THE STUDY OF CONFLICT RESOLUTION AMONG VARIOUS STAKEHOLDERS DURING CROSS BORDER BUSINESS AND BUSINESS DIPLOMACY MANAGEMENT

[1]Anuradha Mohan Chitnis, [2]Anand Joshi and [3]T. Suganthalakshmi

Abstract: *Interconnectedness of business environment with socio-political scenario brings in several challenges such as multi –cultural environment, pressures from NGOs and regulatory bodies, diverse and conflicting laws between two geographies. While managing these complexities, business have to keep a closer eye on conflict that can occur.*

Human-centric nature of business makes it imperative to have sensitive, deeply –insightful approach to multiple stakeholders. Else, the business has risks such as conflict of interest, frictions and sometimes legal disputes.

Inevitable, yet consequential, conflicts can be resolved, with well crafted, deliberate, strategic interventions. Organisations can build capabilities like Business diplomacy to help resolve conflicts.

Key words: *Complexity, Stakeholders, Business diplomacy*

1. INTRODUCTION

Global companies, by their sheer size and the resources are at times comparable to some of the nations. In the New Age business environment, these big global companies are therefore, looked not just as source of economic resources but also as 'Corporate Citizens'. By that, these global companies also play greater role in contributing to global peace.

Business leaders of the global companies have to demonstrate ethical leadership, proactively contribute to sustainability of the planet, and manage diverse culture work places.

The new geographies, can add challenges such as socio-political uncertainty, culture clashes, risk pressure group, stiff competition by regional cartels. This reality makes it imperative to global companies to carefully strategise their conflict – management policies and practices.

[1] Associate Professor, Welingkar Institute of Management , Bangalore campus, *E-mail – anuradha.mahesh@welingkar.org*

[2] Vice Chancellor, CMR University, Bangalore, *E-mail – vc@cmr.ac.in*

[3] Assistant Professor, School of Management, Anna University, Coimbatore, *E-mail - sugi1971@rediffmail.com*

This research paper takes a look at the conflict resolution among various stakeholders during cross border business through Business Diplomacy management.

2. LITERATURE REVIEW

2.1. Stakeholders Management

[**Freeman, R. E. (1998), "***Stakeholder theory" ,The Blackwell Encyclopaedic Dictionary of Business Ethics. Malden MA/Oxford : Blackwell Publishers];* The usage of term 'stakeholders' had appeared in an internal memorandum at the Stanford Research Institute way back in 1963. Researchers at the Institute postulated that instead of an exclusive focus on the shareholders, corporations were also responsible for a wider range of entities and interest groups ,' without whose support the corporations would cease to exist'.

[**Freeman R. E., 1984***, "Strategic Management : A Stakeholders Approach", Marshfield MA : Pittman Publishing];* From the point of view of definition, one of the widely accepted definition is , as 'Any group or individual who can affect by the achievement of the firm's objectives'

[**Jones T.M. and Wicks***, A. C. (1999), "Convergent Stakeholders Theory". Academy of Management Review, 24(2), pp 206-221];* The interest of all stakeholders have intrinsic values and no set of interest is assumed to dominate the others.

2.2. Conflict in Business

[**Drucker; 2009**]Alliances of all kinds are becoming increasingly common, especially in International businesses: joint ventures,minority holdings [particularly cross-holdings in which each partner owns the same percentage of the other]; research and marketing compacts, cross –licensing and exchange –of-knowledge agreements; syndicates and so on.

Although stakeholders management is critical corporate agenda, in reality sustaining these relations are mammoth challenge. Socio – political cultures, diverse and complex regulatory framework, bureaucratic policies and processes, all can create major barriers to manage relations with stakeholders.

However, the success or failure of the corporate will be based on how tactfully they balance these complexities and multiple player by creating meaningful dialog and resolving conflicts.

Global companies doing business in emerging economies face peculiar reality. As on many instances, Global companies have multiple relations with local government of emerging economies. While on one hand local government can be a key client on the other hand it will be regulatory body as well.

Particularly in situation like this having well balanced relations and effective conflict handling becomes essential for sustenance.

In global context, the multiplicity of actors poses possibility of conflict, internally as well as externally. Changing socio-political scenario, eco-political linkages, ambiguity in legal framework in many countries, human –centric nature of business, all these factors form basis for conflicts.

Improper handling of conflict can damage corporate reputation and create tangible losses in terms of drop in share prices, pressure from investors, and in many cases legal fine and financial losses.

Many management expert argue that the reputation damage due to occurrence of conflict , perhaps is the most damaging effect that corporation can face. Besides, conflict can create an ambience of mistrust among various stakeholders, low – morale among the employees and bring legal action towards corporate.

(Rowley & Moldoveanu, 2003); Analysis the environment , assessing the possible risks for business, ability to create carefully crafted responses to address underlined key issues in conflict are highly required qualities in Business Leaders and C –suite managers. MNCs operating in various countries that have varied business environment and varying development standards, have to face constant challenge of managing relations internally as well as externally by resolving conflicts. First, because stakeholder interests can be either complementary or conflicting, not every stakeholder group is equally satisfied with every firm policy. Also, because stakeholder interests can be either complementary or conflicting, not every stakeholder group is equally satisfied with every firm policy. Except in the possible case of perfect equality, any distribution of value across stakeholder groups is likely to produce a division between the most favoured stakeholder(s) and other groups. Because stakeholder groups act, at least in part, to safeguard their interests, inequities are likely to be an ongoing impetus for change.

[Jeff Swartz, 2010, How I did it, Timberland's CEO on standing Up to 65,000 angry activists, Harvard Business Review South Asia, September 2010] One of the much discussed case of conflict is, oil company Shell's decision to enter North Sea. Although it was good move, based on the scientific knowledge, the move eventually attracted flak from environmental protest groups. Shell company, once again got caught into trouble due to conflict between Nigerian government and Ogoni tribesmen in the Niger Delta. The situation aroused due to company's inability to create relations with Ogoni tribesmen. In another incident , Greenpeace pressurised Timberland to pull out of Brasil, with an aggressive campaign that accused Timberland of supporting slave labour and engaging in environmentally risky practices. Nearly 65000 activists created an assertive campaign accusing Timberland for Destroying Amazon rain forest.

While it's true that sometime, conflict may give an opportunity to bring in necessary changes or act as catalyst for organisational changes or improvement, *it is still matter of high risks. Any organisation that aims to be successful in* today's globalisation era, must have highly effective conflict resolutions approach.

2.3. Business Diplomacy

[Saner and Yiu, 2005] "Business diplomacy pertains to the management of interfaces between global company and it's multiple non-business counterparts[such as ngos, govt's, political parties, media and other representatives of civil societies] and external constituencies." It differs from commercial diplomacy which is focussed on the continuation ke and structural cohesion where business diplomacy is focussed on the relationship with the Govt and with other non business stakeholders to be conducive to subsidiaries and to reduce uncertainties and risks.

The power or need of business diplomacy is at it best when there is disagreement or conflict with non-business counterparts; it gives the possibility for solutions by recognising and valuing differences [London ,1999] . There are also factors that are intervening with business diplomacy.

Muldoon [2005] Muldoon stresses terms such as "corporate citizenship' and 'corporate social responsibility". The success of a company depends also on its a capability to commit to a variety of stakeholders on social and environmental concerns.

Global companies facing multitudes of business and non –business stakeholders require strategies and skills that of Business Diplomacy to manage growth and reputation. In this context, Business Diplomacy pertains to the management of interfaces between the global company and its multiple non-business counterparts (such as NGOs, Governments, political parties, media and other representative of civil societies) and external constituencies.

[Saner R., Yiu L., Sondergaard M., (2005), *Swiss Executive as Business Diplomats in New Europe : Evidence from Swiss Pharmaceutical and Agro-Industrial Global companies", Organisational Dynamics, Vol. 34, No.3];* Some of the organisational decisions on the stakeholder management have been influenced by Corporate Political strategies (CPS) or Strategic Political management (CPM). Corporate Political strategies are also aimed at influencing public policy makers in order to shape a favourable business environment for the firm.

[Baron, (1997); Hillman, (2003); Hillman *et al.***, 1999; Kiem & Baysinger, 1998];** Strategic Political Management, on the other hand, "SPM refers to the set of strategic actions that are planned and enacted by firm's for purposes of maximising economic return from the political environment".

[Oliver and Holzinger, 2008,] In cntrast, Business Diplomacy is concerned with the creation of long term, positive relationships with foreign government representatives and non –governmental stakeholders (economic and non – economic) in order to create legitimacy in a foreign business environment.

[John D. Moore, Kathleen Sulivan (2011), *Business ,Diplomacy and Frontier Markets , Best practice for business leaders , Reflections from Practice , The Fletcher School, Tufts University, March 2011];* Business Diplomacy management therefore takes long term approach to resolves conflicts that can arise due to political lobbying, regional cartels and pressure groups. As such it is the human relationships that must be built and relied upon to move interests forward. Given the ambiguity inherent in human relations, constant and consist engagement by business executives with government counterparts is needed. Thus diplomacy, which deals with and often thrives upon ambiguity, is a source of learning for business leaders.

3. PROBLEM STATEMENT

Corporations have relationships with many constituent groups that affect and are affected by its decisions. Those relationships affect corporate processes and outcomes. Every stakeholder interests have to be managed effectively; without having any set assumptions on the domination of one group on another. Stakeholders management is critical corporate agenda, in reality sustaining these relations are mammoth challenge. This research paper takes a look at the conflict resolution among various stakeholders during cross border business through Business Diplomacy management.

3.2. Objectives of the Study

The main objectives of the study are:

1. To identify the current challenges that cause conflict for corporations in handling cross border conflict

2. To evaluate business diplomacy as an effective tool in managing cross border conflict among various stakeholders

3. To identify if companies have enough training programmes to implement BDM during conflict resolution

For the research purpose, the questionnaire method and the interview method has been adopted to perform the analysis. Secondary data collection was done through literature review, online data collection, web based articles, analysed surveys and stakeholder management reports of various companies. A sample size of 90 companies were taken to do the research. Questionnaire was structured with closed ended questions to bring in objectivity into the research. The questionnaire was broken down into generic questions on conflict resolution in stakeholder management and questions pertaining to Indian MNCs.

3.3. Tools used for analysis: Pie charts, histograms, descriptive statistics like mean, standard deviation, skewness, kurtosis and chi square analysis was used to analyse the data collected from primary research

4. ANALYSIS AND INTERPRETATION

Table 4.1
Diplomatic Relations as a Major Business Factor in Determining Cross Border Business

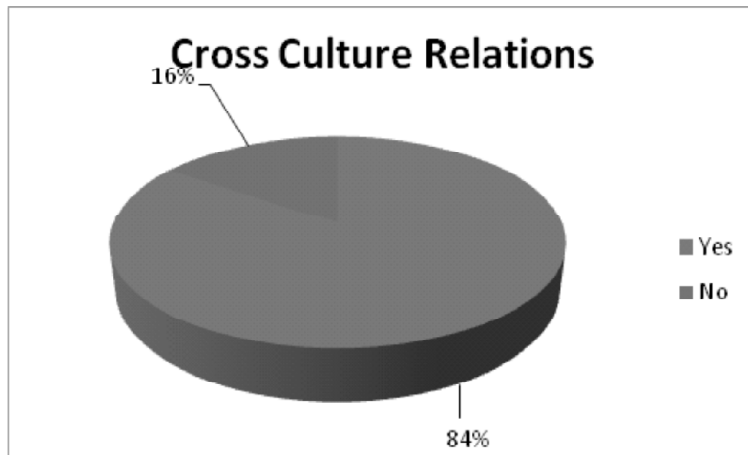|	*Frequency*	*Percent (%)*
Yes	56	62.2
No	32	35.6
Total	88	97.8
Missing	2	2.2
Total	90	100.0
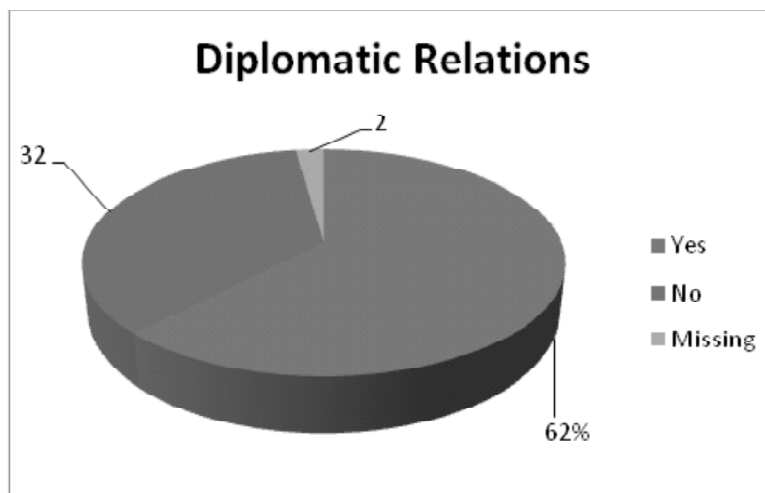
Graph 4.1a depicting table 4.1

62.2 % of respondents (56) agree that the global business is challenging due to complexities of business factor like diplomatic relations and 35.6% of respondents (32) disagree with the same.

Table 4.2
Depicting Cross Culture Relations as a Conflict Factor

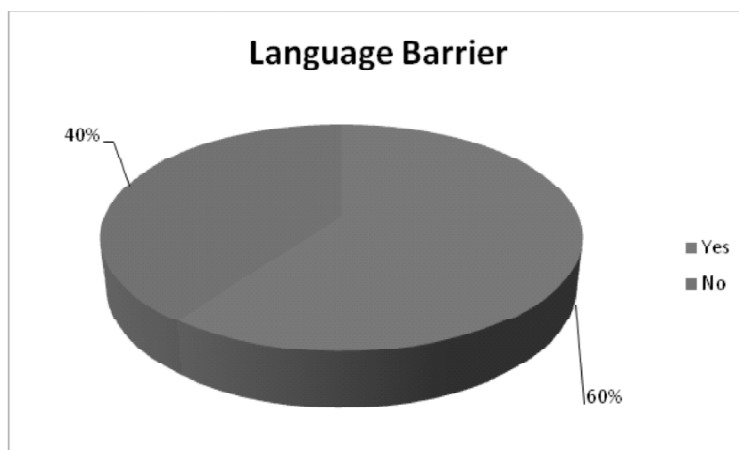|	*Frequency*	*Percent (%)*
Yes	76	84.4
No	14	15.6
Total	90	100.0

Graph 4.2a depicting Table 4.2

The given table shows that 84.4% of respondents (76) agree that the global business is challenging due to complexities of business factor like cross culture relations and 15.6% of respondents (14) disagree with the same.

Table 4.3
Depicting Language Barrier as a Major Business Factor in Determining Cross Border Business Stkeholders Relations

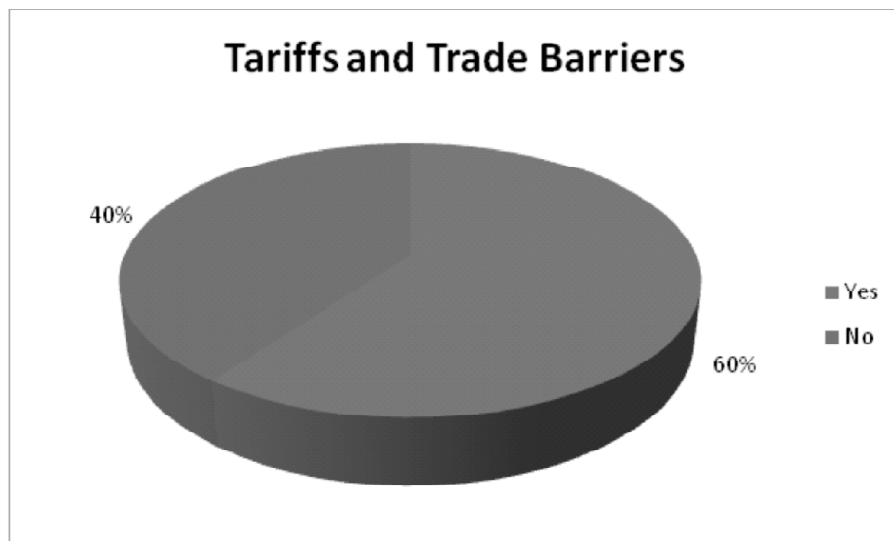|	*Frequency*	*Percent (%)*
Yes	54	60.0
No	36	40.0
Total	90	100.0

Graph 4.3a depicting table 4.3

Source: Primary data 2013

60% of respondents (54) agree that the global business is challenging due to complexities of business factor like language barrier and 40% of respondents (36) disagree with the same.

Table 4.4
Depicting Tariffs and Trade Barriers as a Major Factor in Conflict in Cross Border Business

	Frequency	Percent (%)
Yes	54	60.0
No	36	40.0
Total	90	100.0

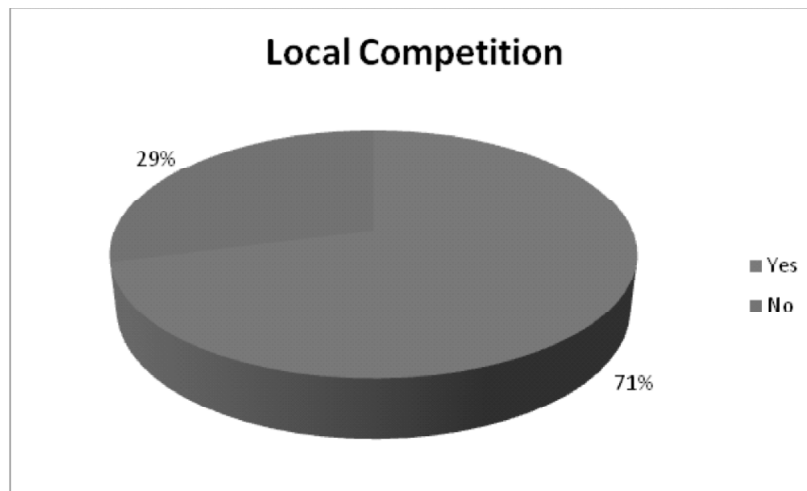**Graph 4.4a depicting table 4.4**

Source: Primary data (2013)

The above table shows that 60 % of respondents (54) agree that the global business is challenging due to complexities of business factor like Tariffs and Trade Barriers and 40% of respondents (36) disagree with the same. Trade blocks and associations like OECD have influence in bringing new tariffs and trade policies. The bodies like OECD also have influence on Goverments.

Changes in trade policies and tariffs can create conflict for organisations . For instance, the investors may not prefer business expansion in country which they view as not so encouraging for the business.

Table 4.5
Depicting Local Competition as a Major Factor of Conflict in Cross Border Business

	Frequency	*Percent (%)*
Yes	64	71.1
No	26	28.9
Total	90	100.0

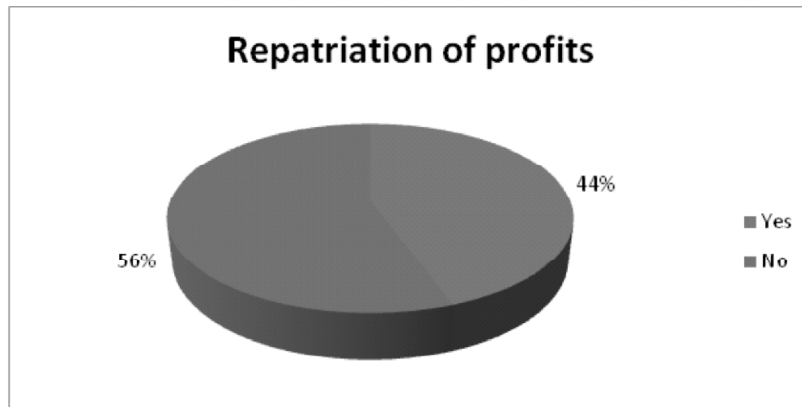**Graph 4.5a depicting table 4.5**

Source: Primary data 2013

71.1% of respondents (64) agree that the global business is challenging due to complexities of business factor like local competition and 28.9% of respondents (26) disagree with the same.

Global companies have to strive with companies with home country advantage. In the industry like Pharmaceuticals, there are prominent regional companies who also influence Government policies and regulations.

Power plays, lobbying with trade bodies, industry association are some of the ways in which local companies can create conflict with global companies. Sometimes local companies also lobby with their governments in creating laws and regulations that will curtail growth of global company's expansion plans.

Table 4.6
Depicting Repatriation of Profits as a Major Factor of Conflict in Cross Border Business

	Frequency	*Percent (%)*
Yes	40	44.4
No	50	55.6
Total	90	100.0

Graph 4.6a depicting Table 4.6

Source: Primary data (2013)

44.4% of respondents (40) agree that the global business is challenging due to complexities of business factor like repatriation of profits and 55.6% of respondents (50) disagree with the same.

Table 4.7
Depicting Local Labour Law as a Major Factor of Conflict in Cross Border Business

	Frequency	*Percent (%)*
Yes	75	83.3
No	12	13.3
Missing	3	3.3
Total	90	100.0

Graph 4.7a depicting Table 4.7
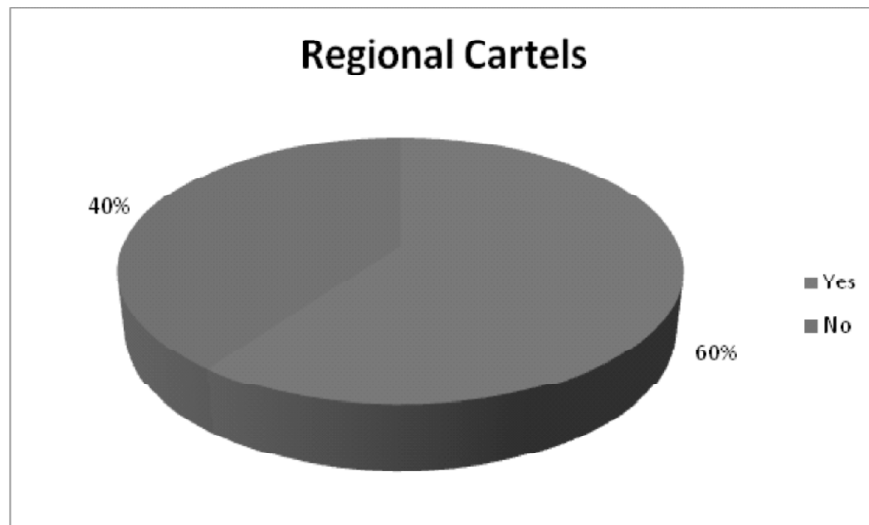
Source: Primary Data 2013

83.3% of respondents (75) agree that the global business is challenging due to complexities of business factor like local labour law and 13.3% of respondents (12) disagree with the same.

Employees are the backbone of the organisation and in today's business environment acquiring talent is an important agenda. Many mergers and acquisitions are happening in order to acquire large pools of talent.

Employees being major stakeholders, therefore building strong, ethical and mutually beneficial relations with employees are critical for business. In emerging economies, trade unions are active and can influence local trade bodies. Governments in many countries are the final authority body that controls labour laws and labour related issues. Rigid frameworks, ambiguity in employee policies, differences in practices, compensations and benefit gaps , can be major cause of conflict.

Table 4.8
Depicting that the Regional Cartels are a Major Factor of Confict in Cross Border Business Diplomatic Relations

	Frequency	*Percent (%)*
Yes	54	60.0
No	36	40.0
Total	90	100.0

Graph 4.8a depicting Table 4.8

Source: Primary data 2013

In emerging economies, Cartels can be extreme challenge and often cause of conflicts. For example, Russia is known for having a large number of privatised firms controlled by oligarchs, who until recently had preferred to be "left alone" and mind their own business. However, the government in the early 2000s expressed a strong interest in reasserting its control of the strategically crucial energy sector. [Yuan Li, Peng, Macaulay; 2013, Market –political ambidexterity during institutional transitions, Strategic Organisation, 11[2] 205-213, Sage Publication].

Regional cartels, almost always invisible, more often are have historical and cultural roots. These regional cartels have great influence on beliefs and biases, as well as mutual trust and respects.

Table 4.9
Depicting that Companies have Clear Guidelines for Top Executives or Direct Representatives on how to Interact with Foreign Government Representatives

	Frequency	*Percent*
Strongly disagree	0	0.0
Disagree	16	17.8
Neither	33	36.7
Agree	32	35.6
Strongly agree	9	10.0
Total	90	100.0

Statistical Table 4.9b describing table 4.9

Descriptive Statistics	
Mean	3.38
Median	3.00
Mode	3
Std. Deviation	.894
Variance	.800
Skewness	.040
Std. Error of Skewness	.254
Kurtosis	-.745

Government relations are highly influential factor in success of global companies. For at least three reasons, governments have continued to assert their importance. First, in many countries markets are strongly supported by Governments, Second, in emerging economies such as BRIC countries local government has extremely influential role in policies relating to commerce and

trade. Moreover, in many countries Government is final authority to approve business tie –ups, Foreign Investments and allocation of resources.

According to the Table, the value of the variate for which the frequency is maximum (33) is which represents 'Neutral. Most respondents are "Neutral" that the Company has clear guidelines for top executives or direct representatives on how to interact with Foreign Government Representatives. However the responses show a positive skewness and a very low kurtosis (Leptokurt) compared to normal distribution. This shows that the data is widely spread out across the normal distribution.

Table 4.10
Depicting that Companies have Enough Policies on Conflict Resolution in International Affairs

	Frequency	Percent
Disagree	12	13.3
Neither	21	23.3
Agree	44	48.9
Strongly agree	13	14.4
Total	90	100.0

Statistical Table 4.10b describing table 4.10

Descriptive Statistics	
Mean	3.64
Median	4.00
Mode	4
Std. Deviation	.891
Variance	.794
Skewness	-.400
Std. Error of Skewness	.254
Kurtosis	-.508
Std. Error of Kurtosis	.503

According to the Table, the value of the variate for which the frequency is maximum (44) which represents 'Agree'. Most respondents "AGREE" that the company has enough policies on conflict resolution in international affairs. However the responses show a negative skewness and a very low kurtosis (Leptokurt) compared to normal distribution. This shows that the data is widely spread out across the normal distribution.

Table 4.11
Depicting that Companies Conducts Training Programme for Top Level Executives on Conflict Resolution in International Affairs

	Frequency	*Percent*
Strongly disagree	0	0.0
Disagree	36	40.0
Neither	36	40.0
Agree	11	12.2
Strongly agree	7	7.8
Total	90	100.0

Statistical Table 4.11b describing Table 4.11

Descriptive Statistics	
Mean	2.88
Median	3.00
Mode	2[a]
Std. Deviation	.910
Variance	.828
Skewness	.888
Std. Error of Skewness	.254
Kurtosis	.069
Std. Error of Kurtosis	.503

According to the Table, the value of the variate for which the frequency is maximum (36) which represents 'Disagree & Neutral'. Most respondents "Disagree & Neutral" that the company conducts training Programme for top level executives on conflict resolution in international affairs. However the responses show a positive skewness and a very low kurtosis (Leptokurt) compared to normal distribution. This shows that the data is widely spread out across the normal distribution.

5. IMPACT OF CONFLICT ON BUSINESS

5.1. Table Indicating the Impact of Conflict on Business

How does conflict affect the organisation? According to this research, the biggest factor affected is loss of reputation. Globalisation has made world borderless and technologies like internet has made people live in real –time scenario. Loss of reputation is biggest cause of worry to CEOs and business heads.

[Vivian L. Lines, 2004] Corporate reputation is a major concern for CEOs globally. In Asia, it is increasingly being managed strategically at the highest corporate levels. Stakeholder audiences influencing corporate reputation include customers, employees, shareholders, regulators, the financial community, company management and the media.

Table 4.12
Showing the Correlation Matrix Showing Pearsons Correlation Coefficient between Different Business Factors Challenging Global Business

		Diplomatic Relations	Cross Culture Relations	Language Barrier	Tariffs and Trade Barriers	Local Competition	Repatriation of profits	Local Taxation	Local Labor Law	Regional Cartels	Factional Groups
Diplomatic Relations	Pearson Correlation	1	.317**	.092	.447**	.339**	.390**	-.077	-.106	.332**	.246*
	Sig. (2-tailed)		.003	.395	.000	.001	.000	.474	.335	.002	.021
Cross Culture Relations	Pearson Correlation	.317**	1	.088	.266*	.200	-.014	.142	-.175	.025	.137
	Sig. (2-tailed)	.003		.412	.011	.059	.898	.181	.105	.815	.198
Language Barrier	Pearson Correlation	.092	.088	1	.408**	-.020	.046	-.157	.090	-.111	.000
	Sig. (2-tailed)	.395	.412		.000	.851	.669	.140	.410	.297	1.000
Tariffs and Trade Barriers	Pearson Correlation	.447**	.266*	.408**	1	.114	.075	-.151	-.136	-.272**	.000
	Sig. (2-tailed)	.000	.011	.000		.283	.485	.155	.210	.009	1.000
Local Competition	Pearson Correlation	.339**	.200	-.020	.114	1	.170	.211*	.176	.430**	.373**
	Sig. (2-tailed)	.001	.059	.851	.283		.109	.046	.103	.000	.000
Repatriation of profits	Pearson Correlation	.390**	-.014	.046	.075	.170	1	.226*	.032	.320**	.485**
	Sig. (2-tailed)	.000	.898	.669	.485	.109		.032	.767	.002	.000
Local Taxation	Pearson Correlation	-.077	.142	-.157	-.151	.211*	.226*	1	.125	-.014	.336**
	Sig. (2-tailed)	.474	.181	.140	.155	.046	.032		.250	.894	.001
Local Labor Law	Pearson Correlation	-.106	-.175	.090	-.136	.176	.032	.125	1	.070	.344**
	Sig. (2-tailed)	.335	.105	.410	.210	.103	.767	.250		.519	.001
Regional Cartels	Pearson Correlation	.332**	.025	-.111	-.272**	.430**	.320**	-.014	.070	1	.365**
	Sig. (2-tailed)	.002	.815	.297	.009	.000	.002	.894	.519		.000
Factional Groups	Pearson Correlation	.246*	.137	.000	.000	.373**	.485**	.336**	.344**	.365**	1
	Sig. (2-tailed)	.021	.198	1.000	1.000	.000	.000	.001	.001	.000	

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

According to 2003 fifth annual Corporate Reputation Watch, a study sponsored by global communication company Hill and Knowlton, the survey reveals that C-suite executives see corporate reputation as increasingly important to the achievement of business objectives.

Conflicts affect the company's share value in global economies. This is matter of great concern for C-suit executives. To handle disgruntled investors company face great risks.

The research also shows that company also face challenge of paying heavy penalties and fines leading to financial losses.

In cases, where the conflict becomes legal dispute there is always risks of financial costs and or losses. To illustrate this point is case of Tata Motors

when faced conflict in West Bengal, had to borne the brunt of heavy financial losses.
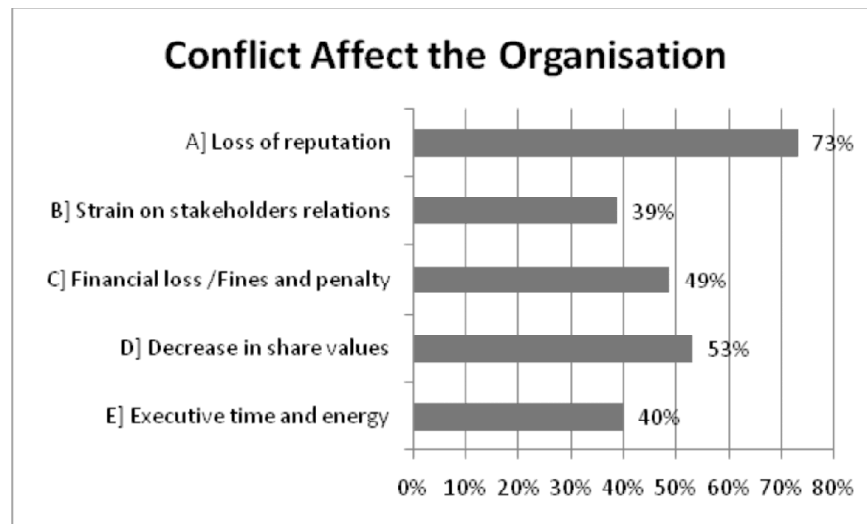
Another major impact on the business due to conflicts is loss of executive time and energy. Business heads and CEOs are under heavy scrutiny for their leadership styles and decision making abilities. With heavy competition in the global business environment, CEOs and Business Heads have extremely crucial agenda of organisational growth. Handling of conflict can therefore drain the executive time and energies.

The cases like Shells conflict with Ogoni tribes, indicates that the conflict leading to strained stakeholders relationships take immense beating in their credibility as an organisation.

In the era where Corporate governance is in the spotlight, for the corporate loss in their credibility can cause long term damages.

SKILLS FOR CONFLICT RESOLUTIONS

The research further, goes to study the skills required to resolve the conflicts. The study indicates that the important factor in resolving the conflict knowledge of the cross-cultural scenario.

Conflict Affect the Organisation

Category	Percentage
A] Loss of reputation	73%
B] Strain on stakeholders relations	39%
C] Financial loss /Fines and penalty	49%
D] Decrease in share values	53%
E] Executive time and energy	40%

Since the culture of the country has deep impact on the belief systems, leadership styles, customs and traditions, deep knowledge of the cultural nuances is necessary to evaluate the conflict and then device plan to resolve it.

Cross cultural context also has deeper link in managing employees and especially labour management. As most of the internal dialog and communication

with employees are deeply rooted in cultural context, knowledge of culture becomes very integral skill for resolving conflicts.

CEOs and Business heads need to have understanding of cultural scenario in order to design and execute communication plan.

Ethical negotiation skill is ranked as second most important skill for conflict resolution. While establishing the relations with foreign government representatives, corporate need very high level of negotiation skill. Constant changes in economic conditions, global supply chain issues, new rules and policies created by trade bodies may create conflict in interest, Business heads and CEOs hence need very high negotiation skills based on trust and transparency.

Challenges like dealing with regional cartels, need very deep and effective negotiation skills based on ethics and trust.

Issues like trade barriers and relations with foreign governments, require in-depth knowledge of socio –economic links of the country of business. In emerging economies Government has good influence on the business environment, i.e. changes in political landscape deeply impact the economic policies.

In the current business scenario of merger and acquisitions, managing different interest groups and diverse workforce as well as local competition needs deep knowledge of international business.

New business formats like People Private partnerships and ecommerce, innovation firms, research centres and labs, joint ventures as well as Outsourcing, are fast becoming norms of business. However involvement of multiple investors as well as regulatory bodies, make it essential for the CEOs to have knowledge of international business.

Conflicts arising due to legal issues such as Patent and trademark aspects , Intellectual property rights , contracts and undertakings et al , require very deep knowledge of legal aspects of each country the organisation works in.

5. SUMMARY AND FINDINGS

- The study reveals that the cross border business has a huge responsibility to sustain relations with stakeholders.
- While managing the relations among the various stakeholders , a conflict may arise.
- The study also indicates that in the cross border business, conflict creates loss of reputation , financial losses , loss of executive time and energies , all further resulting in damage to organisational growth.
- The tabulation shows that while many organisations have clear guidelines to manage relations with Foreign Government Representatives. There is

tremendous need to train CEOs and Business Heads to execute the guidelines.

- The tabulation also throws the light upon the fact that the conflict can occur due to several challenges such as labour laws in various countries, repatriation of profits, as well as sensitive issues like Regional cartels.
- The research shows that the companies have created policies for business heads to manage conflict, however training in managing the conflict is yet to penetrate well.
- Some of the skills required for the resolving the conflict are knowledge of socio economic context, local language proficiency, negotiation skills.

6. CONCLUSION AND FUTURE RESEARCH

The research indicates that the organisations leaders agree that doing business globally is challenging, due to complexities in diplomatic relations.

Organisational leaders also agree that the cross –cultural workplace scenario can prove mighty challenge.

The study also indicated that the factors like Language barriers can be a issue while doing business globally. This is particularly interesting that in the era of digital communication, language still plays an important role. Also very fabric of corporate communication is impacted by languages.

Communication is critical component of conflict resolution and from that point as well language is an important factor.

The study also indicates issues like Trade barriers and trade barriers create complexities for business in it's growth across borders. With constant evolving treaties and trade agreements, the organisation face risk of increasing taxes and tariffs, penalties, fines. Skills like Negotiation are very crucial and today, organisations worldwide are in great need to build the capabilities within organisation.

Further the study indicates that many organisations have initiated developing policies for their higher executive and C-suit leaders to sustain relations with foreign governments and regulatory authorities. However, there is clear indication that there is need to build capabilities through training and development in the area such as managing government relations.

As indicated in the study, one of the most complex and extremely sensitive issues is that of identifying and studying regional cartels. Invisible and influencing, the regional cartels can be major risk to business and can create extremely tricky conflicts.

This one aspect requires international business acumen along with deep knowledge of socio-economic history and great analytical skill.

Skills such as Communication, negotiation, analytical skill along with business acumen can be found in well trained diplomat. Rich literature of Diplomatic training is being used by organisation to create diplomacy in business. While, in Europe many organisation have taken the retired diplomats in their organisation, organisations in emerging countries are looking at building the capability by creating function of business diplomacy within organisation.

Global companies can better implement their global strategies and preserve their reputational capital by ensuring an adequate supply of diplomatic know-how. This could be done through in house–training and development and through setting up business diplomacy management office under the direct supervision of the CEO. [Raymond Saner, Lichia Yiu and Michael Sonderguard, 2000, Business Diplomacy Management: A Core competency for global companies; Academy of Management Executive, Vol. 14, No. 1]

Since the business school play an important role in India, there is scope for management institutes to build knowledge and train business leaders. In future, study can also be done as to explore the scope of training business diplomacy in business schools.

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