and nevertheless the overall observations (cf. Table 16), two dimensions stood out (*Government Policy* and *Foreign Business Practices*), that we can in turn relate to BD dimensions (following EDP's need to engage with these dimensions following its sector of activity), namely: Government Policy vs Act in International Forums and Take Advantage of Economic Diplomacy (alignment with high political state representatives from both sides, like in the case of Brazil, among others); Foreign Business Practices vs and Enhance Culture Adaptation (e.g., the *tropicalization* of managerial procedures in Brazil).

Concerning EDP's **Internationalization Processes** (*Entry Modes, Positioning, Strategies*) in the framework for analysis, it was noted that BD is also reflected, namely regarding the *Entry Modes* (the most observed).

In sum, BD is present in EDP's foreign endeavors, nevertheless more or less linked to specific dimensions (cf. Table 16) following, first and foremost, the firm's inherent characteristics and strategy when aiming to do business abroad and concurrently to the foreign market in sight to operate. Therefore, BD can have less or more impact, which depends on a set of <u>Variables</u> that vary from one location to another.

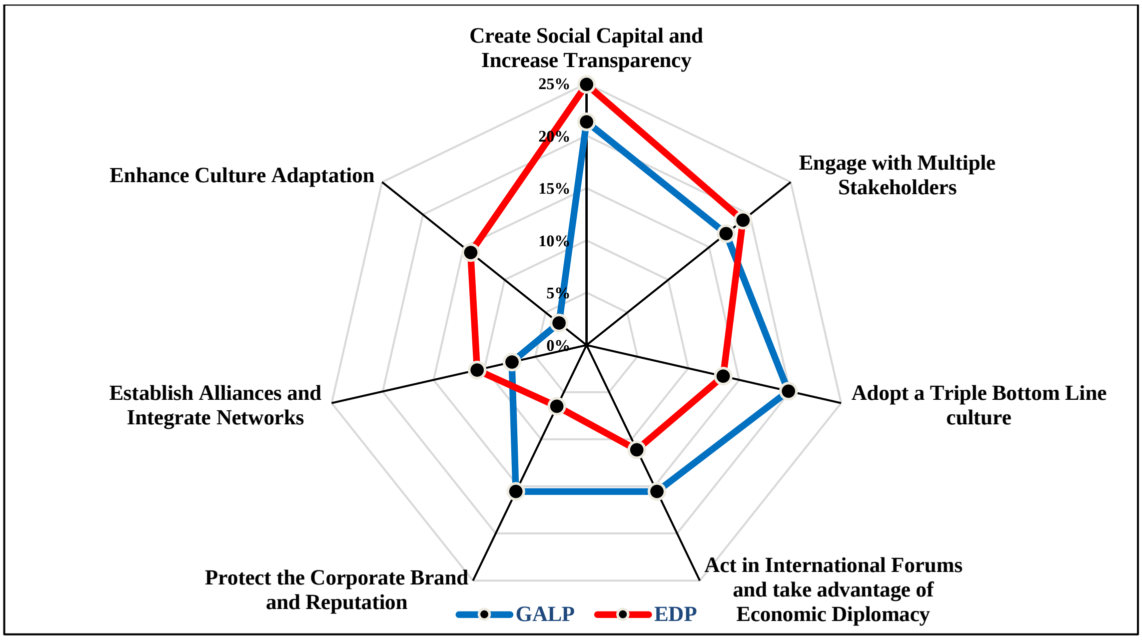
BD can thus range from high to low relevance, following the intrinsic conditions of the Firm and in relation to (each of) the targeted Market(s). In the case of EDP, the variables regarding the firm's characteristics that had potential impact were (i) the form of internationalization adopted, and (ii) the position in the chain-value. In relation to the market, the variables observed (in a common denominator approach because they change from one to the other) were (iii) the country's administrative organization and (iv) the institutional maturity.

In addition, a specific tool to achieve its goals stands out: the use of Foundations in two critical markets (Spain and Brazil), with their mission being much related to the principles of BD, however with a nuclear difference vs the firm directly per se, which is the perceived view of its stakeholders when engaging with this type of (non-business) actor, that is not directly related to the most negative view of the firm (profits, shareholders, etc.). This makes all the difference in the firm's ability to achieve its goals - "to establish and sustain a positive relationship to maintain legitimacy and a license to operate" (Ruël, 2013, p. 41) –, thus being able to achieve, within these conditions, its full potential when doing business abroad.

5.3. Comparative Analysis

Looking at the overall results of Galp and EDP combined (Figure 7), we can see a representation of the BD dimensions concerning each of the firms. We can observe a first group that stands out in the three most observed categories: *Create Social Capital and Increase Transparency*, closely followed by *Engage with Multiple Stakeholders* and *Adopt a Triple Bottom Line Culture*.

Figure 7: Overall Results of Business Diplomacy



Afterwards, we have a second group of two other BD dimensions still very well represented (*Act in International Forums and Take Advantage of Economic Diplomacy* and *Protect the Corporate Brand and Reputation*), followed by the two remaining categories with lower representation: *Establish Alliances and Integrate Networks* and *Enhance Culture Adaptation*.

Following the previous analyses, now looking just at Galp vs EDP in terms of the most distant and similar dimensions, what we can observe in Figure 7 is that the ones more in tune are (i) *Engage with Multiple Stakeholders*, (ii) *Establish Alliances and Integrate Networks*, (iii) *Create Social Capital and Increase Transparency* and (iv) *Act in International Forums and Take Advantage of Economic Diplomacy*; the less related are (i) *Adopt a Triple Bottom Line Culture*, (ii) *Protect the Corporate Brand and Reputation* and (iii) *Enhance Culture Adaptation.*

Thus, we can state that the two main differences in BD dimensions between Galp and EDP are *Enhance Culture Adaptation* and *Protect the Corporate Brand and Reputation*, respectively 11 and 9 percentage points. On the other hand, the two most similar are *Engage with Multiple Stakeholders* and *Establish Alliances and Integrate Networks* (cf. Figure 7). One possible reason for the dimension *Protect the Corporate Brand and*

Reputation being more present in Galp is because of the sector sensitivity (oil and gas) - even if EDP is also related to the energy sector, it is not related to these specific fields that are very delicate because they involve the exploration of natural (limited) resources in foreign locations (Demirdjian, 2007; Steger, 2003).

Furthermore, EDP is more prone to *Enhance Culture Adaptation* (cf. Figure 7), being this probably related to the wider range of geographies where the group operates (16 counties in four continents) vs the case of Galp, which is less dispersed (11 countries in four continents). Hence, in the case of EDP, the cultural distance is greater than in Galp due to the fact that the main foreign markets in the case of Galp is Spain and for EDP is Spain and, with high importance, the United States of America (among others), and also because Galp's country selection strategy is, as mentioned before, based upon cultural proximity (language, geography, etc.).

If we look at both firms (Galp and EDP), we see that the closest categories are *Engage with Multiple Stakeholders* and *Establish Alliances and Integrate Networks*. This can be explained by the fact that the first is inherent to BD practices (it is a broad common denominator), and the second is also a powerful dimension of BD that cannot be absent following the IB trend of a *glocal* approach (global vs local), a problematic trade-off between the benefits of large-scale strategies vs the benefits of a more focused response, all of this to diminish the always present liabilities of foreignness and of outsidership.

Following the overall results, the top three represented categories (i. *Create Social Capital and Increase Transparency*, ii. *Engage with Multiple Stakeholders* and iii. *Adopt a Triple Bottom Line Culture*) account for half of the coding of all the BD categories, being wholly aligned with the core attributes of BD and the literature review of the seminal works (e.g., Ruël & Wolters, 2016; Saner et al., 2000), i.e., to generate a link of confidence and cooperation with all its stakeholders, alongside the approach that goes beyond the traditional measures of profits.

The following group of BD categories comprises two categories that combined represent a quarter of the overall results: i. *Act in International Forums and Take Advantage of Economic Diplomacy* and ii. *Protect the Corporate Brand and Reputation*.

Regarding the first (*Act in International Forums and Take Advantage of Economic Diplomacy*), we consider that this result can be even more significant in the near future because MNCs are increasingly more active in international stages (e.g., IB associations), where the main discussions regarding the path of the industries and respective rules of play are discussed and approved. So, having a seat at these forums and being able to influence the direction in their most favorable way is something that cannot be overlooked, especially in a long-term strategic view.

Concerning the second (*Protect the Corporate Brand and Reputation*), it is a more reactive than a proactive approach, in principle. It is linked to the most verified dimension (*Create Social Capital and Increase Transparency*), being the overall bottom line of both the same: to secure the correct perception of the stakeholders regarding the business (its values and policies) that are clear and aligned in the sense of a shared value (Porter & Kramer, 2019), and not one of exploitation or harmdoing in relation to the actors in case (Mukherjee & Onel, 2019).

The final two remaining categories only represent almost ⅕ of the BD dimensions (i. *Establish Alliances and Integrate Networks* and ii. *Enhance Culture Adaptation*). It is not about being less important, but they are not so present in the overall narrative related to BD. However, they seem very relevant when it comes to the internationalization, being the key words integration and adaptation, which are at the core of the BD concept: be part of and respond locally.

Following the analysis/coding process and taking into consideration the original seven dimensions (cf. Table 4), concerning *Engage with Multiple Stakeholders*, we propose that this category (that is also very broad) be excluded, not because it is not present or relevant, but because it is omnipresent in all the other dimensions; it is a tautology, redundant in this context. Today, engaging with stakeholders, in the context of BD and IB, is something that is part of intrinsic management practices. It is mandatory, it cannot be an option or considered as a strategy, and nevertheless, in the literature review, it was considered one of the dimensions of BD (e.g., Westermann-Behaylo et al., 2015). Therefore, for the reasons highlighted, in this context, we think that it cannot be a dimension per se (in the sense of a singularity of BD); otherwise, we would be distorting all of the other categories that combined and consolidated represent the distinctive concept of BD.

We can thus concentrate our study on the core attributes of BD while having a clearer view of its core pillars, by eliminating a more generalist dimension, like the one mentioned before, that is embedded in the overall BD concept and its other dimensions. Moreover, concerning a more accurate and clearer (future) analysis, and again following the analysis/coding process, we propose the merge of two categories (i. *Create Social Capital and Increase Transparency* and *ii. Protect the Corporate Brand and Reputation*) into a single one entitled "*Create Social Capital and Secure a Favorable Reputation"* because the core of both is the same.

We think this (first) critical insight will largely benefit future analyses. It follows the previous done work when addressing the literature review where we initially had 11 dimensions (Monteiro & Meneses, 2015), and that following the present work were consolidated into seven (cf. Table 4), being now five (Table 17).

Table 17: Business Diplomacy Dimensions - Revised

1. Act in International Forums and Take Advantage of Economic Diplomacy
2. Adopt a Triple Bottom Line Culture
3. Create Social Capital and Secure a Favorable Reputation
4. Enhance Culture Adaptation
5. Establish Alliances and Integrate Networks

Following the overall results (cf. Figure 7) vs the relative importance attributed in the literature review (even if not expressed in absolute values), we can state that the outcomes are generally aligned and confirm the dimensions proclaimed by BD.

In sum, we can see differences in the level of usage of some BD dimensions between the two firms. However, it must be highlighted that (i) all dimensions are present in both firms and that (ii) the differences, as expected, do not vary significantly: from 2 to 11 percentage points.

5.4. Findings

Following the previous analyses and discussion, we will now address the novelties that arose concerning the state of the art of the literature review preceding this research endeavor. Being the cornerstone of the role of BD a driving force of international dynamics of firms, we highlight two aspects, following the outcome of the research work: (i) even if the issue of the applicability of BD has been rarely and marginally addressed in the current literature review, in our opinion, it should be embodied to better understand the different levels of usefulness of BD: ***Matrix of Business Diplomacy Relevance***, and (ii), proposed originality, concerning the strategic positioning of the firm, when acting upon the principles of BD through other actors (e.g., Foundations): ***Artful Business Diplomacy***.

5.4.1. Matrix of Business Diplomacy Relevance

As mentioned above, this issue of the moderators of BD has been marginally addressed in recent years in the literature review (Doh et al., 2022; Ruël, 2013; Ruël & Wolters, 2016; Saner & Yiu, 2014). There were some past attempts to bring it to the forefront (Monteiro & Meneses, 2015), but certainly never as a key dimension of the level of impact of BD in international endeavors, even though that is what is at stake: BD can range from highly to slightly relevant for the firm. Hence, the moderators are a set of pre-conditions regarding two dimensions that impact the applicability and usefulness of BD: Firm and Market.

Regarding the <u>Firm</u>, the variables that can be considered are:

- *Country-of-origin effect* (COE): the view of the local stakeholders regarding the firm's origin (nationality), which can be positive or negative, being the relevance of BD more important in more antagonistic scenarios (e.g., historical armed conflicts) and vice-versa (e.g., long-term partnerships history);

  - Situation: markets related, for example, to former colonies of Portugal. The country-of-origin (Portugal) constitutes a potential shortfall or advantage, taking in consideration the heritage of the relationship. For example, in the case of Galp, the case of Angola, Guinea-Bissau or Mozambique (armed conflict over a decade in the second part of the 20th century), the presence of BD had the potential positive effective in order to ease a negative COE perception of the firm, being one of the dimensions of BD more suitable *Secure a Favorable Reputation*, aiming for the business to run *smoothly*. On the other hand, the absence of BD could potentially generate an adverse reaction to firm following its COE, and thus affect their ability to reach its full potential, following this shortfall not related to the product/service presented.

- *Activity* (type): if it has a high impact on the host country (natural resources, emissions, security, etc.), the higher the relevance of BD and vice-versa (e.g., generic services with low strategic importance);
  - Situation: exploration of natural resources (finite, of high value and potential risks of exploitation) such as oil and gas. For example, in the case of Galp, regarding oil (e.g., in Brazil, Angola or Namibia) this activity is of high impact, hence the presence of BD in dimensions such as *Create Social Capital* in order to manage the risk of repudiation by local stakeholders. Thus, the absence of BD can potentially generate a block or boycott to the firm operations, putting in risk the internationalization process, if the firm is unable to secure broad *license to operate* (beyond legal requirements).

- *Dimension*: if the firm expansion plan is able to change the status quo of the targeted foreign ecosystem, the role of BD is relevant vs a marginal impact in relation to the local stakeholders, i.e., it is not about the dimension per se but the relative size (e.g., market-share, environmental impact, etc.);

- Situation: market leader in relevant sectors of activity. For example, in the case of Galp, regarding liquid fuels, lubricants and gas in Guinea-Bissau, being here one of the potential roles of BD the ability to *Establish Alliances* with local business partners, and this way downsize the perception of foreign takeover in order to avoid negative discrimination based foreignness status. Hence, the absence of BD can potentially generate an adverse reaction to the foreign firm and affect their business (ex: sales bellow market perspectives).

- *Entry-Mode*: if a foreign market entry is simple (e.g., Export), the relevance of BD is low, but if the level of commitment increases (JV, merger and acquisition, etc.), the importance of BD rises (e.g., an export has a potential low impact on the overall stakeholders vs an acquisition that can generate other sort of affect: social, labor, etc.);
    - Situation: large investments and long-term establishment, based in long-term (return) projects. For example, the case of EDP in Brazil, the entry-mode was done through several acquisition (of firms and assets), with high impact (considering the sector in case: electricity), hence the role of BD in dimension such *Create Social Capital* (e.g., supporting the Brazilian independence museum).On the other hand, the absence of BD could potentially generate a more difficult or slowly local integration of the firm, especially in markets of higher cultural contrast in relation to the firm origin.

- *Chain-Value*: from an exposure perspective, the default importance of BD is less relevant upstream (fewer firm stakeholders) vs downstream, where the visibility of the firm is higher and, thus, potentially more useful (higher stakeholder engagement).
    - Situation: position in chain-values that have a potential high impact in a large number of end-user consumers. For example, the case of EDP in Brazil, regarding energy supply, taking in consideration the role upstream in producing (e.g., hydroelectric and thermoelectric plants) and also distribution,

being the potential role of BD in dimension such as *Integrate Networks*, taking in consideration that the need of insidership is critical in type business models. Hence, the absence of BD can potentially generate a LOO that can put at risk the intended positioning of the firm, and in the limit the presence on the market in case.

Regarding the <u>Market</u> (country), the variables that can be considered are:

- *Openness*: the lower the degree of the market openness to foreign counterparts, the higher the potential importance of BD and vice-versa;
  - Situation: markets that are less prone to the concept of the globalization of the world trade, for example through taxes (e.g., import tariffs), cultural predisposition, etc. For example, in the case of Angola, there is perceived need to operate with a local partner, being in this case the potential role of BD in the dimension of *Establish Alliances* (e.g., Galp JV with Sonangol). On the other hand, the absence of BD could potentially generate a more changeling entry of the firm in the market in case, especially in those where the institutionalized policy is more prone to a "de-globalized" view of the world trade.

- *Bureaucracy*: a higher number of hierarchy levels is more prone to the usefulness of BD (e.g., federal, state and local government) and vice-versa;
  - Situation: the cases of countries with several levels of organization (e.g., political, legal, etc.). For example, the case of EDP in Brazil, a federal country, divided in dozens of States and thousands of Municipalities), being in this context the potential usefulness of BD associated to the dimension of *Take Advantage of Economic Diplomacy* (e.g., alignment of the agendas of firm and its state, when the last engages with the local authorities, in order to ease this sort of constraints). Hence, the absence of BD can potentially increase the time of execution of the business plans of the firm, outcoming in more costs, putting in the limit the viability of the business plan.

- *Institutional Maturity*: a more informal, weak or volatile market and institutions setting is more prone to BD and vice-versa (e.g., EU)
    - Situation: the existence of more mature/structured markets (e.g., EU) vs others less stable (e.g., political instability) than can have a potential big effect in the firms' business models. For example, the case of EDP in Romania and the change in regulatory rules (regarding the rights attributed to Green Certificates in renewable energy projects), being the potential goal of BD in this context the use also of the dimension *Take Advantage of Economic Diplomacy* (e.g., the use of state diplomacy in order to raise awareness to the local authorities, to the impact of changing the rules following previous investment made based upon them). Hence, the absence of BD can potentially diminish the spectrum of influence of the firm in order promote institutional stability, threatening the projected return on investments.

What we propose (as a novelty) is to convert the two dimensions - the Firm and the Market - into the two axes of a matrix, aiming to assess the level of applicability and usefulness of BD, following the firm analysis and the target market taking into consideration the identified variables.

Hence the purposed Matrix of Business Diplomacy Relevance (Figure 8), is based upon the combination of the firm and market characteristics, being that the same firm in different markets, can have different levels of BD (potential) usefulness, and that in the same market different firms can also have different potential usefulness of the BD tool.

Figure 8: Matrix of Business Diplomacy Relevance

		Market	
		Low	High
Firm	Low	a)	c)
	High	c)	b)

Thus, we will have three potential scenarios:

a) There is a low Firm and Market BD perceived importance, so the overall assessment is of a perceived weak impact of BD in this context;
b) There is a high Firm and Market BD perceived importance, so the overall assessment is of a perceived strong impact of BD in this context;
c) There is a mix of high and low Firm and Market importance, so the overall assessment is undefined regarding the impact of BD in this context.

In sum, the ultimate goal of this matrix is for the MNC to assess, in each foreign market where it operates or aims to operate, the potential impact of BD practices, while being able to channel its resources for those locations more efficiently. Where it is perceived a higher need for BD in order to avoid risks of failure and/or to achieve its full potential, it is assumed that BD can be of marginal or critical use depending on this evaluation, nevertheless the possible existence of a default BD strategy of the MNC in relation to all its foreign geographies.

The proposed matrix above is perceived, especially in the case of EDP, when it is mentioned:

- EDP: "…*diplomacy is relevant. Having said that, in fact, we can conceive that there is a gradation of diplomacy here*…" (EDP / RF);

- EDP: "…*In a thermal chart, I don't know, green and red, I think that the more the company is product-driven, or physically driven,… the redder the thermometer, therefore, the more applicable the question… The more, so to speak, the company's intervention is at the wholesale level and not at the retail market level, the less relevant it is*…" (EDP / EM),

The empirical data was based not upon specific dimensions of the original framework for analysis (cf. Figure 2), but upon a holistic and cross view of the data in question. However, the dimensions most associated with the Firm are the ones of the Internationalization Processes (Entry Modes, Positioning and Strategies) and with the Market the Barriers (Foreign Business Practices, Foreign Market Needs, Government Policy).

This primary data reinforces the view proposed of a series of "moderators" that enables the firm to assess the (potential) level of relevance of BD in their overall internationalization strategy.

5.4.2. Artful Business Diplomacy

The role of BD - since the seminal work of Saner et al. (2000) - has been increasingly recognized as a critical competence for management in general, particularly for global companies operating abroad aiming to succeed and achieve their full potential. On that assumption, since then and until now, one of the main challenges of empirically researching the role of BD - *de facto* modus operandi inside the black box of MNCs - is the absence of a formal organizational figure or structure inside the firm that we could relate and hence assess its role, scope, etc., in sum, the BD policy of the firm.

Following this work, this absence of structure must be seen not as a weakness but as a strength (nevertheless the challenge for researchers), because BD is not, and in the future it will (probably) not be, a structural, and in some way limited, organizational structure of MNCs (e.g., Financial, Marketing, Production). It embodies more of a *holistic* form of action, for example through the role of other mechanisms, as shown by the cases presented. In this view, BD is, to a large extent, portrayed in an indirect way through other vehicles. Particularly, in the cases explored, through Corporate Foundations, not directly integrated into the main corporate structure. Because of this, they are able to act more freely and detached from the (default) negative perception associated with the business-driven purpose of MNCs (profits, shareholder returns, etc.), and, thus, (potentially) have more success when triggering the BD's toolbox in their internationalization strategy (despite the omnipresence of its last beneficiary). i.e., an ***Artful Business Diplomacy***.

Nevertheless, the increasingly intrinsic (nonetheless some window dressing) nature of the Triple Bottom Line/Corporate Social Responsibility policy of MNCs, as mentioned in the literature and in the cases, the business is omnipresent (the other dimensions cannot exist without it). So, the Corporate Foundations, under a non-explicit business motto, are thus (theoretically) able to be more effective in pursuing the BD's goals, indirectly enabling the business goals of the firm - aligned with the internationalization strategy - in a *long-term investing mode*. In addition to the empirical evidence gathered for both cases, this positioning is also stated in the interviews:

Galp: "…*Fundação Galp assumes itself as the company's armed wing in the countries where the company operates*…" (Galp/ JG) and "…*the internationalization of the Foundation responds to the internationalization of the Group itself*…" (Galp / SA);

EDP: "…*I decided to align the Foundation's activities with EDP's business strategy, because I think this is essential to reinforce the Group's positioning and presence*…" (EDP / VM).

The empirical data was based upon the dimension *Create Social Capital* and *Increase Transparency* of BD (the third largest empirical evidence recorded in both cases, with reference to all primary sources of both companies, EDP and Galp, in addition to the secondary sources), which also follows the literature review: there is an aim to establish Foundations and other supporting institutions to gain the trust and confidence of its stakeholders (e.g., Ali, 2009; Ordeix-Rigo & Duarte, 2009), being the difference, in relation to the original framework for analysis (cf. Figure 2), the main actor: from the firm to the foundation.

The firms' strategic use of Corporate Foundations as a preferable mechanism to deploy the toolkit of BD and the presence of the brand in all its actions is a clear reputational strategy of promoting values, etc., aiming (alongside the value and the impact of the activity of the Foundations that are not here aimed to be diminished or neglected) to open and build the path for the business tout court (license to operate), thus embodying the role of an indirect and advanced *business card*, by building a track record of social capital for the firm (investment) which it will benefit from (return).

5.5. Conclusion

To summarize the aspects discussed in this chapter, Table 18 presents an overall view of the results of both firms (Galp and EDP), concerning the general framework for analysis (cf. Figure 2) - Motives, Barriers, BD and Internationalization Processes - in terms of:

(i) What was verified in the case and is according to the literature;
(ii) What is in the literature but is not verified in the case;
(iii) What was verified in the case and is new in relation to the literature.

In sum, directly related to the general framework for analysis, we can observe the novelties in Barriers (External Recognition) and in BD dimensions (Benchmark) – both highlighted. Plus, not directly related to the original general framework for analysis, it is also possible to observe the novelties that emerged following this research (highlighted) - *Artful Business Diplomacy* -, besides the other one: *Matrix of Business Diplomacy Relevance*.

Table 18: Overall Results

	Framework Component	Variable	Discussion of the Results: Verified in the case and according to the literature	In the literature but not verified in the case	Verified in the case and new in relation to the literature
	Motives	Efficiency-Seeking	Galp - EDP		
		Market-Seeking	Galp - EDP		
		Natural Resource-Seeking	Galp - EDP		
		Strategic Resource-Seeking	Galp - EDP		
	Barriers	Competition	Galp	EDP	
		Distribution Channels		Galp and EDP	
		Foregin Market Needs	Galp	EDP	
		Foreign Business Practices	Galp - EDP		
		Government Policy	Galp - EDP		
		Market Attractiveness	Galp	EDP	
		Venture Management Characteristics		Galp and EDP	
		External Recognition			**Galp: The case reveals several dimensions (such as brand recognition) and therefore being a challenge in terms of the firm ability to establish vis-à-vis the natural condition in the home-country.**
Business Diplomacy	**Principle Actor: Firm**	Act in International Forums and take advantage of Economic Diplomacy	The cases reveal the firm action and presence aiming to secure a strategic positioning (cf. Moons & van Bergeijk, 2017; Steger, 2003).		
		Adopt a Triple Bottom Line culture	The cases shows the firm commitment to sustainability (cf. Muldoon, 2005; Saner & Yiu, 2005).		
		Create Social Capital and Increase Transparency	The cases evidence effective actions through a constant and transparent bi-directional dialog and interaction. (cf. Ordeix-Rigo & Duarte, 2009; Steger, 2003).		
		Engage with Multiple Stakeholders	The cases confirms the engagement, with business and non-business counterparts (cf. Ali, 2009; Amann et al., 2007; Steger, 2003).		
		Enhance Culture Adaptation	The cases evidence the concern for adaptation following different contexts (cf. Hofstede, 1991; Saner & Yiu, 2003).		
		Establish Alliances and Integrate Networks	This case evidence effective démarches aiming to avoid LOF and LOO (cf. Muldoon, 2005; Watkins, 2007).		
		Protect the Corporate Brand and Reputation	The cases reveal a clear awareness and positioning to face the *goldfish bowl transparency* context (cf. (Demirdjian, 2007; Steger, 2003).		
		Benchmark			**Galp: The case reveals the need for best practices alignment with other level international players.**
	Specific Actor: Foundations				***Artful Business Diplomacy*** **Not directly integrated in the main corporate structure, and hence be able to act more freely and detached from the (default) negative perception associated with the business-driven purpose of MNCs (profits, shareholder returns, etc.).**
	Internationalization Processes	Entry Modes	Galp - EDP		
		Positioning	Galp - EDP		
		Strategies	Galp - EDP		

6. CONCLUSION

Since the rise of BD in the 2000s, the dilemma of fad or fashion was always present, but, two decades later, it is evident that BD has made its path and along that journey it has (unequivocally) established itself in the crossroad between IB (Business) and IR (Diplomacy), being today possible to perceive this synergetic and symbiotic cross fertilization that is BD.

One of the main challenges since the beginning of the research in this field was the difficulty to determine the firm's organizational architecture in a compartmentalized approach (area, department, etc.). However, nowadays, it is understood that this compartmentalization does not happen (and probably will not happen and should not happen), which is a challenge for researchers, which translates BD into something than can be omnipresent and organic, embedded in the organizational culture.

BD can be more or less relevant and should not be perceived as a silver bullet solution for the internationalization process. However, it has increasing relevance following the *global goldfish bowl* where firms operate since, due to the existence of a continuous and permanent flow of information, there is a risk for the brand's reputation to be quickly damaged which can (in a blink of an eye) bring to its knees the oldest, largest or renowned business actor.

BD, in its core, is a form of organizational culture, transversal to all areas of the firm's structure (even some more important than others), that can make or break, reach full potential or not, firms that aim to act in the international stage, based in a shared value approach when engaging with the array of foreign market stakeholders, aspiring for a sustainable and positive-sum long-term relationship, based upon the building blocks that give body to BD.

6.1. Summary

Following the literature review, where it was addressed the two main theoretical pillars of this work (IB and IR) that intercept and give origin to the concept of BD, and the framework of its role in the internationalization process, the different dimensions were outlined, and in more detail the concept of BD per se in relation to related concepts was presented. The firms' cases in question were Galp and EDP, taking into consideration the literature review regarding the most prominent type of firms that are more prone to being related to BD. The gathering of primary data was obtained through interviews alongside secondary data of several sources, aiming to in the end achieve data saturation.

The following step was the data analysis through NVivo vis-à-vis the framework for analysis in order to support or not the presence and extension of the several dimensions in each case of BD, followed by a comparative analysis between the two firms. Lastly, the findings, i.e., the novelty following the present research work in relation to the original state of the art of the field alongside the reply to the research questions initially formulated were addressed. The overall process was intended to as much as possible be well theoretical grounded and scope defined, nevertheless the systematic combining approach, taking into consideration the still novelty of the overall subject of BD, in order to avoid dispersion or gray areas throughout the process.

6.2. Answering the Research Questions

In the beginning of this research endeavor, the two research questions were formulated, and following the work carried out, the answers are as follows (respectively):

Research Question 1
How can BD help firms overcome the barriers to internationalization?

The results show a series of barriers (with different levels of impact, as seen in the results of the firms) present in the internationalization process of firms, that are possible to link to the toolkit of BD. Thus, having as base reference the Revised Dimensions of BD (cf. Table 17), the relations are presented in Table 19.

Table 19: Business Diplomacy Application - Barriers to Internationalization

	Business Diplomacy Dimensions – Revised				
Barriers	Act in International Forums and Take Advantage of Economic Diplomacy	Adopt a Triple Bottom Line Culture	Create Social Capital and Secure a Favorable Reputation	Enhance Culture Adaptation	Establish Alliances and Integrate Networks
Competition					x
Distribution Channels			x	x	x
Foreign Market Needs			x	x	x
Foreign Business Practices	x	x		x	x
Government Policy	x	x			
Market Attractiveness				x	x
Venture Management Characteristics					

There are dimensions of BD that aim to specifically overcome (to the maximum extent possible) specific barriers and leverage the ability of firms of achieving their full potential when doing business abroad. As shown, more than one BD dimension can be applicable to the internationalization barriers and for each firm (according to the individual profile) the degree of usefulness of BD can vary, following a set of variables as unveiled in this research project through the application of the *Matrix of Business Diplomacy Relevance*.

In sum, following the results and analysis conducted, the answer to the first research question is:

- ✓ BD can help firms minimize or overcome the barriers to internationalization: first, by assessing the barriers in case and then linking them to the most suitable BD tools; and, secondly, by incorporating those dimensions, initially in the firm's overall strategy and, afterwards, according to the organizational structure of the firm, activating the internal stakeholders that are most suitable to the different dimensions;

- ✓ Following the work, one of the key internal stakeholders that can assume a pivot and leading role on behalf of the firm in relation to the target foreign country/market is the firm's Foundation(s), following specific attributes and advantages that this figure incorporates, i.e., since it is not directly integrated in the main corporate structure, it is able to act more freely and detached from the (default) negative perception associated with the business-driven firm (profits, shareholder returns, etc.), therefore (potentially) having more success when triggering the BD's toolbox in the firm's internationalization strategy.

Research Question 2

***How can BD foster the motives of the internationalization process*?**

The role of BD, as seen in this work, stretches from the early assessments of a potential new foreign market, followed by the pre-internationalization phase (after the decision to go abroad), and, consequently, to the ongoing management of operations in the external market. BD, nevertheless its importance in all stages, has a potential key role in leveraging the original motives for doing business abroad, by building a more robust internationalization strategy based upon the toolkit of BD. Hence, the level of skillfulness of the firm in the internationalization process can be higher and more grounded, as we observed in the results of having present this mindset inside the firm's organization.

The results also show a series of motives (with different levels of impact, as seen in the results of the analyzed cases) present in the internationalization process of the firms, that are possible to link to the toolkit of BD. Thus, having as base reference the Revised Dimensions of BD, the relations are presented in Table 20.

Table 20: Business Diplomacy Application - Motives for Internationalization

	Business Diplomacy Dimensions – Revised				
Motives	Act in International Forums and Take Advantage of Economic Diplomacy	Adopt a Triple Bottom Line Culture	Create Social Capital and Secure a Favorable Reputation	Enhance Culture Adaptation	Establish Alliances and Integrate Networks
Efficiency-Seeking				x	x
Market-Seeking	x		x	x	x
Natural Resource-Seeking	x	x	x		x
Strategic Resource-Seeking	x	x	x	x	x

There are dimensions of BD that aim to specifically assist the motives of the firm, hence leveraging its ability of achieving a higher standard by considering operating beyond its original borders. As shown, more than one BD dimension can be applicable to the internationalization motives and the degree of usefulness of BD can vary following a set of variables (as mentioned above) for each firm (according to the individual profile), through the application of the *Matrix of Business Diplomacy Relevance*.

In sum, following the results and analysis conducted, the answer to the second research question is:

- ✓ BD can help firms, following the original (seeking) motive: first, by assessing the motive in case and then linking it to the most suitable BD tools; and, secondly, by incorporating those dimensions in the internationalization workflow per se, and, in doing so, leveraging the firm's ability to achieve the goals previously defined by assessing natural resources, markets, etc., at a global scale.

In short (regarding both research questions), BD can create a more favorable overall framework for the internationalization of the firm (prompt, foster and leverage), if it is able to incorporate the BD dimensions in their organization strategy and culture structure, being, thus, more suitable for the challenges of doing business abroad, i.e., to minimize or overcome the *barriers* and be better equipped (encouraged) when assessing the different (seeking) *motives* for operating globally.

6.3. Theoretical and Practical Contributions

This thesis has several innovative and relevant contributions, both for theory and practice.

Theoretical Contributions

In terms of theoretical contributions, there are two main novelties presented - a new tool to assess the relevance of BD in the internationalization process of the firms: *Matrix of Business Diplomacy Relevance*; and a new taxonomy following the research about the role of foundations in this context: *Artful Business Diplomacy* - alongside two new dimensions in the general framework for analysis.

Matrix of Business Diplomacy Relevance

Regarding the first - *Matrix of Business Diplomacy Relevance* - it aims to put into perspective the role of BD, following the assessment of key variables regarding the Firm (Country-of-origin effect, Activity, Dimension, Entry-Mode, Chain-Value) and the Market (Openness, Bureaucracy, Institutional Maturity). Hence, it can be more or less critical regarding the impact on the internationalization process of the firm, and, subsequently, the contribution of BD, repositioning *de facto* the potential scope of this tool, that can vary from a low Firm/Market BD perceived importance (so, the overall assessment is of a perceived weak impact of BD) to a high Firm/Market BD perceived importance (so, the overall assessment is of a perceived strong impact of BD).

The research also enables the mapping of the dimensions where BD can have influence, taking into consideration the idiosyncrasies of the firm vs of the specific targeted markets, making it possible to evaluate in a more clear and effective way each of the building blocks that make it up, opening the path to discriminate between the dimensions themselves that by default will differ (in the scope of impact) from one case (Firm) to another (Market).

Artful Business Diplomacy

Regarding the second main novelty, it is purposed a new prefix associated with the core taxonomy of BD, where the actor is not the firm per se, but another one that is (in general) more aligned with the dimensions advocated by BD: the Foundation(s), that enable a more positive and trustful perception from stakeholders, which would be difficult to embody by the firm per se, hence the designation *artful.*

Artful Business Diplomacy enables the firm, through the foundation vehicle, to perform a holistic approach to the aimed stakeholders. Since the foundation(s) is not directly associated with the core corporate structure, which is, by default, linked to a negative narrative (of profits, exploration, etc.), there’s a higher potential of success for the firm when adopting and engaging the principles of BD through these means - being, however, important that the background of the firm per se and its goals are still aligned with these principles, as the research demonstrated. Hence, with this new main actor, a new form of engaging emerges - *Artful Business Diplomacy* - that often (strategically) appears in the very early stages of the internationalization process of the firm (which is also revealed in the research), laying the groundwork for BD critical dimensions (e.g., Create Social Capital and Secure a Favorable Reputation), always in a long-term approach. Through it, it is possible to strengthen the business tout court (by getting a license to operate), with the foundation thus embodying the role of an indirect and advanced *business card*.

New General Framework

In the original general framework for analysis, based upon the literature review, and following the interviews, two new dimensions within different categories were observed. In the category of Barriers, the new surfaced dimension was *External Recognition*, in this case being stated the difficulty of reaching key stakeholders when there is a lack of basic knowledge about the firm's identity (its values, mission, track-records, etc.), that, subsequently, demands more time and investment vis-à-vis the case of the home market, or foreign markets where the firm can have a smaller deficit of external recognition, following the different circumstances (geography, language, etc.) that can ease the impact of the firm's incomer condition.

The other category where a new dimension emerged was in BD per se, in this case, *Benchmark*, i.e., there is a demand to be at the same level of other recognized IB actors in terms of the best practices, and since the stakeholders are aware of this benchmark, it drives the firm to position itself by assuming an above average performance on the elements valued by the target foreign market and its respective community.

Besides the new dimensions, another contribution was the process of consolidation of the BD dimensions, that aimed to make them simpler and clearer (by also avoiding redundancies and overlaps), with the goal of improving future research works through the use of this renewed and improved framework for analysis.

Another contribution was the disclosure of a new actor - besides the firm per se, that was until now viewed as the only figure able to deploy the tool of BD -, that was always perceived as secondary: the *Foundation(s)*, which is even able to (in some dimensions) act more effectively in relation to specific stakeholders' demands and firm long-term goals.

Lastly, the research work also revealed the moderating role of BD in the internationalization process of the firm, that can be more or less impactful following the result of the matrix Firm-Market characteristics, which will be unique and always mutating, taking into consideration the evolution of the firm per se and the idiosyncrasies of each foreign location.

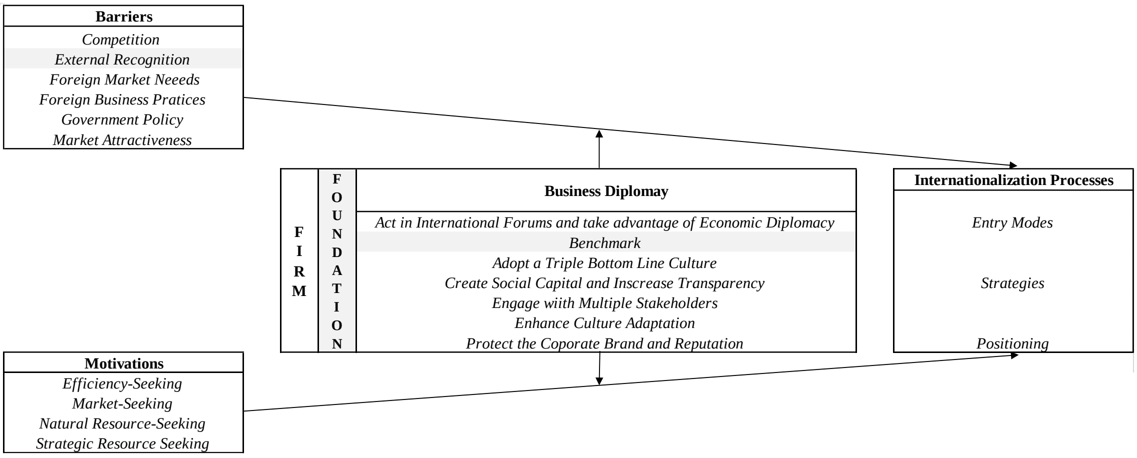
Figure 9 incorporates the above-mentioned (new and consolidation of several dimensions, besides the presence of a new actor), presenting a new view of how BD should be understood.

In sum this model differs from the original one (Figure 2) in the following fields:

- **Barriers**:
  - New: *External Recognition*
  - Withdraw[2]:
    - *Distribution Channels*
    - *Venture Management Characteristics*
- **Motives**: no changes;
- **Business Diplomacy**:
  - New:
    - Actor: *Foundation*
    - Dimension: *Benchmark*
- **Internationalization Processes**: no changes.

[2] Not verified cumulatively in both cases.

Figure 9: Business Diplomacy Moderation Model



Practical Contributions

Regarding managerial contributions, the main one in terms of business practices is the ability for firms, based on the novelty of the *Matrix of Business Diplomacy Relevance* unveiled here, to enable management facing (pre-internationalization) or already managing (post-internationalization) foreign markets to assess the relevance of the use of the BD toolkit and, thus, be able (with this diagnostic mapping) to reach its full potential when doing business abroad.

Regarding the role of the *Foundations* - in this specific context of the internationalization process of the firms vis-à-vis BD -, following this research work where it was scrutinized and subsequently brought to the spotlight, it can be perceived that not all IB groups have resources to put this specific actor in place in several markets (some of them, because of the scale, do not even make sense to consider). Moreover, this figure can be used (if the conditions are met) to deploy and act as the main BD actor of the firm on the foreign targeted market and the respective stakeholders.

In case the firm has scarce resources or in the case of markets without scale (as observed in the cases here presented), the firm can adjust this actor to (i) act in a global scale or (ii) use a department of the organization to embody this role (aligned with the mission of these type of organizations). It is important to note that the role of BD embedded in this specific actor is not obliged to be autonomized from the firm's structure, but following the evidence collected, it could be of added value to deploy BD through foundations in strategic foreign markets.

In sum, for IB managers, this work opens doors for the firm to have a more hands-on approach on how BD can help support the struggles of the internationalization process. It can be done through the incorporation of the renewed toolkit in day-to-day business practices (and gradually into the management culture of the organization), alongside the use (or leverage) of existing resources that until now were not viewed or used in the light of BD contexts (e.g., foundation), that can promote structural reorganization, always aiming to, in the end, make the firm more equipped to handle the burden of doing business abroad and reach its full potential.

6.4. Limitations and Suggestions for Future Research

Regarding limitations, considering that it was chosen (as substantiated) two firms of the same sector and country, it (naturally) limits the generalization of the conclusions here presented (but a generalization was never the purpose of this specific research work). However, as mentioned in the methodology section, this follows previous research regarding the sectors and profiles of the firms where BD potentially had more significance (which was confirmed), which leaves aside the country variable. But, following the international positioning of both firms, the results are not expected to vary significantly if the country of origin differs.

Another limitation is the potential idiosyncrasies from different foreign markets or regions (although the two cases in question had a very wide scope of geographic representation). Hence, in future research it is important that the samples are able to embrace the most diverse (in terms of world map, regions, cultures, etc.) type of foreign markets, aiming to clear or identify potential peculiarities of different locations.

It would also be valuable to (in the perspective of looking inside the black box of the firms) study their management practices in order to assess the presence (or not) of BD in the current operations related to internationalization processes. By doing so, shining some light onto the actual trigger and subsequent deployment and management of the toolkit of

BD vis-à-vis the process of aiming/doing/managing business abroad, which requires a long-term analysis and full immersion into the firm, which was not possible in this present context.

Another potential enriched view of the role of BD could possibly be accomplished by looking at the other side of the mirror, i.e., by incorporating the view of the stakeholders in relation to the firm and its BD policy, and thus promoting a more in-depth assessment of its impact, which could help the organization better manage its resources on this context, i.e., be more efficient and effective throughout the entire management process, from the initial motive to the day-to-day management of operations after the fruition of the internationalization process.

One field that was not further explored, but that would be of interest to in the future be more studied and (possibly) be integrated into the concept of BD, following its close relationship with its core dimensions, is the concept of *Shared Value* (Porter & Kramer, 2019), taking into consideration that it is based upon the firm's development while simultaneously advancing the economic and social conditions in the societies in which it operates.

Therefore, the suggestion for future research is to focus on assessing if these results vary from different sectors or firm based-countries, by mapping common denominators vs specific characteristics, and thus being able to (more deeply) assess the conditions where BD is more or less useful, with the novelty of the *Matrix of Business Diplomacy Relevance* here presented becoming the base for that continuous refinement and evolution, in order to fully map all the variables that can help firms assess to what extent BD can be useful in the internationalization challenge.

Another proposal is to make a long-term analysis of an internationalization process since the early stage (assessing) to a mature/long-term foreign presence, which would make the assessment of the impact of BD in different phases possible, aiming to evaluate what are the most important components of BD in each stage, alongside the overall (accumulated) impact throughout time.

It would be important to also conduct an in-depth and immersive study on a firm, to shade light on the inside of the black box of the operational decisions regarding the complete workflow of the internationalization process, in order to assess what dimensions of the toolkit are more or less used in each stage and their impact on the proposed goals of the firm, alongside the identification of the key internal stakeholders in terms of the roles they embody and the relationships within the organization structure. In sum, aiming to fully grasp the materiality of BD inside the firm.

Finally, regarding suggestions for future research, by viewing BD in two opposite spectrums - one profit focus based on the firm vs a philanthropic approach based on the foundation -, it could be developed a methodology that can position the organization along this axis: more prone to the *dark side* or to a holistic/shared value side.

References

Aaboen, L., Dubois, A., & Lind, F. (2012). Capturing processes in longitudinal multiple case studies. *Industrial Marketing Management*, *41*(2), 235-246.

Ahmed, F., & Gupta, H. (2021). Business Diplomacy and Lobbying During Pandemic. In *Strategic Management During a Pandemic* (pp. 31-58). Routledge.

Alammar, F. (2018). *Business Diplomacy in Practice: A Grounded Theory Study in Management Among Professional Diplomats* Massey University]. Albany, Auckland, New Zealand.

Alammar, F., & Pauleen, D. (2016). Business diplomacy management: a conceptual overview and an integrative framework. *International Journal of Diplomacy and Economy*, *3*(1), 3-26.

Ali, A. J. (2009). Managers and diplomacy. *International Journal of Commerce & Management*, *19*(4), 256-259.

Alon, I., & McKee, D. L. (1999). The internationalization of professional business service franchises. *Journal of Consumer Marketing*, *16*(1), 74-85.

Amann, W., Khan, S., Salzmann, O., Steger, U., & Ionescu-Somers, A. (2007). Managing external pressures through corporate diplomacy. *Journal of General Management*, *33*(1), 33-50.

Anastasiadis, S., Moon, J., & Humphreys, M. (2018). Lobbying and the responsible firm: Agenda-setting for a freshly conceptualized field. *Business Ethics: A European Review*, *27*(3), 207-221.

Antunes, C. (2020). Early Modern business diplomacy: an appraisal. *Diplomatica*, *2*(1), 20-27.

Asquer, A. (2012). What is Corporate Diplomacy? And, Why does it Matter? *Journal of Multidisciplinary Research*, *4*(3), 53–63.

Bansal, P., & Corley, K. (2011). The Coming of Age for Qualitative Research: Embracing the Diversity of Qualitative Methods. *Academy of Management Journal*, *54*(2), 233-237.

Bardin, L. (2009). *Análise de Conteúdo* (5ª ed.). Edições 70.

Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management*, *27*(6), 643-650.

Bartlett, C. A., & Ghoshal, S. (2000). Going Global: Lessons from Late Movers. *Reading*, *1*(3), 75-84.

Battersby, P., & Siracusa, J. (2014). Diplomacy in the Age of Globalization. In M. B. Steger, P. Battersby, & J. M. Siracusa (Eds.), *The SAGE Handbook of Globalization* (pp. 123-132). Sage Publications.

Behrman, J. N. (1972). *The Role of International Companies in Latin America: Autos and Petrochemicals*. Lexington, MA.

Benito, G. R. (2015). Why and how motives (still) matter. *The Multinational Business Review*, *23*(1), 15-24.

Bennett, N., & Lemoine, J. (2014). What VUCA Really Means for You. *Harvard Business Review*, *92*(1/2).

Birkinshaw, J., Brannen, M. Y., & Tung, R. L. (2011). From a distance and generalizable to up close and grounded: Reclaiming a place for qualitative methods in international business research. *Journal of International Business Studies*, *42*(5), 573-581.

Bolewski, W. (2022). Corporate Diplomacy: Compass for Public/Private Management in Turbulent Times. In S. P. Sebastião & S. d. C. Spínola (Eds.), *Diplomacy, Organisations and Citizens: A European Communication Perspective* (pp. 139-153). Springer International Publishing.

Breslin, M., & Buchanan, R. (2008). On the Case Study Method of Research and Teaching in Design. *Design Issues*, *24*(1), 36-40.

Buckley, P. J., & Casson, M. (1996). An Economic Model of International Joint Venture Strategy. *Journal of International Business Studies*, *27*(5), 849-876.

Calof, J. L., & Beamish, P. W. (1995). Adapting to Foreign Markets: Explaining Internationalization. *International Business Review*, *4*(2), 115-131.

Caves, R. E. (1996). *Multinational Enterprise and Economic Analysis*. Cambridge University Press.

Clulow, A., & Mostert, T. (2020). The Dutch East India Company and Business Diplomacy. *Diplomatica*, *2*(1), 28-38.

Collinson, S., Narula, R., & Rugman, A. M. (2016). *International Business* (7th ed.). Pearson.

Creswell, J. W., & Creswell, J. D. (2018). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (5th ed.). Sage Publications.

Creswell, J. W., & Poth, C. N. (2016). *Qualitative Inquiry and Research Design: Choosing Among Five Approachesarch design: Choosing among five approaches* (7th ed.). Sage Publications.

Cuervo-Cazurra, A., Narula, R., & Un, C. A. (2015). Internationalization motives: sell more, buy better, upgrade and escape. *The Multinational Business Review*, *23*(1), 25-35.

Czinkota, M., Ronkainen, I., Moffett, M., Marinova, S., & Marinov, M. (2009). *International Business*. Wiley & Sons.

Dana, L.-P., & Dumez, H. (2015). Qualitative research revisited: epistemology of a comprehensive approach. *International Journal of Entrepreneurship and Small Business*, *26*(2), 154-170.

Daniels, J., Radebaugh, L., & Sullivan, D. (2019). *International Business: Environments and operations* (16th ed.). Pearson.

David, T., & Eichenberger, P. (2020). Business and Diplomacy in the Twentieth Century: a Corporatist View. *Diplomatica*, *2*(1), 48-56.

de Carvalho Spínola, S., & Cotton, A.-M. (2022). From Corporate to Organisational Diplomacy. In S. P. Sebastião & S. d. C. Spínola (Eds.), *Diplomacy, Organisations and Citizens: A European Communication Perspective* (pp. 63-80). Springer International Publishing.

Demirdjian, Z. S. (2007). Global Corporate Diplomacy: The Strategy for Survival. *Journal of American Academy of Business*, *11*(2), I-II.

Dicken, P. (2014). *Global Shift: Mapping the Changing Contours of the World Economy* (7th ed.). Guilford Press.

Doh, J. P., Dahan, N. M., & Casario, M. (2022). MNEs and the practice of international business diplomacy. *International Business Review*, *31*(1), 101926.

Dunning, J. H. (1988). The Eclectic Paradigm of International Production: A Restatement and Some Possible Extensions. *Journal of International Business Studies*, *19*(1), 1-31.

Dunning, J. H. (1993). *Multinational Enterprises and the Global Economy*. Addison-Wesley.

Dunning, J. H. (2000). The eclectic paradigm as an envelope for economic and business theories of MNE activity. *International Business Review, 9*(2), 163-190.

Dunning, J. H., & Lundan, S. M. (2008). *Multinational Enterprises and the Global Economy* (2nd ed.). Edward Elgar Publishing.

Economist, T. (2019, Sep 12th). Lessons from Microsoft's corporate foreign policy. *The Economist*. https://www.economist.com/business/2019/09/12/the-redmond-doctrine

Economist, T. (2021, May 1st). Diplomacy disrupted. The Zoom where it happens. *The Economist*. https://www.economist.com/international/2021/04/29/diplomacy-has-changed-more-than-most-professions-during-the-pandemic

Edman, J. (2016). Reconciling the advantages and liabilities of foreignness: Towards an identity-based framework. *Journal of International Business Studies, 47*(6), 674-694.

EDP. (2019). *EDP supports the renovation of Museu do Ipiranga with 2.8 million euros*. Retrieved 06-03-2022 from https://www.edp.com/en/news/edp-supports-renovation-museu-do-ipiranga-28-million-euros

EDP. (2021a). *Annual Report 2020*. https://www.edp.com/sites/default/files/2021-03/210x297_RC20_EDP_EN_0.pdf

EDP. (2021b). *EDP is recognized as the world's most sustainable electric utility in the Dow Jones index*. Retrieved 06-03-2022 from https://www.edp.com/en/news/2021/11/15/edp-recognized-worlds-most-sustainable-electric-utility-dow-jones-index

EDP. (2021c). *Strategic Update 2021-2025*. Retrieved 21-07-2021 from https://www.edp.com/en/edp/strategic-update-2021-2025

EDP. (2022a). *Annual Report 2021*. https://www.edp.com/sites/default/files/2022-03/RC%20EDP_ENG_Unofficial%20Version%20-%20Unaudited.pdf

EDP. (2022b). *The EDP Brazil*. Retrieved 15-04-2022 from https://brasil.edp.com/en/the-edp-brazil

EDP. (2022c). *A history of two-centuries: Portugal lights the first lamp*. https://www.edp.com/en/edp-stories/a-history-two-centuries-portugal-lights-first-lamp

EDP. (2022d). *Stakeholder Relationship Policy*. Retrieved 18-04-2022 from https://www.edp.com/en/stakeholder-relationship-policy

EDPR. (2022). *Who We Are*. Retrieved 15-04-2022 from https://www.edpr.com/en/who_we_are

Eisenhardt, K. M. (1989). Building Theories from Case Study Research. *Academy of Management Review*, *14*(4), 532-550.

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory Building From Cases: Opportunities and Challenges. *Academy of Management Journal*, *50*(1), 25-32.

ENACOL. (2022a). *Governação Empresarial*. Retrieved 06-06-2022 from https://www.enacol.cv/governacao-empresarial/

ENACOL. (2022b). *História*. Retrieved 30-01-2022 from https://www.enacol.cv/historia/

Eskew, M. (2006). Corporate Diplomacy. *Leadership Excellence*, *23*(4), 5-6.

Evans, J., & Mavondo, F. T. (2002). Psychic Distance and Organizational Performance: An Empirical Examination of International Retailing Operations. *Journal of International Business Studies*, *33*(3), 515-532.

Falcão, P., Ramalho, N., & Nobre, M. (2021). Stakeholder management: the new role of business diplomacy. *Journal of Business Strategy*, *42*(6), 399-405.

Feagin, J. R., Orum, A. M., & Sjoberg, G. (1991). The Nature of the Case Study. In A. M. Orum & G. Sjoberg (Eds.), *A Case for the Case Study*. University of North Carolina Press.

Ferreira, M. E., & Gonçalves, F. R. (2009). Diplomacia económica e empresas de bandeira os casos da Galp e da Unicer em Angola. *Relações Internacionais*(12), 115-133.

Freeman, R. E., & McVea, J. (2001). A Stakeholder Approach to Strategic Management. In M. Hitt, E. Freeman, & J. Harrison (Eds.), *Handbook of Strategic Management* (pp. 189-207). Blackwell Publishers.

Friedman, T. L. (2005). *The World Is Flat: A Brief History of the Twenty-first Century*. Farrar, Straus and Giroux.

Führ, A., & Paixão, C. (2009). *Diplomacia Corporativa: Factor de Alavancagem Internacional para Empresas Privadas* V Congresso Nacional de Excelência em Gestão, Niterói, RJ, Brasil.

Fundação.EDP. (2020). *Annual Report 2020*. https://www.fundacionedp.es/recursos/doc/fundacionedp/20140206/informe-anual/memoria-anual-2020-ingles.pdf

Fundação.EDP. (2022a). *About Us*. Retrieved 16-04-2022 from https://www.fundacaoedp.pt/en/content/about-us

Fundação.EDP. (2022b). *Areas for Action*. Retrieved 16-04-2022 from https://www.fundacionedp.es/en/areas-for-action/

Fundação.EDP. (2022c). *What We Do*. Retrieved 16-04-2022 from

Fundação.Galp. (2021). *Management Report and Accounts 2020*. https://www.fundacaogalp.com/Portals/1/Documentos/GALP_RC_Fundacao_2020_DIG_EN.pdf

Fundação.Galp. (2022a). *About the Foundation*. Retrieved 20-03-2022 from https://www.fundacaogalp.com/en/about-the-foundation

Fundação.Galp. (2022b). *Sustainable Energy*. Retrieved 06-02-2022 from https://www.fundacaogalp.com/en/sustainable-energy/energiza

Fundación.EDP. (2022). *History*. Retrieved 16-04-2022 from https://www.fundacionedp.es/en/institutional/history/

Galp. (2019). *40 Anos de Energia (1978 · 2018)* https://www.galp40anos.com/pdfs/Livro-Galp-40-Anos-de-Energia.pdf

Galp. (2020, November 17th). *Galp strengthens position as Europe's most sustainable company, world's nº3 in its industry* https://www.galp.com/corp/Portals/0/Recursos/Media/SharedResources/Comunicados/2020/4Q/DJSI_Galp_strengthens_position_Europe_most_sustainable_company.pdf

Galp. (2021a). *Annual Report 2020*. https://www.galp.com/corp/Portals/0/Recursos/Investidores/SharedResources/Relatorios/en/2020/GalpRC20doctotalen.pdf

Galp. (2021b). *Galp is the first Portuguese company to join the World Economic Forum's ESG metrics*. Retrieved 20-07-2021 from https://www.galp.com/corp/en/investors/publications-and-announcements/investor-announcements/investor-announcement/id/1236/galp-is-the-first-portuguese-company-to-join-the-world-economic-forums-esg-metrics

Galp. (2021c). *Our Roots*. Retrieved 20-01-2022 from https://www.galp.com/corp/en/about-us/galp/our-roots

Galp. (2022a). *Global Presence*. Retrieved 20-01-2022 from https://www.galp.com/corp/en/about-us/global-presence

Galp. (2022b). *What We Do*. Retrieved 20-01-2022 from https://www.galp.com/corp/en/about-us/what-we-do

Ganesh, J., & Oakenfull, G. (2000). International Product Positioning. *Journal of Global Marketing*, *13*(2), 85-111.

Gençtürk, E. F., & Kotabe, M. (2001). The Effect of Export Assistance Program Usage on Export Performance: A Contingency Explanation. *Journal of International Marketing*, *9*(2), 51-72.

Gertz, G. (2018). Commercial Diplomacy and Political Risk. *International Studies Quarterly*, *62*(1), 94-107.

Gill, P., Stewart, K., Treasure, E., & Chadwick, B. (2008). Methods of data collection in qualitative research: interviews and focus groups. *British Dental Journal*, *204*(6), 291-295.

Gillham, B. (2005). *Research Interviewing: the range of techniques: A practical guide*. McGraw-Hill Education (UK).

Glowik, M. (2016). *Market Entry Strategies: Internationalization* (2nd ed.). De Gruyter Oldenbourg.

Gorostidi-Martinez, H. (2017). Corporate political strategies: a contemporary literature review. *Journal of Advances in Management Research*, *14*(3), 375-404.

Hadani, M. (2012). Institutional ownership monitoring and corporate political activity: Governance implications. *Journal of Business Research*, *65*(7), 944-950.

Hadley, R. D., & Wilson, H. I. M. (2003). The network model of internationalisation and experiential knowledge. *International Business Review*, *12*(6), 697-717.

Håkansson, H., & Snehota, I. (1989). No business is an island: The network concept of business strategy. *Scandinavian Journal of Management*, *5*(3), 187-200.

Haynal, G. (2014). Corporate Statecraft and its Diplomacy. *9*(4), 393-419.

Henisz, W. J. (2016). The Dynamic Capability of Corporate Diplomacy. *Global Strategy Journal*, *6*(3), 183-196.

Henisz, W. J. (2017). *Corporate Diplomacy: Building Reputations and Relationships with External Stakeholders*. New York, NY.

Herter, A. C., Jr. (1966). Corporate Diplomacy In Foreign Countries: A Challenge to American Business. *Vital Speeches of the Day*, *32*(13), 407-409.

Hillman, A. J., Keim, G. D., & Schuler, D. (2004). Corporate Political Activity: A Review and Research Agenda. *Journal of Management*, *30*(6), 837-857.

Hoffer, R. (2021). Is the business of business business alone? The International Chamber of Commerce and the origins of global business diplomacy, 1920-1931. In *Economic History Student Working Papers*: London School of Economics and Political Science.

Hofstede, G. (1991). *Cultures and Organizations: Software of the Mind*. McGraw-Hill.

Hohenthal, J., Johanson, J., & Johanson, M. (2014). Network knowledge and business-relationship value in the foreign market. *International Business Review*, *23*(1), 4-19.

Hollender, L., Zapkau, F. B., & Schwens, C. (2017). SME foreign market entry mode choice and foreign venture performance: The moderating effect of international experience and product adaptation. *International Business Review*, *26*(2), 250-263.

Hotelling, H. (1929). Stability in Competition. *Economic Journal*, *39*(153), 41-57.

House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Sage Publications.

Hymer, S. H. (1976). *International Operations of National Firms*. MIT Press.

Instituto.EDP. (2022a). *About the EDP*. Retrieved 16-04-2022 from https://brasil.edp.com/en/edp-institute/about-the-edp-institute#our-history

Instituto.EDP. (2022b). *Annual Report 2020*.

Jackson, C. D. (1950). Total Business Diplomacy. *Vital Speeches of the Day*, *16*(14), 422-426.

Johanson, J., & Mattsson, L.-G. (1988). Internationalisation in Industrial Systems - A Network Approach. In N. Hood & J. Vahlne (Eds.), *Strategies in Global Competition* (pp. 287-314). Croom Helm.

Johanson, J., & Vahlne, J. E. (1977). The Internationalization Process of the Firm - A Model of Knowledge Development and Increasing Foreign Market Commitments. *Journal of International Business Studies*, *8*(1), 23-32.

Johanson, J., & Vahlne, J. E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, *40*(9), 1411-1431.

Johanson, J., & Wiedersheim-Paul, F. (1975). The Internationalization of the Firm - Four Swedish Cases. *Journal of Management Studies, 12*(3), 305-323.

Johnson, G., Whittington, R., Scholes, K., Angwin, D., & Regnér, P. (2017). *Exploring Strategy: Text and Cases* (11th ed.). Pearson.

Johnson, R. M. (1971). Market Segmentation: A Strategic Management Tool. *Journal of Marketing Research*, *8*(1), 13-18.

Julian, C. C. (2009). The empirical link between entry mode selection and barriers to internationalisation. *International Journal of Trade and Global Markets, 2*(3-4), 237-249.

Julian, C. C., & Ahmed, Z. U. (2005). The Impact of Barriers to Export on Export Marketing Performance. *Journal of Global Marketing*, *19*(1), 71-94.

Kacker, M. P. (1985). *Transatlantic Trends in Retailing: Takeovers and Flow of Know-How*. Quorum books.

Kahiya, E. T. (2018). Five decades of research on export barriers: Review and future directions. *International Business Review*, *27*(6), 1172-1188.

Kesteleyn, J., Riordan, S., & Ruël, H. (2014). Introduction: Business Diplomacy. *The Hague Journal of Diplomacy*, *9*(4), 303-309.

Knight, G. A., & Liesch, P. W. (2016). Internationalization: From incremental to born global. *Journal of World Business*, *51*(1), 93-102.

Larimo, J., Le Nguyen, H., & Ali, T. (2016). Performance measurement choices in international joint ventures: What factors drive them? *Journal of Business Research*, *69*(2), 877-887.

Lee, D. (2004). The Growing Influence of Business in U.K. Diplomacy. *International Studies Perspectives*, *5*(1), 50-54.

Lee, D., & Hudson, D. (2004). The Old and New Significance of Political Economy in Diplomacy. *Review of International Studies*, *30*(3), 343-360.

Leira, H. (2016). A Conceptual History of Diplomacy. In C. M. Constantinou, P. Kerr, & P. Sharp (Eds.), *The SAGE Hanbook of Diplomacy* (pp. 28-38). Sage Publications.

Leonidou, L. C. (1995). Empirical Research on Export Barriers: Review, Assessment, and Synthesis. *Journal of International Marketing*, *3*(1), 29-43.

Levitt, T. (1983). The globalization of markets. *Harvard Business Review*, *61*(3), 92-102.

Li, P. J., Shapiro, P. D., Peng, P. M. W., & Ufimtseva, D. A. (2022). Corporate Diplomacy in the Age of US-China Rivalry. *Academy of Management Perspectives*, *0*(ja), null.

London, M. (1999). Principled leadership and business diplomacy: A practical, values-based direction for management development. *Journal of Management Development*, *18*(2), 170-192.

LUSA. (2021). CEO da Galp quer entrar nas energias renováveis nos EUA. *ECO*. https://eco.sapo.pt/2021/11/04/ceo-da-galp-quer-entrar-nas-energias-renovaveis-nos-eua/

Macnamara, J. (2012). Corporate and organisational diplomacy: an alternative paradigm to PR. *Journal of Communication Management*, *16*(3), 312-325.

Madanoglu, M. (2017). Push and pull factors in international franchising. *International Marketing Review*, *34*(1), 29-45.

Manfredi-Sánchez, J.-L. (2022). Corporate Diplomacy in a Post-COVID-19 World. In S. P. Sebastião & S. d. C. Spínola (Eds.), *Diplomacy, Organisations and Citizens: A European Communication Perspective* (pp. 125-137). Springer International Publishing.

Marques, J. C. (2017). Business Diplomacy in Brazil: Early Lessons from an Emerging Economy. In *International Business Diplomacy* (Vol. 18, pp. 219-239). Emerald Publishing Limited.

Maryl, M., Dallas, C., Edmond, J., Labov, J., Kelpšienė, I., Doran, M., Kotodziejska, M., & Grabowska, K. (2020). A case study protocol for meta-research into digital practices in the humanities. *Digital humanities quarterly*, *14*(3), 1-20.

Mercier, A. (2007). *Commercial Diplomacy in Advanced Industrial States, Canada, the UK, and the US*. Netherlands Institute of International Relations' Clingendael'.

Meyer, K. E. (2015). What is “strategic asset seeking FDI”? *The Multinational Business Review*, *23*(1), 57-66.

Miller, C. (1995). In-depth interviewing by telephone: Some practical considerations. *Evaluation & Research in Education*, *9*(1), 29-38.

Mogensen, K. (2017). From public relations to corporate public diplomacy. *Public Relations Review*, *43*(3), 605-614.

Monteiro, R. (2013). *Managing International Business Constraints Through Business Diplomacy* University of Porto]. Portugal. https://repositorio-aberto.up.pt/bitstream/10216/69344/2/25319.pdf

Monteiro, R., & Meneses, R. (2015). The relevance of business diplomacy in internationalisation processes: an empirical study. *International Journal of Business and Globalisation*, *15*(1), 20-44.

Moons, S. J. V., & van Bergeijk, P. A. G. (2017). Does Economic Diplomacy Work? A Meta-analysis of Its Impact on Trade and Investment. *The World Economy*, *40*(2), 336-368.

Mukherjee, A., & Onel, N. (2019). Business Diplomacy Gone Rogue? Transnational Tobacco Companies and Illicit Trade in Tobacco Products. *The Journal of International Business Research and Practice*, *13*, 159-172.

Muldoon, J. P. (2005). The Diplomacy of Business. *Diplomacy & Statecraft*, *16*(2), 341-359.

Naray, O. (2011). Commercial Diplomats in the Context of International Business. *The Hague Journal of Diplomacy*, *6*(1-2), 121-148.

Noble, H., & Smith, J. (2015). Issues of validity and reliability in qualitative research. *Evidence-based nursing*, *18*(2), 34-35.

O'Cass, A., & Julian, C. (2003). Examining firm and environmental influences on export marketing mix strategy and export performance of Australian exporters. *European Journal of Marketing*, *37*(3/4), 366-384.

Ögütçü, M., & Saner, R. (2008). Fine-tuning Turkey’s economic diplomacy. *Eurasia Critic*, *4*, 41-47.

Ojasalo, J., & Ojasalo, K. (2011). Barriers to internationalization of B-to-B-services: theoretical analysis and empirical findings. *International Journal of Systems Applications*, *5*(1), 109-116.

Okano-Heijmans, M., & Ruël, H. (2011). Commerciële diplomatie en internationaal ondernemen. *Internationale spectator*, *65*(9), 463-467.

Oliveira, J. S., Yazdani, N., Cadogan, J. W., Hodgkinson, I. R., Tsougkou, E., Jean, R.-J. B., Story, V. M., & Boso, N. (2018). The empirical link between export entry mode diversity and export performance: A contingency-and institutional-based examination. *Journal of Business Research*, *88*, 505-512.

Opdenakker, R. (2006). Advantages and Disadvantages of Four Interview Techniques in Qualitative Research. *Forum: Qualitative Social Research*, *7*(4), Art. 11.

Ordeix-Rigo, E., & Duarte, J. (2009). From Public Diplomacy to Corporate Diplomacy: Increasing Corporation's Legitimacy and Influence. *American Behavioral Scientist*, *53*(4), 549-564.

Pedersen, W. (2006). Why'corporate PR'when'corporate diplomacy'flows more trippingly on the tongue-and is much more accurate? *Public Relations Quarterly*, *51*(3), 10.

Peng, M. W., Wang, D. Y. L., & Jiang, Y. (2008). An institution-based view of international business strategy: a focus on emerging economies. *Journal of International Business Studies*, *39*(5), 920-936.

Pett, T., Francis, J., & Wolff, J. (2004). Examining SME internationalization motives as an extension of competitive strategy. *Journal of Business and Entrepreneurship*, *16*(1), 46-65.

Piekkari, R., Welch, C., & Paavilainen, E. (2009). The Case Study as Disciplinary Convention: Evidence From International Business Journals. *Organizational Research Methods*, *12*(3), 567-589.

Pindyck, R., & Rubinfeld, D. (2018). *Microeconomics* (9th ed.). Pearson.

Porter, M. E., & Kramer, M. R. (2019). Creating Shared Value. In G. G. Lenssen & N. C. Smith (Eds.), *Managing Sustainable Business: An Executive Education Case and Textbook* (pp. 327-350). Springer Netherlands. https://doi.org/10.1007/978-94-024-1144-7_16

Potter, E. H. (2004). Branding Canada: The Renaissance of Canada's Commercial Diplomacy. *International Studies Perspectives*, *5*(1), 55-60.

Pratt, M. G. (2009). From the Editors: For the Lack of a Boilerplate: Tips on Writing Up (and Reviewing) Qualitative Research. *Academy of Management Journal*, *52*(5), 856-862.

PRSA Staff. (2012). *Public Relations Defined: A Modern Definition for the New Era of Public Relations*. Retrieved 13-11-2019 from http://prdefinition.prsa.org/

Qu, S. Q., & Dumay, J. (2011). The qualitative research interview. *Qualitative Research in Accounting & Management*, *8*(3), 238-264.

Robertson, R. (1992). *Globalization: Social Theory and Global Culture*. Sage Publications.

Robertson, R. (1995). Glocalization: Time-space and homogeneity-heterogeneity. *Global modernities*, *2*(1), 25-44.

Rönnbäck, K., & Broberg, O. (2022). From Defensive to Transformative Business Diplomacy: The British South Africa Company and the End of Chartered Company Rule in Rhodesia, 1910–1925. *Business History Review*, 1-27.

Ruël, H. (2013). Diplomacy means business. *Windesheim reeks Kennis en Onderzoek*, *46*.

Ruël, H. (2020). Multinational corporations as diplomatic actors: An exploration of the concept of business diplomacy. *Diplomatica*, *2*(1), 1-12.

Ruël, H. (2022a). Business Diplomacy: A Review of the Literature and a Definition. In *Business Diplomacy by Multinational Corporations* (pp. 9-24). Emerald Publishing Limited.

Ruël, H. (2022b). Catholic Social Thought (CST) as a Source for a Business Diplomacy Model. In *Business Diplomacy by Multinational Corporations* (pp. 25-39). Emerald Publishing Limited.

Ruël, H. (2022c). Toward a CST-Based Model of Business Diplomacy. In *Business Diplomacy by Multinational Corporations* (pp. 41-47). Emerald Publishing Limited.

Ruël, H., & Visser, R. (2012). Commercial Diplomats as corporate entrepreneurs: explaining role behavior from an institutional perspective. *International Journal of Diplomacy and Economy*, *1*(1), 42-79.

Ruël, H., & Wolters, T. (2016). Business Diplomacy. In C. M. Constantinou, P. Kerr, & P. Sharp (Eds.), *The SAGE Handbook of Diplomacy*. Sage Publications.

Ryan, A. B. (2006). Post-positivist approaches to research. *Researching and Writing your Thesis: a guide for postgraduate students*, 12-26.

Salvi, R. M., & Ruël, H. J. (2022). Corporate diplomacy and sustainable internationalisation: a conceptual and empirical exploration. *International journal of diplomacy and economy*, *8*(1), 41-64.

Saner, R. (2019). Business diplomacy and international strategic alliances. *European Journal of International Management*, *13*(5), 588-595.

Saner, R., & Yiu, L. (2003). International Economic Diplomacy: Mutations in Post-Modern Times. *Clingendael Discussion Paper in Diplomacy, 84*, 1-31.

Saner, R., & Yiu, L. (2005). Swiss Executives as Business Diplomats in the New Europe:: Evidence from Swiss Pharmaceutical and Agro-Industrial Global Companies. *Organizational Dynamics, 34*(3), 298-312.

Saner, R., & Yiu, L. (2014). Business Diplomacy Competence: A Requirement for Implementing the OECD's Guidelines for Multinational Enterprises. *The Hague Journal of Diplomacy*, *9*(4), 311-333.

Saner, R., Yiu, L., & Søndergaard, M. (2000). Business diplomacy management: A core competency for global companies. *Academy of Management Executive*, *14*(1), 80-91.

Sarfati, G. (2007). *Manual de Diplomacia Corporativa: A Construção das Relações Internacionais da Empresa*. Atlas.

Sarfati, G. (2009). What is a Corporate Diplomacy? *Conference Papers - International Studies Association*, 1-24.

Schwartzman, H. B. (1993). *Ethnography in Organizations*. Sage Publications.

Seidman, I. (2006). *Interviewing as Qualitative Research: A Guide for Researchers in Education and the Social Sciences* (3rd ed.). Teachers College Press.

Shuy, R. W. (2003). In-Person versus Telephone Interviewing. In J. A. Holstein & J. F. Gubrium (Eds.), *Inside interviewing: New lenses, new concerns* (pp. 175-193). Sage Publications.

Sidibé, D. (2017). Business Diplomacy in Emerging Markets: Intersection of Roles Between States and Multinationals. In R. Saner (Ed.), *International Business Diplomacy* (Vol. 18, pp. 115-128). Emerald Publishing Limited.

Slaper, T. F., & Hall, T. J. (2011). The Triple Bottom Line: What Is It and How Does It Work? *Indiana Business Review*, *86*(1), 4-8.

Small, J. M. (2014). Business Diplomacy in Practice: Advancing Interests in Crisis Situations. *The Hague Journal of Diplomacy*, *9*(4), 374-392.

Søndergaard, M. (2014). 'Corporate Business Diplomacy': Reflections on the Interdisciplinary Nature of the Field. *9*(4), 356-371.

Steger, U. (2003). *Corporate Diplomacy: The Strategy for a Volatile, Fragmented Business Environment*. John Wiley & Sons.

Steger, U. (2006). *Inside the Mind of the Stakeholder: The Hype behind Stakeholder Pressure*. Palgrave MacMillan.

Strange, S. (1992). States, Firms and Diplomacy. *International Affairs, 68*(1), 1-15.

Sturges, J. E., & Hanrahan, K. J. (2004). Comparing telephone and face-to-face qualitative interviewing: a research note. *Qualitative Research*, *4*(1), 107-118.

Sułkowski, Ł. (2020). Covid-19 pandemic; recession, virtual revolution leading to de-globalization? *Journal of Intercultural Management*, *12*(1), 1-11.

Suren, L. (2014). *International Business Diplomacy: A strategy for increasing MNC's performance? A systematic review on the basis of five European MNC's* University of Twente].

Suspiro, A. (2020). Galp compra centrais solares em Espanha por 450 milhões para se tornar mais verde. *Observador*. https://observador.pt/2020/01/22/galp-compra-energia-solar-em-espanha-por-450-milhoes-para-se-tornar-mais-verde/

Tekin, A. K., & Kotaman, H. (2013). The epistemological perspectives on action research. *Journal of Educational and Social Research*, *3*(1), 81-81.

Teles, F. M. G. R. (2016). *Internacionalização das Empresas do Setor da Energia: O Caso da EDP* Universidade de Lisboa]. Portugal.

Theaker, A. (2018). What is public relations? In A. Theaker & H. Yaxley (Eds.), *The Public Relations Strategic Toolkit* (2 ed., pp. 5-15). Routledge.

Treadgold, A. D., & Davies, R. L. (1988). *The Internationalisation of Retailing*. Longman.

Trice, R., Hasegawa, M., & Kearns, M. (Eds.). (1995). *Corporate Diplomacy: Principled Leadership for the Global Community*. Center for Strategic & International Studies.

Trout, J., & Ries, A. (2001). *Positioning: The Battle for Your Mind*. McGraw-Hill Education.

Vahlne, J.-E., & Johanson, J. (2013). The Uppsala model on evolution of the multinational business enterprise – from internalization to coordination of networks. *International Marketing Review*, *30*(3), 189-210.

Valderrey, F. J., Sánchez, A., & Delgadillo, A. (2022). International business diplomacy: mining for good practices in Latin America. *International journal of diplomacy and economy*, *8*(1), 81-96. https://doi.org/10.1504/ijdipe.2022.125225

Van de Ven, A. H., & Engleman, R. M. (2004). Event- and outcome-driven explanations of entrepreneurship. *Journal of Business Venturing*, *19*(3), 343-358.

van Gorp, D. M. (2018). Business diplomacy: its role for sustainable value chains. In *Research Handbook on Economic Diplomacy*. Edward Elgar Publishing.

van Tulder, R. (2015). Getting all motives right: a holistic approach to internationalization motives of companies. *The Multinational Business Review*, *23*(1), 36-56.

van Willigen, N. (2020). Business diplomacy from an IR perspective. *Diplomatica*, *2*(1), 13-19.

Veevers, D., & Pettigrew, W. A. (2020). Trading Companies and Business Diplomacy in the Early Modern World. *Diplomatica*, *2*(1), 39-47.

Verbeke, A. (2014). *International Business Strategy* (2nd ed.). Cambridge University Press.

Wahyuni, D. (2012). The Research Design Maze: Understanding Paradigms, Cases, Methods and Methodologies. *Journal of Applied Management Accounting Research*, *10*(1), 69-80.

Wan, L., Orzes, G., Sartor, M., Di Mauro, C., & Nassimbeni, G. (2019). Entry modes in reshoring strategies: An empirical analysis. *Journal of Purchasing and Supply Management*, *25*(3), 100522.

Wang, W., & Ma, H. (2018). Export strategy, export intensity and learning: Integrating the resource perspective and institutional perspective. *Journal of World Business*, *53*(4), 581-592.

Watkins, M. D. (2007). *The Rise of Corporate Diplomacy (Finally!)*. Retrieved 03-12-2019 from http://blogs.hbr.org/watkins/2007/05/the_rise_of_corporate_diplomac.html

Welch, L. S., & Luostarinen, R. (1988). Internationalization: Evolution of a Concept. *Journal of General Management*, *14*(2), 34-55.

Westermann-Behaylo, M. K., Rehbein, K., & Fort, T. (2015). Enhancing the Concept of Corporate Diplomacy: Encompassing Political Corporate Social Responsibility, International Relations, and Peace Through Commerce. *Academy of Management Perspectives*, *29*(4), 387-404.

Williams, D. E. (1992). Retailer Internationalization: An Empirical Inquiry. *European Journal of Marketing*, *26*(8/9), 8-24.

Windsor, D. (2017). The Ethics and Business Diplomacy of MNE Tax Avoidance. In *International Business Diplomacy* (Vol. 18, pp. 151-171). Emerald Publishing Limited.

Wirta, K., Tikka, K., & Björklund, J. (2022). Administering Empire. Business Diplomacy in Early Modern Sweden: The Cases of Abraham Cabiljau and the Gothenburg Company. *Legatio*, *5*, 1-51

Xinping, Z. (2002). Interpretivist Research, Positivist Research, and Field Research. *Chinese Education & Society*, *35*(2), 39-46. https://doi.org/10.2753/CED1061-1932350239

Yeung, H. W.-C. (2011). From national development to economic diplomacy? Governing Singapore's sovereign wealth funds. *The Pacific Review*, *24*(5), 625-652.

Yin, R. K. (1981). The Case Study Crisis: Some Answers. *Administrative Science Quarterly*, *26*(1), 58-65.

Yin, R. K. (2017). *Case Study Research: Design and Methods* (6th ed.). Sage Publications.

Yiu, L., & Saner, R. (2017). Business Diplomacy in Implementing the Global 2030 Development Agenda: Core Competencies Needed at the Corporate and Managerial Level. In H. Ruël (Ed.), *International Business Diplomacy: How can Multinational Corporations Deal with Global Challenges?* (Vol. 19, pp. 33-58). Emerald Publishing Limited.

Yiu, L., Saner, R., McIntyre, J., Ivanaj, S., & Ivanaj, V. (2022). The Role of Multinational Enterprises in Supporting the United Nations' SDGs. In *Chapter 10: Leveraging business diplomacy* (pp. 190-215). Edward Elgar Publishing.

Zaheer, S. (1995). Overcoming the Liability of Foreignness. *Academy of Management Journal*, *38*(2), 341-363.

Zhao, H., Ma, J., & Yang, J. (2017). 30 Years of Research on Entry Mode and Performance Relationship: A Meta-Analytical Review. *Management International Review*, *57*(5), 653-682.

Appendix: Interview Guide

Semi-structured Interview Script

This work falls into the scope of business internationalization, in particular in the domain of Business Diplomacy.

Business Diplomacy is a strategic tool that aims to promote the best environment possible for the development of business across borders, based upon mutual adaption between companies and society.

Q 1: What has been **motivating** your internationalization process in the various markets where the firm operates (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)? Can you give examples?

Q 2: When it comes to the **processes** of internationalization, what determines your entry mode (Exports vs FDI), strategy (Global Integration vs Local Responsiveness)?

Q 3: And what determines your **positioning** (what is your product/service's distinct element in comparison to your competitors)? Can you give some examples (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)?

Q 4: What are the **barriers/difficulties** that you deal the most with when it comes to internationalization? Can you give some examples in the markets where the firm operates (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)?

Q 5: To overcome those barriers, can we consider that your group has a **Business Diplomacy strategy**? In the case it does, how do you integrate that strategy in the various markets where you operate? Can you give some examples (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)?

Q 6: **When and how** did that Business Diplomacy approach to the international markets start?

Q 7: In what way has that **approach been useful** to your group in the markets across borders, facilitating in particular the internationalization process? Can you give some examples?

Q 8: In relation to Business Diplomacy, who are your **main partners**? Can you give some examples in the various markets where the firm operates (in particular when it comes to the markets in the areas of Exploration & Production, i.e., FDI)?