

THE STRATEGIC MANAGEMENT OF THE UPPSALA MODEL'S CAPABILITY PACKAGE: THE ROLE OF BUSINESS DIPLOMATS IN FIRMS' EVOLUTION

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Introdução

The collapse of the Westphalia World Order fragmented sovereign state authority, leading multinationals to assume state-like roles and embrace socio-political responsibilities. This evolutionary process transforms MNEs from narrow product-focused entities to organizations serving diverse stakeholders. In this complex environment, the Uppsala model requires a new practitioner: the business diplomat, equipped with skills to navigate issues once considered exogenous to firms.

Problema de Pesquisa e Objetivo

Research Question: How can business diplomats strategically manage the capability package of the Uppsala model? Objective: To investigate the role of business diplomats in managing operational and dynamic capabilities within the Uppsala model framework. This study focuses on the capability package as state variables, which enabled the Uppsala model to consider not only internationalization processes but firm evolution in general.

Fundamentação Teórica

The study is grounded in stakeholder theory, which promotes understanding stakeholder needs and holistic decision-making beyond shareholders, and business diplomacy literature, where MNEs manage institutional contexts. These theories complement each other: stakeholder theory supports MNEs' social responsibilities, while business diplomacy provides tools for systematically influencing business and non-business counterparts to advance interests.

Discussão

Business diplomats enhance operational capabilities by managing internal affairs and embracing socio-political responsibilities like CSR and SDGs. They strengthen dynamic capabilities through multicultural mindset and networking, enabling rapid adaptation to changing environments. As business diplomacy itself is a dynamic capability, business diplomats can sense opportunities, seize them, and maintain competitiveness while managing threats

Conclusão

The post-Westphalian era demands business diplomats as essential practitioners for firms' evolution. These professionals strategically manage the Uppsala model's capability package, enhancing both operational effectiveness and dynamic adaptation. Business diplomats serve as microfoundations of firm evolution, shifting analysis from firm-level to individual-level, integrating stakeholder theory and business diplomacy concepts previously absent in the Uppsala model.

Contribuição / Impacto

This study addresses the gap in Uppsala model by formally considering practitioners' role. It alerts academics and practitioners that management must act as organizational ambassadors. The research contributes by integrating insights from allied fields, abandoning IB's inward-looking trend. It provides theoretical advancement by introducing business diplomats as core microfoundations for firm evolution, offering new perspectives on contemporary business challenges.

Referências Bibliográficas

Key references include Vahlne & Johanson (2017) on Uppsala model evolution, Saner et al. (2000) on business diplomacy management, Freeman (2010) on stakeholder theory, Henisz (2016) on corporate diplomacy as dynamic capability, Alammari & Pauleen (2022) on business diplomacy practices, Scherer & Palazzo (2011) on corporate political roles, and Teece (2007) on dynamic capabilities framework.