Language management in international business. Implementation of strategies to bridge linguistic and cultural barriers

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ABSTRACT

Good communication is indispensible when doing business in the 21st Century. It is connected to the fact that most corporations operate worldwide. Multinational companies can encounter many problems when maintaining its global coordination. They often face linguistic and cultural differences. Undermining language management significance has a direct impact on businesses. All multinational companies need to apply solutions to the problem of language barriers and their communication weaknesses. Although there is a wide-range of different strategies that can be adopted by corporations to enhance business performance on the global market, many companies are not fully aware and consider those strategies unimportant.

Keywords: communication; business in the 21st Century; multinational companies; language barriers
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INTRODUCTION

The focus of Chapter One rests on the obstacles for communicating. The first section concentrates on defining communication within the business context, and points out the major problems that cause difficulties in cross-cultural communication. The two following subsections indicate the impact of culture and language on businesses.

Chapter Two opens with a definition of language management. The subsections of the chapter provide descriptions of major solutions and their importance for bridging the language barriers in the company. The last section of the chapter shows the benefits of implementing Language Management strategies in multinational companies.

Chapter Three contains the analysis conducted in the manufacturing company of automotive parts. The survey was administered to examine whether the company applied Language Management strategies to obtain global coordination.

CHAPTER ONE: LANGUAGE MANAGEMENT IN BIG CORPORATIONS

The era of globalization has influenced communication on the whole world, making it easier, faster, and effortless. Many companies began cooperating not only with businesses located in the country but also outside of its borders. It was, in fact, a big breakthrough for companies to extend their activities to different continents. This stimuli caused numerous multinational companies to come into existence. Thanks to innovative solutions, communication has improved and enabled connection of businesses from other countries with different cultures on a daily basis. However, technology cannot eliminate the issue of communication barriers. Corporations can face problems in the field of time differences, language barrier, perception of others, various cultures, or geographical distance (Erkkila 2010: 4).

The awareness of language management is especially vital for companies who want to stay competitive on the market. This forces businesses which operate with a variety of different countries to overcome those barriers with good language management strategies. In search for international harmonization, multinational companies accept the challenge to strengthen their global-coordination by removing language barriers. To handle the coordination burden corporations try implementing new methods. One of them is creating departments that help with language management, for instance: Total Quality Management, Virtual Organizations, Human Resource Management, Global Sourcing, Co-Design, Concurring Engineering, Corporate Culture, Extended Enterprise Management, Systems Integration, Centralized Treasury Management. These departments help to maintain good language management (Harzing 2008: 3).

1.1. Communication within the company

Communication is indispensible in business, this fact is best reflected by words written by Erkkila “Communication is at the core of all organizational operations and international relations” (Erkkila 2010: 11). By using different form of communication, information is transferred, negotiations conducted, clients needs met, and it enables cooperation and activities when doing business. Communication does not guarantee that a message is comprehended by all of the recipients, therefore, information should be kept clear, simple and be repeated (Erkkila 2010: 11).
Communication connects employees, departments, and in overall effects subsidiaries and the whole company. It permits the information to flow back and forth between employees, management, different departments, and offices. The proper way to strengthen two way communication is through organization which ensures a good flow of information (Besterfield et al. 2003: 47-48).

Communication can be verbal and nonverbal. The first one takes form in phone or face-to- face conversations, reports, email messages, and memos, while nonverbal includes company logos and graphics. Interpersonal nonverbal communication can be seen in smiles, and the organization of an office in a company or hierarchy in corporation when having a meeting (Locker 1998: 4). All of these factors are vital when conducting negotiations and operating worldwide.

1.1.1. Internal communication

“Effective internal communication deals with the exchange of information within an organization to create a shared understanding that drives the behaviors and actions needed to move the business forward” (Kazmi 2011: 5 as quoted by Jitsanong 2011: 2). All the companies which realize the importance of internal communication seek to obtain the best method to ensure an effective sharing of information. Corporations have become aware that their effectiveness will increase using internal communication which is the gate for a successful business. Good communication appears vital to businesses which are in the international markets. The ability to identify the information, responding accordingly, and sharing it with other employees are the three most significant skills that are required in business. These skills ensure good organization from each member of the company because they hold the same values and are aware of the work polices. Also they ensure information to be completed accurately when employees are required to perform a particular task (Jitsanong 2011: 3).

1.1.2. Communication problems

According to the chart introduced by the Virtual Trends Report, four major problems that businesses encounter are shown. The most serious problem companies face is language barrier, the next is cultural differences, then the various time zones, and finally the different accents.

One of the major problems that multinational companies face while communicating worldwide is the difference in time zones. Language barrier is placed as the most important factor causing miscommunication in businesses. Although, nowadays it seems obvious it has a big impact when doing business worldwide. Cultural differences are frequently undermined by companies but it is proved to be the most important reason for miscommunications and obstacles when doing business.

In the multicultural corporations which have many subsidiaries located in different areas in the world it is essential that messages are tailored for different languages and cultures. The reason being that cross- cultural or intercultural communication involves the process of exchanging information between people who understand and interpret verbal and non-verbal messages differently, which is related with the different cultural backgrounds (Erkkila 2010: 13).
1.2. The impact of language barrier

Language barrier is one of the major problems which affect the managements of a business. Little importance is given to language issues and business practice and theory, some scholars have even described it as “The Forgotten Factor” (Marschan-Piekkari, Welch, & Welch, 1997), “The Management Orphan” (Verrept, 2000), and “The Most Neglected Field in Management” (Reeves & Wright, 1996).

All of these expressions emphasize a wide-range of negative consequences that might occur if the negligence of these issues is continued (Harzing 2007: 4).

The lack of sufficient competence in a language can lead to misunderstandings which in turn leads to big losses in money. Corporations lose their potential clients and actual businesses because of their lack of sufficient knowledge in different languages. Lost deals results in losses in total business revenue, losses in return on investments abroad, and can even destroy the image of the company (Duggan 2009: 4).

Those are just a few examples that show the key role which language plays when doing business. Negligence of language skills can show the importance in multinational Companies causing the following.

1.2.1. Missed opportunities

“The lack of language skills among U.S. businessmen is an enormous barrier to increasing U.S. participation in overseas markets” (Duggan 2009: 4). Companies which lack language skills often miss business proposals which are announced from local government communications or in the local media. Corporations without capabilities in certain languages very often fail to see request for proposals that are written in the languages in which company is not proficient.
1.2.2. Mystery Pain

Successful business negotiations usually require language proficiency at a very high level. It is connected with the fact that the specifics of a contract need to be included, memorandum of understanding or the need for supplying guidelines to be set. Otherwise, the lack of language proficiency causes poorly structured agreements which result in misunderstandings of legal terms in the different language. They carry “mystery pain” which means that the language errors are noticed in the future, after the contract has been drawn. This mistake is even more painful in the countries where the level of legal operations is at the low level (Duggan 2009: 4).

1.2.3. Mistrust, Uncertainty and Anxiety

“(…) Advanced language skills provide the foundation to trusted relationships with customers, communities, and partners. With those skills we are able to enhance and maintain our connection with current markets and develop new ones fully aware of local customer needs and requirements” (Duggan 2009: 4).

Language proficiency is one of the most important factors which produce better relationships with overseas partners. Advanced language skills also enable faster development of trust than in cases which lack proficiency in the certain language. Mistrust in business relationships prevents or reduces the revenue of a company. Lack of trust is often caused in situations when the international customers feel fear and danger of an unfamiliar language.

The salespersons with not native efficiency of the language are perceived as less credible and less able. This leads companies to being less successful on the market than in the case of selling products and doing business with countries that share the same language. While speaking in a foreign language sellers may lack confidence and assertiveness in themselves. These barriers influence the relationship between customers and suppliers which may result in loosing deals (Harzing 2002: 14).

Managerial positions always require good knowledge in the language of another company. There are certain skills which are quite impossible to obtain, for instance employees often lack rhetorical skills which reflect the use of humor, personal sensitivity, the way of conducting negotiations, and the very important skills while leading people are persuasion and motivation. To be able to fulfill those characteristics, the manager needs to have high level of fluency. Misunderstandings are the consequences of lacking rhetorical skills which cause anxiety and uncertainty (Harzing 2007: 10)

The inability is very often perceived as lacking the qualities of a good leader such as charisma, confidence and leadership skills. Undervaluing managers with insufficient fluency results in mistrust.

1.2.4. Fear of losing face

Employees, especially those who work in higher positions as international managers do not want to be perceived as people lacking intelligence, empty-headed or ill-informed, therefore, managers having senior status sustain a knowing façade. They pretend to follow the discussion, when they lose track in conversation.

They act as if they knew all the details and remain in a stony silence. This lack of knowledge and pride leads them to big mistakes such as signing contracts they have barely understood. Those actions weaken trust and credibility. Moreover, such people may seem as unpredictable, deceitful and unreliable to others (Harzing 2002: 11).
1.2.5. Financial impact

“(..) We have to be able to work seamlessly across the enterprise, regardless of location. That requires us to overcome any language barriers that exist between workers in different geographies. Without the ability to communicate clearly, concisely, and effectively in both directions, significant risks begin to enter the equation, including lower quality, lost productivity, and increased training costs (..)” (Duggan 2009: 6). Even the best managers who are experts in the field of management and have a great knowledge with big experience in work, when lacking language skills and supervising cross-national projects, lose clarity in communication. Delays in production, worse productivity, and wasted materials are the consequences of inadequate and unsuccessfully managed teams. Misunderstanding of contracts, mistakes made in orders; over or under-production hurts budget of enterprises. The materials are wasted because of an unclear way of communicating and the shortages in knowledge, such as specialized vocabulary. The savings evaporate as the effect of the problems related to language comprehension, culture, and business context of a new market.

The examples of the impact of language barrier are essential to realize the importance of language management when doing business today. It illustrates how wide-ranging and potentially serious “the forgotten factor” appears to be in cross-national companies (Harzing 2002: 11).

1.3. Significance of different cultures when doing business

“Culture is defined as a shared design for living. It is based on the values and practices of a society, a group of people who interact together over time. People absorb culture through the early process of socialization in the family, and then this process carries over to the ways in which they perceive themselves and the world.(…)” (Aviary Group. 2013-05-11). There is no one definition of culture, this term describes various characteristics that are passed down for generations and are directly related to the people and the society living in a particular region. Culture includes the elements such as: values, attitudes, morale, ideas, customs, language, religion, laws, experiences, cuisine, music, arts, ways of perceiving world and social behavior.

Serious consequences can be the result of a failure to understand cultural differences. Possessing information on the culture of a particular country or region is vital and the culture should not be undermined in the process of a company’s management, it appears to be as important as the knowledge of the language and the local market.

The understanding of culture brings two aspects; visible and invisible. Visible aspects are noticeable at the first glance while travelling to a new country. Differences in ordinary things such as food, clothing, architecture, ways of greetings, language, religious practices are easy to notice, whereas, the invisible aspects of culture bring awareness after some time, and careful examination or immersion. Invisible aspects become indeed profound after some time, among them we can understand deeper religion beliefs, styles of communication, gender relationships and the role and importance of family in the society (Culture and Why It Matters to Your Business. 2012-05-11).

1.3.1. The impact of culture on Public Relations, Marketing, and Advertising Strategies

Although more and more companies become aware of cultural differences and pay attention to be culturally accurate, there are numbers of corporations that do not realize its importance and implement marketing strategies that fail to success. “Not only can they fail - but the mistake could be so dramatic it can have a negative impact on the company’s global
brand! Companies need to make variations to their marketing approach when doing business internationally” (Culture and Why It Matters to Your Business. 2012-05-11). Lundberg emphasizes the impact of lacking cultural awareness. There are two examples that reflect the importance of culture when doing business. The first example demonstrates marketing failure and its connection to culture diversity. The other shows the company’s awareness of culture when designing products for a particular region and country, taking into the considerations diversity of cultures.

The company selling tooth-whitening toothpastes wanted to extend their product to other countries and launched the product in Southeast Asia overlooking one very important aspect related to culture in that area. In that region people chew betel nuts, which are believed to strengthen the teeth and are used very often during rituals and ceremonies. But more importantly chewing these nuts turn the teeth black, which is considered to be very attractive. This marketing strategy failed to succeed because of the lack of awareness of cross-cultural differences which resulted from not having basic marketing research conducted society (Culture and Why It Matters to Your Business. 2012-05-11). The company designing and producing dolls for little girls which noticed the culture plays a crucial role. It observed that children wanted their dolls to look similar to their local environment which is different in each country. Designers create dolls which reflect specific features, such as different skin colours, different clothing, various hair styles, and different names typical for a particular country. As a result, this company appears to be successful in the international market selling unique dolls all over the world society (Culture and Why It Matters to Your Business. 2012-05-11).

Culture influences people, their behavior, and the way of perceiving the world through different elements. Colours appear to be one of these elements which are important in communication. Through them there are possibilities to show feelings, emotions, and ideas, however, there is one issue that companies have to be aware of, namely the colours have various meanings within different countries. Although this factor seems to be seemingly small, it has an impact on business venture. Colours are crucial in business during activities such as designing websites, advertising campaigns, and brochures for International markets. The symbolism of colours often has its historical background, and a lack of its awareness can result in embarrassment and be quite expensive. For example, the colour red is perceived as the colour of Christmas in North America, while in Russia, China, and Vietnam it is the symbol of Communism. White is another illustration of different meanings in colours. In many Western countries it stands for innocence and purity, e.g. brides wear white dresses in their wedding. At the contradiction, for some Asian countries white is the colour of death and mourning society (Culture and Why It Matters to Your Business. 2012-05-11).

1.3.2. Psychic distance

Psychic distance is the perception and understanding of the operating management practices across international markets. The origins of this term dates back to 1956 in the research that was conducted by Beckerman (Beckerman, 1956). Nordstorm and Vahlne (1992) described psychic distance as “factors preventing or disturbing firm’s learning about and understanding a foreign environment”. Psychic distance can indicate different factors, such as: differences in the level of economic development between countries, level of education, differences in choosing business language, differences in culture and local language and previous trading with other countries (O’Grady- Lane 1996: 312). “Psychic distance is also viewed as a measure of the uncertainty that results from cultural and business difficulties that create barriers to learning about overseas markets” (Fletcher-Bohn 1998: 2). The term psychic distance is very often used in determining the ways of operating
internationally by multinational companies. While corporations expand to other countries, they increasingly take into consideration psychic distance which helps them adopt and implement a new way of operating (Brookes-Smith 2007: 4).

1.3.3. Group boundaries

Communication failures can be caused by polarization as well as by attribution of group identities. Polarization of group identities is very often related to the history and relationships between countries in the past. Leading businesses, or merging of the companies coming from different countries with a history can influence the communication between them. The position of the winning country can be superior, as in the case of when the Swedish and Finnish merged banks. The choice of corporate language was based on “history constructed conceptions of superiority (Swedes) and inferiority (Fins)” (Vaara et al. 2005: 611).

1.3.4. Cognitive schema

“Cognitive distortions are links between dysfunctional schemata and automatic thoughts. When new information or memories are cognitively processed, the information often is distorted or biased to fit a relevant schema. The result of this biased appraisal may then become accessible to consciousness in the form of automatic thoughts or images” (Robins & Hayens, 1993: 43 as quoted by Ventana Center for Psychoteraphy, 2013-05-12). Cognitive schemas reflect the cognitive version of identities and it comprises of knowledge about one’s self, that is the characteristics, goals, preferences, and typical behaviors. Group schemas commonly called stereotypes embrace ingrained information about social positions and statuses among different people, such as race, gender, age, or class.

Multinational corporations operating globally encounter difficulties when successfully managing language problems. Not only do language barriers trigger mistrust but also uncertainty, miscommunication and even conflicts. The language problems have a great impact on a business and entail severe consequences for companies. That is why managing these problems professionally is so important.

CHAPTER TWO: USE OF DIFFERENT STRATEGIES BY MULTINATIONAL COMPANIES TO ASSURE GOOD LANGUAGE MANAGEMENT

Language Management is defined as “the extent to which the company is able to satisfy its language needs through prudent deployment of a variety of language management tools including for example language training and expatriation” (Feely – Winslow 2006: 13 as quoted by Gundersen 2009: 16). There are many language management strategies that can be implemented within the company’s policy in order to overcome problems in communication, but international market companies do not have to introduce every single solution to obtain the best coordination. The secret is to find the best mix of presently used solutions within the company context or to discover different options by combining a few of them (Grigore 2006: 58).

The list of the most popular language management strategies used in the companies is the following:

- “using local agents to solve language problems;
Language Managements strategies, such as: Linguistic Auditing, Lingua Franca, Functional Multilingualism, External Human Resources, Corporate Language, Selective Recruitment, Expatriation, and Code switching are discussed in the paper in detail in order to prove the significance of those most important methods in bridging language barrier. Each strategy is described in terms of its strengths and weaknesses.

2.1. Language trainings

Personnel development is the basic area which the companies use when observing any shortages of their employee’s skills. Language trainings are very often implemented as the management strategies used in business, therefore, the training industry is very well developed and offers wide range of different language courses at various levels. However, the companies face problems maintaining language trainings for the entire time because it is affected by the financial situation of the company. When the business is thriving the money is invested in trainings, when the company has to tight its belt, training is considered to be the first luxury that should be rejected (Harzing 2002: 14).

There are various courses that are implemented in the organizations to improve the language skills. It is popular among the companies to institute very general courses known as quick-fix solutions. The results of them are often unsatisfactory. It is related to the fact that effective language learning courses require time and self-commitment. In the general courses, motivation is low because learners are conscious that the entire language must be mastered for any signs of improvement to be shown. These courses discourage and are very daunting, moreover, the likelihood of non-completion appears to be high. The solution for this problem is the introduction to the company targeted learning which concentrates on suitably identified language needs. Tailor-made courses are specifically designed to reach the established communication requirements of the organization. These kinds of courses appear to be very beneficial. First of all, employees are able to use acquired knowledge immediately which gives them a reward from the sacrificed effort. This in turn influences motivation which then remains high. Another advantage is that the course is designed to help the learner to progress
step by step. This is possible because there are fewer objectives set which are realistic and challenging at the same time (Reeves-Wright 1996: 5).

The Volkswagen Group is known to be the leader in the field of language trainings. It manages language professionally by applying 6 stages of the course that prepare the employee to reach an acceptable proficiency in communicating. The completion requirements of the course are quite strict, every stage involves 90 hours of in-class studies, and additional hours of self-study that are stretched over a 6- to 9-month period. At the end of each stage every participant is obligated to pass an achievement test. It is obligatory to complete the stage in order to continue the training in the remaining stages (Harzing 2002: 14).

2.1.1. Language Auditing

Linguistic Auditing is the process of identifying strengths and weaknesses of the company in terms of communication in foreign language. It enables firms to become aware of their present competence in certain departments and the capabilities of employees within the company. The purpose of language auditing is to set the need at a strategic level but the process requires human resources, training, cost in time, and finance (Reeves-Wright 1996: 5).

Linguistic Auditing is conducted in order to obtain various needs and goals. There are a number of factors that influence the process of conducting the language auditing:

- The expected duration of the audit.
- The size of the company.
- The budget intended for the audit.
- The causes of the problem in the field of communication.
- The goals set by the company.
- The knowledge of the auditor about the organization (Reeves-Wright 1996: 5-6).

The Linguistic Auditing is applied in the companies to provide feedback in four areas:

- identifying the needs of the company in terms of recruitment and language training
- recognizing strengths and weaknesses of an organization
- assessing the foreign language requirements
- benchmarking the findings against the capabilities of a company (Reeves-Wright 1996: 7).

2.1.1.1. Language Check-up as modified version of Linguistic Auditing

A Linguistic Audit has some drawbacks, namely, the cost of conducting language auditing is high and there has to be a lot of time spent on this process. Moreover, it requires involving external language specialists. For these reasons, the audit is sometimes replaced by a different method called language check-up which is part of the linguistic audit. The most important advantage of using language Check-up is that it is less expensive because it is self-administered, so there is no need to use external language assessors. Another benefit is the faster generation of results than in the case of an audit. Language Check-up additionally covers a wider-range of language problems than an audit. Particularly, it examines the status of corporate language standardization, provides accessibility of computer systems, assesses whether publications and web-sites possess multiple language interfaces, and checks the usage of the external language resources and translation machine tools (Harzing 2002: 8).
2.1.1.2. Language barrier dimensions

Linguistic Auditing is the tool for measuring three language barrier dimensions within the company, i.e. Language Diversity, Language Penetration, and Language Sophistication.

Language Diversity indicates the number of the languages that the company has to manage while doing business. Corporations that operate globally and possess subsidiaries, customers, suppliers, and joint-ventures all over the world have to measure the number of those languages to be aware of the different languages they may encounter when communicating with other companies. Global networks must require the capability of communicating in many languages particularly the languages of European countries, and different languages such as: Chinese, Japanese, Arabic and selected Asian languages, while Microsoft is a global giant that manages over 80 different languages (Harzing 2002: 6).

Language Penetration stands for specifying the number of functional areas in the multinational companies that operate across linguistic boundaries. In the past, cross-lingual communication was managed by a handful of language specialists unlike the new integrated systems which reach almost every function within the company. Presently, every department in the company is required to interact with linguistic boundaries at all levels and functions (Harzing 2002: 6).

Language Sophistication deals with analysis of language skills and capability requirements depending on the department, position, and function of an employee in the company. A secretary needs to have good speaking-listening proficiency to be able to understand the basic messages such as dealing with meetings and they have to know how to reply to a question accordingly. Logistics clerks are required to have better command of the language, they have to manage the skills of reading and writing and be able to operate with a limited vocabulary. International design engineers need to be proficient in the language to the degree that language is not a barrier for them in a field of concepts development and the resolution of design issues in spoken and written form. An excellent knowledge of the language is an indispensible attribute of an international manager. Not only do they have to be proficient in all skills i.e. writing, speaking, reading, listening but also be good at negotiation, persuasion, motivation, and humor, the elements that are part of rhetorical skills (Harzing 2002: 6-7).

2.2. Lingua Franca

Companies use English as a lingua franca as one of the language management strategies because it is the default language of business communication. Therefore, it is used by people who are not native speakers. English is known to be a “contact language” between employees and representatives who share different native tongue and cultures. English is the chosen foreign language that enables communication between the companies with different first languages (Firth 1996: 240). However, there are some drawbacks of reliance upon one language, notably some companies assert their right to “work in the language of the customer” which is the reason companies fail to notice the increasing trend of using different languages such as Chinese, Spanish, and Arabic; the languages that are likely to confront the supremacy of English after some time. Another disadvantage of only using English is a high probability that the speaker will have difficulties with negotiations because the contracts and regulations are always written in the local language. Lack of knowledge in local languages make a company defenseless and vulnerable (Harzing 2002: 11).
2.3. Functional Multilingualism

The goal of this language strategy is to get the message across by means of gestures, mix of languages and other available ways between parties. This hit-and-miss strategy, however, may not suffice and be the best option for business negotiations. Research indicates that 16% of international business operations are conducted in a “cocktail of languages”. The shortage of functional multilingualism is that it may cause cognitive divergence between the people and parties engaged in the conversation (Harzing 2002: 12).

2.4. External Language Resources

The corporations that extend their activities to other continents require indispensible skills for translation and interpretation, therefore they use external language resources to overcome language barrier in communication which can be the solution to some degree. Regardless of the size of the enterprise, each entrepreneurship needs developing relationships around the world to empower its position on the market. Outsourcing interpreters and translators helps coordinate international transactions, however, it also brings a big challenge for the enterprise to introduce the context of the subject matter to the translators. The translator’s lack of knowledge of the product, the technology used in production, processes within the company may hinder integrality of the business and relationships with clients. The value of third-party translators is affected by their deficiency of the business information. The phrase used by Senior Strategist “nothing worked terribly well, and it was all very expensive” (Duggan, 2009: 7) emphasizes and exposes the whole truth about using translators in the company. The language barrier cannot be cured or replaced by the service of a translator, their role should be used with caution. The method of employing a translator does not allow the enterprise to use full potential, effectiveness, and efficiency, moreover, it involves high costs (Harzing 2002: 13).

2.5. Corporate Language

Corporate language is another language management strategy used by the companies. It very often requires language trainings for staff to make sure that their language skills are at the right level. Corporate Language is the method in which one or couple of the languages are chosen to serve as official means of communication within the company. Multinational companies such as Siemens, Daimler-Chrysler, Electrolux, and Olivetti adopted this strategy to their policy providing many benefits. It standardises the formal reporting and daily communication with other subsidiaries and departments in the company. Another benefit is that information systems, polices, procedure documents, and technical literature are easy to access. The next advantage is building and developing the sense of belonging which creates a corporate language (Harzing 2002: 14).

However, this solution has a number of drawbacks as well. One major disadvantage is that it is a long-term strategy which means that the benefits can only be seen a long time after its implementation. It might be difficult to implement a single language for various reasons, for instance Nestle had problems in choosing the official language because its personnel could not decide on one, the votes were split between English and French. The last shortcoming of this solution is the problem of the employees who lack the competence in the chosen language. Insufficient knowledge of the personnel may cause resistance on their side, therefore the number of people with language skills should be taken into consideration while deciding the official language for the company (Harzing 2002: 14-15).
2.6. Selective Recruitment

“The easiest and the cheapest way to approach the language problem is to hire people already possessing the required skills” (Lester 1994 as quoted by Harzing 2002: 17). In other words, the problem of language barrier can be easily bridged by applying Selective Recruitment. However, this policy involves redeployment and possible redundancy of the post holders who cannot manage their foreign language at the required level. Therefore, the solution of using Selective Recruitment should be implemented in three specific and diverse situations. Firstly, it should be used in significant areas of language exposure where there are big problems with language skills. Secondly, in the case of introducing expatriate managers, and thirdly to create language nodes, i.e. the situation in which the communication is channeled through the skilled personnel between the company and the external world (Harzing 2002: 17).

2.7. Expatriation

This language strategy is used as an immediate solution when overcoming language barriers. These expatriate programs enhance better communication and connection between departments and headquarters thanks to the language nodes established. The disadvantage of this solution is that it entails higher costs, implying that the salary of an expatriate manager would be higher than the local one. Additionally, this strategy does not eliminate the whole problem of a language barrier, as the expatriate manager has to create another identity in the new location (Harzing 2002: 17-18).

2.8. Code switching

Acquiring foreign language in a native-like proficiency is almost impossible, therefore, second language users are aware that their skills of understanding may mislead them. While doing business it is very important to comprehend all the details, that is why the process of code switching often takes place in a meeting. In key moments, employees want to consult their notes and assure themselves on their understanding of the material. Although it appears to be natural and useful for the second language users, employees who do not share the same language can feel uncomfortable and suspect that there is a conspiracy or double-dealing going on (Harzing 2002: 10).

2.9. The benefits of implementing language management strategies

The companies which implemented language management strategies in the operation of their business have noticed increase in turnover. For the majority, the sales revenue increased by 10-25% due to the implementation of language strategies (Brandt 2011: 22-23).

41% of the companies which applied strategies to bridge language barrier recorded an increase in their turnover by over 25%.

35% of businesses noticed a raise in the output by 16 to 25%. Only 24% of the companies, which implemented language management strategies, reported business growth below 16%. A company’s implementation of language management strategies can produce only positive results.

Significant growth in sales and turnover are just a few of the benefits for a multinational corporation from establishing an effective management strategy. In order to remain competitive in the market, it is a necessity for businesses to improve policies concerning foreign language.
41% of the companies which applied strategies to bridge language barrier recorded an increase in their turnover by over 25%. 35% of businesses noticed a raise in the output by 16 to 25%. Only 24% of the companies, which implemented language management strategies, reported business growth below 16%. A company's implementation of language management strategies can produce only positive results. Significant growth in sales and turnover are just a few of the benefits for a multinational corporation from establishing an effective management strategy. In order to remain competitive in the market, it is a necessity for businesses to improve policies concerning foreign language.

CHAPTER THREE: LANGUAGE MANAGEMENT IN THE COMPANY MANUFACTURING AUTOMOTIVE PARTS

3.1. Company

The information about the company comes from the website. However, the company did not want to disclose its name. Therefore, the name of the company as well as the address of the website are not given in this paper.

The company covered in this research is one of the largest automotive parts manufacturers in Europe with its headquarters in Berlin. This enterprise consists approximately of 96, 400 employees located in European countries. The manufacturer possesses offices worldwide and it operates 79 manufacturing sites, and 29 joint ventures. Moreover it disposes of 25 sales offices and customer centres, and 15 technical centres across 10 countries in Europe.

The Company is one of the leading suppliers of technologies that are used in automotive and commercial automotive industries. The manufacturer is also a European leader in mobile electronics and transportation components.
Although the business mainly encompasses the countries within Europe, there are branches spread through the world with their location in China, South Korea, Brazil, India, and Russia. The most influential branch offices in the EU include England, Luxembourg, Sweden, Italy, Poland, France, Czech Republic, and Germany with its headquarters in Berlin.

The corporation surveyed has a permanent customer base in the leading vehicle manufacturers in Europe and other manufacturers from around the world, including BMW, Fiat, Ford, Mercedes, Renault, and Volkswagen. The enterprise specialises in four basic fields in production as it follows; gas engine management systems, electronic architecture systems and components, heat exchangers, and mechatronic systems.

The company has been constantly developing and expanding, covering more countries with each year. In 1992 this corporation went into agreement of cooperating with Poland and began its undertaking in Poland. Nowadays there has been 20 years since the business started operating and the country is becoming one of the largest employers in Central and Eastern Europe. The decision of including also Poland in the international cooperation of the company was the result of analysis which proved that this country had excellent potential for economic growth. Poland is known to be the centre of component production in Central Europe as it produces machinery massively. At present the company in Poland covers three major regions with manufacturing plants in Gdansk, Ostrow Wielkopolski, and Szczecin.

The branch offices in Poland have already received some impressive recognition for investment in the employees’ personal and professional development and contribution to research and development in the automotive industry. Those actions were awarded because they contribute to the company’s success and prosperity. This is also the reason why the prospering corporation located in Poland offers a broad range of career opportunities for both experienced candidates and fresh graduates. Because this business in Poland is up-and-coming, the company needs talented, educated, and experienced professionals to lead the business successfully. Not only does the corporation give employees valuable know-how but it also helps to obtain an experience.

Ostrow Wielkopolski is one out of the three regions where there are manufacturing plants in Poland. This city’s population estimate is 80 000 people, the unemployment rate has decreased to 8%. However, there is a big problem connected with migration of the young, educated people to the bigger cities, or even moving out of the boundaries of the country. In this situation the corporation has influenced the citizens by giving one hundred vacancies every year for five years now. The vacancies and the possibilities of career development and promotion opportunities are several attractive benefits for the graduates of technology universities.

Intercoolers and air conditioning systems are designed and tested by local engineers, who are very often creators of diverse innovative solutions. Throughout last three years they have introduced over twenty five patents. Thanks to them the motorization sector is explored, developed and based on reliable technology with inventive way of thinking. Finished goods are sent from the plant of Ostrow Wielkopolski to many European’s car factories’ assembly lines, and markets of replacement parts. The natural consistencies of implementing new projects and making constant improvements to the production quality is investment in the development of the facility and personal promotion of its workers. By not receiving any complaints from its clients, Ostrow Wielkopolski factory received a mention for exemplary realization of supplies by the executive in headquarters. According to that it is decided that it is worth investing next two million Euros and additionally employ 150-200 workers.
Employees from the Polish office branches cooperate with local universities, teach students theory and practice in the organized workshops that are focused on the optimal use of resources. In some branches students take advantage of a series of lecturers prepared by the company’s engineers about automotive electronics.

The automotive parts manufacturer have the rigid structure and established means of communication with a fixed frequency of reporting to the headquarters. The company is divided into certain departments. In every single branch there are integrated systems of global co-ordination. The most important departments include sectors of Finance, Logistics, Research and Development, Production Engineering, Sales, and Purchasing. Every single branch has to submit a report according to the requirements at the established frequency to the Executive of the branch. The report has to be compiled in English as the executive sends the report to the headquarters.

The workers with good language proficiency, experienced and who have worked in the company for a longer time very often go on business trips. They go mainly to the countries where there are subsidiaries. Most often they go to European countries such as: Germany, Luxemburg, Italy, England, and Czech Republic. Outside the European borders the workers travel to Brazil, India, China, Russia, and South Korea. The business trips last about three to four weeks depending on the country and how much needs to be done. The communication is in English, less frequently in German, that is used only in Germany. Sometimes in France there is the need to communicate in French and in Russia in Russian, however 90% of business is conducted in English.

3.2. Language management survey

3.2.1. Technique

The survey was conducted in the form of an interview. The survey was completed in different ways as the interviewees had different preferences in regard to the means of communication. The manager was the person with whom there was a possibility of having a direct contact, therefore the survey was completed in person. The production worker and the engineer chose electronic means of communication for their convenience. Skype and electronic mail appeared to be the best solution because it allowed more time for providing more detailed and well-thought-out answers.

3.2.2. Respondents

There were three respondents to the survey. The respondents are employed in three different positions, one works in production, the second as an engineer and is employed in the department of Research and Development, and the third one is a manager in the Logistics Department. Three workers, working in different segments seemed to be essential to present profound and reliable analysis. The importance of conducting the interview with three different departments enables surveyors to gain much an extensive knowledge of language management within the company.

3.2.3. Aim

The aim of this survey was to figure out whether or not the company has a proper language management strategy; and if so, the effectiveness of the language management strategy. Another purpose of a survey was to determine if changes to the management could improve the cooperation between foreign language speaking parties, co-workers, and business-client contacts.
3.3. Analyses

The survey was based on five fundamental areas. The respondents were asked the same questions with regard to the Corporate language, scope of the foreign language necessary for a particular respondent to perform the job properly. The second part encompasses selective recruitment. The next very important aspect involved business trainings to improve and develop the level of foreign language skills. The focus of the fourth part was the expatriation project. Finally, the last part included functional multilingualism.

3.3.1. Corporate language

The manager of the company when asked about the corporate language answered that it is not used by their subsidiary as one of the means of language management in the company because of the difficulties to implement it in the subsidiary where only Polish employees work. Although introducing and applying the corporate language can last for several years to become fully adopted by the workers, the communication within the office branches located in different countries will become more efficient.

The engineer working in the department of Research and Development said that the headquarters located in Germany puts more and more pressure on branch offices every year all over the world to learn German. They avoid communicating in English, although they are very proficient in that language. They practice is to force the executives of the departments to implement intensive language courses and to make the German language dominant in internal communication. In his opinion the headquarters definitely want to establish German as the corporate language. They peruse this goal by gradual changes, first of all they started e-mailing in German, then all of the communication became in English, and finally they have imposed German intensive courses. He says that this objective is very difficult to reach, because the workers in Poland have already been provided with English courses for many years now. Taking up another language in all of the departments requires additional expense, and investment in time. Moreover, he believes that there is no use implementing it because it would definitely stir up confusion between workers and he says that those changes should not be made because using your mother tongue during work is more efficient and effective than trying to communicate in a foreign language. This could have a very bad influence on the operation of the whole company.

3.3.2. Selective recruitment

The executive from the department of logistics believes that language proficiency is indispensible in the work he does. He adds that without a good command of a foreign language he would not be able to perform the running of day-to-day tasks. He is convinced that no one can be accepted and invited for a job interview regarding this post without good and practical language skills, most importantly in English, and German. Not only is the language proficiency checked in the resume but it is also a vital part during the job interview. The candidate has to prove that he or she is fluent in speaking, has no problems with understanding and he himself is understandable. In his position the ability to communicate is fundamental, therefore, there is no way to go around it. The manager also adds that more and more often the language proficiency in German occurs necessary to be accepted for a job interview. Although the staff in Germany is highly trained in English and there are no problems communicating in this language, the headquarters demands are rising and there are attempts to implement German as the corporate language in the company as well. Because of that the departments of Logistics, Sales, and Purchasing are required to know German as well.
The engineer working in the department of Research and Development maintains the point of view of the manager and believes that language proficiency is vital. He also could not manage his job without basic knowledge in English because his work involves reading documents in English. Understanding of written English appears to be indispensable. Moreover, he has to manage the language with specialized vocabulary that regards automotive parts and the motorization market. He is forced to handle it by himself as the company does not hire translators and interpreters. Translators in general are freelanced for translating single contracts, but for a longer period their maintenance is too expensive and they strain the budget. These are the reasons why the selective recruitment is implemented.

3.3.3. Language trainings

The next very important field is trainings implementation to improve and develop the level of foreign language abilities. The automotive part manufacturer is spread among many countries including many continents outside the European Union. This company needs communication to work properly and that is why the trainings seem to be indispensable, unless the workers know the foreign language with a high degree of proficiency. Language trainings give the employees the possibility of personal development. Moreover, the workers are very pleased that they are for free and they get the opportunity to attend them. Another advantage that language trainings bring is that the costs of them will eventually pay off in providing the workers with good language skills. The employees with good command of English can work more efficiently and communicate with clients and other branches. The corporation benefits by saving the money which was used to pay for translators and interpreters who are very expensive, and it avoids the situation in which people without basic knowledge of technology are involved in misunderstandings. Moreover, the company has employed foreign language teachers who are highly-qualified and who put a lot of effort in the improvement of language skills of all of the employers. The teachers have been working in this branch office for several years now and they are considered to be specialist in this field. With each year the trust of the executives rises towards lecturers and they are certain that the money spent on those language courses is well-spent.

The manager of the subsidiary in Ostrow Wielkopolski said that the main branch office undertakes foreign language trainings, although not in the respect of every single person in the company surveyed- it all depends on duties, and the position of such a person in the enterprise. He is the person who has to be proficient in English because he is the representative of the company. Although English is the language used in 80% of cases he deals with, he has to face different languages. The language which is used almost as frequently as English and it tends to be used more and more often is German, because the headquarters of the company are situated in Germany. French and Russian are the languages that are also used and the manager has currently observed that the number of people, especially with Russian proficiency, has been declining. The manager has been attending courses of French which take place twice a week, every class lasts one and a half hour each. He has participated in the course for half a year now. The language trainings are conducted during work hours. The programme had started from the A1 level and the course is supposed to last until the B2 level is reached. The main pressure is put on speaking, so the course is lead in the form of conversations rather than writing and reading. As soon as the employees get the firm foundation in the foreign language, more and more specialized vocabulary is implemented. The workers have to know the vocabulary connected with freight and basic words connected with production. The terms used in technology are very important because it
enables understanding the orders sent from abroad. Sometimes it appears to be indispensable to understand the conversation in which technological terms are applied.

The engineer working in the department of Research and Development has confirmed that the language trainings also include his department. The policy is the same, i.e. he is provided with language training in German as his English proficiency is very good. For three years now the German language seems to be more frequently used and the headquarters located in Germany forces different subsidiaries to be trained in this language. More and more workers have been sent on the language trainings by the company in Poland. The goal of the training differs from the one that is conducted in the department of logistics. Their objective is not only to gain communication skills but they have to understand written language with high proficiency and understand the basic vocabulary related to technology and production as very often there are engineering drawings. The trainings have lasted for two years now, and take place once a week, its duration is one and a half of an hour and the course will have ended in one year. The training is financed by the company and it is conducted during working hours.

The employee in the production department says that there are no language trainings in his department. Instead there have been a few trainings provided by the Company that referred to health and safety, management of the machinery, and trainings that improve efficiency, and acquaintance with new equipment.

3.3.4. Expatriates

More and more often the company applies different strategies to improve collaboration between joint ventures. One of them is sending versed workers abroad for longer periods, usually three year departures, during which their goal is to improve the efficiency of production and to complement the deficiencies and defects in some departments. Those deficiencies may be caused by poor language management in different countries.

The communication between the branch offices and headquarters may not suffice to improve the management that is why the corporation implements and encourages qualified workers to go abroad. Chinese branches have some problems in certain departments and the workers from Ostrow Wielkopolski are sent to this country to help solve issues connected with language management. For Chinese people it is very hard to learn European languages, and their language skills are very often insufficient. The employees from Poland are sent to the departments located in China to improve the communication between them and the headquarters. Good communication has a big impact on the company coordination.

Because it is a multinational company, the corporation encounters two important challenges including problems with innovative solutions, namely when the new product is in the development process and it shared with different subsidiaries, and another one which is connected with the multinational character of the company.

That is why the employees are also sent to different branches to explain in particular how to handle the newly introduced equipment for the manufacturing process. Sometimes the manual sent in the foreign language can be too complex and some advice is fundamental for the proper operation of the advanced technology. Languages appear to be the most important tool, sometimes the cultural and language differences alone can cause some misunderstandings.

Communicating in person is proved to be more efficient, because our body communicates as well. Additionally in the case of any doubts the person can ask for clarifications, which influences the company’s management procedures.
3.3.5. Technical solutions to language problems

The last area that seemed to be very important for the analysis of the company’s language management is daily communication and cooperation between multinational subsidiaries and the headquarters. The enterprise that consists approximately of 96, 400 employees in European countries, operates 79 manufacturing sites, and 29 joint ventures, consists of 25 sales offices and customer centres, and 15 technical centres across 10 countries in Europe has to have good and reliable communication.

The engineer working in the department of Research and Development explains different communication strategy. He states that once a year all of the representatives and the employee working on solution finding in Poland gather in one of the office branch and compare the results from the whole year. It enables better collaboration, and the communication is easy because all employed are Polish engineers.

Besides submitting reports, e-mailing, and communication by phone with headquarters, there is another way of language management within subsidiaries and the head office. The respondent talks about net-meetings, i.e. a web conference in which the participants connect using voice-over-Internet protocol (VoIP) via the software application. NetMeeting is commonly used when all participants of a meeting are not in the same location. It is also widely used by the Companies who have multiple locations and hold meetings with business partners. NetMeeting can be used for giving presentations and sharing files. Another helpful feature of NetMeeting is the ability for desktop sharing, which allows remote access to computers.

This communication management is very effective, efficient, improves cooperation, and creates the benefit of saving money and time. Whenever a conference is called, the head office uses Net-Meetings for communication. This is not conducted just with one branch, sometimes different branches are invited too. The workers from around the world take part in net-conferences. During the conferences English is used to make sure that every branch understands the discussion. It enables headquarters to share their desktop which facilitates the collaboration. It is known that the engineering projects and drawings speak for themselves and every educated in this field engineer is fluent in reading them. This solves the language barrier and plays a crucial role in communication between many subsidiaries. Moreover, the head office can see the desktops of the branches too, as well as subsidiaries. The head office also has the capability to check the work of the subsidiaries. Net-meetings are proved to be an indispensible part of language management.

3.4. Conclusions

The implementation of the language management strategy is not an action that can be performed daily. The strategy is fundamental in the running of multinational companies, and that is why the strategy of the company manufacturing automotive parts has been created, developed, changed over the years because the demands of the market have been changing constantly. The multinational companies seek to enhance their global co-ordination. But the attainment of it appears to be very tough, especially taking into consideration different factors, such as language barrier, proficiency in languages, or cultural differences. The language management is essential, because negligence can have a very bad effect. Bad language management very often results in miscommunication, uncertainty, mistrust or even conflicts.

The corporation dealing with automotive parts production is the company that has been working on the market for a long period of the time. It is one of the most experienced businesses in language management. It has already hammered out the strategy, and from the
gathered data we can easily observe that this strategy changes, and it is being constantly improved. Its goal is to obtain better collaboration and good relations between the subsidiaries. This corporation provides workers with essential foreign languages trainings. It supports its employees in their personal development, and engages branch offices in projects of improving language management in the departments that have problems with it. They encourage them to go abroad to different countries on the expatriate programs. Another solution used by the company to bridge the language barrier is selective recruitment. Additionally, the company attempts to adopt a corporate language.

This analysis proved the company to be successful with the language management because it is aware of its importance. However, the company has weak points as well. Not all of the branches have the same standards of language management. The analysis show that there is a big problem in communication with Asian subsidiaries, especially in China. Differences in culture and language barriers cause contact to be limited and stirs confusion in the departments. There should be changes implemented. The employees of Chinese branches should be sent on intensive foreign language courses. They should focus on one foreign language and ensure that the trainings are provided for everyone whose language proficiency is not sufficient.

CONCLUSIONS

Communication is the main factor that enables transfer of information, performance in negotiations and daily activities when doing business. It is also a part of company’s identity, therefore, good language management is so important. International communication faces many obstacles that are related to culture differences and the variety of languages in the world. Improperly managed communication entails the consequences in form of lost opportunities, mistrust, anxiety, uncertainty, and most importantly it has a financial impact. In some cases the lack of sufficient knowledge in a language can lead to misunderstandings which in turn leads to big losses in money, losing potential clients, causing decrease of company’s turnover and even bankruptcy.

The analysis of the company manufacturing automotive parts reveals that the company recognizes the language barrier significance, and it implements new strategies to obtain global-coordination. This multinational company faces the problems of linguistic and cultural diversities on daily bases. The corporation has the subsidiaries spread all over the world, and it is still expanding. It manages the communication appropriately which influences the company’s development. Moreover, the subsidiary located in Ostrow Wielkopolski, in Poland is known to be successful in managing language problems. It provides its employees with wide variety of personnel development courses, including foreign language training, which is indispensible strategy used by international companies.

References


(Received 14 January 2014; accepted 11 February 2015)