



## Corporate language-based communication avoidance in MNCs: A multi-sited ethnography approach



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### ABSTRACT

Multinational corporations (MNCs) are highly dependent on a corporate language to control and coordinate their distributed operations. However, research on the impact of language differences on intra- and inter-unit communication is still underdeveloped. In this study, we focus on corporate language-based communication avoidance (CLBCA) which has received little systematic attention in international business (IB) literature despite the negative impact it may have on MNC effectiveness. Applying a research methodology labeled multi-sited ethnography, we traced CLBCA across three Danish owned MNCs and identified five contextual factors that affect avoidance behavior in second language encounters: formality level, media leanness, group size, power difference, and relation strength. Thereby, this study provides novel insights into context dependent language barriers in MNCs. A central argument in this article is that communication avoidance in MNCs should not be perceived only as an individual level variable as has been the practice in most studies so far.

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### 1. Introduction

The success of multinational corporations (MNCs) depends on their ability to control and coordinate activities across geographical, socio-cultural, and linguistic borders. Therefore, communication between and within units becomes essential if firms are to respond rapidly to the changing market conditions in which they operate (Charles & Marschan-Piekkari, 2002). One factor that has consistently been found to affect intra- and inter-unit communication is language barriers (Barner-Rasmussen & Aarnio, 2011; Luo & Shenkar, 2006). Because fluency in the common corporate language varies, inter-personal interaction may be impeded due to unfamiliar vocabulary, the speed of speech, the accent, or the frequency of mistakes (Henderson, 2005). The negative consequences of such communication difficulties are severe as they may impact inter-unit knowledge transfer (Ghoshal & Nohria, 1989; Mäkelä, Kalla, & Piekkari, 2007), global value chain management (Govindarajan & Gupta, 2001), international conflict management (Von Glinow, Shapiro, & Brett, 2004), and headquarter–subsidiary relations (Barner-Rasmussen & Björkman, 2007; Fredriksson, Barner-Rasmussen, & Piekkari, 2006).

Hence, while language facilitates practices of control and coordination in MNCs, it may also function as an obstacle to organizational processes. Language barriers could, thus, be a

substantial problem that intensifies as the MNC expands globally (Harzing & Feely, 2008). For example, Marschan-Piekkari, Welch, and Welch (1999a) found language barriers to be eminent on all position levels of an examined MNC. Moreover, in a recent study on German and Japanese headquarter (HQ) and subsidiary managers, language barriers were mentioned as a problem in 42 out of 44 interviews (Harzing, Köster, & Magner, 2011). These empirical findings indicate that language barriers are a widespread and profound feature affecting vital processes in the MNC. Consequently, calls for research on linguistic issues have been put forward in an increasing number of articles (e.g. Harzing et al., 2011; Lauring & Selmer, 2012; Peltokorpi & Vaara, 2012; Zander, Mockaitis, & Harzing, 2011). In particular, Harzing and Feely (2008) argue that a way forth could be to develop more empirically grounded and systematic research into the nature of language challenges in MNCs, seeking to answer the question: “[...] what is it exactly about language that creates the problem?” (p. 58).

In this article, we intend to respond to these calls for more research on the nature of language barriers in international organizations. Thus, our aim is to explore why individuals sometimes avoid verbal communication in the common corporate language, i.e. to identify factors affecting corporate language-based communication avoidance (CLBCA) in MNCs. We will do this by studying intra- and inter-unit inter-personal interaction in three Danish MNCs; all using English as a common corporate language. CLBCA should here be understood as the reluctance to engage in communication using the language that has been selected by the corporation as the official language. Since the psychological

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literature has dealt extensively with personality traits causing communication avoidance (see Ghonsooly, Khajavy, & Asadpour, 2012), we will focus on the contextual factors that can affect individuals' willingness to interact through English as the common language. In order to do this, there is a need for a methodological tool that allows researchers to explore linkages between communication avoidance and factors constituted by the context in which the corporate language encounter occurs. This type of exploratory research endeavor is typically pursued by the use of an ethnographic approach (Moore, 2011). However, inter-personal interaction in MNCs is seldom confined within single organizational units. Thus, a traditional ethnographic method developed to the study of geographically isolated villages may fall short in providing an understanding of the particularities affecting communication in an IB context (Agar, 1986). Consequently, we apply a multi-sited ethnography approach including semi-structured interviews and participant observation in HQs and subsidiaries. This methodology enables researchers to cross national and organizational boundaries tracing specific concepts and their application throughout dispersed social networks (Marcus, 1995). Yet despite its potential for capturing interactions in contexts that span across multiple geographically distant sites, the method has rarely been applied in IB research (Peltonen, 2007). Thus, this article can be considered a pioneering effort also in terms of methodology.

## 2. Literature review

### 2.1. Language and communication avoidance

Language can be conceptualized as generally agreed-on, learned systems of signification or meaning which are central to the process of constructing organizational, social, and global realities (Born & Peltokorpi, 2010). Today, MNCs use not only the local language of the corporate headquarters, but most often officially select a common corporate language. Such a language functions as a joint vehicle for communication and allows members from different speech communities to partake in ongoing dialog and information sharing (Feely & Harzing, 2003; Lauring & Selmer, 2010). However, while the introduction of a common corporate language provides MNC employees with shared means for interaction, not all individuals are equally comfortable with or capable of expressing themselves in a second, learned language. Consequently, the necessity to speak in a language that one does not master in its entirety could lead organizational members to avoid communication in the corporate language.

Communication avoidance has been the object of numerous studies in communication and psychology literature (Burgoon & Hale, 1983). In broad terms, communication avoidance can be conceptually defined as the reluctance to engage in verbal interaction with other individuals (McCroskey, Fayer, & Richmond, 1985). Communication avoidance has most often been examined as a trait-like characteristic with cognitive, affective, and behavioral manifestations (Bell, 1986). However, some authors also deal with communication avoidance from a 'state' perspective focusing on perceived rewards for communicating and the perceived consequences of approaching or avoiding communication encounters (Pearson, Child, DeGreeff, Semlak, & Burnett, 2011). Results indicate that communication avoidance decreases relational satisfaction and perceived influence in organizations (Avtgis, 2000). Communication avoidance has also been linked negatively to success with finding a job (Krzystofik & Fein, 1988) and progressing in a career (Estes, 1979). Research findings also show that individuals who are new to the group and avoid communication are evaluated less positively by team members and are judged to be less credible and attractive than individuals

who do not avoid communication (Fordham & Gabbin, 1996; McCroskey, 1984).

The above-mentioned research tradition, however, focuses almost entirely on communication in a monolingual context and thus does not include language proficiency as a factor. The few articles that deal with communication avoidance and also include second language interaction show some interesting results. Yashima, Zenuk-Nishide, and Shimizu (2004) argue that second language communication avoidance is more closely related to communicative competence than communication avoidance in the first language that is closer linked to personality traits. For example, McCroskey, Payer and Richmond (1985) found that Puerto Rican immigrants reported well below norms of communication avoidance when communicating in Spanish, but over 40% reported being highly avoidant when communicating in English. Based on the review of such results, it can be concluded that second language interaction could probably amplify communication avoidance in general.

### 2.2. Corporate language and avoidance of communication in MNCs

While the communication and psychology literature focuses almost entirely on individual consequences, communication avoidance could also have serious implications for the functioning of business organizations. Not least since management activities, employee collaboration, and knowledge sharing to a large extent are based on verbal communication (Bargiela-Chiappini & Nickerson, 2003). Moreover, since MNCs are multilingual organizations, it is likely that communication avoidance will be a substantially greater problem here.

Though no attempt to systematically study communication avoidance in MNCs has been published, a number of studies have indicated its existence in international organizations. Marschan-Piekkari et al. (1999a), for example, showed how language skills distorted communication patterns in a Finnish MNC because managers and employees were reluctant to speak in the common corporate language. In an earlier publication, the same authors describe how individuals in the organization would ignore or disregard communication in the common corporate language (Marschan, Welch, & Welch, 1997). Harzing and Feely (2008) reported that managers with insufficient linguistic skills would at times refrain from verbal communication in order to avoid being considered unintelligent. SanAntonio (1987) describes how business meetings in a Japanese subsidiary were notably quieter when foreign nationals were present due to having to communicate in English. Barner-Rasmussen (2003) found that language difficulties reduced the number of top-management visits to foreign units whose language they did not master. Lauring and Tange (2010) described how a number of Danish HQ employees felt insecure and uncomfortable with communication in the common corporate language and as a result avoided interaction with non-Danes. Finally, studies have consistently found a frequent use of language nodes in MNCs which also reflects avoidance of communication in the common corporate language (e.g. Harzing et al., 2011; Marschan-Piekkari, Welch, & Welch, 1999b).

Beside the prominent role of language, the context affecting communication avoidance in MNCs may be different from that in domestic organizations. MNCs are large organizations spanning geographical boundaries most often based on a hierarchical structure linking different units (Ghoshal & Nohria, 1989). According to Dörrenbächer and Geppert (2011), the stratification of HQs and subsidiaries in MNCs creates specific power relations that can be reinforced by national identities. Hence, the link between power relations and communication avoidance may be an important aspect to study in MNCs. The extensive need for technically mediated communication in such dispersed organizational networks could

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