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Ten reasons why corporate language policies can create more problems than they solve

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ABSTRACT
An increasing number of multilingual organisations such as multinational corporations (MNCs) choose to address linguistic diversity through corporate language policies, for example by adopting a common corporate language. Although a common corporate language may improve efficiency of communication at the front-line level, previous research has demonstrated that there are several potentially negative consequences associated with the implementation of such policies. This conceptual paper reviews the role of language policies in multilingual organisations, and identifies ten crucial language policy challenges in international business and management.

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Introduction

As the global business environment strengthens the role of language in the corporate world, firms are becoming more aware of the importance that language plays in the well-being of their organisation (Brannen & Doz, 2012; Dhir & Gökê-Pariolâ, 2002). Most multinational corporations (MNCs) will at some point be forced to take a stand on the language and communication-related issues associated with attracting a group of linguistically heterogeneous employees. A topic that has gained increasing attention from communication and international management scholars in recent years is how companies may overcome the language barrier and address linguistic diversity among employees in an effective manner. A large amount of this research deals with the development and implementation of corporate language policies, and specifically the adoption of a common corporate language, also known as the lingua franca (e.g. Feely & Harzing, 2003; Harzing, Köster, & Magner, 2011; Marschan-Piekkari, Welch, & Welch, 1999a, 1999b).

A common corporate language is often seen as a quick and easy solution to overcome language differences in multilingual organisations. By standardising the language choice for all corporate personnel, a shared language establishes a common framework for in-house communication in spite of employees’ many different language backgrounds (Linn, Sanden, & Piekkari, 2018). However, as this paper will discuss, corporate language policies are not necessarily as straightforward as they may seem. In fact, they may have
unforeseen implications and consequences, and even bring with them a whole range of unanticipated problems.

The present paper offers a review of previous research which has examined the role of corporate language policies, notably English lingua franca policies, in international business. The power of language is particularly visible when examining the many different challenges managers are faced with when trying to control the use of language in company-internal communication (Ghoshal & Bartlett, 1990). If these challenges are not taken seriously into account, they may result in severe administrative and operational problems for linguistically diverse organisations. This paper will discuss how and why language policies may result in sub-optimal outcomes by focusing on ten language policy challenges companies need to deal with – and even more importantly, how these challenges may be avoided. Let’s start with a short introduction to the concept of corporate language policies in international business.

Corporate language policies at a glance

International business operations naturally raise a number of questions related to language and cross-cultural communication. These difficulties are particularly prevalent in companies based in less populated countries where the national language is spoken by a limited number of people (Piekkari, Welch, & Welch, 2014). As multilingualism and linguistic diversity may act as a significant barrier for international business communication, it is not surprising that the ramification of these issues have been studied closely by a number of researchers, many of whom are rooted in different academic disciplines. As discussed by Sanden (2016a), the term ‘language management’ is used by researchers investigating how and under what conditions language can be managed, leading to different understandings of what the management of language actually entails. While acknowledging that ‘language management’ as a concept also may refer to the Language Management Theory (LMT), originally developed by Jernudd and Neustupný (1987; see also Fairbrother, Nekvapil, & Sloboda, 2018; Nekvapil & Sherman, 2009, 2015; Sherman & Nekvapil, 2018), and language management as a sub-concept of language policy within the work of Spolsky (2004, 2009), the present article will focus on language management within the context of the international business and management literature. Following Sanden’s (2016a, p. 533) classification, language management is here defined as a business strategy tool, i.e. ‘an instrumental process where language is seen as a variable in business and corporate management’. Within the international management perspective, the purpose of a language policy is primarily to standardise the language and communication practices of employees, based on the assumption that it will improve the overall productivity and performance of the firm (Linn et al., 2018).

In terms of international business communication, it may be useful to make a distinction between two basic modes or spheres of communication, which roughly speaking can be separated into external and internal communication. External communication is the communication that takes place between the company and the outside world, such as communication directed towards customers, investors, partners and suppliers, etc. Internal communication, on the other hand, is the communication that takes place within the corporation itself, such as the exchange of information between various units, departments, or divisions belonging to the same organisation (Bartlett &
Ghoshal, 2002). A corporate language policy will in this case refer to the general guidelines and systematic activities developed with the purpose of regulating a company’s internal modes of communication. Where external communication often leans towards the marketing side of business, internal communication is very much related to human resource management, as it deals specifically with the language skills of employees (Welch, Welch, & Piekkari, 2001).

Corporate language policies for internal communication can be defined as the deliberate control of employees’ language practices (Bergenholtz & Johnsen, 2006, p. 107). Corporate language policies usually contain an element of regulation by trying to influence linguistic behaviour (Seargeant, 2009), for example by establishing an official company language, or by explicitly stating which language or languages to use in which situations. One of the most characteristic features of a language policy is, in other words, to standardise the use of language, specifically with regard to language choice. However, the language policy format may vary from regulatory documents, as found in studies conducted by Neeley (2011, 2017) and SanAntonio (1987), to guidelines and informal instructions for improving communication practices for the company in question, as observed by Kangasharju, Piekkari, and Säntti (2010).

The vast majority of the existing literature on corporate language policies focuses on the role of English as a common corporate language (Thomas, 2008; Tietze, 2008). The attractiveness of English stems from its widespread use in global communication (Ferguson, 2012; Graddol, 2006; Nickerson, 2005). Language policies are often implemented with the purpose of establishing a shared linguistic framework for information exchange, thereby minimising the potential for misunderstandings and misinterpretations, and to avoid loss of information through a translation process. Marschan-Piekkari et al. (1999a) observe that a common corporate language facilitates formal reporting, and eases access to professional and technical literature, as well as policy and procedure documents. The presence of the common language may also have a positive impact on any informal communication that takes place between various units and cross-national teams, and even foster a sense of belonging to a global family, as a kind of soft control mechanism (Marschan-Piekkari et al., 1999a, 1999b; Piekkari & Tietze, 2012).

In a qualitative study of a French MNC that had implemented English as a lingua franca, Neeley (2013) found three main reasons why this particular company had chosen to opt for an English-only language policy; firstly, external pressure from customers, partners, suppliers, and competitors; secondly, a need to delegate tasks to a dispersed workforce; and thirdly, recent international acquisitions. These findings can be seen in relation to Thomas (2008) discussion where he argues that English language policies are often used for pragmatic reasons, such as removing linguistic barriers, although it may also be used with the goal of establishing identity, e.g. to signal belonging to an international community.

**Ten language policy challenges**

Considering the importance of efficient communication for collaboration and team performance, and especially in MNCs where employees must find a way to communicate despite their different linguistic and cultural backgrounds, there are good reasons for taking an extra look at what English lingua franca policies actually entail. The following
discussion will look into language policy problems from an international management perspective, and discuss these as language policy challenges as they have been identified in the existing international business and management literature. An overview of the ten language policy challenges and the effects of these challenges is presented in Figure 1.

**Communicative challenges**

Linguistic diversity has been called ‘[t]he most obvious international communication problem’ (Kilpatrick, 1984, p. 33). The problem is particularly prevalent in MNCs, which are likely to hire employees with different levels of competence in the common corporate language. Previous empirical studies on the use of English language policies, for example the one by Charles and Marschan-Piekkari (2002) reveal how employees with limited English skills can be a potential source of communication blockage, miscommunication and other communicative problems within the multinational network. A number of other studies demonstrate how the language barrier may lead to misunderstandings, misinterpretation and loss of rhetorical skills (see e.g. Blazejewski, 2006; Greco, Renaud, & Taquechel, 2013; Marschan, Welch, & Welch, 1997).

Differences in communication styles due to different cultural backgrounds may also cause problems in cross-border communication, as reported by Malkamäki and Herberts (2014, pp. 46–47). In this study of language practices in a Finnish firm, a native Finn reported that ‘I’ve had an Italian boss for 13 years now […] when an Italian speaks 100 words, he’s trying to say 10 words. When I as a Finn speak 10 words, I mean every single one of them’ (translated from Swedish).

Fairbrother’s (2018) study of the use of English in the Japanese subsidiaries of European MNCs offers another example of how different communication styles can be ascribed to cultural differences. Fairbrother’s findings reveal that some of the local Japanese

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*Figure 1.* Ten language policy challenges.
employees experienced the use of English as face-threatening because of unfamiliar communication norms. Even in cases of miscommunication or incorrect language use, challenging the work of one’s manager could lead to open conflict and potentially damage one’s own job security for employees at lower hierarchical levels. Both Malkamäki and Herberts (2014) and Fairbrother’s (2018) studies resonate with Hall’s (see Hall & Hall, 1990) classical model of high and low context communication and the challenges associated with communicating across the two categories.

The implementation of a corporate lingua franca may also affect the way in which employees choose to communicate with each other. Lauring and Tange (2010) and Tange and Lauring (2009) describe how the decision to implement English as a corporate language in Danish companies reduced informal interaction in the workplace, which ultimately led to more formal and task-oriented communication. A similar tendency of non-native English speakers avoiding small talk and informal communication, has been observed by Louhiala-Salminen, Charles, and Kankaanranta (2005) in two cross-border mergers of Swedish and Finnish companies. Piekkari et al. (2014, p. 235) refer to this phenomenon as the ‘silencing effect’.

Interestingly, the ‘silencing’ effect has also been observed at the senior management level, even though top managers are likely to have more advanced language skills than employees at the front-line level, due to higher educational backgrounds and international exposure (Barner-Rasmussen & Aarnio, 2011, p. 289). In particular, Piekkari, Oxelheim, and Randøy (2015, pp. 10–11) found that linguistic diversity and the introduction of English as a working language in Nordic boards led some of the board members to turn ‘silent’.

Whereas much of the literature focuses on communicative problems for non-native speakers of English, it is clear that native English speakers may also experience communicative problems resulting from an English-only language policy. Henderson (2005, p. 77), for example, notes that it is widely assumed that English speakers hold an advantage in international English-speaking teams, and some scholars use the label ‘free-rider’ for native English speakers, see e.g. Van Parijs (2009, p. 155). Yet, the wide range of English accents may cause comprehension problems for any English speaker, native as well as non-native (Hwang, 2013), and native English speakers may also have the challenge of making themselves understood by non-native English speaking colleagues (Jenkins, 2015). A related problem is that the many different English accents may be difficult to understand (e.g. Charles & Marschan-Piekkari, 2002; Ehrenreich, 2010; Śliwa & Johansson, 2014). Today, not only do studies of language in organisations describe the role of English in the internal communication of global firms, but they also often discuss the existence of multiple Englishes (Tietze, 2008, pp. 71–83; see also Kachru, 1985, 1992).

Employee performance

Several studies illustrate how language affects perceptions of oneself and others at all hierarchical levels (Charles, 2007). At the front-line level, corporate language policies may negatively affect the well-being and motivation of employees. In a study of a French MNC that had implemented English as a common corporate language, Neeley (2013) and Neeley, Hinds, and Cramton (2012) found that almost all non-native speakers of English experienced some degree of status loss, defined as the subjective experience of
decreased professional regard, irrespective of their English fluency level (Neeley, 2013, p. 476). The concept of status loss captures the dynamics of esteem and privilege in the workplace, which is associated with individual prestige, respect and influence. When comparing these findings brought forth by Neeley (2013) and Neeley et al. (2012) to previous research on the relationship between organisational performance and employees’ self-esteem, occurrence of status loss at the individual level may have a negative impact not only on individual employee performance but also on the productivity of the firm. In particular, Pierce and Gardner (2004) observe that individuals with high self-esteem are likely to have stronger self-efficacy than those with low self-esteem, which under almost all conditions will contribute to a higher level of performance (see also Bandura, 1997).

In addition, studies conducted by Lüdi (2016) and Lüdi, Meier, Kohler, and Yanaprasart (2016) in multilingual workplaces in Switzerland demonstrate that English-only policies can negatively affect performance and work quality. Some respondents in these studies were heavily criticising the company’s exclusive use of English and expressed concern for the effect of the language policy on creativity and innovation in the organisation, for example by stating that ‘[a] lot of ideas really do get lost if you simply opt for English’ (Lüdi et al., 2016, p. 68). This argument is emphasised further by Lüdi (2016, p. 77) who states that ‘[t]he price of an ‘English-only’ strategy is very high, including a possible lack of creativity, loss of information, the malaise resulting from not being able to use one’s own language’.

Language and communication skills are also important for managers and employees seeking promotion into management positions. A leader’s ability to be viewed as a leader, i.e. leader emergence, has been coupled with their quality of communication (Paunova, 2015), in particular in virtual teams (Balthazard, Waldman, & Warren, 2009). Hence, the ability to fulfil key criteria of successful communication – identified by Louhiala-Salminen and Kankaanranta (2010) as clarity, directness, and politeness – is essential not only in order to maintain communicative competence but also to develop leadership credibility. A corporate language policy will by default set the standard for successful communication in a multilingual business environment.

These empirical studies demonstrate that language policies not only affect employees as part of their everyday work life, but also at a personal level. If non-native speakers of the corporate language become cognitively depleted (Volk, Köhler, & Pudelko, 2014) or frustrated because of their language situation on a daily basis, their frustration is likely to result in lower employee satisfaction, which again is related to lower performance levels (Charles, 2007). Ultimately, employees who feel dissatisfied with the language regime of their workplace may choose to terminate their employment, which could lead to costly recruitment processes for the company in question. This phenomenon has been observed by e.g. Vaara, Tienari, Piekkiari, and Säntti (2005) in the Nordic financial service company MeritaNordbanken (now Nordea) following the company’s implementation of Swedish as the common corporate language, and in Neeley’s (2017) study of the Japanese online retailer Rakuten, after having implemented English as their common corporate language. In the latter example, 36% of engineers in Rakuten responded that they had high intentions to leave the company shortly after the language policy had been announced (Neeley, 2017, p. 39).
**Collaboration and group dynamics**

A number of authors emphasise the importance of language as a determinant for the establishment of relationships and successful collaboration with subordinates and other colleagues (Boies, Fiset, & Gill, 2015; Chen, Geluykens, & Choi, 2006; Govindarajan & Gupta, 2001; Hinds, Neeley, & Cramton, 2014; Kramer & Crespy, 2011). The pioneering case study conducted by Marschan-Piekkari et al. (1999a, 1999b) in a Finnish MNC, Kone Elevators, illustrates that language policies may affect collaboration among employees to the extent that they interfere with the company’s operational processes. This particular study of English as a common corporate language revealed that a new organisational structure appeared on the basis of individual language skills, because employees grouped together with other speakers of their native language. Consequently, a new ‘shadow structure’ emerged from the various language clusters. The existence of the shadow structure demonstrates the power of language as a glue so strong that it connects employees in a way which not only influences the internal communicative environment, but actually challenges the functioning of the official organisational structure, thereby threatening the management’s ability to control the company’s activities.

Language has also been found to act as an effective mechanism of discrimination, i.e. by discriminating employees with inadequate language skills (Charles & Marschan-Piekkari, 2002; Fairbrother, 2018; Zander, Mockaitis, & Harzing, 2011). In a large multinational enterprise, proficiency in the corporate language is likely to vary, and many employees may not have any experience with the chosen language at all (Feely & Harzing, 2003; Neeley, 2017). As argued by Bourdieu (1991), language is an object of social inclusion and exclusion which may determine to what extent members are involved in communication, or excluded from it. Also Harzing and Feely’s (2008) discuss that language can be seen as a symbol of in-and-out groups which creates and maintains group boundaries.

Ehrenreich (2010), Neeley (2013), Neeley et al. (2012), and Sanden and Lønsmann (2018) reveal how non-native speakers of English may choose different coping strategies when encountering native speakers of English. In Ehrenreich’s study of a German technology company, all interviewees reported that they had acquired a large repertoire of techniques in the course of their international careers, such as comprehension checks, asking for clarification and repetition, etc. In Neeley/Neeley et al.’s and Sanden and Lønsmann’s study, coping strategies also included avoiding native English-speaking colleagues. Although the adoption of a common corporate language was intended to create a shared linguistic arena for all employees, the result of the language policy was in some cases quite the opposite (cf. Piekkari & Zander, 2005, p. 7).

**Reallocation of power**

A corporate language policy that favours one language over all others implies that native or high-proficiency speakers of the corporate language find themselves in a more fortunate position than those without the same language skills (Neeley & Dumas, 2016). Marschan et al. (1997; see also Charles & Marschan-Piekkari, 2002) found that language-competent employees, such as expatriates or bilingual employees, may take the opportunity to gain more influence than they would have had under normal circumstances. These individuals are labelled ‘gatekeepers’ by Marschan et al. (1997, p. 596), as they have the power to filter,
distort and block information, possibly in a negative, counter-productive way, if they wish to do so, or vice versa – in a positive way – to their advantage.

For employees with little or no knowledge of the corporate language, a lingua franca policy may prevent access to important information (Fredriksson, Barner-Rasmussen, & Piekkari, 2006, p. 410; Tietze, Cohen, & Musson, 2003, p. 103). Locally employed staff at foreign subsidiaries will for example have great difficulties assessing whether or not their bilingual manager presents them with correct and accurate information if they are unable to speak the language of communication between the headquarters and the subsidiary (see e.g. Søderberg’s, 2012, study of communication between a Danish wind turbine producer and the company’s Indian R&D hub). This may be further complicated if the subsidiary manager engages in gatekeeping activities, which was found in Logemann and Piekkari’s (2015) case study of a European manufacturing company. Here, Logemann and Piekkari found that one subsidiary manager self-translated headquarter information (from the group president) with the result that he ‘disconnected his local organization from the rest of ENOQ [case]. He thereby attempted to reclaim power over meanings from headquarters and to resist the increased degree of centralization and standardization.’

Another disadvantage associated with adopting a corporate language is that it may negatively affect the organisation’s ability to retain talented individuals without the necessary language competencies. Piekkari, Vaara, Tienari, and Säntti (2005) discuss how the corporate language may act as a glass ceiling where promising employees are prevented from advancing in the organisation. In companies where lingua franca policies are practised to the strictest degree, career paths can be seen as language-dependent, as argued by Piekkari et al. (2005, pp. 339–341; see also Piekkari, 2008). This could lead to feelings of job insecurity for the employees in question (Roskies & Louis-Guerin, 1990).

Interestingly, previous studies have found that non-native speakers of a corporate language may perceive native speakers as dominant, or accuse them of trying to assume power even when this is not the case (Henderson, 2005, pp. 77–78). Vaara et al. (2005) and Piekkari et al. (2005) examined the human resource implications following the controversial decision to implement Swedish as a common corporate language in Merita-Nordbanken, a merger of the Finnish Merita Bank and the Swedish Nordbanken. Vaara et al. (2005) describe how Swedish-speaking Finns were regarded as privileged by non-Swedish speaking Finns, and even sometimes blamed for the problems arising from the Swedish language policy. Based on these behavioural patterns, Vaara et al. (2005; see also Vaara & Tienari, 2003) draw a parallel to the historical post-colonial relationship between Finland and Sweden, where the language regulation in this particular cross-border merger appeared to feed into previous conceptions of Swedish superiority and Finnish inferiority. This finding demonstrates that a corporate language policy may influence an organisation’s power structure irrespective of whether the power to act is realised or latent (see also Blazejewski, 2006, pp. 86–88; Janssens, Lambert, & Steyaert, 2004).

**De facto vs. de jure language policies**

Several previous studies have found that the official language policy may be undermined by the language practices of employees. This was one of the key findings of McEntee-
Atalianis (2006) study of language policy, planning and practice in the International Maritime Organisation (IMO), a specialised agency of the UN. Although IMO officially claimed to use six official languages and three working languages, McEntee-Atalianis found that English functioned as the main tool of communication at the lower hierarchical levels of the organisation. Similar tendencies in other international and supranational organisations has lead Phillipson (2008) to coin the term ‘lingua frankensteinia’, which refers to the threat that English as a lingua franca represent to linguistic diversity.

Previous research has also discovered that the official decision to use one language for company-wide operations and activities may be undermined by the convenience of using the local language if there is a mismatch between the two. Sanden and Lønsmann’s (2018) study investigated front-line employees’ language practices in three Scandinavian MNCs that had implemented English language policies. Their findings showed that the companies’ monolingual language policies did not reflect the multilingual complexity faced by front-line employees. Hence, Sanden and Lønsmann (2018) introduced the term ‘discretionary power’ to describe how employees may choose to divert from using English as a common corporate language: ‘The concept of discretionary power predicts that front-line employees are likely to use their discretion when policies are incompatible with everyday demands of the job’ (Sanden & Lønsmann, 2018, p. 127).

Fredriksson et al.’s (2006) study of the multinational engineering and electronics company Siemens found that the common corporate language is not always as common as the term suggests. Based on interviews with Finnish and German employees in the company, Fredriksson et al. (2006) observed how informants’ geographical location, hierarchical position and mother tongue affected how they perceived the two corporate languages English and German. Furthermore, informants in Siemens were unable to locate the exact time of the language policy decision, while some questioned whether it had ever been made at all. This led to a range of different interpretations and expectations in the company of what English as a corporate language actually meant.

However, it is not that unusual for companies to implement English language policies without formal decision making processes. Sanden and Kankaanranta (2018) refer to such policies as ‘non-formalised language policies’ in their study of three MNCs headquartered in Denmark and Finland. The three case companies included in this study all used English as a common corporate language without ever having made the decision to do so. Sanden and Kankaanranta (2018, p. 13) observe that ‘non-formalised English language policies primarily occur as a consequence of employees’ established language practices rather than a policy developed with the purpose of establishing what the language practices of the employees should be’. Also Ehrenreich (2010), Cogo and Yanaprasart (2018), Lønsmann and Piekkari (2015), Louhiala-Salminen and Kankaanranta (2012), and Millar, Cifuentes, and Jensen (2013) provide examples of companies that use English as a default language without having implemented it by means of an official language policy. Although non-formalised language policies open up for flexibility in terms of language choice, it may also leave employees without a common reference point, which according to Sanden and Kankaanranta (2018), may result in confusion and conflict among employees.

On the other side of the spectrum, Tange (2008, 2009) researched professional language workers, i.e. employees with an educational background in language or communication (Tange, 2009, p. 131), in the Danish MNC Grundfos, a company with a very
comprehensive and detailed language policy. In this study, Tange found that respondents in Grundfos tended to over-emphasise the importance of the company’s language policy. In line with the previous studies mentioned above, Tange (2008, p. 156) argues that there is a discrepancy between language workers’ commitment to the language policy and how employees in the organisation perceived the relevance of the language policy as part of their everyday job.

**Language policies not aligned with the overall business plan**

A number of scholars advocate the strategic importance of adequate language management for the success of international operations. Marschan et al. (1997, p. 596) argue that ‘[t]he ultimate objective is to develop a fit between a company’s language profile and its strategies’, which is why ‘language needs to be considered a key element in the management of a multinational’. In line with this view, Janssens et al. (2004) state that language strategies must be seen as core organisational issues, and Fredriksson et al. (2006) and Van den Born and Peltokorpi (2010) argue that corporate decision makers must align the language policy with the strategic plan of the organisation and include issues of language and communication in the general business strategy.

Luo and Shenkar (2006; building on Bartlett & Ghoshal, 1989) provide some general guidelines to how this might be done, while emphasising that the language strategy should follow the internationalisation strategy of the firm in its choice of approach of foreign markets. If the MNC parent operates according to a multidomestic (in Bartlett and Ghoshal’s terminology ‘multinational’) strategy which emphasises responsiveness to local requirements and competition within each country, the use of the local language may foster a firmer connection with the local market and improve managerial efficiency. The adoption of one common corporate language for internal communication may be difficult to implement, as there are external pressures to use multiple languages in the different markets (Luo & Shenkar, 2006, p. 328).

This is also what Slangen (2011) found in his study of entry mode, based on 231 entries by Dutch MNCs in 48 countries. In particular, Slangen discusses how the choice of acquiring a subsidiary, which involves taking over the existing workforce of locally employed staff members, requires more (vertical) communication than a greenfield entry, which involves the establishment of a new business and the recruitment of new personnel who voluntarily choose to join an international firm. For this reason, Slangen (2011, p. 1720) argues that greater linguistic distance between home and host locations increases the likelihood of greenfield entry, although this relationship depends somewhat on the planned level of subsidiary autonomy. If the subsidiary is granted considerable decision-making authority, there is less need for the parent to coordinate and monitor its operations, and consequently, there will be less need for extensive headquarter-subsidiary communication. However, in contrast to Slangen (2011), Ghoshal, Korine, and Szulanski’s (1994) study of vertical communication patterns in the subsidiaries of the Japanese firm Matsushita and the Dutch firm N.V. Philips, found that subsidiary autonomy/degree of centralisation had no influence on inter-unit communication.

Luo and Shenkar (2006) furthermore argue that a common corporate language is a better fit for the global strategy than the multidomestic strategy, as the global strategy presupposes more standardisation (i.e. global integration) of products and work processes.
across national markets. Hence, Luo and Shenkar observe that a common language may facilitate more efficient internal communication, both vertically between headquarters and local units, and horizontally between units at the same hierarchical level. However, the effectiveness of a common corporate language (English) in horizontal communication is disputed by Marschan et al. (1997), who discuss how inadequate English skills may operate as a barrier to cross-border communication, especially for middle and lower level personnel.

Finally, the transnational strategy may be seen as a combination of the global and the multidomestic strategy, as it seeks to balance the desire for global efficiency with local responsiveness (Bartlett & Ghoshal, 1989; Harzing, 2000; Ketchen & Short, 2012). Luo and Shenkar (2006) argue that appropriate language policies within the transnational mode must fulfil two purposes: firstly, to minimise any potential conflict between global integration and local adaptation and, secondly, to expand the discretion of foreign sub-units. Thus, the MNC’s parent may choose to implement either a single common language or allow multiple functional languages to be used. Several previous studies point out that the latter alternative involving parallel language use between a common corporate language and local language(s) is common practice. Parallel language use has for example been observed in financial service companies – such as in Chew’s (2005) study of banks in Hong Kong, and Kingsley’s (2010) study of banks in Luxembourg – as a response to pressure for both global integration and local responsiveness (for international companies in the early stages of internationalisation not covered by Luo & Shenkar, 2006; see Piekkari et al., 2014, who focus explicitly on global business expansion).

**Inappropriate follow-up initiatives**

There are many ways in which MNCs may choose to address issues of language and communication for company-internal purposes. Corporate language policies may for example be supplemented with different types of language management initiatives or measures, such as language training (SanAntonio, 1987) or in-house translation services (Piekkari, Welch, Welch, Peltonen, & Vesa, 2013) which may be referred to as ‘language management tools’ (Feely & Winslow, 2006; Sanden, 2016a). Language management tools can be defined as an umbrella term for the various activities and initiatives companies deploy in an attempt to satisfy their language needs, or to overcome language-related challenges that may arise in internal communication situations (CILT, 2006, 2011). These type of tools are implemented by the companies’ leadership, i.e. as a form of organised language management, which stands in contrast to simple language management occurring at the individual level (Nekvapil & Nekula, 2006; Nekvapil & Sherman, 2009). As stated by Nekvapil and Sherman (2009, pp. 192–193): ‘Unlike individuals, companies advocate above all strategies that are meant to have a long term effect and are thus aimed at the removal of problems in a number of similar interactions’.

However, if language management tools are implemented incautiously without paying attention to or acknowledging the needs of the company, the effect of these tools may be limited. Language training, for example, may seem like a relatively easy activity to implement, but as argued by Reeves and Wright (1996, p. 4), general language courses are often ineffective when they are designed without any reference to the specific company or without considering the capabilities and language proficiency of the staff.
Also Feely (2004), Feely and Harzing (2003) Harzing et al. (2011), Lester (1994) note that there may be considerable costs associated with backing an English corporate language policy with comprehensive language training for employees. In a worst-case scenario, this costly and time-consuming language management tool may be nothing but a waste of time and money – at least in the words of Feely (2004, p. 87). As in the case of corporate language policies, language management tools are also likely to be most efficient when adopted on the basis of the overall business strategy of the company.

**Reactive language policies**

Kangasharju et al. (2010) carried out a multiple case study of six Finnish firms, where they investigated and analysed the content and messages of these companies’ language policies. Overall, the authors were surprised to discover that the language policies were unclear about their relationship with the companies’ strategic goals and, furthermore, that they usually did not include any information about who was responsible for their implementation. Kangasharju et al. (2010) argue that corporate language policies are often reactive, in the sense that they are usually based on some language need the company has experienced in the past. Also Lauring and Tange (2010, p. 317) observe that companies could benefit from developing proactive language policies that can foresee future needs and recommend that ‘international managers adopt a pro-active stand on language diversity’, suggesting initiatives such as ‘recruitment, selection, training, management development and performance management’ (p. 328). Likewise, Griffith (2002, p. 264) argues that ‘by proactively managing a firm’s communication processes in international relationships, a firm can develop strong partnerships in the face of incongruence of national and organisational cultures, facilitating the rapid response to market opportunities and challenges, thus enhancing performance’.

Welch and Welch (2018) provide some insight into how a company’s internationalisation process may affect the development of a language strategy. Here, Welch and Welch (2018) suggest that one reason why companies tend to develop reactive language policies is because language related initiatives often are launched by individuals as they encounter language differences in the field, for example international sales staff, rather than the company’s top management. Instead, the authors advocate a co-evolutionary approach to internationalisation and language management, where time is seen as a critical component of a company’s language policy implementation (see also Welch & Welch, 2008, p. 19).

As argued by Yanaprasart (2016, p. 205), big, medium and small companies are facing different challenges in terms of the time, costs, and resources associated with proactive language management strategies (see also Incelli, 2008). Still, the costs associated with implementing proactive language policies may be small compared to the costs of losing out on local market opportunities. A number of studies suggest that companies may gain significant benefits by developing formal language strategies to support their international ventures. This is for instance one of the main findings from the ELAN survey examining the ‘Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise’ (CILT, 2006). Also other EU-funded projects advocate the role of language and communication to improve export performance (e.g. CILT, 2011; European Commission, 2008).
Inadequate language policies due to unawareness

In order to address prevalent issues of language and intercultural communication in a successful manner, it is necessary to have an idea of what these issues are, and what kind of implications they may have. As argued by Reeves and Wright (1996, p. 3) ‘[c]ommunication problems can be approached in a number of ways and solutions are numerous […] [but] no solution is possible until the organisation’s communication environment is fully understood’. Likewise, Piekkari and Zander (2005, p. 8), state that the first step of efficient multilingual management is ‘increased awareness and knowledge of how language diversity in the MNC context operates’.

For this reason, Feely and colleagues (Feely, 2004; Feely & Reeves, 2001; Feely & Winslow, 2006) discuss the term ‘language awareness’, based on the work of Reeves and Wright (1996). Language awareness is also discussed by CILT (2006, 2011) and Nasreen, Bragado, Vicente, and Hagen (1999). According to Feely (2004, p. 228) ‘a company would be expected to demonstrate its language awareness in seven discrete areas.’ These areas are (Feely, 2004, p. 228); (a) formalising a corporate language policy, (b) developing language training programmes, (c) conducting linguistic audits, (d) including language skills in job selection, (e) using language service providers, (f) using computer systems, intranet and web sites in multiple languages, and (g) providing brochures, technical literature and publications in multiple languages. Many of these recommendations fall under the definition of ‘language management tools’, as discussed above.

A number of previous studies have found that companies refrain from developing language policies or strategies assuming that ‘English is enough’. Most studies in this area have been conducted with regard to external communication, and in particular in export and international trade (e.g. CILT, 2006, 2011; Clarke, 2000; Crick, 1999; Hagen, 1999; Peel & Eckart, 1996; Verstraete-Hansen, 2008). Clarke (2000), for example, looked into the language practices of 205 Irish exporting companies. In this study, 87% of the respondents expressed the view that English is likely to become the generally accepted language of business throughout the EU; hence, foreign languages were not seen as important. A similar study was conducted by Crick (1999) of 185 firms based in the UK. Crick found it ‘worrying’ to observe that many responded that they refrained from foreign language use ‘because English was widely spoken’ (Crick, 1999, p. 27). Likewise, in Verstraete-Hansen’s (2008) survey of 312 Danish companies, 31.5% of all companies reported that they had experienced language differences as a barrier to international cooperation. Interestingly, 41% of the companies in the study ascribed these language problems to their trading partners’ limited English language skills. Consequently, on the basis of these studies, one could argue that firms display ‘language unawareness’ both with regard to language and communication problems in their own organisation, but also unawareness of the fact that the world is multilingual (Phillipson, 2000).

Inadequate language policies due to unresponsiveness

Following the discussion of the previous section, a number of studies find that companies may not just be unaware, but actively refrain from developing appropriate language policies. It makes sense to distinguish between unawareness and unresponsiveness (Feely & Winslow, 2006), as an unaware company will ignore the language needs of the
organisation owing to insufficient knowledge, whereas an unresponsive company will deliberately choose not to address language and communication issues they are aware exist. It is argued in CILT (2011, p. 13) that even if companies recognise how important language is for successful international business operations, they may still choose not to prioritise investments in language and language-related activities.

There may be different explanations as to why this is the case. One reason could be that internal communication is viewed as less important than external communication. The strategic value of language as a marketing tool directed towards customers and consumers may be more visible, and therefore easier to act upon, than language as a human resource (HR) tool for employees within the company (Piekkari et al., 2014, p. 244). Whereas the costs of investing in language and communication are easy to measure, the benefits may be less obvious (Piekkari et al., 2014, p. 32). Indeed, Kaplan and Baldauf (1997, p. 139) write that: ‘The real problem that language planners face is that most costs occur in real time. […] However, benefits are slow to develop and hard to measure’ (see also Baldauf, 2006).

A few studies suggest that smaller firms in particular may find it difficult to prioritise investments in language and communication due to cost constraints (CILT, 2006, p. 42, 47; Peel & Eckart, 1996; Schroedler, 2018). Others argue that foreign language skills may be even more valuable for small and medium-sized enterprises (SMEs) and their export opportunities than for larger firms (Crick, 1999; Garcia & Otheguy, 1994; Incelli, 2008). In a study of 506 SMEs in the Lazio region of Italy, Incelli (2008) found that the majority of the SMEs did not have the resources to invest in knowledge acquisition needed for international success. As a result, the small companies experienced a general inadequacy in foreign language competence, and were therefore unable to fully exploit their export market potential (Incelli, 2008, p. 119).

Discussion: from language policies to language management

Increased globalisation and movement of people across national and linguistic borders have led to increased social, cultural and linguistic diversity all over the world. The magnitude and scale of this diversity is now known as ‘superdiversity’, a term originally coined by Vertovec (2007) to describe the implications of immigration and multiculturalism in Britain (see also Blommaert & Rampton, 2011). However, the concept of superdiversity is not restricted to any particular context. As discussed in this paper, MNCs constitute a prime arena for studying linguistic diversity – or linguistic superdiversity – as these corporations consist of employees with different ethnic and linguistic backgrounds. As the standardisation of linguistic, communicative and socio-cultural processes can be one way of limiting superdiversity within the MNC network (Nekvapil & Sherman, 2018, p. 342), leaders of multinational, multilingual organisations may find it tempting to adopt lingua franca policies in an attempt to reduce the communicative barriers presented by linguistic heterogeneity.

Adopting a common corporate language may provide several benefits for companies challenged by an unsurmountable number of languages, to the extent that cross-border communication is rendered impossible without some form of standardisation. It has not been the intention of this paper to point to the benefits of such language policies. Instead, the focus has been directed towards the many potential pitfalls that a company’s
leadership should be aware of before opting for the supposedly cheap and easy solution of implementing a common corporate language (Sanden, 2016b).

In sum, previous research has found that language policies can have serious negative consequences on several aspects of organisational behaviour and outcomes. The challenges discussed in this paper are not uniquely restricted to language and communication problems, although these challenges may be the most obvious ones, as communicative challenges often are easy to observe first-hand in multilingual environments. Yet, as this review has shown, inadequate language management can be the source of challenges that can hamper the overall productivity and performance of business organisations, or limit the success of companies’ internationalisation strategies for example in regard to export or market expansion (Janssens & Steyaert, 2014). It is therefore not unrealistic to claim that the implementation of a common corporate language in some cases may create more problems than it solves.

The overview of previous studies presented in this paper has shown that language policy implementation affects employees at all organisational levels, across professional occupations. The extent to which language pertains the MNCs’ activities and operations suggests that it is necessary to shift focus from a single language policy to a more comprehensive language management approach. Thus, rather than aiming at standardising language practices through corporate language policies, efficient handling of linguistic diversity is likely to involve follow-up initiatives by making language management tools, such as translation or language training, available to employees. Whereas a corporate language policy can be seen as a regulatory device, corporate language management also involves managing language through various activities and initiatives directed towards a specific goal or designed to fulfil a certain purpose in language and communication-related areas.

Changing perspective from language policy to language management also involves a willingness to invest in language management tools. As mentioned above, reluctance to pay for language-related services may be one of the reasons why companies refrain from making such investments (CILT, 2006; Peel & Eckart, 1996). This finding raises some questions regarding the two concepts of costs and expenditures. Whereas language-related expenditures only measure the direct monetary outlay related to the adoption of a language policy or language management tool, the total costs also include other factors than the mere monetary expenses (Grin, 2003a, p. 93), for example the value of time spent in language classes for employees undertaking language training. In order to evaluate the actual costs of a language policy or language management tool, it is therefore necessary to consider all costs associated with its implementation. A common corporate language may seem like an inexpensive solution, however, is not necessarily the most cost-effective solution once the total costs have been taken into account. Additional non-monetary costs are often described as ‘hidden’ in the literature (Piekkari et al., 2014, p. 31; Welch & Welch, 2008, p. 347) because they cannot be measured in the same way as monetary expenses. Acknowledging the existence of language-related human costs such as stress, status loss, and discrimination suggests that a cost-effective approach to language management requires managers to look for solutions where linguistic diversity is addressed with the lowest possible use of financial and human resources, or where the best possible effect is achieved, given a certain amount of financial and human resources (Grin, 2003b, p. 42).
This line of thinking leads to a revaluation of how multilingual organisations best can manage multilingualism in their internal communication. The main argument presented in this paper is that companies aiming to handle linguistic diversity in an efficient manner, most likely will have to move away from the idea of the common corporate language policy and rather focus on language management as a group of activities targeted at the needs of a linguistically diverse workforce. This does not mean that the use of English should be banned in international business communication. English as a lingua franca may work well in situations where employees have the same preconditions and attitudes towards English-medium communication. However, the use of English should not be the sole solution to multilingualism and linguistic diversity, but rather, one of many viable options (Lüdi, 2016). Dependent on the situation and the linguistic capabilities of the target group, the use of English could for example be supplemented with local languages, translation or interpretation services for employees, or selective recruitment of personnel with specific language competences who can facilitate smooth communication between different organisational units (Peltokorpi & Vaara, 2014). Considering the current economic climate with rapid progress and advancements in technology, changing demographics and employee competence, it is now more important than ever for companies to have a future vision, also in terms of language management.

Having said that, it is clear that a comprehensive language management approach requires some understanding of the linguistic reality of those who are affected by the language management activities. Therefore, there is a need for more empirical studies on the topic of corporate language management that considers other languages than English. Many MNCs are large employers and are consequently made up of employees with different backgrounds and different linguistic qualifications. Further empirical studies can help identify the different language needs of employees and how these needs can be addressed through different language management tools. Ethnographic research methods seem particularly beneficial for gaining hands-on knowledge about language and communication practices in multilingual workplaces, which again may guide the development of well-conceived language management initiatives.

**Conclusion**

Just as all employees use language in one way or another, language policies affect all employees in one way or another. This paper has reviewed previous studies on language policies in the international business and management literature, and has demonstrated how corporate language policies are associated with certain challenges that may result in undesirable outcomes. Based on what existing research has found, this conceptual paper suggests that efficient handling of linguistic diversity requires a shift in focus from language policies to language management, and in continuation of that, a shift from language policy expenditures to language management costs. Future research may consider how and by what means cost-effective language management can be carried out in practice in real-life multilingual organisations.

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