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The invisible factors that can make the difference.

Language management and knowledge transfer in multinational sites

Abstract

The knowledge-based society we live in has stressed the importance of human capital and brought talent to the top of most wanted skills, especially for companies who want to succeed in turbulent environments worldwide. In fact, streams, sequences of decisions and resource commitments characterize the day-to-day of multinational companies (MNCs) and internationalized companies.

In most companies, strategic decisions are extensively discussed and are generally formulated and articulated in specialized language often developed by the best minds in the company. Yet the language used in such deliberations is usually taken for granted and receives little attention, being often managed *ad hoc*.

With this paper we intend to discuss some strategies that are commonly used by companies and refer some actions that can boost talent and improve language performance, in certain international communication contexts, with little investment.

Keywords

Language strategy; terminology management; knowledge transfer; translation-mediated communication; business translation.

Introduction

The knowledge-based society we live in has stressed the importance of human capital and brought talent to the top of most wanted skills, especially for companies who want to succeed in turbulent environments worldwide. In fact, streams, sequences of decisions and resource commitments characterize the day-to-day of multinational companies (MNCs).

Such decision-making activities encompass major strategic moves like internationalization and new market entries or diversification and acquisitions. In most companies, these strategic decisions are extensively discussed and debated and are generally framed, formulated, and articulated in specialized language often developed by the best minds in the company. Yet the language used in such deliberations, in detailing and deciding the implementation strategy, is usually taken for granted and receives little if any explicit attention (Brannen & Doz, 2012) and can still be a “forgotten factor” (Marschan et al. 1997).

Literature on language management and international business refers to lack of awareness of business managers of the impact that language can have, not only in communication effectiveness, but especially in knowledge transfer and knowledge management in business environments (Bjorkan et al, 2009).

In the context of MNCs, management is, for many different reasons, more complex and demanding than that of a national company, mainly because of diversity factors inherent to internationalization, namely geographical and cultural spaces, i.e. varied mindsets. Moreover, the way of functioning, and managing language, of the MNC or of any other internationalized company, depends on its vision, its values and its internationalization model, i.e. on the way the company adapts to and controls the new markets, which can vary essentially from a more ethnocentric to a more pluricentric focus.

Regardless of the internationalization model followed by the company, communication between different business units is essential to achieve business sustainability and unity in diversity. For the business flow and prosperity, communication in inter-subsiary, intra-company and company-client (customers, suppliers, governments, municipalities, etc..) contexts must work in various directions and levels of the organization. If it is not properly managed, diversity can be a barrier to global coordination and ultimately lead to unsuccessful communication and business failure.

This paper intends therefore to elaborate on the relation of language/ translation policies and knowledge transfer/ management in international business environments and its impacts in companies' international communication strategies, based on several studies on this field, focusing on language management in international companies (Feely, 2003; Marschan et al., 1997; Marschan-Piekkari, Welch, & Welch, 1999; Harzing & Pudelko, 2013).

2. Turbulent times in global business

The political, social and economic events over the last decades deeply transformed the local markets and the business world and if we agree that there are no longer isolated events, we could state that, to a certain extent, every business is international or global (Cateora, 2007). Also, if globality means that going global is no longer a choice, any business has to cross borders to survive.

In fact, the world has flattened (Friedman, 2005) from a bipolar to a polycentric stage (Young, 2011) and globality is a challenge for every business. "In the developed world, companies have well-established business models and asset bases but face weak growth prospects. In the emerging economies, this situation is often reversed. Companies must now operate in a "polycentric" world in which there are multiple but divergent spheres of influence in both developed and developing markets"(Young, 2011: 8). In a polycentric world, multinational companies (MNC) must therefore operate at multiple speeds in order to fit their strategies to both fast-and slow-growth markets, focus their efforts on key strategic markets and ensure that their delivery to customers is tailored to local needs.

Employability and business success will, thus, be surely linked to talent management and mobility from highly skilled personal, since "you need both diversity of culture and diversity of experience to create the highest performing leadership teams" (Young, 2011: 20).

2.1 Challenges and Strategies

Surprisingly, approximately 20 years after the globalisation boom, economies and companies are still struggling to find the perfect formula to balance large-scale and local issues when doing business globally. The phrase 'think globally, act locally', so widely used that is difficult to find its author, and the term 'glocal' sum up perfectly the concept of large-scale business and of a balanced global environment (in every sector of society) but hide the multiple constraints of implementing it effectively, namely the (non) existence of a language strategy (Albuquerque, 2011:32).

According to Marchan-Piekkari (1999), the tongue can be both (i) a barrier, (ii) a facilitator and (iii) a source of power. Moreover, the lack of preparation for the barriers of linguistic diversity can lead to various costs, including negotiations' failure and failure on internationalization. On the other hand, communication and language fluency is not just a message transfer procedure, but above all a knowledge transfer process, which requires extra-linguistic skills (persuasion, assertiveness...) in order to promote the credibility of both parties.

For this reason, MNCs need a common code to communicate and trade information inside and outside the company, which will require one or more strategies, in order to overcome possible barriers and organization distortions.

Feely et al. (2003) have proposed 11 types of strategies that companies may use to improve their language management, which we organized in the following chart, divided in two categories: direct and mediated communication.

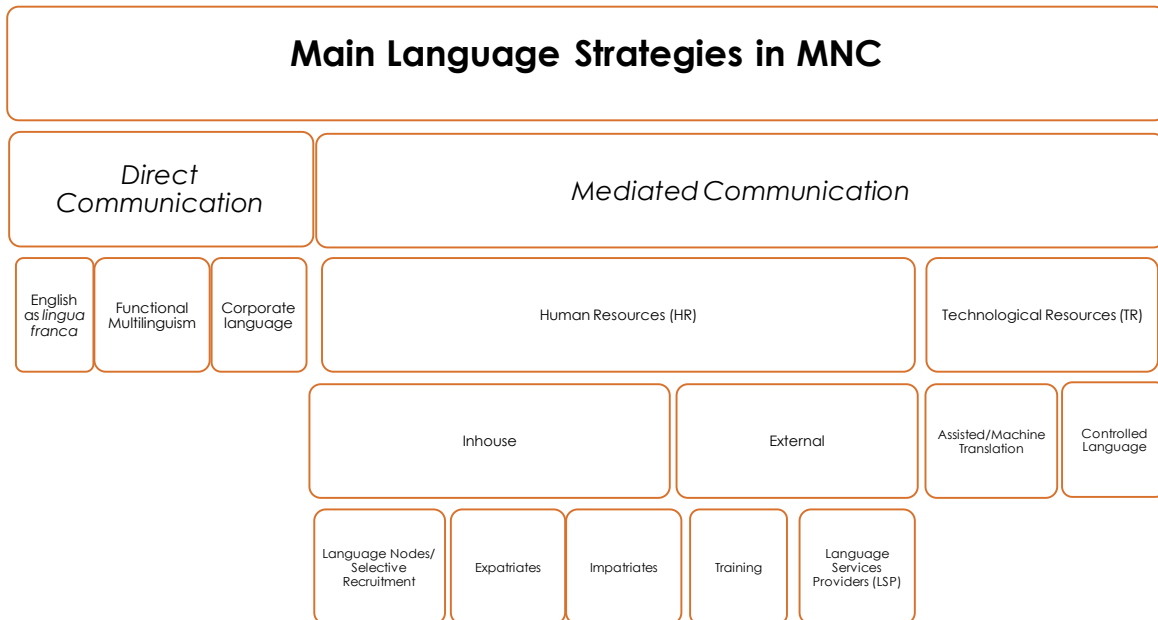


Figure 1 – Language strategies based on Feely and al. (2002).

Whatever the strategy, it seems clear that the more diversity, the more necessary it is to find a common code of communication amongst all partners.

When no shared language is available or language skills at subsidiary level are very poor, these units may consciously try to avoid or resist the headquarters' efforts to control by 'hiding behind the language' or passively adopt patterns of nonconforming behavior"

(Bjorkman and Marschan-Piekkari, 2002:3).

Of course, choosing the best strategy depends on the organization and context. However, the most common way for most companies to promote communication among their employees seems to be combining a corporate language (often English) and local languages.

Whatever the strategy or language policy chosen is, the MNC continues to have a multilingual environment and different levels of language proficiency. This fact can trigger both personal and professional side reactions (positive or negative), and above all, power relations (Marchan-Piekkari, 1999; Voermans, 2011). This happens because language is used not only to transfer messages between a sender and a receiver, but above all, to share knowledge, i.e. "(...) the information required to satisfy needs (...)" (Cornejo, 2003: 2). Thus, only when knowledge becomes explicit and intelligible can it be functional and useful; as tacit knowledge, information will not be conveyed, and as such, some employees may not perform certain tasks, make decisions or act in accordance with company policy.

Table 1. Relation between language and knowledge in corporate communication

Skill \ Effective Communication	1. Able to communicate with other workers using a corporate language	2. Able to transfer knowledge	3. Able to communicate with technicians or experts in different fields
a. Good knowledge of corporate language	YES	Only in case s/he has field knowledge (terminology)	Only in case s/he has field knowledge (terminology)
b. Field knowledge and lack of knowledge of the corporate language	NO	NO	NO
c. Field knowledge and knowledge of the corporate language	YES	YES	YES

Source: authors.

As we can see from the above table, no corporate language alone covers all communication situations and may even be a positive or a negative discrimination factor (intentionally or unintentionally) Marschan et al. (1997) and create power authority distortion (PAD). PAD occurs when Head-Quarters managers (who have formal authority in the relationship) have to relinquish part of their power to subsidiary managers, who have better language skills in the corporate language (Harzing & Feely, 2008) and function as language mediators. For example, when b. cannot communicate with 3. and needs a. to help him. a. will act as mediator, but may not have the necessary field knowledge and thus not be able to transfer more than a personal version of the original message of b..

To a larger extent, information, filtered by mediators, can also suffer distortions, manipulations and be used for personal purposes, in cycles of communication that may be beyond control.

Language influences, therefore, all communication flows, clearly interfering with the organizational level, sometimes creating a "shadow" structure (Marchan-Piekkari et al., 1999) behind the formal chart.

2.2 Invisible Factors

Language management in MNC or exporting companies is in fact rarely a priority, often done with little planning and mostly analyzed as a cost. Therefore, although it is the support of all the communication in the company, it is many times a "forgotten factor" (Marschan et al. 1997): everyone uses it, but it is rarely seen as worth investing by the company, who, whenever possible, tends to solve the problem with talent, namely by (i) recruiting language skilled employees (to cut investment in training), (ii) asking employees to act as language nodes or (iii) by any other language management strategies, commonly the use of a corporate language (often English).

However, in a fast moving global world, international communication in MNC is no longer exclusively managed by top managers, but tends to be an activity of most workers with language knowledge. For this reason, Virkkula (apud Peltonen, 2009: 26) states that "companies expect that employees will manage to work individually in a foreign language without any additional professional help". Mediated communication in the MNC, including the translation of documents, intra and inter-subsidiary or subsidiaries-headquarter, may thus eventually become an extra function more or less regular of the activity of employees who master foreign languages, performing what we could call *ad hoc* translation.

This happens not only on account of financial reasons, but also due to deadlines and confidentiality needs, among others. Being international communication a daily activity and often referring to inside information of the company business, it is not always possible or desirable to send the texts to external translators, since it

could take too long and would demand sharing corporate information and know-how. However, asking company workers to do the job also creates certain impacts, that are not in any way, thoroughly studied and that are mainly related to the worker's translation skills, his/her knowledge of terminology, the assisted translation tools and the impact of the task (both for the worker and the target audiences).

Peltonen (2009) has developed an innovative study in this area of *ad hoc* translation, with a case-study in Nordea Bank AB, where she observes the impact of the extra-activity on workers. She found out that this company, besides having a translation department, still asked its employees, from several departments, to do translations, which were not accounted in their working hours, were not reviewed and had an impact on them.

She also concluded that in Nordea, translation tools were basically dictionaries, which did not assist the workers enough, especially as far as terminology was concerned, which was the most common problem they had, causing some anxiety to many of them. Therefore, they declared asking for help to their external social networks (2009:71), which on the one hand, suggests knowledge transfer to external bodies and, on the other hand, does not assure quality, especially because it concerns intern terminology. Peltonen (2009: 27), therefore, points out that "not only do the translation skills of individual translators or employers matter nowadays, the supportive tools that the MNE offer to its employees also have a huge role."

3. The missing investment

MNC have a great deal of international communication and, depending on the complexity and type of documents, they need to decide what to outsource and what to translate inhouse. However, they must be aware that language skills are only the primary requirement of effective international communication and that, as Peltonen states, other supports to *ad hoc* translators must be provided, namely knowledge of specific terminology, language mediation skills and translation tools (e.g. translation memories).

Although it immediately sounds like "costs" we rather call it investment, since these 3 procedures will bring more confidence to the *ad hoc* translator, speed up his tasks and, more importantly, increase coherence and quality assurance in the company communication channels (especially with the use of proper terminology and translation memories). Again, this might sound like "expenses" and indeed they are, but MNC can choose from several options in the market (licensed and free), depending on the translation volume and complexity.

Moreover, little investments like technological support and proper training in mediation skills (terminology, knowledge transfer and intercultural communication) can boost the workers "born" talent with language skills, promote a more accurate and effective international communication, across organizational levels, strengthen company image, culture and values and thus accomplishment of more and better business.

Conclusion

Diversity creates dilemmas, since different people, from different cultural backgrounds, have different languages, skills and mindsets, and cross-cultural communication can be another difficult-to-manage challenge for companies. Being global means investment and increase of expense, not only in internationalization strategies, but also in language management, e.g. communication tools. Different geography, different people, different organization styles and, all in all, different culture, demands a language plan to create autonomy and decentralization in a polycentric organization or any organization with international communication. Moreover, international communication is not only dependent on language skills, but also requires training the highest performing human capital (talent) with intercultural awareness, language knowledge and language mediation skills, able to hold the organization together in the same culture and values.

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