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# Employee commitment to corporate globalization: The role of English language proficiency and human resource practices



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#### ABSTRACT

We investigate factors affecting the commitment of non-native English-speaking employees to the globalization of their firms, focusing on the role of self-perceived English language proficiency and human resource (HR) practices. By surveying 693 non-native English speakers in Japan, we found that their self-perceived English language proficiency and HR practices that promote learning a foreign language have direct and interactive effects on the affective and normative commitment to their firms' globalization. It is important for firms based in non-Anglophone countries to promote English language proficiency of their employees through HR practices when they consider globalizing their operations to other countries.

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#### 1. Introduction

Globalization of a firm's operations, or an increased level of a firm's involvement in exchanging goods and commodities, information, finance, and personnel across national borders (Rugman & Verbeke, 2004), creates challenges for its employees. One such challenge is an increased use of a foreign language at work (Marschan-Piekkari, Welch, & Welch, 1999b). Adopting a foreign language in an environment where this language is not the native language of the majority of the local people and where the local language is the predominant day-to-day business language, presents key challenges. In such an environment, the levels of foreign-language proficiency by employees tend to vary vastly, which becomes an obstacle for interpersonal communication and may affect an individuals' task performance (Fredriksson, Barner-Rasmussen, & Piekkari, 2006; Harzing & Pudelko, 2013). Globalization of a firm that may encourage the use of a foreign language at work can be seen by employees as a major organizational change that significantly affects their work life.

Extant studies on language in international business have identified various employee outcomes that are associated with the use of a foreign language at work, such as interpersonal relationships and performance of tasks by employees. For instance, it can become a reason for employees to avoid taking up new assignments that require higher proficiency in the foreign language and disrupt the career trajectory of an employee within a firm (Barner-Rasmussen & Aarnio, 2011). Moreover, the varying levels of foreign language proficiency of the employees may result in changing power relationships among individuals (Marschan-Piekkari et al., 1999b; Neeley, 2013; Vaara, Tienari, Piekkari, & Säntti, 2005). Individuals with high levels of foreign language proficiency tend to gain informal power over those members with low proficiency levels, which can cause frustration and stress, especially among individuals with lower proficiency levels (Harzing, Köster, & Magner, 2011; Neeley, 2013). These negative psychological states (such as frustration and stress), can disrupt cohesion, collaboration and performance within a firm (Harrison, Price, & Bell, 1998).

Despite these findings, there is still a lack of a systematic analysis of how the perception about foreign language proficiency by employees may affect their attitudes toward a firm-level phenomenon within the context of organizational change (e.g., firm globalization). In particular, we do not know whether, and in what way, self-perceived foreign language proficiency by employees is associated with their commitment to the globalization of their firm. Furthermore, we also have a limited understanding of how firms can assist their employees to align their attitudes toward the globalization of the firm, for instance through organizational human resource (HR) practices. With a few notable exceptions (i.e., Marschan-Piekkari, Welch, & Welch, 1999a;

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Neeley, 2013; Piekkari, Vaara, Tienari, & Säntti, 2005), there is a paucity of studies that have specifically examined the role of HR management in relation to the use of a foreign language by employees at their workplace.

In this paper, we view globalization of the firm as a specific case of organizational change and apply concepts and frameworks drawn from the literature on organizational change. We investigate the commitment of employees to the globalization of their firms in relation to their self-perceived foreign language proficiency and HR practices that promote learning a language. English is the de facto global language (Crystal, 2003) and it is often recognized as the global business language for firms involved in international business (Crystal, 2003; Harzing & Pudelko, 2013; Neeley, 2013). There is significant pressure and motivation for employees who speak English as a foreign language to improve their English language proficiency. Indeed, a number of studies (e.g., Harzing et al., 2011; Neeley, 2013; Neeley, Hinds, & Cramton, 2012) have reported negative emotional responses by non-native English speakers toward their English native colleagues' sense of superiority and their complacency for learning foreign languages. Therefore, we suggest that it is more important and there is a more urgent need to examine the perceptions of employees whose English is not their native language rather than to examine employees whose native language is English. In this manuscript, we develop theories and hypotheses about employees who consider English as a foreign language and who are based in non-Anglophone countries where English is not the official language of that country. We then test our hypotheses using data gathered in Japan.

Our study contributes important insights to the literature about language in international business and to the organizational change literature. First, our study presents a better theoretical understanding of whether, and how non-native English speakers' perceptions of their English-language proficiency influence their attitudes toward a firm-level phenomenon (i.e., globalization of the firm). Second, we offer insights on organizational change by examining the role of HR practices that promote the skill development (i.e., learning the English language) of employees in aligning their commitment to an organizational change (i.e., globalization of the firm). Third, the empirical examination of the role of HR practices in this study contributes to the literature on organizational change because, to the best of our knowledge, the available literature does not provide empirical evidence about whether HR practices influence the attitudes of employees toward change (Herscovitch & Meyer, 2002).

#### 2. Theory and hypothesis development

We view globalization of a firm, which involves an increased level of exchange of goods and commodities, information, finance, and personnel across national borders (Rugman & Verbeke, 2004) as a specific case of organizational change. The engagement of a firm in global activities often entails employees working in a multilingual environment. This is an organizational change that may affect the performance of tasks by the employee (Barner-Rasmussen & Aarnio, 2011; Feely & Harzing, 2003; Marschan-Piekkari et al., 1999b; Neeley, 2013).

In micro-organizational behavior research, the reactions of employees to organizational change are seen as factors that hinder or promote the change (e.g., Herold, Fedor, & Caldwell, 2007; Herscovitch & Meyer, 2002; Oreg, 2003; Rafferty & Restubog, 2010). The attributes of employees, such as self-efficacy to change (Herold et al., 2007) and how they identify with the changing organizations (Van Knippenberg, Martin, & Tyler, 2006), are important predictors of their reactions, such as their commitment toward organizational change. Moreover, the literature on

organizational change has conceptualized HR practices as a driver of organizational change (Fugate, 2012; Whelan-Berry & Somerville, 2010). By applying the knowledge of organizational change studies into our change context (i.e., globalization of the firm), we will examine two factors that may influence the commitment of employees to such a change: the self-perceived English-language proficiency of employees and HR practices that promote learning a language.

Herscovitch and Meyer (2002) defined commitment to change as "a force [mind set] that binds an individual to a course of action of relevance to one or more targets (p. 475)." Based on the argument that the core essence of commitment should be the same regardless of the target of the commitment (Meyer & Herscovitch, 2001), they applied Allen and Meyer's (1990) three-component model in conceptualizing commitment to organizational change. The first component is *affective* commitment to change that is associated with the employees' desire to engage with the change taking place within a firm. The second component, *normative* commitment to change, is associated with the employees' sense of obligation to commit to the organizational change. The third component, *continuance* commitment to change, is associated with the employees' calculative attitudes based on their assessment of cost-benefit analysis to decide whether they should comply with the change.

We assume that the commitment to a firm's globalization is a specific and narrower case of commitment to organizational change and it encompasses the three components: affective, normative and continuance. Herscovitch and Meyer (2002) found that all three components of commitment to change were positively correlated with the compliance to the requirements for change. Also, affective and normative commitments to change were positively correlated with cooperation and championing of organizational change. Similar effects might be expected in the case of a firm's globalization.

#### 2.1. Effect of self-perceived English language proficiency

First, based on self-efficacy theory, the self-perceived English-language proficiency of employees who speak English as a foreign language will influence their *affective* commitment to their firms' globalization. Self-efficacy is essentially about a person's confidence in their ability to achieve a goal in a given circumstance (Bandura, 1977, 1982). Self-efficacy is known as a buffer for adverse conditions at work and it is an important predictor of the attitudes of employees to their jobs (e.g., Saks, 1995), including commitment to organizational change (e.g., Herold et al., 2007). Employees with a high proficiency in English may have greater confidence in coping with a multilingual work environment that occurs with the globalization of their firm.

Likewise, applied linguistics research on foreign language acquisition suggests that self-perceived foreign-language proficiency influences a person's confidence in coping with an environment in which the foreign language is used. For instance, recent empirical studies have shown that people who are learning a language become more motivated and willing to engage in classroom activities using a foreign language if they think that their language proficiency is high (De Saint Léger & Storch, 2009; Fushino, 2010). Another study has suggested that the higher a person's self-perceived foreign-language proficiency, the less anxious he or she becomes when communicating in this language (Dewaele, Petrides, & Furnham, 2008). Therefore, employees who speak English as a foreign language may be more willing to contribute to the globalization of their firms (i.e., affective commitment) if they have a higher level of self-perceived English-language proficiency. This is because they are more confident in coping with a multilingual environment. Therefore, we hypothesize:

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