



Does corporate language influence career mobility? Evidence from MNCs in Russia



Marina Latukha ^{a,*}, Anna Doleeva ^c, Maria Järnlström ^d, Tiina Jokinen ^d, Rebecca Piekkari ^b

^a Graduate School of Management, Saint-Petersburg State University, Organizational Behavior and Human Resource Management Department, The Center for the Study of Emerging Market and Russian Multinational Enterprise, Volkhovskiy Pereulok, 3, 199004 Saint-Petersburg, Russia

^b Aalto University, School of Business, Department of Management Studies, P.O. Box 21210, 00076 Aalto, Finland

^c Graduate School of Management, Saint-Petersburg State University, Volkhovskiy Pereulok, 3, 199004 Saint-Petersburg, Russia

^d University of Vaasa, Department of Management, P.O. Box 700, FIN-65101 Vaasa, Finland

ARTICLE INFO

Article history:

Received 8 February 2015

Received in revised form

7 December 2015

Accepted 14 December 2015

Available online 13 January 2016

Keywords:

Corporate language

Language skills

Career mobility

Career development

Multinational corporations

Russia

ABSTRACT

The paper investigates how corporate language influences the career mobility of MNC employees in Russia. We apply human capital theory to show how language may be valued in an organizational context. In our work we use a framework that demonstrates that corporate language may act as a glass ceiling. The results show that employees in Russian MNCs with a lower level of corporate language skills will be less likely to consider vertical and horizontal career mobility than employees with a higher level of these language skills. Equally, employees in Russian MNCs with a lower level of corporate language skills will be less likely to consider internal and external career mobility than those employees with a higher level of these language skills. We prove that corporate language may act both as a barrier and as a facilitator for the career mobility of employees in Russian MNCs who have different levels of corporate language skills.

© 2015 Elsevier Ltd. All rights reserved.

1. Introduction

For at least the two most recent decades, academics have been studying the effects of corporate language influence on MNCs (Charles & Marschan-Piekkari, 2002; Ehrenreich, 2010; Feely & Harzing, 2004; Luring & Selmer, 2011). The theoretical analysis of language comprises a range of studies, which includes theories from the fields of management, sociology, economics, and strategy (Terjesen, Hinger, Tenzer, & Harzing, 2014). Terjesen et al. (2014) overviewed the existing theoretical background on language and stated that sociological theories mostly focus on culture (in particular, Bourdieu's theory holds a significant place), linguistic distance, and homophily; social identity power and status characteristics; trust issues; and emotion (Terjesen et al., 2014). Terjesen stated that economic theories include the gravity model, transaction costs, new institutional economics, and human capital theory, whereas strategy theories mostly discuss language and knowledge transfer (Terjesen et al., 2014). Social identity and self-

categorization theories are used by language researchers in management to explain why language diversity can separate employees into groups based on a shared language and thus give rise to language boundaries in MNCs (Terjesen et al., 2014). The variety of theories that can be applicable in order to justify language within an organizational context demonstrates the overall importance of the language phenomenon, as it covers a variety of organizational processes in modern companies. A set of papers within both main streams of research have addressed the issue of 'language standardization' and its effects on many organizational functions and processes, in particular external and internal communication (Charles & Marschan-Piekkari, 2002; Ehrenreich, 2010; Sorensen, 2005), organizational power and control (Vaara, Piekkari, & Santti, 2005), knowledge transfer (Luring & Selmer, 2011; Makela, Kalla, & Piekkari, 2007; Welch & Welch, 2008; Welch, Welch, & Piekkari, 2005), etc. As for the effects of corporate language on international human resource management (IHRM), fewer papers can be found but these frequently state that language is part of human capital: as human capital theory identifies variables are related to employee success (Newbury & Thakur, 2010). In this sense human capital theory may explain better than other theories how language may be connected with career mobility and thus serve as a framework

* Corresponding author.

E-mail address: marina.latuha@gsom.pu.ru (M. Latukha).

for our research triangle: namely linking language, career issues and MNCs. Even less attention has been attributed to the various dimensions of the effects of corporate language on career mobility and the development of the workforce, and for the careers of individuals who are at different career stages, positions and organizational levels. These are still widely overlooked by researchers (Jokinen, Järnlström, & Piekkari, 2011).

The question of what makes a career successful was raised by Gunz and Peiperl (2007), and they mention that demographic factors such as age and gender, and human capital factors such as working experience and education, are among the most investigated factors influencing career development. In this regard, the factor – corporate language skills and how they (or the lack of them) influence career mobility – which is claimed to be the subject of empirical research analyses (Shanahan, 1996) and has appeared to be a significant part of human capital theory (Becker, 1975; Evans, Pucik, & Björkman, 2011; Newburry & Thakur, 2010; Traavik & Richardsen, 2010), however, actually overlooks the linkage between career issues, linguistic competencies and business processes in MNCs.

Career paths have moved away from traditional, linear career progression (Littleton, Arthur, & Rousseau, 2000; Peltonen, 1993) to become more multidirectional and unpredictable (Luo & Shenkar, 2006). They also have become more ‘boundaryless’ meaning that employees move with greater ease within or between organizations, both vertically and horizontally (Briscoe, Hall, & Frautschy DeMuth, 2006). There are several qualitative case studies (see, for example, SanAntonio, 1987; Piekkari, Vaara, Tienari, & Sääntti, 2005; Blazejewski, 2006) which have aimed at investigating how a common corporate language shapes, steers and directs the career paths of individual employees in these companies. The cases analyze mostly MNCs located in or originating from developed countries, such as Germany, Finland, Sweden, Denmark and others. However, they neither generalize a large set of data, nor conceptualize a model for a relationship between corporate language and careers. However, there is one study that proposes a theoretical model for this influence (Jokinen et al., 2011), but which still needs to be tested on various MNCs. Moreover, language issues including the relationship between corporate language and career mobility is literally unrevealed for developing countries, in particular for Russia. Thus, this study aims to research how language skills affect employee career mobility in Russia. We formulated our research questions: first, does corporate language act as both a barrier and as a facilitator for the career mobility of employees in MNCs in Russia?; second, do individuals’ language skills influence their actual and perceived career mobility in MNCs in Russia?

2. Theoretical background

2.1. Language phenomenon in MNCs and an understanding of it through the lens of human capital theory

A common corporate language (or a corporate language) is defined by Sorensen (2005) as an important and special ‘administrative managerial tool’ which is derived from the needs of an international board of directors and top management in an MNC to run global operations. It is expected to grant a common ground for internal communication between business units which are often situated in different language environments as well as external communication between those units and the outer world. An alternative definition of a shared language, or ‘lingua franca’ could be expressed as a communication tool between employees who are native and non-native speakers (Tietze, 2008), in an organizational context it is referred to as a corporate language (Marschan-Piekkari, Welch, & Welch, 1999a), and is considered to be part of the human

capital of a company (Newburry & Thakur, 2010; Traavik & Richardsen, 2010).

At the same time, a MNC is a multilingual organization and this has been highlighted by several scholars. For example, some of them argue that MNCs are not usual companies and they are multilingual almost by definition, and that is why the introduction of a common corporate language will not render the firm monolingual, as language diversity within a global firm is likely to persist (Marschan-Piekkari et al., 1999a, b; Sorensen, 2005). The common corporate language is often supplemented with so called ‘company speak’, in other words with particular abbreviations and expressions reflecting the culture of the company in question and its way of operating (Welch et al., 2005). In addition, various groups of personnel have their own professional language taken from respective communities of practice that are brought to the workplace creating a human capital pool within an organization. We identify a set of arguments, which question the position of the common corporate language as a “shared language”. These arguments are associated with the multilingual nature of the MNC, the language competence among its employees, and the level of analysis used (Fredriksson, Barner-Rasmussen, & Piekkari, 2006). The ambiguity of the common corporate language may be associated with language competence among a MNC’s staff.

Human capital theory refers to employees’ competences (different knowledge and skills) (Evans et al., 2011), and can be proved to include language competence (Traavik & Richardsen, 2010). As human capital corresponds to any set of knowledge or characteristics of an employee (Becker, 1975), the role of language in any firms’ operations reveals important, and has influencing, power. By only claiming that any language can be a common corporate one neither helps employees to be more proficient in it (Piekkari & Zander, 2005; Pohjanen & Talja, 2011) nor enhances their human capital. Those whose professional role requires cross-border information sharing show variable levels of language competence; equally, employees at the lower levels of organizational hierarchy are more likely to speak only the local language. It always takes time before language competence in the common corporate penetrates the entire MNC (Bjorkman & Piekkari, 2009) and becomes human capital at an organizational level.

In response to the demands of operating in multiple foreign-language environments and having noticed all the benefits that a common corporate language brings, many MNCs have adopted it with the intention of facilitating the process of in-house as well as customer communications. Among such multinational corporations are General Electric (origins in USA), L’Oreal (France), Nokia, Kone (Finland), Siemens (Germany), Electrolux, Nordea (Sweden) and many others. In most cases, English has been established as the lingua franca (or ‘shared language’) to help different employees who are either native or non-native speakers to communicate effectively (Tietze, 2008).

The important role of corporate language as a tool for international knowledge transfer is also reviewed in several papers (Buckley, Carter, Clegg, & Tan, 2005; Makela et al., 2007; Welch & Welch, 2008). The purpose of the researches was to draw attention to the various ways language affects the process of international knowledge transfer, and in the course of the analysis, the authors found that there is a pervasive and dynamic influence of language acting as a powerful reconfiguration agent (Welch & Welch, 2008), which further emphasizes human capital development (Newburry & Thakur, 2010). The other research studied four MNCs located in China, on the role of common corporate language in the process of knowledge transfer from a country of origin to an overseas subsidiary. It proved the high importance of this process together with the necessity of possessing an adequate level of common language skills for increased success (Buckley et al., 2005).

Download English Version:

<https://daneshyari.com/en/article/1014716>

Download Persian Version:

<https://daneshyari.com/article/1014716>

[Daneshyari.com](https://daneshyari.com)