MANAGING THE LANGUAGE NEEDS OF MULTINATIONAL COMPANIES – STRATEGIES TO OPTIMISE INTERNATIONAL COMMUNICATION: A CASE STUDY

Alexandra Albuquerque          Rute Costa          José Paulo Esperança
ISCAP-IPP/ CLUNL/ CICE, Portugal          UNL/CLUNL, Portugal          ISCTE/ IUL, Portugal
alexalb@iscap.ipp.pt          rute.costa@fcsh.unl.pt          ipae@iscte.pt

Abstract

This paper intends to contribute to trans-disciplinary research on language management in international business (IB) and most of all help breaking old paradoxes related to the (i) wrongly assumed self-sufficiency of language in professional and business communication situations and (ii) costs of investment in language.

We will present results of two empirical studies that describe language management and business translation practices in companies operating in foreign markets. Finally, despite being still an ongoing research, we will give some insights on how language management and translation mediated communication can be more cost-effective in this kind of companies.

Keywords: language management, translation-mediated communication, knowledge management, economics of language

Biography

Alexandra Albuquerque has been teaching at the School of Accounting and Administration at the Polytechnic Institute of Porto for 14 years, where she is a language and translation lecturer. She graduated in language and literature in 1999 and holds a master’s degree in German studies. She is carrying out her PhD research in linguistics at the Universidade Nova de Lisboa.
Rute Costa is a professor at the Universidade Nova de Lisboa (UNL) and researcher at the Linguistic Center of UNL (CLUNL). She is an invited Professor at the Luxembourg University and the Agostinho Neto University in Angola. She is chair at ISO/TC 37/SC 2 “Terminographical and lexicographical working methods” and a convener at WG3 ISO/TC 37/SC1 (standards: 704 & 1087). She is also a researcher in several European Projects (FP7, COST, PAULIF).

José Paulo Esperança is full professor of finance at ISCTE/IUL and holds a PhD in Economics from the European University Institute. He is a former Pro Rector for International Relations and Entrepreneurship. His interests include corporate governance, small firms' financing, entrepreneurship and the economic value of languages.

1. Introduction

Globalisation and globality have enabled transnational business all over the world and have brought huge challenges to interlingual communication. Despite the fact that international English is used as a corporate global language, international business cannot survive without being aware of their markets’ languages and cultures. In addition, within a multinational company (MNC) a corporate language does not, in any way, completely smooth language diversity and remove communication barriers. In fact, for MNCs, management is more complex and e than that of a national company. There are many reasons for this, but it is mainly because of the diversity factors inherent in internationalisation in terms of geographical and cultural space; that is, the variety of mindsets.

Regardless of the entry mode chosen by the MNC, communication between different business units is essential to achieve unity in diversity and business sustainability. For fluent information flows and business prosperity, inter-subsidiary, intra-company and company-client (customers, suppliers, governments, municipalities, etc.) information must flow in various directions and across different organisational levels. If it is not well managed, diversity can be a barrier to global coordination (Feely et al., 2002, p. 4).
However, language management and, more specifically, translation-mediated communication are often seen as costs to be avoided as much as possible. The literature provides various examples of business managers' lack of awareness of the impact that language can have on the effectiveness of communication, and especially on the management and transfer of knowledge.

2. The research setting

Language is a fundamental element of international communication in MNCs, which are 'multilingual organisations' (Bjorkman et al., 2004), and several research studies stress its relevance in international business (Marschan, Welch and Welch, 1997; Marschan-Piekkari, Welch and Welch, 1999; Feely, 2003; Ozolins, 2003; Janssens, Lambert and Steyaert, 2004; Domingues, 2009; Harzing and Pudelko, 2013) in (1) corporate communication; and (2) communication between a company and other stakeholders in foreign markets (clients, suppliers, etc.). However, it is also true that:

(a) language management and the role of translation and the translator in companies operating in foreign environments has been largely neglected by international business (IB) students, researchers in translation studies or linguists (Ozolins, 2003);

(b) most relevant contributions to this field are relatively recent (from the last 20 years) and come from IB fields, rarely being interdisciplinary or trans-disciplinary;

(c) language management and the economy of languages in international communication are research topics that have received more interest in recent years (Thomas, 2008); and

(d) language management in IB seems to host two paradoxes that we consider are worth exploring.

Paradox 1 is that although language is 'almost the essence of international business' (Welch and Welch, 2005, p.1), it is often a 'forgotten factor' (Marschan et al., 1997) that is frequently overlooked in academic research (Marschan, Welch and Welch, 1997; Ozolins, 2003).

In the fall of 2013 we carried out a search in B-On (Online Knowledge Library) using the keywords 'language management', 'language planning', 'language strategy' and 'international communication management', finding very few books or articles on these
issues. However, the number of studies on this topic has been rising steadily. From searching in EBSCO and ISI Web of Knowledge we concluded that the amount of research is also increasing within the framework of advanced study (master and PhD levels)\(^1\) in IB, cultural studies and language studies. This increasing interest was measured in 2002 (Feely, 2002) and added to by another bibliometric study in 2009 (Domingues, 2009, p.2), as shown in Table 1.

Table 1: The importance of language research in International Business: a bibliometric exercise

<table>
<thead>
<tr>
<th>Propotion of articles examining language</th>
<th>n' articles</th>
<th>n' articles after adding language as second key</th>
<th>n' of articles after filtering non-business topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multinational</td>
<td>2,862</td>
<td>23,153</td>
<td>10,274</td>
</tr>
<tr>
<td>Globalization</td>
<td>2,237</td>
<td>28,665</td>
<td>3,588</td>
</tr>
<tr>
<td>Management</td>
<td>100,006</td>
<td>1,369,374</td>
<td>99,637</td>
</tr>
<tr>
<td>Organization</td>
<td>95,720</td>
<td>292,012</td>
<td>25,314</td>
</tr>
<tr>
<td>Technology</td>
<td>2,237</td>
<td>930,478</td>
<td>99,800</td>
</tr>
<tr>
<td>Communication</td>
<td>15,338</td>
<td>522,059</td>
<td>91,549</td>
</tr>
<tr>
<td>TOTAL</td>
<td>134,047</td>
<td>3,165,919</td>
<td>330,142</td>
</tr>
</tbody>
</table>

Source: (i) Herzog and Feely (2002); (ii) own research in EBSCO on 2nd May 2009; (iii) own research in ISI Web of Knowledge on 2nd May 2009.

Table 1. Bibliometric study (Domingues, 2009)

Domingues (2009) confirms Thomas (2008) and Marschan-Piekkari et al. (1999)' view that language has seldom been an independent object of study in IB, as most studies regard language as an element of culture. On the other hand, as previously mentioned, corporate language management has essentially been researched in the management field, especially in human resources (HR), as well as by linguists who have focused on language planning (Hagen, 1988; Phillipson, 2001). Most studies focus on the language needs of MNCs or on the dynamics resulting from language policies in internal and external MNC communication networks, in which language can be an exclusion tool (barrier), an integration tool (facilitator) or a power tool (Marschan et al., 1997; Marschan-Piekkari et al., 1999; Welch, Welch and Piekkari, 2005; Welch and Welch, 2008). Therefore, although language has been overlooked and its influence on international communication underestimated, it has always been considered a pervasive agent in some way.

\(^1\) Sørensen, 2005; Salomão, 2006; Domingues, 2009; Isager, 2009; Peltonen, 2009; Voermans, 2011.
However, the IB literature has been even more negligent about the importance of translation for MNC communication and management. There are a few exceptions, such as: (1) references in some articles on language management (e.g., Marschan et al., 1997; Feely, 2002); (2) an interdisciplinary paper by Janssens et al. (2004), which designs language-strategy models according to translation models; and (3) a case study on translation practices in a Nordic Bank (Peltonen, 2009).

Considering that very often employees with language skills are ‘used’ as language mediators (Marschan et al., 1997; Marschan-Piekkari et al., 1999; Welch, Welch and Piekkari, 2005; Welch and Welch, 2008), translation-mediated communication in companies operating in foreign markets may become an extra function that is more or less a regular part of the activity of employees who have mastered foreign languages. However, this function and the impact of this type of translation have not been thoroughly studied. Furthermore, in translation studies the concept of business translation has not been widely explored, which could mean there are some gaps among the translation market, academia and corporations (business centres).

Therefore, this paper intends to contribute to the research on language management in IB and bring some insights to the sub-field of business translation. To achieve this, we will present the results from two studies carried out in several companies operating in foreign markets (not only MNCs) and discuss to what extent, assuming that language is a self-sufficient communication tool that can jeopardise costs and knowledge transfer, investment in translation, terminology knowledge and tools can improve human capital and business translation.

3. Methodology
We were invited by AICEP Portugal Global’s Business Intelligence Unit (BIU) consortium to develop case studies for the fifteenth and sixteenth editions of the Inov Contacto international internship programme. The first case study focused on language management in international business communication (LMBC) and the second focused on translation practices of companies operating in international environments (TPCIE).

---

2 A sub-field of specialised translation, on the one hand, and of international language management in companies operating in foreign markets, on the other.

3 ‘INOV Contacto is a programme that promotes internships abroad of Portuguese talented graduates with a view to fostering the internationalisation of the economy and links between local firms and multinational companies’ (OECD, 2008).
Both case studies were carried out by Portuguese graduate trainees during their six-month placements in host companies abroad. The trainees collected data from the host company using a survey and, in some cases, interviews, and wrote reports describing the placement environment, the language and translation management styles, and how the study had been carried out.

Therefore, we will discuss the results of the quantitative research and qualitative analysis (reports) in an attempt to describe the language-management practices in different organisations operating in foreign markets in order to propose some optimised practices.

4. Case studies

4.1. Case study 1 – LMBC

Eighty-three trainees administered an Excel survey to collect data from a set of host companies. The study took place between December 2010 and September 2011, covering a total of 56 organisations operating in 20 different countries. The organisations were grouped into seven types: (1) SMEs; (2) MNCs (headquarters); (3) MNCs (subsidiaries); (4) Portuguese companies with subsidiaries in Portuguese-speaking markets; (5) subsidiaries of Portuguese firms hosted in non-Portuguese-speaking markets; (6) mediators; and (7) diplomatic organisations.

For the purpose of this paper we will only present the results concerning the first five types of organisation.

The objective of the study, as far as these types of company are concerned, was to describe and analyse the language-management practices of companies operating in foreign markets.

Within the framework of these five types of companies, 46 companies active in 20 countries were surveyed.

4.1.1. Summary of the results

The reports written by the trainees provided the following main results.

(a) Language management by Portuguese companies is very similar in Portuguese-speaking countries and other foreign markets, confirming most of the commonly adopted policies that have been highlighted by previous studies.
English is considered a lingua franca in international communication and is also the common corporate language in multinational teams.

Language skills are considered very important to the internationalisation process. Therefore, beyond English, other languages, especially those of the target markets, are highly valued.

Rather than hiring professional language service providers, companies operating in foreign markets prefer selective recruitment (recruiting employees with language and intercultural skills) or delegate interlinguistic communication and translation to mediators (usually employees with language skills, even if they are new or temporary staff) in order to cut costs and increase the speed of the communication flow.

Professional language providers are almost always only contracted when translation cannot be performed internally; that is, when there is no employee who speaks the language, when the translation is too demanding or when translation is a legal requirement.

More than a product, a service or a tool, language seems to be taken by company managers as a natural asset of human capital.

In most companies, the translation of corporate documents is regularly made by employees with language but no translation skills, hired for specialised jobs (engineering, accounting, marketing, management and so on). Around 90% of the 83 trainees were asked to do translation tasks, mostly into their mother tongue, although none had had translation training. This finding led us to conclude that companies operating in foreign markets silently develop a specific kind of business translation, which is performed by language-skilled experts or employees with no translation training or translation tools. We have named this type of translation ‘ad hoc translation’.

These results raise several issues, some of them already discussed in previous studies (Marschan-Piekkari, Welch, and Welch, 1999; Björkman and Marschan-Piekkari, 2002; Welch and Welch, 2008); namely (1) the role of language in knowledge transfer; and (2) the translation skills of employees with language knowledge. The first issue we would like to address is another paradox.

Document typology can range from simple emails to presentations, flyers, contracts and other official documents.
Paradox 2 is that language is powerful, pervasive and important in corporate knowledge transfer, for some even a ‘reconfiguration agent’ (Welch and Welch, 2008); however, especially in Type 1 and Type 5 companies, the trainee was sometimes the only translation resource, as he or she was the only person skilled in the target language (his or her mother tongue, most of the time). Therefore, trainees were used to transfer corporate knowledge that they had only recently gained and were not yet very familiar with, with little or no revision control.

Furthermore, after reading the trainees’ reports, other questions emerged in relation to companies’ translation-mediated intra- and intercommunication and to knowledge transfer, some of which have also been asked by Peltonen (2009). For instance, ad hoc translation practices, used mainly to increase communication speed and cut costs, can suffer some drawbacks considering the lack of (1) translation skills of the employee; (2) terminology (knowledge); and (3) translation and content-management tools. All these gaps can cost the company precious time, as the employee has no personal or corporate resources to develop the translation task efficiently. Moreover, in the quest for solutions (linguistic, terminological or other) the employee will probably ask other employees for help (e.g., those who are more experienced, have already done some translation work themselves, or are experts in the field); this should also be counted as a translation cost. Moreover, ad hoc translation, especially when performed by temporary staff, but also when carried out by employees relying exclusively on their language skills (even if they are native speakers), gives no guarantee of quality if the basic language-transfer procedures are not followed. Additionally, translation can also be a repetitive task, consuming excessive time. The right content, terminology and translation tools could improve, optimise and speed up ad hoc translation.

Finally, another question that needs further research is the impact of ad hoc translation on employees (hired to perform other tasks) and on clients. How do the employees react to this extra task?

In an attempt to find answers to these questions, we designed another study and carried out a pilot project from May 2012 to October 2012, within the framework of the sixteenth edition of Inov Contacto.

4.2. Case study 2 – TPCIE

Taking into consideration the results of case study 1, with this pilot project we aimed to obtain more information about ad hoc translation practices of companies operating in
international environments; namely, the methods, technological resources and terminological resources used, as well as the overall results.

This research was carried out by 22 trainees in 19 companies in 12 countries. Eleven of those companies had already been surveyed in the first study, and five of those 11 were now operating in a different market. For this reason, the typology of the companies was the same as in case study 1. Therefore, the results below refer to the same five organisation types: (1) SMEs; (2) MNCs (headquarters); (3) MNCs (subsidiaries); (4) Portuguese companies operating in Portuguese-speaking markets; and (5) Portuguese companies not operating in Portuguese-speaking markets.

As the trainees were new staff and were not familiar with translation studies, the study was divided into four parts, as follows.

Part 1

(a) Trainees became acquainted with the language and translation-mediated communication practices of the host companies.

(b) Employees who did ad hoc translation in the host company (including the trainees, if that was also the case) were surveyed on the methods, technological resources, terminological resources used and the overall results.

Part 2

Several terminological and translation resources were presented to trainees for self-study and self-test.

Part 3

After exploring the suggested resources and translation tools, trainees promoted them to the employees who also worked as translators.

Part 4

A new survey on the result of using the translation tools was carried out.

A brief report describing the project implementation was also delivered.

4.2.1. Summary of the results

The results of this small research project were not at all surprising. The first survey (Part 1), which gathered answers from the trainees and from employees who regularly
act as translators in the company, showed that 89% of the companies carry out ad hoc translation, and in 92% of cases this is done during working hours.

As far as translation tools and other translation resources are concerned, 89% use the Internet, 56% use dictionaries and expert help, and only 3% use computer-assisted translation (CAT) tools.

Referring to the impact of translation as an extra task, 44% of respondents do not feel bothered by doing translation and 36% are even very pleased to do it.

When asked about the main translation problems encountered, 47% mentioned the lack of knowledge of terminology and 42% the need for better language knowledge. To address terminological concerns, 78% ask an expert in the same company, 38% ask someone outside the company and 67% look it up in the Internet.

The resources considered most important for improving translation results are better terminological knowledge (69%) and good translation tools (56%).

In the second survey (Part 4), the same ad hoc translators were asked about the impact of using terminological tools and CAT tools. Of the respondents, 63% stated that their translation work improved a lot, especially as far as terminology (47%) and quality (41%) were concerned. However, after reading the reports we could see that most trainees were not able to promote the use of the suggested tools in a suitable way because of their or the employees’ lack of time. Moreover, there seemed to be a conceptual confusion between machine translation and CAT, since respondents did not seem to understand that using CAT tools means that translation depends on human performance, contrary to machine translation, which is wholly performed by the computer.

Moreover, the respondents all seemed to expect ‘magic’ tools: tools that could fit their specific translation and terminology needs in a user-friendly and easy way. Almost all of the trainees referred to the need to find customised and user-friendly tools, revealing that the concept of CAT was not clearly conveyed by the training materials made available to them in Part 2.

We could also conclude that over time, most companies have developed some sort of terminology management by creating glossaries and word lists (in Excel or Word format). However, they regularly use these resources in print format and show no interest in optimising this knowledge by managing the content electronically. Moreover,
these documents are not widely disseminated in the company; that is, the knowledge is retained only by one or two departments in the company. Two employees who had previously been translating for the company failed to acknowledge the advantages of using CAT tools (like translation memories or terminological databases) because they had started to develop their own translation methods and saw no reason to change them.

Although training on the tools and their promotion was not carried out in the best way, as it was done by distance learning and through the trainees (who were also trained by distance learning), we believe that if the training had been done in a workshop, the concepts, tools and benefits could have been better assimilated.

Nevertheless, the surveys answered several of the research questions brought up by case study 1. Translation tasks are carried out during working hours and other staff in the company may be asked to solve problems, increasing the time spent on these ad hoc tasks. Moreover, language-skilled employees and trainees (even if their jobs are temporary) are asked to translate several types of documents, even if they have insufficient knowledge (terminology). Translation tasks are mostly done using machine translation tools (90% referred to Google Translate) and manually. Therefore, along with a better knowledge of terminology, translation tools are considered important to improve the results of translation tasks.

5. Conclusions

This research was conducted on a very small scale, in a convenience sample, and as a secondary task in a training plan for young graduates of several knowledge fields (and not languages). However, we believe that the data collected confirms, in many ways, the results of the former studies we have already referred to. Additionally, it gives new insight into the language-management practices of companies operating in foreign environments, contributing to the research on the role of language in international communication and knowledge transfer.

Let us return to the paradoxes:

Paradox 1: There is no IB without language, but language is also often ‘a forgotten factor’ in IB.

Paradox 2: language is used to transfer knowledge; however, often translators have language skills but no sufficient knowledge.
We can say that very frequently, and for too long, international management has considered language to be a self-sufficient communication tool that is able to convey meaning in different communication situations, regardless of the cultural backgrounds of the senders and receivers, the complexity of the message, the level of specialisation and other variables. Moreover, in an attempt to cut costs and reduce delays, many companies operating in foreign markets have used their employees to translate several types of documents without providing the proper training or tools, a practice that we have named 'ad hoc translation'.

However, both studies presented in this article showed that using language-skilled employees does not mean that all intra- and interlinguistic communication situations in international contexts are covered. As we observed from the results of case study 2, the main translation problems reported were linked to terminology; that is, knowledge of the specific field dealt with in the communication situation in question. In order to solve these translation problems, the ad hoc translator had to use more of their normal working hours and sometimes there was even the need to take time from other employees' working hours to acquire the right knowledge. Nevertheless, all this investment in time does not guarantee accuracy and quality.

Moreover, ad hoc translation was carried out without the support of content-management tools. This means that in companies where longer or more complex documents are regularly translated, working hours are also being used to repeat translations and procedures that could be avoided if CAT tools were used. For these reasons, the companies may be cutting direct translation costs, but are wasting the time of specialised employees on tasks that could be optimised and made quicker with the use of technology. This can be seen as a hidden cost.

We believe that translation is unavoidable in today's global reality, where English is not sufficient, even though it is an international business language. We also believe that, considering the flow and volume of information between and within companies in international environments, it is impossible to outsource the translation of documents used on a daily basis. Therefore, translation skills should be part of the human capital of a company, together with basic CAT tools and content-management systems. Moreover, if corporate knowledge (terminology) was managed in a shared database, and integrated with writing and communication tools, corporate and business communication could be more accurate, consistent and cost-effective.
We ought not to forget that strategic investment in the management of languages, translation and terminology and the associated tools can have a positive effect as far as national policy on language is concerned. In fact, the regular and coherent need for investment in certain languages in international business locations on account of economic trends will increase the need for speakers of those languages; and this need can certainly influence the promotion of those languages in national education systems. This has happened already as far as English and Spanish are concerned and it is now happening with languages like Portuguese and Chinese.

This promotion, stimulated by economic trends, will increase the proficiency of potential employees of MNCs; therefore, it will bring returns on the initial investment.

6. Present and future work

Based on the results and research avenues these studies have provided, and the fact that they are part of a broader research project, we are now conducting another case study, similar to case study 2, but in place. The study aims to develop a training methodology for ad hoc translators in order to propose an optimised practice of language management and translation-mediated communication in MNCs.

References


