



## Language in International Business: A Review and Agenda for Future Research

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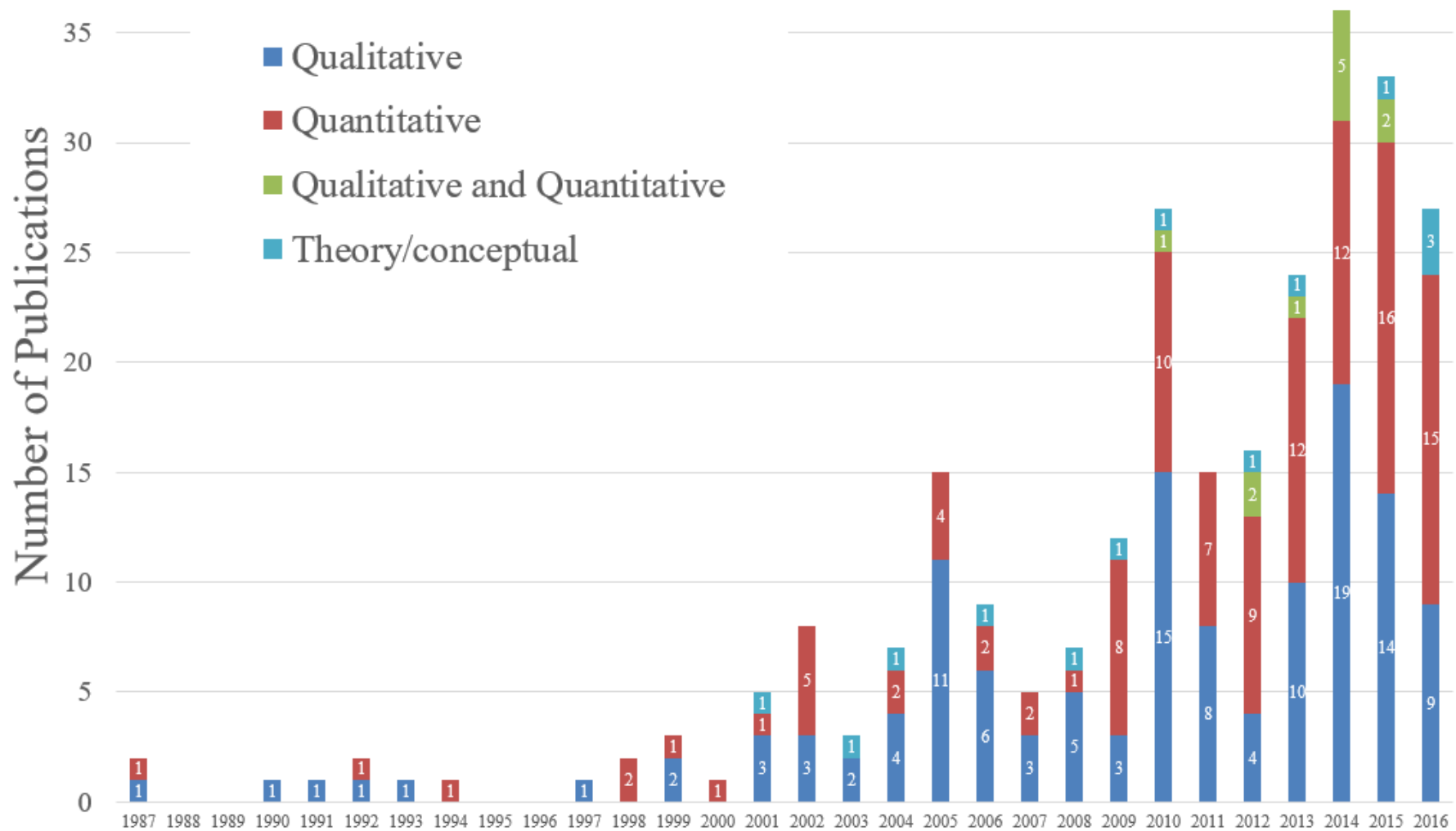


## Language ...

- is the “basic means of communication in organizations [and] the basis for knowledge creation” (Vaara et al., 2005).
- is “central to the process of constructing organizational, social and global realities” (Piekkari & Tietze, 2011).
- plays a “multifaceted role” (Brannen et al., 2014) in international business.
- has moved from “the most neglected field in management research” (Reeves & Wright, 1996) to an issue “at the heart of international business activities” (Brannen et al., 2014).



## Language research in IB: a fast growing field





## Our systematic review ...

- reveals patterns in theory and research content on different levels of analysis.
- shows that different research streams have tackled language issues in international business in relative isolation.
- suggests how language scholars could benefit from looking across disciplinary boundaries.
- stimulates discussion and indicates promising avenues for future research.

## Systematic review methodology

- search terms in Business Source Premier, JSTOR, and ProQuest: language, linguist\*, bilingual, and multilingual, each time combined with the term “international business”



- research on diversity in national languages
- journal articles
- introductions to special issues
- one or more search terms in the abstract, keywords, or hypotheses
- clear focus on business issues



- research on rhetorical, metaphorical, or symbolic language use
- monographs, book reviews
- language only considered as one out of many variables
- weak business-related implications



## Systematic review methodology

- We independently read through all collected articles and then compared notes on which ones to include.
- Final sample: 264 publications, ranging from 1987 to 2016
- Interdisciplinary scope: publications from management, international business, economics, psychology, business communication, and linguistics



## Results overview

- Very hard to present in 20 minutes, so I can't go into much detail!
- Demographics of language research
- Theoretical angles --- Current Focus & Future Directions
  - Culture
  - Gravity model of trade
  - New venture internationalization
  - Linguistic relativity
  - Social identity
- Content --- Current Focus & Future Directions
  - Individual
  - Group
  - Firm
  - Country
  - Multi-level
- Methods, not discussed in this presentation, but some reflections in the roundtable



## Demographics of language research

### Current focus

- The most commonly examined countries and languages match with authors' origins: UK, USA, Finland, Germany, Japan, and Sweden.

### Future directions

- Cover the ten most influential global languages: Arabic, English, French, German, Hindi, Japanese, Mandarin Chinese, Portuguese, Russian, and Spanish (Amadú et al., 2013).
- Select target countries based on theoretical considerations, not simply convenience.
- Embark on cross-lingual research collaborations.





## Theoretical angles (1): Culture

### Current focus

- There is a tight link between language and culture (Brannen et al., 2014).
- *Cultural accommodation* analyzes the effects of situational language priming (Akkermans et al., 2010).
- Cross-cultural *pragmatics* analyzes culture-specific rhetoric patterns (Kassis Henderson, 2005).

### Future directions

- Go beyond lexical and syntactical language skills.
- Apply sociolinguistic speech act theory to examine how culturally conditioned language use influences international business communication.

## Theoretical angles (2): The gravity model of trade

### Current focus

- Greater distance between national languages is associated with less trade across these countries (Melitz & Toubal, 2014).
- Countries with a common language trade 1.5 times more than those without (Sauter, 2012).

### Future directions

- Examine the effects of immigration, transnational entrepreneurship, and a country's foreign language education on trade activity.



## Theoretical angles (3): New venture internationalization

### Current focus

- Immigrant and transnational entrepreneurs are more likely to start export-oriented businesses (Sui et al., 2015).
- SME directors' foreign language skills influence their international diversification strategies (Fernández-Ortiz & Lombardo, 2009).

### Future directions

- Examine how using English as a corporate language affects firm growth and international expansion.
- Study the effect of language policies on human capital management across borders.



## Theoretical angles (4): Linguistic relativity

### Current focus

- Language structures shape human cognition (Sapir, 1951; Whorf, 1956).
- Fruitful applications to consumer behavior (Puntoni et al., 2009), savings (Chen, 2013), female board representation (Santacreu-Vasut et al., 2014), or female expatriates (Malul et al., 2016).

### Future directions

- Apply linguistic relativity to cognitive theories of decision-making and the related cross-cultural differences.
- Explore linguistic influences on gendered workplace structures.
- Will talk more about some of this in my roundtable contribution.



## Theoretical angles (5): Social identity

### Current focus

- Employees sharing a common tongue cluster together (Fredriksson et al., 2006).
- Language boundaries can decrease MNCs' common organizational identity, knowledge transfer, control, coordination, and communication (Born & Peltokorpi, 2010; Zhang & Peltokorpi, 2015).

### Future directions

- Examine the development of linguistic identities over time.
- Study the congruence or divergence of MNC employees' language-related identities with their national, functional, or location-based identities.



## Theories from other academic disciplines

### Future directions

- Apply theoretical lenses from semiotics, evolutionary linguistics or socio-linguistics to language phenomena in international business.
- Measure language-based cognitive load through functional MRI technology and conduct experiments to understand its impact on decision-making.



## Theories: Looking beyond disciplinary boundaries

### Future directions

- Integrate theories from international strategy research, organizational behavior, and international economics.
- Enrich strategy research with psychological insights from OB into employees' reactions to language policies.
- Complement language-related OB research with experimental studies in behavioral economics about the impact of language choices on thoughts, feelings, and behaviors.



## Content: Individual level perspectives

### Current focus

- Bilingualism enhances self-sufficiency (Alvarez et al. 2016), whereas subpar proficiency creates uncertainty, anxiety, and tension (Tenzer & Pudelko, 2015).
- Multilingual employees function as boundary spanners, language nodes, and information gatekeepers (Peltokorpi & Vaara, 2012), thus enjoying greater power and status (Neeley & Dumas, 2015).
- Language skills increase career mobility (Latukha et al., 2016).





## Content: Individual level perspectives

### Future directions

- Conduct fundamental research in behavioral economics to understand the impact of language on individual thoughts and behaviors.
- Identify the influence of prolonged language anxiety and cognitive load on employees' health.
- Compare the roles of coordinate and compound bilinguals in MNCs.
- Study how individuals draw on and mingle multiple linguistic repertoires in business communication.



## Content: Group level perspectives

### Current focus

- Language diversity affects team processes such as group cohesiveness (Lauring & Selmer, 2010), social categorization (Klitmøller et al., 2015), or trust formation (Tenzer et al., 2014).
- It influences the choice of communication media in virtual teamwork (Tenzer & Pudelko, 2016).
- At the corporate board level, it may lead to impoverished and silenced discussions (Piekkari et al., 2015).



## Content: Group level perspectives

### Future directions

- Compare language effects in co-located and virtual teams.
- Probe the suitability of established theories on team processes in multilingual settings.
- Examine the interplay between linguistic identities and national, cultural, functional, location-based, gender-driven, age-related, or other identities on teamwork.



## Content: Firm level perspectives

### Current focus

- Language clusters create “shadow structures” within MNCs (Marschan-Piekkari et al., 1999)
- Language skills affect knowledge sharing (Reiche et al., 2015) and influence HQ-subsubsidiary relationships (Harzing & Pudelko, 2014).
- Language competencies influence the selection of alliance partners and acquisition targets (Joshi & Lahiri, 2014; Cuypers et al., 2015).



## Content: Firm level perspectives

### Future directions

- Study language effects in small and medium enterprises, new ventures, and NGOs.
- Explore the impact of language diversity on the internationalization of business schools.
- Test the impact of linguistic distance between headquarters and subsidiary on global staffing strategies.



## Content: Country level perspectives

### Current focus

- *Intra*-country research studies ethno-linguistic fractionalization (Luiz, 2015) and language dynamics in multilingual nations (Berthoud et al. 2013; 2015).
- *Inter*-country research investigates the influence of linguistic distance on foreign direct investment (Lien et al., 2012), intrafirm trade (Debaere et al., 2013) or bilateral trade (Melitz & Toubal, 2014).



## Content: Country level perspectives

### Future directions

- Test linguistic relativity in new contexts.
- Probe whether the intensity of linguistic gender marking in a country's dominant language correlates with women's occupational choices or the gender pay gap.
- Investigate the effects of obligatory or optional future-time reference in a country's language on citizens' preferences for long- versus short-term investments.



## Content: Multiple level perspectives

### Current focus

- A growing body of research recognizes that language “is a multi-level issue” (Piekkari et al., 2014: 244).
- Bottom-up influences: Individual employees’ translation behavior determines the organization’s absorptive capacity (Piekkari et al., 2013); individual language capital shapes a corporation’s language operative capacity (Welch & Welch, 2015).
- Top-down influences: Corporate language mandates create a transnational hierarchy between employee groups (Boussebaa et al., 2014).





## Content: Multiple level perspectives

### Future directions

- Bottom-up influences: Study emergent processes such as cohesion, confidence, conflict, learning, adaptation, and organizational climate using a language lens.
- Top-down influences: Examine the influence organizational language strategies on team dynamics or individual thoughts, feelings, and behaviors.
- In sum: GEM&L has many years of fruitful research ahead of it!



# Thank you.

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Paper:

- <https://harzing.com/publications/online-papers#libmir>
- <https://harzing.com/blog/2017/05/language-in-international-business-a-review-and-agenda-for-future-research>