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The Multilingual MNC and Organization Theory

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The development of information and communication technologies coupled with network structures of organization in multinational corporations (MNC) has pushed down the need to interact across language boundaries and accentuated the importance of possessing skills in foreign languages. In this regard, international communications, which previously were squarely in the hands of senior management and organizational elites, have “democratized” and involved groups of employees lower down in the organization.

For some time already, researchers in the field of international business have conceptualized the MNC as a multilingual community. Language diversity exists both in the internal as well as external language environment of the MNC, complicating and interfering with the management processes of this already complex organization.

In this paper, we raise the fundamental question about whether it makes a difference to conceptualize the MNC as a *multilingual* rather than a *multinational* social community. We argue that not all MNCs are multilingual, nor are all multilingual organizations MNCs. Inspired by previous research, we emphasize the need to capture the richness of language diversity and language differences rather than attempting to measure language distance within and outside the MNC. This takes us apart from the strong variable-orientation that has dominated international business research during the last few decades.

Our purpose is to propose future areas of research, identify novel research questions and suggest how to approach them theoretically, methodologically and empirically. The chapter is structured under four perspectives that are well established in organization theory and that span across micro, meso and macro levels of analysis: 1) Language and communication which draws on information processing theory and work on strategic architecture; 2) language and identity which benefits from the long-standing research tradition on culture in management and organization studies; 3) language and power which builds on previous insights from business networks and political perspectives on organizations and finally, 4) language and institutions which draws on institutional theories.

We will use Japanese companies as examples throughout the chapter. A considerably number of studies exists on language issues in the Japanese context, whether Japanese firms operating in Western countries, or Western-owned subsidiaries in Japan. These companies stand out from the norm, making them a particularly interesting target for closer scrutiny. Therefore, we advocate the perspective of the “outlier” to enrich our discussion.

Rebecca Piekkari is Professor of International Business at Aalto University, School of Business in Finland. Her research focuses on organizational design in multinational corporations, language in international business and the use of qualitative methods in management and organizational research. She has also participated in the discussion about language as a methodological question. Her work has been published in journals such as the Academy of Management Review, Journal of Management Studies, and Journal of International Business Studies as well as in several handbooks in the area.

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