



The multinational corporation as a multilingual organization

The notion of a common corporate language

Riikka Fredriksson

BTS Nordic AB, Stockholm, Sweden

Wilhelm Barner-Rasmussen

Management and Organisation,

Swedish School of Economics and Business Administration, Helsinki, Finland, and

Rebecca Piekari

International Business, Helsinki School of Economics, Helsinki, Finland

Abstract

Purpose – This paper seeks to explore the use of common corporate language(s) in multinational corporations (MNCs). These organizations are usually multilingual and characterized by high language diversity. Parallel streams of literature in international management and international business communications are built upon to problematize the notion of a common corporate language.

Design/methodology/approach – Information gathered from 36 personal interviews of the German-based multinational Siemens is the primary source of data for this case study. The interviews were conducted in three different languages in three different organizational units of Siemens AG in Finland and Germany.

Findings – It was possible to identify powerful interplay between two languages – German and English – and to uncover discrepancies between company policy and employee practices with regard to language use. On the basis of these findings, the challenges of managing language in multinationals are discussed.

Originality/value – Argues that a common corporate language may not be as widely shared within the firm as the term suggests, given the multilingual nature of most multinationals, variation in the language proficiency of their employees, and the level of analysis used in previous research.

Keywords Language, Corporate communications, Management information, Multinational companies

Paper type Case study

Introduction

The dominance of English as a *lingua franca* in international business exchanges is commonly accepted as a fact. House (2002) explains that the spread of English has been promoted by the following factors: the worldwide extension of the British Empire; the political and economic influence of the USA; the development of modern information and communication technologies; and the growth of international mergers and acquisitions.

The authors would like to thank Mirjaliisa Charles, Anne Kankaanranta, Leena Louhiala-Salminen, Vesa Peltokorpi and Susanne Tietze for their comments on earlier versions of this manuscript, and Michael Goodman for his editorial guidance. The first author of this paper also wishes to acknowledge the financial support provided by the Foundation for Economic Education. Above all, authors are grateful to the interviewees at Siemens AG who shared with them their experiences of cross-border communication.



Tietze (2004) adds to this list the fact that much of the professional management education originated from the USA and is mainly organized in English. Taken together, these general trends reinforce the influential position of English as the conduit of communication in international encounters.

Not surprisingly, then, the prominent role of English shapes the language strategies and choices in the corporate world. Several multinational corporations (MNCs) have adopted English as their common corporate language to facilitate “in-house” communication between headquarters and foreign subsidiaries as they enter new markets (Feely, 2003; Marschan-Piekkari *et al.*, 1999a; Nickerson, 2000). Yet, the mere introduction of English as the corporate language does not automatically lead to its adoption, nor does it make it “shared” throughout the organization. As Nickerson (2005) points out, “The communication event is often considerably more complex than the label of English as *lingua franca* would suggest”. She explains that in multinational settings, communication often takes place between speakers whose fluency in English varies and who may also use one or more other languages alongside English (Barner-Rasmussen, 2003; Marschan-Piekkari *et al.*, 1999b; Nickerson, 2000; Poncini, 2003; Sørensen, 2005). Charles (1998) introduces the term “multilingual reality” to describe a typical European business context. Internal communication processes in MNCs are typified by linguistic diversity, and English is perhaps not as widely shared throughout the organization as assumed by top management in the first place (Marschan-Piekkari *et al.*, 1999b).

These observations have implications for practitioners, especially in the area of corporate communications. If the multilingual character of the MNC context is not properly acknowledged, a great deal of the communication efforts emanating from the corporate center may be inefficient or even counterproductive. Another implication for practitioners concerns management education, which often takes place in English (Tietze, 2004). Those responsible for delivering management education to groups with varying linguistic backgrounds should be very aware of the “traps” associated with language. The common assumption that management education delivered in English will be understood by all participants in the same way on the grounds that English is their working language should be critically scrutinized.

There have been calls to analyze language use in its context rather than in isolated texts or speech events (Bargiela-Chiappini and Nickerson, 2002; Nickerson, 2005). We have explicitly chosen to anchor our study of common corporate language(s) reported in this paper in the context of MNCs. An MNC consists of headquarters and subsidiary units, which are spatially separated and often embedded in different language environments. Consequently, internal communication involves crossing language boundaries and operating at the interface between several languages including those of the home country and the host country, the corporate languages and “company speak”. Thus, the MNC provides a rich context for the study of language issues, being characterized by substantial heterogeneity and complexity. This may highlight aspects of common corporate language(s) that might pass unnoticed in the non-MNC context.

In this paper, then, we problematize the notion of “common corporate language(s)” and discuss the phenomenon at the organizational level of analysis. We argue that, in order to better understand the use of a common language or languages in MNCs, it is important to focus on the interplay between languages. As a starting point, we conceptualize the modern MNC as a multilingual organization (Barner-Rasmussen and Björkman, 2007, forthcoming; Janssens *et al.*, 2004). We aim to answer the following

research questions. What makes the common corporate language “common”? To what extent is it shared and used throughout the MNC? How is it managed? As it seems that a considerable proportion of communication in large, international corporations is internal (Louhiala-Salminen, 2002), we focus on the internally – rather than the externally – oriented role of the common corporate language.

We develop our argument as follows. First, previous research on common corporate language is reviewed by integrating two parallel streams in international management and international business communication. We discuss possible reasons for introducing a common corporate language, and the basic rationale for why it may be a shared resource within the firm. We then focus on the MNC as a multilingual organization. Here, we contrast the role of English as the common corporate language with the simultaneous use of local languages in various subsidiary contexts.

The second section of the paper presents the research strategy, an in-depth single-case study of the German corporation Siemens AG. We also explore the methodological implications of interviewing respondents in multiple languages. Compared to earlier research, which has largely focused on Nordic MNCs in which the home-country language is not widely spoken elsewhere, Siemens AG provides a contrasting case in terms of its size and the influential position of the German language in Europe. A total of 36 semi-structured interviews conducted in Finnish and German units of Siemens are outlined and discussed.

We conclude the paper with critical reflections on the role and management of common corporate language(s) in MNCs in the light of our findings.

A common corporate language within the multilingual MNC: converging streams of research

Two research streams have focused on questions associated with a common language in the corporate context – one in international management and the other in international business communication. Until recently, these two streams have remained largely separate, but as researchers engaged in international communication have become increasingly preoccupied with the organizational context, the two streams have converged.

Scholars in international management have tended to look at the use (or non-use) of a common corporate language in international management processes (Andersen and Rasmussen, 2004; Barner-Rasmussen, 2003; Feely and Harzing, 2003; Marschan-Piekkari *et al.*, 1999b). Much of this work is concerned with language proficiency and its implications for social exclusion/inclusion, communication, and power and control in headquarters-subsidiary and inter-subsidiary relationships within the MNC. The level of analysis ranges from the individual MNC employee to cross-cultural teams, subsidiary units and the MNC as a totality.

A parallel stream in the field of international business communication has adopted an explicit focus on English as a *lingua franca* (Nickerson, 2005). Some of this research has examined the role of English in the internal communication of globally operating firms (Kankaanranta, 2005; Louhiala-Salminen *et al.*, 2005; Nickerson, 2000; Sørensen, 2005), while other studies have investigated language use in external relationships such as sales negotiations (Planken, 2005) or distributor meetings (Poncini, 2003). In addition, the overall language strategy of the firm has received some attention (Janssens *et al.*, 2004; Luo and Shenkar, 2006). The term “common corporate language” rather than “*lingua franca*” or “shared language” is used in the present paper in

recognition of the fact that that the interactants have various linguistic backgrounds (see Poncini, 2003 for a discussion on the term).

Sørensen (2005) defines a common corporate language as “an administrative managerial tool” which is derived from the need of an international board of directors and top management in an MNC to run global operations. It is seen to provide a common ground for internal communication between organizational units that are often embedded in different language environments. Basically, the common corporate language is intended to increase efficiency by overcoming misunderstandings, reducing costs, avoiding time-consuming translations and creating a sense of belonging and cohesion within the firm (Marschan-Piekkari *et al.*, 1999a; Sørensen, 2005). The underlying logic behind its introduction is simple: once it is in place, it is assumed that the daily communicative routines function smoothly between the center and the periphery.

Given the prominent role of English in international business, it is not surprising that many companies opt for English as their common corporate language in order to standardize internal language use (Marschan-Piekkari *et al.*, 1999b). Within the MNC, the perception of English as a truly “common” corporate language tends to be particularly strong among top managers who have a good command of it and who have been socialized into the Anglo-Saxon management discourse taught at business schools and on MBA courses (Tietze, 2004). In this sense, top managers of international companies often represent transnational elites who are integrated as a group through language use. This is particularly evident in MNCs originating from English-speaking countries where the common corporate language equals the home-country language. To these people, standardizing language diversity through the introduction of a common corporate language is unlikely to be perceived as problematic (Marschan-Piekkari *et al.*, 1999a; Sørensen, 2005).

On the other hand, the multilingual character of the MNC has been highlighted by several scholars (Barner-Rasmussen and Björkman, 2007, forthcoming; Janssens *et al.*, 2004). For example, Barner-Rasmussen and Björkman argue that MNCs are unusual organizations in that they are multilingual almost by definition. Notably, introducing a common corporate language will not render the firm monolingual, as language diversity within a global firm is likely to persist (Andersen and Rasmussen, 2004; Marschan-Piekkari *et al.*, 1999b; Sørensen, 2005). Some MNCs have more than one corporate language, or use multiple languages for designated communication purposes in internal exchanges (Bruntse, 2003). The common corporate language is often spiced up with “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 stemming from respective communities of practice that are brought to the workplace.

Thus, despite the term, a common corporate language does not refer to “an all-pervading language used throughout a corporation on all organisational levels” (Sørensen, 2005, p. 6). From prior research, therefore, it is possible to identify a set of arguments questioning the position of the common corporate language as a “shared idiom”. These arguments are associated with the inherent multilingual reality of the MNC, the language competence among its personnel, and the level of analysis used.

Consider, first, the multilingual reality within the MNC. For example, in firms originating from small home countries, such as the Nordic countries, the language

designated as the common corporate language is – for practical reasons – likely to differ from the language spoken in the home country of the particular firm. Moreover, subsidiaries tend to use local languages when dealing with their employees, customers and suppliers. Although top management may attempt to reinforce the use and adoption of a common corporate language through strict language policies (San Antonio, 1987), internal language diversity in the form of home and host-country languages remains.

Sørensen's (2005) study from a non-English-speaking country provides further support for this argument. In his survey of 70 corporations operating in Denmark, he found that practically all documents were generated in the local language alongside English as the common corporate language. When documents in English arrived at subsidiaries, they were translated into the respective local languages. The sample included Danish companies (44 percent), subsidiaries of Anglo-Saxon companies in Denmark (30 percent), subsidiaries of non-Anglo-Saxon companies in Denmark (23 percent), and global, Anglo-Saxon companies with no common corporate language (3 percent). The companies surveyed used English not as an overruling language, however, but more generally as a "transit language" between various parallel local languages. Yet, English was the preferred language in oral communication between MNC units, as well as in board and executive meetings attended by non-Danish speakers. Sørensen's findings concerning English as the "transit language" of written communication made him very critical towards the notion of a common corporate language. He writes:

... thus, paradoxically, the opposite of the intended has been achieved: [the] cost of translation has been doubled, [the] dissemination of communication has become laborious and has been delayed. Moreover, an element of misinterpretation has been added as there is a risk of altering the sense of a text each time it is translated (Sørensen, 2005, p. 59).

Another set of reasons for questioning the universal status of the common corporate language is associated with language competence among MNC staff. It is obvious that the mere designation of a language – whether English or any other – as the common corporate language does not improve individuals' skills in operating in it. Organizational members whose professional role requires cross-border sharing of information will exhibit varied levels of language competence. In particular, employees at lower hierarchical levels are more likely to speak only the local language. It takes time before language competence in the common corporate language penetrates the entire MNC organization (Feely and Harzing, 2003). At the same time, new markets may be entered, and some of the existing operations may be closed down or divested, making the number of languages used within the MNC highly unstable. Individual differences in language competence may provide some organizational members and personnel groups with a language advantage. Similarly, mastering "company speak" may also be an advantage and a sign of professionalism. In contrast, limited competence in the company language and in the common corporate language may exclude employees from critical exchanges of information (Goodall and Roberts, 2003). Newly recruited employees may find this particularly challenging (Anon, 1999).

Finally, let us consider the level of analysis used in prior research in examining the shared nature of the common corporate language. From their case studies of three leading MNCs, Mäkelä *et al.* (2004) identify the emergence of language-based clusters

within the MNC (for example, Anglo-Saxon, Germanic, Latin and Scandinavian) based on homophily, a tendency to interact with similar others. The clusters consist of persons who have a common mother tongue or who share the facility to operate in a given language. Interpersonal relationships are easily created and maintained within these clusters, and knowledge is actively exchanged. From this perspective, although the concept of a common language may not be applicable to the MNC as a totality, it seems to be very valid on the level of clusters. In this context, it may be the corporate language or any other language that is shared between the members of the cluster.

The above discussion reveals the multiple forces that exist within the MNC favoring the use of a common corporate language on the one hand, and the parallel use of local languages on the other. We will now discuss the use of a case-study approach as our research strategy.

Methodology

The purpose of the present study was to explore the in-depth use of a common corporate language in an organizational context characterized by high language diversity. We designed a single-case study, and chose the German-based Siemens AG for various reasons. Firstly, much of the previous research on language in international business has been conducted on Nordic MNCs with minority home-country languages. There is thus a need to study firms from other national backgrounds, and Siemens, with German as its home-country language, offered an interesting contrasting case. More generally, while Anglo-Saxon companies are likely to suffer from certain “blindness” to the language problem due to the current dominance of English as the *lingua franca*, European and Japanese MNCs are likely to be more aware of the challenges associated with language. They have been forced to face – and tackle – multiple languages from the outset of their internationalization processes (Welch *et al.*, 2001).

Secondly, given Siemens’ strong global presence in 190 countries at the time of the study (Siemens, 2004), there was no doubt about the existence of language diversity within the company. It is also worth noting that Siemens is in the electrical engineering industry, a hi-tech field in which the role of English could be assumed to be relatively strong. This may influence language use and choice in favor of English within the company, a possibility that should be taken into account both in the interpretation of the findings and in future research on the topic.

Thirdly, Siemens AG has been referred to in prior research as an organization that gives particular attention to language training (Lester, 1994), which suggests that top management recognizes the importance of the issue at hand. Finally, the first author of the paper had worked at Siemens, and had noticed the attention paid to language within the company. For these reasons, we found the Siemens case to be of particular relevance for investigating language use in the MNC context.

The present study draws on 36 personal interviews as the primary source of data, conducted by the first author of the paper in spring 2004. The interviews, including two pilot ones, were carried out in three different organizational units of Siemens AG: 20 took place at Siemens headquarters in Munich and Erlangen, four at a German subsidiary in Mannheim, and 12 at a Finnish subsidiary in Espoo. Thus, the depth of the interview data were enhanced through so-called “unit triangulation” (Marschan-Piekkari *et al.*, 2004, p. 254), which refers to contrasting the perspectives

of multiple organizational units by interviewing several informants in each unit. We believe that the detailed and rich insights gained by such a research design far outweigh the potential disadvantages frequently associated with single-case studies, such as a lower degree of generalizability (Eisenhardt, 1989).

The interviewees in Finland and Germany represented human resource management and finance (Table I). This was an outcome of the process of gaining access to the company as it was granted through the HR Department in Finland and the Financial Services Department in Germany. All the interviews took place at the company premises, which also enabled the collection of observational data to be used for data-triangulation purposes (Yin, 2003). During her visits to the company units the first author attended company events, interacted informally with its representatives and even spent some leisure time with them. The sources of data were gathered into a case-study database in order to improve the reliability of the results.

The interviews were conducted with the help of a semi-structured interview guide consisting of both standardized and tailored questions, allowing the researcher to alter the order of questions and level of detail depending on the interviewees' experiences. Consequently, the length of the interviews varied significantly, from 25 to 90 minutes. The questions concentrated on topics such as the common corporate language, language skills, language training, and language use at work and in cross-border communication with other Siemens units in Germany and abroad.

As the first author of the paper is a native Finn and speaks fluent English, German and French it was possible to adopt a multilingual approach to the data collection and analysis. The empirical context was mainly non-English, and a multilingual approach in cross-cultural interviewing was seen to contribute to the collection of valid and trustworthy data (Marschan-Piekkari and Reis, 2004). Moreover, through her fluent use of the interviewee's language, the first author hoped to be taken more seriously and to be considered less foreign (Welch and Piekkari, 2006).

The interview guide was first produced in English and thereafter translated into Finnish and German. The interviewees were allowed to choose the interview language, which in most cases turned out to be their mother tongue. On six occasions a non-native language of the interviewee was used. In three of these cases this was due to the fact that the interviewer was not familiar with the interviewee's mother tongue. The two interviews conducted in Finnish as a foreign language for the interviewees were done so at their request. Both German and French were used in one interview following previous informal conversation held in French.

The multilingual approach was followed through the transcribing and translating phases of the study. The methodological dilemmas associated with transcribing and translating data in multiple languages are seldom discussed in methodological texts (for an exception, see Marshall and Rossman, 2006) or in published research that crosses language boundaries. Yet, "especially since qualitative research generates words" issues associated with transcribing and translating "are not merely technical tasks" (Marshall and Rossman, 2006, p. 113). In the present study, the researcher responsible for the data collection also transcribed all the interviews in the original languages (Finnish, English, German), and translated relevant passages into English, the reporting language, where necessary. Although this was time-consuming, it contributed to the early analysis of the data (Marshall and Rossman, 2006). One could, of course, argue that during the translation the researcher may alter the intended

Business unit	Location	Management level	Siemens years	Interview language	Mother tongue	Foreign language skills	Not fluent	Working languages
Human resources	Finland	Middle	20	Finnish	Finnish	English, German	Swedish	English, Finnish
Human resources	Finland	Expert	1.5	Finnish	Finnish	English, Swedish	Swedish, Spanish	English, Finnish
Human resources	Finland	Expert	6	Finnish	Finnish	English, Swedish	German, French	English, Finnish, Swedish
Human resources	Lithuania	Expert	2	English	Lithuanian	English, Russian	Polish, Latvian, German, Czech	English, Lithuanian, Russian
CP communications (CP = corporate personnel)	Germany	Senior	15	German	German	English	Italian, Portuguese	English, German
CP communications	Germany	Senior	19	German	German	English	–	English, German
CP communications	Germany	Senior	28	English	English (US)	German, Greek	French	English, German
CP leadership, development, cooperation	Germany	Senior	31	German	German	English	French, Spanish	English, German
CP leadership, development, cooperation	Germany	Middle	–	German	Turkish	English, German	–	English, German, Turkish
CP policies and legal issues	Germany	Lower	8	German	German	English, French	Spanish, Italian, Czech	English, German, French
Learning campus	Germany	Top	–	German	German	English, German	–	English, German
Learning campus	Germany	Lower	–	English	English (GB)	German	–	English, German
Learning campus	Germany	Lower	24	German	German	English	–	English, German

(continued)

Table I. Information on interviewees

Business unit	Location	Management level	Siemens years	Interview language	Mother tongue	Foreign language skills	Not fluent	Working languages
Learning campus	Germany	Operative	17	German	French	English	–	English, German
Learning campus	Germany	Operative	22	German/French	French	English, German	–	English, German, French
ICN (ICN = information and communication networks)	Germany	Operative	18	English	English (US)	German	–	English, German
ICN	Germany	Lower	10	German	German	English	Spanish	English, German
ICN	Germany	Operative	21	English	English (GB)	German	French, Spanish	English, German
ICN	Germany	Lower	4	English	English (US)	German	–	English, German
SFS (SFS = Siemens Financial Services)	Germany	Top	–	German	German	English	–	English, German
SFS	Germany	Lower	5	German	German	English	Portuguese	English, German
SFS	Germany	Lower	5	English	English (GB)	German	–	English, German
SFS GmbH structured finance	Germany	Middle	–	German	German	English	–	English, German
SFS GmbH structured finance	Germany	Lower	–	German	German & Czech	English, Croatian	Spanish, Mandarin	English, German, Russian
Power transmission and distribution	Germany	Middle	10	German	German	English	–	English, German
Automation and drives	Finland	Middle	39	Finnish	Swedish	English, German, Finnish	–	English, German, Finnish

(continued)

Business unit	Location	Management level	Siemens years	Interview language	Mother tongue	Foreign language skills	Not fluent	Working languages
Automation and drives	Finland	Operative		Finnish	Finnish	English, German	Swedish	English, German, Finnish
ICM (ICM = information and communication mobile)	Finland	Expert	3	Finnish	Finnish	English	Swedish	English, Finnish
ICM	Finland	Lower	6	Finnish	Finnish	English, German	Swedish	English, Finnish
ICN	Finland	Middle	4	Finnish	Finnish	English, German	Swedish	English, Finnish
M & A integration competence center	Germany	Middle	14	German	German	English, Persian	Swedish, Italian, French	English, German, Finnish
Board of directors, Finland	Finland	Top	18	Finnish	German	English, German	French	English, German, Finnish
Corporate development	Germany	Middle	39	German	German	English, Russian	French, Russian, Turkish, Swedish	English, German, Finnish
Corporate brand and design	Germany	Senior	14	German	German	English	–	English, German
Spiridon	Finland	Operative	30	German	German	English	–	English, German
Accounting and controlling	Finland	Operative	1	English	Spanish, Catalan	English	German, Finnish	English, German
			0.5	Finnish	Finnish	English	Swedish	Finnish

Table I.

meaning of interviewees' comments – either consciously or unconsciously – to fit the researcher's expectations. However, respondent validation was ensured by sending the entire case report to selected key informants for factual verification and feedback (Hartley, 2004). This procedure did not reveal any significant mistakes, and increased the validity of the findings.

The transcribed data were analyzed by “subsuming particulars into the general” (Miles and Huberman, 1985, p. 223), in other words gathering interviewees' comments under certain themes such as language diversity, common corporate language and company speak. At this point the selected quotations were also translated into English in order to ease comparison across interviewees and organizational units. We now turn to the findings of the case study.

Findings

Siemens is a globally operating electronics and electrical-engineering company with some 434,000 employees and a presence in over 190 countries. It was ranked 22nd on the Fortune Global 500 list in 2006, and 21st in 2005 (*Fortune*, 2006). About 40 percent of the shares of the Munich-based company are located in Germany and another 40 percent in continental Europe and Great Britain. Most of the employees are located in Germany (38 percent) and in the rest of Europe (26 percent).

The corporate language at Siemens had been stated by the former CEO of the company, Heinrich von Pierer, to be English (Javidan, 2002). Our empirical findings did not support this statement, however. Views on the corporate language seemed to differ to a significant extent depending on the geographical location, the managerial level as well as the native language of the respondents.

In Germany, the headquarters as the core of the company was mentioned as a reason for conducting daily operations mainly in German. Not surprisingly, German-speaking countries prefer using German in communication with headquarters, but even at the German unit in Mannheim, where the respondents were mainly of English-speaking origin, German was reported as the corporate language. In addition to these, Eastern European and Latin American countries, as well as China, were referred to by many as countries in which German was preferred to English in communication. Whereas in Finland the general view was that the corporate language is English, at the Siemens headquarters in Munich both German and English were mentioned as equally important common corporate languages (original in German):

Interviewee: So, we have two [corporate languages], bilingual, English and German, those are the two official company languages.

Interviewer: Interesting, because in Finland I often heard that English was the company language and that is it!

Interviewee: No, no, English and German.

In support of the staff at headquarters, a top manager in Finland also shared the view that there were two corporate languages. More generally, this seems to suggest that top management as a group, regardless of the geographical location and the home base, practiced the two-languages policy as part of their everyday communication. At the headquarters in Germany, the parallel use of the two corporate languages was also explicitly demonstrated in corridor discussions in which members of staff were observed to switch from one language to the other during a conversation, and to import

words from German, for example, into a discussion in English. This code-switching behavior seemed to be mostly based on the current mood of the communication partners, as the same persons might have a discussion in German and continue it in English the next day. Such behavior was not observed in other units or by other representatives of the company. It could thus even be argued that this code switching presented a common use of language among the top management. It seems that language competence was a requirement for reaching Siemens's managerial level, as the top executives in Germany noted (original in German):

... language skills are very important, the higher one gets on the management level, the more language becomes a must ... Actually each management level should know at least both of the official languages and ... it would be nice if one had a third one.

As Table I shows, Siemens top managers at the time also possessed these language skills.

Language competence was generally noted to be very important by all respondents within Siemens, and it was pointed out that the language requirements were constantly on the increase. One German manager stated:

The sooner I have the information, the quicker I can make decisions. Information is often also a power tool, and that's why everyone tries to get to the information as soon as possible. And language is the key.

Some interviewees noted that English skills were not required, neither were they as readily available, in all parts of the organization, however. According to an operative-level employee in Finland, for example, "The biggest challenge in our case is that not everyone has enough language skills." In this unit there was no-one else who was capable of handling communications in both English and German. Sometimes this caused messages to be misplaced or even forgotten, particularly when the interviewee was on holiday. Clearly, then, there was a wide gulf between those who had the necessary language skills and those who did not.

Alongside the interplay between English and German, the interviews also uncovered the daily use of other languages within the company, including "... French and Spanish as, let's say, second-place languages that always come into play when very important things happen ...". In Finland, firstly Finnish and Swedish and secondly Russian were mentioned. Moreover:

... [w]ith Estonians I speak English; they understand Russian but can hardly express themselves. With Latvians [I speak] Russian, sometimes English depending on the situation.

Thus, it seems clear that the workplace at Siemens is truly multilingual.

Overall, English was the language most commonly used by the respondents, all except two using foreign languages daily in their work. German was also noted as an important everyday language yet its importance appeared to depend on aspects such as the business unit or product area in question [original in Finnish]:

They want strongly to hold on to it [German] in this current product area. I had a different product area earlier and there the mentality was that they wanted to speak English.

It was particularly noticeable that the more traditional Siemens business areas used more German, whereas the "newer" ones such as telecommunications relied on English. Furthermore, in both Germany and Finland, the age of the employees seemed to play

a role in the use of German. Older employees were reported to possess better German skills than younger ones, who in turn excelled in English.

In spite of the clear importance of German in Siemens internal communication, the overwhelming majority of the respondents were of the opinion that its role was diminishing. "In some businesses English is very strong, in some less strong, but the direction is more and more to[ward] English." From this perspective, one might speculate whether the former CEO von Pierer's comment on English being the corporate language (Javidan, 2002) addressed the external communication of the company, leaving the question of a common internal corporate language intentionally or unintentionally open. The possibility of such an intentionally "emergent" approach would seem to be supported by the fact that the respondents were unable to locate an exact point in time when the decision to adopt a common corporate language was made in the company. Some even argued that no such decision had ever been made, and therefore the official language still remained German. The first author was not provided with any company documents concerning the top-management decision to introduce a common corporate language. Yet, one respondent in Germany stated: "There are two [corporate languages], German of course, and then officially the foreign language is English ...". Thus, the interview data show the diversity of positions and approaches concerning the use and choice of the common corporate language(s).

The interview data also demonstrate the use of "company speak" and related professional languages in Siemens. The respondents noted that such terminology consisted of "... company-internal programs and things that are talked over in abbreviations ..." as well as "... certain themes that are important in the group ...". Moreover, "... part of [company speak] is surely the kind of pure technical business language, language that let's say you would hear if you go to Nokia or Ericsson or something ...". According to the Finns, a number of abbreviations stemmed from German, whereas in Germany the general consensus was that the abbreviations were to an increasing degree translated into English. In fact, even though important matters such as the names of individual units had already been changed into English, some minor issues were still expressed in German.

The Siemens case illustrates both the positive and negative effects of combining a foreign language with a technical or industry language. Such a language enables communication on a specific subject with particular vocabulary, but it may also create misunderstandings. For example, Germans and Scottish personnel who were involved in negotiations were highly knowledgeable in the technical language but lacked the skills to understand terms outside of their respective fields of expertise:

... [T]he whole time they were talking this really technical stuff ... And suddenly this Scottish guy throws in this term which is not technical but common in his area. But he completely lost everybody until we sorted it out."

It is noteworthy that the German negotiators tried to act as if they had understood everything for a considerable period of time before a misunderstanding was acknowledged. Such behavior suggests that competence in technical language is perceived as a key aspect of being professional.

On the basis of the preceding analysis, it seems safe to conclude that there were multiple interpretations of the decision to adopt a common corporate language. Moreover, language use was largely context-specific. Another finding is that, despite

corporate attempts to render the organization monolingual or bilingual, the case company still operated as a multilingual community. However, it remains unclear whether this was intentional or unintentional.

Discussion and concluding remarks

Our aim with this paper was to address the following research questions with regard to the internal role of common corporate language(s) in Siemens: what makes the common corporate language “common”? To what extent is it shared and used throughout the MNC organization? How is it managed? We now proceed to discuss these questions in the light of our empirical findings.

Regarding the first question – what makes the common corporate language “common” – we conclude that top-management *fiat* alone may not be sufficient to establish such a language. Although attempts to introduce English as the common corporate language of Siemens may have been made, several different languages continued to be used within the organization. There were even opposing perceptions of which language – German or English – had been chosen as the official corporate language. In the Siemens case it may make more sense to approach the question from the opposite perspective and ask why neither German nor English held this position. Posing the question in this way highlights the considerable tension that existed between Siemens’ history, its administrative heritage, and the key role of its German units on the one hand, and its newer business areas, global reach, and the strengthening position of English as the *lingua franca* of international business on the other. This type of tension, while certainly not unique to Siemens among multinationals with roots in non-English-speaking countries, is potentially problematic from the perspective of corporate cohesion and integration. It causes particular concern when examined in the light of research results suggesting that sharing a language promotes cohesion, trust, and the emergence of shared visions (for recent quantitative evidence in an international business context, see Barner-Rasmussen and Björkman, 2007, forthcoming). Inversely, linguistic diversity within the boundaries of one and the same firm may have disintegrating effects, which may be particularly strong if the end result is polarization into two equally strong language-based camps (in Siemens’ case English and German).

In the Siemens case, there was a strong trend of convergence toward English in many parts of the organization, although it is notable that it had not been clearly and unambiguously designated as the common corporate language. The convergence toward this language seemed to be due more to external (industry) pressures and “emergent” processes than to strategic decisions taken at the apex of the organization. Thus, our findings show that neither German nor English held a dominant position *vis-à-vis* each other, but that they were dominant in relation to other languages being used inside the company.

Our final research question was centered on the challenges involved in managing the common corporate language. According to Janssens *et al.* (2004, p. 415), “International companies are multilingual organizations in which language diversity needs to be organized”. In a similar vein, it has been argued that linguistic diversity in MNCs should be managed (Feely and Harzing, 2003; Luo and Shenkar, 2006). However, given our study of the Siemens case, we conclude that one strategy for managing language diversity may be non-management in the form of conscious ambiguity

(March and Olsen, 1976) – that is, “... suspending rational imperatives toward consistency [so as to be able to] explore alternative ideas of possible purposes and alternative concepts of behavioral consistency” (March and Olsen, 1976, p. 77). It is well recognized that language issues are closely linked to identity and power in multinationals, not least because there are strong emotional connections between particular languages and nationalism. Clearly, making an explicit decision to introduce a common corporate language could be viewed as an attempt to exercise corporate control (San Antonio, 1987; Marschan-Piekkari *et al.*, 1999b). It is thus possible that, in order not to provoke emotional reactions from either the “German” or the “non-German” parts of Siemens, the issue of a common corporate language was intentionally left ambiguous and allowed to solve itself in an emergent manner, inviting different parties to make their own interpretations. This stands in sharp contrast with the view that language use in MNCs is driven by top management’s decisions and strategic choices (Luo and Shenkar, 2006).

We wish to encourage future research on this topic, with a view to both testing the conclusions of this particular case study and opening up a more general dialogue concerning the use of corporate languages. We see a need for more work on several fronts. As noted earlier, it has been proposed that the MNC country of origin matters with regard to language and language choice (Welch *et al.*, 2001). Future research should therefore compare firms from different language backgrounds in order to assess the possible effects of home-country language and “language blindness”. Another topic for future research is the possible impact of the industry on attitudes toward common corporate language(s), specifically English. As discussed earlier, Siemens is in the high-technology industry, which may be positively predisposed toward the use of English. Future studies should therefore include companies from a broader set of industries in order to control for industry effects.

On a more general level, a key topic for future research would be firm and individual strategies for handling ambiguity derived from linguistic diversity. Here, we would like to draw particular attention to the interaction between different languages, such as in the formulation of company visions or other texts that are of particular symbolic importance and difficult to translate. The role of translators and other “boundary spanners” (Kostova and Roth, 2003) in ambiguous language-related situations is also worthy of study.

In conclusion, we would like to see more research on the issue of language choice and the overall value of language strategies in multinationals. To what extent can language really be managed in MNCs? Luo and Shenkar (2006, p. 335) discuss the “design of language systems” in MNCs, and argue that “language is a strategic choice”. However, our results show how difficult it is even for top management to make or reinforce this choice. Clearly, the notion of a common corporate language is highly relevant to academics and practitioners alike.

References

- Andersen, H. and Rasmussen, E.S. (2004), “The role of language skills in corporate communication”, *Corporate Communication: An International Journal*, Vol. 9 No. 2, pp. 231-42.
- Anon (1999), “Big Company jargon baffles new recruits”, *Management Accounting: Magazine for Chartered Management Accountants*, Vol. 77 No. 3, p. 6.

-
- Bargiela-Chiappini, F. and Nickerson, C. (2002), "Business discourse: old concepts, new horizons", *International Review of Applied Linguistics in Language Teaching, Special Issue on Business Discourse*, Vol. 40 No. 4, pp. 273-86.
- Barner-Rasmussen, W. (2003), "Knowledge sharing in multinational corporations: a social capital perspective", PhD thesis, Yliopistopaino, Helsinki, Swedish School of Economics and Business Administration, No. 113.
- Barner-Rasmussen, W. and Björkman, I. (2007), "Language fluency, socialization and inter-unit relationships in Chinese and Finnish subsidiaries", *Forthcoming in Management and Organization Review*, Vol. 3 No. 1, forthcoming.
- Bruntse, J. (2003), *It's Scandinavian: dansk-svensk kommunikation i SAS*, Institut for Nordisk Filologi, Kobenhavns Universitet, Copenhagen.
- Charles, M. (1998), "Europe: oral business communication", *Business Communication Quarterly*, Vol. 61 No. 3, pp. 85-93.
- Eisenhardt, K.M. (1989), "Building theories from case study research", *Academy of Management. The Academy of Management Review*, Vol. 14 No. 4.
- Feely, A.J. (2003), "Communication across language boundaries", in Tayeb, M. (Ed.), *International Management: Theories and Practices*, Pearson Education, London, pp. 206-35.
- Feely, A.J. and Harzing, A-W. (2003), "Language management in multinational companies", *Cross-cultural Management: An International Journal*, Vol. 10 No. 2, pp. 37-52.
- Fortune* (2006), available at: <http://money.cnn.com/magazines/fortune/global500/2006>, (accessed August 20, 2006).
- Goodall, K. and Roberts, J. (2003), "Only connect: teamwork in the multinational", *Journal of World Business*, Vol. 38 No. 2, pp. 150-64.
- Hartley, J. (2004), "Case study research", in Cassell, C. and Symon, G. (Eds), *Essential Guide to Qualitative Methods in Organizational Research*, Sage, London, pp. 323-33.
- House, J. (2002), "Communicating in English as a lingua franca", *EUROSLA Yearbook*, No. 2, pp. 243-61.
- Janssens, M., Lambert, J. and Steyaert, C. (2004), "Developing language strategies for international companies: the contribution of translation studies", *Journal of World Business*, Vol. 39 No. 4, pp. 414-30.
- Javidan, M. (2002), "Siemens CEO Heinrich von Pierer on cross-border acquisitions", *Academy of Management Executive*, Vol. 16 No. 1, pp. 13-5.
- Kankaanranta, A. (2005), "Hej Seppo, could you pls comment on this! – internal email communication in Lingua Franca English in a Multinational Company", PhD thesis, Centre for Applied Language Studies, University of Jyväskylä, Jyväskylä.
- Kostova, T. and Roth, K. (2003), "Social capital in multinational corporations and a micro-macro model of its formation", *Academy of Management Review*, Vol. 28 No. 2, pp. 297-317.
- Lester, T. (1994), "Pulling down the language barrier", *International Management*, July-August, pp. 42-4.
- Louhiala-Salminen, L. (2002), "Communication and language use in merged corporations: case Stora Enso and Nordea", Working Papers, No. 330, Helsinki School of Economics, Helsinki.
- Louhiala-Salminen, L., Charles, M. and Kankaanranta, A. (2005), "English as lingua franca in Nordic corporate mergers: two case companies", *English for Specific Purposes*, Vol. 24 No. 4, pp. 401-21.

- Luo, Y. and Shenkar, O. (2006), "The multinational corporation as a multilingual community: language and organisation in a global context", *Journal of International Business Studies*, Vol. 37 No. 3, pp. 321-39.
- Mäkelä, K., Kalla, H. and Piekkari, R. (2004), "Knowledge sharing within multinationals: the phenomenon of clustering", paper presented at 30th Annual Conference of the European International Business Academy (EIBA), Ljubljana, 5-8 December.
- March, J. and Olsen, J.P. (1976), *Ambiguity and Choice in Organizations*, Universitetsforlaget, Bergen.
- Marschan-Piekkari, R. and Reis, C. (2004), "Language and languages in cross-cultural interviewing", in Marschan-Piekkari, R. and Welch, C. (Eds), *Handbook of Qualitative Research in International Business*, Edward Elgar, Northampton, MA, pp. 224-43.
- Marschan-Piekkari, R., Welch, D.E. and Welch, L.S. (1999a), "In the shadow: the impact of language on structure, power and communication in the multinational", *International Business Review*, Vol. 8, pp. 421-40.
- Marschan-Piekkari, R., Welch, D.E. and Welch, L.S. (1999b), "Adopting a common corporate language: IHRM implications", *The International Journal of Human Resource Management*, Vol. 10 No. 3, pp. 377-90.
- Marschan-Piekkari, R., Welch, C., Penttinen, H. and Tahvanainen, M. (2004), "Interviewing in the multinational corporation: challenges of the organisational context", in Marschan-Piekkari, R. and Welch, C. (Eds), *Handbook of Qualitative Research Methods for International Business*, Edward Elgar, Northampton, MA, pp. 244-63.
- Marshall, C. and Rossman, G.B. (2006), *Designing Qualitative Research*, 4th ed., Sage, Thousand Oaks, CA.
- Miles, M. and Huberman, A.M. (1985), *Qualitative Data Analysis, A Sourcebook of New Methods*, Sage, London.
- Nickerson, C. (2000), "Playing the corporate language game: an investigation of the genres and discourse strategies in English used by Dutch writers working in multinational corporations", PhD thesis, University of Utrecht, Amsterdam.
- Nickerson, C. (2005), "English as a lingua franca in international business contexts (guest ed.)", *English for Specific Purposes*, Vol. 24, pp. 367-80.
- Planken, B. (2005), "Managing rapport in lingua franca sales negotiations: a comparison of professional and aspiring negotiations", *English for Specific Purposes*, Vol. 24 No. 4, pp. 381-400.
- Poncini, G. (2003), "Multicultural business meetings and the role of languages other than English", *Journal of Intercultural Studies*, Vol. 24 No. 1, pp. 17-32.
- San Antonio, P.M. (1987), "Social mobility and language use in an American company in Japan", *Journal of Language and Social Psychology*, Vol. 6 Nos 3-4, pp. 191-200.
- Siemens (2004), *Siemens Annual Report*, Siemens.
- Sørensen, E.S. (2005), "Our corporate language is English: an exploratory survey of 70 DK-sited corporations' use of English", Master's thesis, Faculty of Language and Business Communication, Aarhus School Business, Aarhus.
- Tietze, S. (2004), "Spreading the management gospel – in English", *Language and Intercultural Communication, Multilingual Matters*, Vol. 4 No. 3, pp. 175-89.
- Welch, C. and Piekkari, R. (2006), "Crossing language boundaries: qualitative interviewing in international business", *Management International Review*, Vol. 46 No. 4, pp. 417-37.
- Welch, D.E., Welch, L.S. and Marschan-Piekkari, R. (2001), "The persistent impact of language on global operations", *Prometheus*, Vol. 19 No. 3, pp. 193-209.

Welch, D., Welch, L. and Piekkari, R. (2005), "Speaking in tongues: language and international management", *International Studies of Management & Organization*, Vol. 35 No. 1, pp. 10-27.

Yin, R. (2003), *Case Study Research: Design and Methods*, 3rd ed., Sage, Thousand Oaks, CA.

About the authors

Riikka Fredriksson MSc (Econ.) graduated from the Helsinki School of Economics (HSE) in fall 2005 with International Business as her major. The research conducted for her master's thesis has served as a basis for this paper. Currently she is working and living in Stockholm, Sweden, as a consultant at BTS, a company specializing in management training through business simulations. Riikka Fredriksson is the corresponding author and he can be contacted at: riikka.fredriksson@bts.com

Wilhelm Barner-Rasmussen currently holds an acting professorship in Management and Organization at the Swedish School of Economics in Finland. His research area is knowledge creation and transfer in MNCs, with a specific focus on language and communication issues. E-mail: wilhelm.barner-rasmussen@hanken.fi

Rebecca Piekkari is Professor of International Business at the Helsinki School of Economics in Finland. She has published widely on language issues in international management processes. She has also written about the use of qualitative research methods in international business. E-mail: rebecca.piekkari@hse.fi