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Language Use and International Business: What Can We Learn from Anthropology?

Abstract

This article addresses the role of language use in international business. It argues that the impact of linguistic differences on the daily workings of international business activities and communication is shaped by the way in which these differences intersect with the social and professional structures of international firms. Thus, the analysis of management across linguistic variation requires an understanding of the character of the social and professional ties in which international business is embedded. The intensity of cross-linguistic challenges in international management is not given by the formal character and structure of linguistic differences only. While the daily practices of language use in an international firm are shaped by its social and professional structure, linguistic practices may also strengthen the social and professional ties shaping the dissemination of information. The role of linguistic differences in everyday business communication both shapes and is shaped by the character of social and professional groupings and networks in an international firm. For management, this means that handling linguistic variation and challenges also requires a consideration of the specific social as well as professional structure of a given international firm. The dynamics between language use and the social structures in which information and resources are embedded and communicated are multidirectional. This is especially clear in an international context. The article is informed by material obtained through an ethnographic fieldwork in a Saudi-Arabian subsidiary of a multinational corporation.

Introduction

The business environment of today has changed in a number of ways. First of all, it has become increasingly global through the gradual dismantling of trade barriers leading to the formation of multinational corporations and joint ventures. In addition, the business environment has

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also become increasingly more competitive leading to market expansion across the globe (Bhatia and Lung 2006). Thanks to these recent developments in the business world, according to Palmer-Silveira et al. (2006) cross-cultural communication and language use have become one of the most important research fields.

There are no doubts that language use plays an important role in the management of international ventures. In a multilingual organization, language can be described as both a necessary communication device and an obstacle of management processes (Victor 1992; Gilsdorf 1998). Language both facilitates and impedes the processes of control and coordination and as a result, it also influences the manager's ability to control international activities (Marschan-Piekkari, Welch et al. 1999). When managing across cultural and linguistic boundaries, communication difficulties related to language have a great probability to weaken cross-cultural understanding in multinational organizations (Feely and Harzing 2003; 2004). This could be problematic since the personal and organizational developmental potential of cross-cultural communication is generally conceived as being crucial in the present globalized business environment (Harris and Kumra 2000; Beamer and Varner 2001; Harzing 2001). Subsequently, the understanding of the role of language in the operation of multinational corporations is of great importance. In fact, the successful international manager may be the one that is able to manage cross-cultural communication (Beamer 1998; Beamer and Varner 2001; Bonache and Brewster 2001).

By basing our study on anthropological theories proposing that language use is linked to social structure, we suggest that the social dynamics of language use is highly important to the practice of international management. This is illustrated through an ethnographic account of expatriates' use of language in a Saudi-Arabian subsidiary of a Danish company. Through the analysis of how expatriates used language strategically, we set out to outline the interrelation of language and social structure. Our main argument is that the social structure of the subsidiary shapes how employees use and perceive language in daily communication.

Language and anthropology

To describe the interrelation between language, communication and social structure we look to anthropological theory. Language and communication have been objects of anthropological inquiry for more than a century and are central concerns within many different lines of anthropological research.

One central line of thought can be traced back to the founding father of American anthropology Franz Boas (1858-1943). Boas' work played an important role in clearing the way for the modern conception of culture in anthropology (Stocking 1983). Boas opposed the evolutionary and racist thought and separated culture from biology by advancing a cultural relativist approach. According to Boas, culture could be conceptualized in relation to the geographical distribution and diffusion of cultural traits and their integration in specific culture patterns. However, culture was not only to be found in objectified form in cultural objects or traits, but in the way people confer meaning to their experience of objects integrating them into a specific culture pattern. Boas studied how variation in language and categories called forth different perceptions of the physical environment (Boas 1911). As an immigrant from Germany, he brought ideas about cultural particularism from German philosophy to American anthropology, e.g. ideas of Humboldt and Steinthal (Wolf 1974). Thus, the late Boas advanced a neo-Kantian conception of culture as consisting of cultural-specific principles for classification of experiences (Sahlins 1976). This line of cultural relativist research was further developed by Boas' many students. One of these, Edward Sapir, formulated in collaboration with Benjamin Whorf what has become known as the Sapir-Whorf hypothesis (Sapir 1921; Whorf 1956). According to Sapir and Whorf the grammar of language was the structure through which world-views were constructed; the structures in language determined perception. Through the study of language it was possible to grasp people's perception of the world inherent in linguistic structures. Thereby the work of Sapir was informed by linguistic determinism.

The view from French anthropology differed from American cultural anthropology in several ways. Here structural linguistics as developed by Ferdinand de Saussure (e.g. 2000) had a considerable influence, especially represented in the structuralist approach to cultural systems

embraced by Levi-Strauss (1963; 1966). This structuralist perspective was informed by Saussure's idea of language as consisting of a system of differences, *langue*, that determined the meaning of the individual units of language as well as existed independently of and in an arbitrary relation to actual speech, *parole*. Levi-Strauss found that many different cultural systems of communication and exchange share an underlying structure similar to the system of *langue*. Levi-Strauss was inspired by Durkheim's neo-Kantian idea that the structures of classification in cultural systems such as religion are related to the social structures of society. Levi-Strauss found that structures of exchange in kinship, myth and totemism were sharing a similar structural logic to that of language. Thus language has been one among several systems of communication and exchange studied in anthropology, and questions associated with language and communication concern general anthropological questions of how to conceive of the symbolic forms through which people convey meaning.

However, in opposition to the structural-linguistic approach to the study of cultural systems informing anthropology in France as well as the culturalist approach to culture patterns and codes in USA, a theoretical perspective emphasizing the practices, interests and motives involved in the formation and use of meaning systems emerged. Thereby a critique was levelled against the structural linguistic approach of Saussure and its distinction between *langue* as an abstract system and *parole* as secondary execution (Gumperz and Hymes 1964; Wolf 1973; Sahlins 1976).

The critique concerning the sharp distinction between *langue* and *parole* was already levelled by Malinowski who emphasized how language was functionally related (cf. Grillo 1989). This critique concerning the conceptualization of culture and communication as abstract systems, codes or schemes was further elaborated in the 1960s by social linguistics or what Hymes called *The Ethnography of Speaking* (1962). Sociolinguists such as Hymes, Gumperz (1965) and Labov (1966) addressed the social, economic or political context explaining the variation in the formation and use of language. The focus was oriented toward speech practice, everyday communication and how communication styles evolved in different speech communities.

Research questions developed within sociolinguistics also informed some of the work of Pierre Bourdieu (Bourdieu 1977; Bourdieu 1991; Bourdieu and Passeron 1994). Contrary to earlier contributions (Radcliffe-Brown 1952), Bourdieu opposed the idea of the structures of language or symbolic systems as abstract, self-sufficient systems implied in the distinction between *langue* and *parole* (Bourdieu 1977). Bourdieu strove to find an answer to the question of why actual practices of exchange and communication follow paths differing from formal prescriptions and norms (Bourdieu 1977). According to Bourdieu, actual practices should not be conceived of as products of rules, e.g. grammatical rules. Instead they follow strategies shaped by the interests and experiential knowledge of actors as embodied in their habitus (ibid.). Being a competent speaker of a certain language is to have the competencies necessary to engage in the continuous transaction and negotiation of its form and purpose (Bourdieu 1977; Bourdieu 1991). In other words, producing a linguistic practice in accordance with the legitimate norms of expression in a particular social field requires specific competencies not freely available for people to obtain. As people embody different competencies, interests and resources guiding their linguistic practice, their attempts to realize the same rules and norms will follow different strategies or styles (Bourdieu 1991). Bourdieu finds this logic of practice in a wide range of fields such as in the differentiation of the styles of symbolic and linguistic expression in literary or political fields (Bourdieu 1991); styles of consumption in the field of cultural goods (Bourdieu 1998); art styles and 'schools' in the field of art (Bourdieu 1995); styles of exercising discretion in administering in the field of local-level bureaucracies (Bourdieu 2005); and strategies of competition within the economic field of firms. In analyzing language use in an international context it can be useful to analyze communication strategies as ways in which individuals contribute to the production and reproduction of social structures.

The fieldwork

This study is based on a full-scale ethnographic fieldwork conducted by one of the authors of this article in a Saudi-Arabian subsidiary of a large Danish multinational corporation - here called Dan Firm. At the time of the fieldwork, the subsidiary employed 470 employees of thirteen dif-

ferent nationalities, mainly Indian, Egyptian, Philippine, Saudi-Arabian - and 20 Danish managers.

The methodology of ethnographic fieldwork was applied during a three-month period using participant observation and semi-structured interviews as data collection tools. Participant observation was carried out through the daily presence in the subsidiary. An explorative approach allowing the researchers to be open towards new unexpected information was selected. This has been done as a circular methodological movement, in which new questions as well as answers were integrated continually in observation schemes and interview guides (Spradley 1980; Marcus 1998). The explorative approach departs from an ideal of generating questions as well as answers in close relation to the research field and subsequently adding a necessary flexibility during the collection, analysis and writing up of the material (Marcus 1986; Geertz 1988; Van Maanen 1988). Through observation and participation, research questions are developed, changed or focused upon in mutual interaction with the daily activities of the informants (Jorgensen 1989; Schwartzman 1993; Olila 1994).

Altogether, 35 interviews were conducted with Danish expatriates and employees of different nationalities. Generally, the interviews were kept as an open dialogue between the researcher and the informant. Apart from 16 interviews in Danish, all other interviews were conducted in English, all but one being with non-native speakers. The use of an interpreter was deemed inappropriate and unnecessary, given the possibilities of interpreter distortion during the data collection process. The ethnographic qualitative approach to a great extent also utilizes interviews, discusses and documents the findings gathered in the daily observation (Kvale 1996; Alvesson 2003). Thereby, the interviews become an extension of the iterative approach introducing new information and questions to the research cycle (Spradley 1980; Bernard 1995). Through the application of the circular qualitative approach the researcher can reach an understanding of issues which the informants may take for granted. Issues that are not mentioned but can be observed in action – such as the relation between language and social structure (e.g. Bourdieu 1977).

Case: language, power and social structure

Expatriating Danish employees in the Dan Firm Corporation had many different purposes, and not all of them were valued equally. The parent company had formally described how the firm, when sending expatriates to subsidiaries, aimed at utilizing the potential for knowledge sharing across cultural boundaries. The cross-cultural interaction was meant to develop international skills such as language and knowledge of the market and business situation. In spite of those general formulations, the Saudi-Arabian subsidiary was mainly perceived as a sales company. The Danish expatriate management was evaluated exclusively on the basis of sales targets and market shares and for many years, Dan Foods Saudi had been the Dan Firm Corporation's most successful foreign subsidiary. Those evaluation criteria had a great effect on the daily running of the subsidiary in regard to cross-cultural communication.

All the Danes lived together in a large compound. This created a very tight-knit group with a lot of socialization of members and newcomers. The structure of the Danish group had a great influence on the relation to the other nationalities at the workplace. Hence, it was the decision to maintain the traditional Saudi-Arabian organizational form in the subsidiary. The subsidiary, subsequently, was organized in what could be called an ethnically segregated hierarchy - nationality defining all positions. Hence, one had to be European to be manager and Egyptian to be supervisor. The Philippine employees often had good technical skills and they were therefore generally employed in technical positions or vehicle maintenance. The Indians were lowest in the hierarchy and worked mainly in the production. In other words, there was an overlap between ethnicity and professional hierarchy constituting an ethnically segregated as well as vertically segmented workplace.

The ethnic segregation and segmentation could be said to somewhat ease the daily communication because the different national groups were able to use their own natural languages most of the time. However, a problem of this particular managerial structure was that it fostered a certain discrimination of particular groups. As an example, the Egyptian supervisors would often give the best selling products to Egyptian salesmen making it more difficult for other nationalities to collect their sales bonus. The organization of the workforce - with very little interaction between the different nationalities - to a large extent also affect-

ed the use of language in the subsidiary. As the single British manager expressed it: “*we have very much a situation where the Danes are divorced from the rest like feudal landlords*”. Hence, it was very uncommon to see employees of different nationalities engaged in longer conversation, while the national groupings internally exercised an extensive informal socialization. This way the management didn’t involve other nationalities in the discussion of business issues at all. As it was expressed by a Egyptian middle manager: “*If you want to work in this company you have to be like those monkeys that cover their mouth and eyes and ears. We have to be their monkeys*”.

Even the British manager was kept out of the conversation and when attending social arrangements, he was totally excluded from the conversation. He did not understand the language and could not even relate to the content which was seen mostly from a Danish context. The British manager felt that the Danes were behaving so rudely that he did not want to participate in the embarrassing scene. As he said: “*Communication is only for the Danes. No question. Nothing has changed in that respect. As you have seen it here in formal or informal get-togethers inevitably the conversation moves to Danish*”.

Another example of the way the Danes tried to contain information from the rest of the company was presented to me by one of the Philippine employees. He told me one day that ‘*big guests*’ would soon arrive, so we should dress accordingly the coming few days. I asked him how he knew that, and I was told that he had just seen the carpets being cleaned and had noticed that this happened every time ‘*big guests*’ arrived. At lunch with the other Danes later that day it was confirmed that there would be a board meeting a few days later. Such an event was never publicly announced or mentioned in other ways. Only through the internal Danish conversation (or from observing the floor being cleaned) could the information be achieved. There was no formal information system in the company but messages moved orally – both between the Danish families in the compound and between the non-Danish members of the organization. Even in eventful situations there was no formal information, and employees outside the group of Danes had to rely on rumors and guesses.

The Danish management was aware that information was spread informally and tried to prevent other nationalities from acquiring knowl-

edge of the business. They deliberately spoke Danish when other nationalities were in the room and prohibited the foreign secretaries to read incoming fax messages. This was done to stop information leaks, even though most of the information they tried to protect seemed quite harmless to share with other employees – as the knowledge of an upcoming board meeting. But the Danes generally were annoyed with the curiosity of the subordinates and felt more confident keeping information within the managerial group.

It was explained to me by the general manager that it was a deliberate strategy to keep the management team all Danish to increase the decision making speed and not having to deal with cultural or linguistic barriers. The ethnical segregation strategy was applied by organizing the remaining part of the subsidiary for the same reasons – to limit conflicts and misunderstandings communicating across linguistic and cultural boundaries. Hence, language and communication style was strategically used to fulfill the personal aim of the expatriate managers. Through intensive internal socialization and recruitment of like-minded people, the Danes reproduced the social structure of ethnical stratification along with cultural and linguistic exclusion. At least in their opinion this was the most obvious way to run the subsidiary efficiently. Even the managers of the marketing department refrained from communicating with non-Danes, which left the department with very limited knowledge of the customers' and consumers' needs. Instead, a '*trial and error principle*' (informant) was developed to close in on the right campaigns. This approach among other things, resulted in a million-euro loss, when a commercial film was created showing a young boy and a girl walking hand in hand. The film did not appeal to the Saudi-Arabian consumers and had to be withdrawn immediately. As one of the Danes explained: "*It is strange to work with a group of people you don't understand. We have some ideas but we really don't know how they differentiate the products. The idea is that the Saudi-Arabians cannot be competent, because the general perception is that they are lazy and they cannot read*".

The field study presented describes the effects of language use in relation to the maintenance of a stratified social structure and has highlighted how important this factor can be in the execution of long-term corporate strategies of international development. The Danish management team of the Saudi-Arabian subsidiary strategically utilized their

powerful position to reinforce a general practice of language use that excluded other nationalities from participation in the decision making process. By this approach the managers felt they had a better grasp of communication and could make fast responses to market changes. Furthermore, through this practice the position of the expatriates could not be challenged and decision making was comfortably in the hands of the Danish managers. By using language to restrict access to information and participation, the Danes placed themselves in a totally dominating position.

Conclusion: What can we learn from anthropology?

In this article we have argued that formal structures of language and linguistic differences do not account for the role of language use in shaping communication in multilingual firms. Using an anthropological perspective such as Bourdieu's approach, it is possible to grasp how the practices of language use in international business are shaped by social and professional structures. Understanding the impact of linguistic challenges on international management requires an analysis of how everyday language usage is informed by social and professional structures and the way in which these intersect with language communities. In a situation where linguistic differences overlap with a corresponding professional and social differentiation of the workplace, language use may reinforce the embedding of information in closed professional groups and networks. Consequently, language use in an ethnically segmented firm may contribute to the reproduction of a social or professional structure of 'strong ties' constraining the communication of information (Granovetter 1973). This question concerning the dynamics between linguistic as well as cultural variation and social structure has been a central research theme within anthropology. Further research into the role of linguistic variation in international business could apply anthropological theory to the interrelation between linguistic as well as cultural differences and the varieties of social structures in which information and resources are communicated and transacted. Anthropological research may in this way contribute to linking the field of cross-cultural management to the expanding field of research addressing the impact of social structures or social capital on business activities and competitiveness (Granovetter 1973).

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