Chapter 50
Communicating in Multicultural Firms:
Boundary Creation, Fragmentation and the Social Use of ICT

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ABSTRACT

Based on a qualitative study of 14 knowledge intensive companies, this chapter suggests that multi-cultural and multilingual firms are faced with certain challenges in the attempt to fruitfully utilize the diverse background of their workforce. Firstly, through informal settings, the employees to create social boundaries within the firm use native languages strategically. Secondly, even though the introduction of English as cooperate language might solve some communication issues, it tends to render the communication less nuanced, thereby reducing the use of human resources within the firm. Thirdly, ICT does not necessarily solve communication problems within a given company. It can even be used as a social 'tool' to uphold social boundaries or social fragmentation. It is suggested that in order to address these challenges, the management should seek to reward not only individual employees, but also expand the notion of performance to include the collectivity of the workplace.

INTRODUCTION

ICT, or Information Communication Technology, has come to play a larger role in contemporary business communities due to the increased inter-

nationalization of companies worldwide (Griffith, 2002; Palmer-Silveira, Ruiz-Garrido, & Fortanet-Gómes, 2006). Much like all other human interaction, communication is at the center of ICT. And communication is what seems to be one of the major managerial tasks that companies working

in globalized markets are faced with. Therefore, managing interaction across national and linguistic boundaries has become a daily issue for a growing number of managers (Maznevski & Chudoba, 2000; Welch, Welch & Marschan-Piekkari, 2001).

In the management of multicultural groups, the varied nature of the group has often been described as a competitive advantage in the creation of information and other human resources (Adler, 1997; Miller, Fields, Kumar, & Ortiz, 2000; Paulus, 2000). Nonetheless, the success of the diverse groups is not given, and managerial challenges should not be taken lightly (Leonard & Swap, 1999). A number of studies indicate that communication management is especially important (Distefano & Maznevski, 2000; Loosemore & Lee, 2002; Maznevski, 1994). And since ICT is the basis of much internal and inter-unit communication in multicultural firms, the relation between diversity management, communication and ICT is an important topic in the understanding of international business.

Communication is central to management since, in one way or another, challenges to communication have an effect on all managerial processes (Cheney, Thøger, Zorn & Ganesh, 2004). Furthermore, communication is the basis of all employee collaboration. In a multinational context, linguistic and cultural differences make communication even more of a concern (Beamer & Varner, 2005; Loosemore et al., 2002). In relation to this, the main managerial challenge of the diverse group is that efficient communication actually occurs (McDonough, Kahn & Barczak, 2001). If group members do not communicate well, cultural and linguistic diversity will most likely become unfavorable (Distefano et al., 2000; Hambrick, Davison, Snell & Snow, 1998). Therefore, the arguments presented in this chapter rely on the fundamental premise that communication is necessary in all coordination and organization of human resources. Accordingly, fostering a rich communication flow within a multicultural

organization is an important source of competitive advantage, thus nurturing social and cultural sustainability within the company and society as a whole.

Language diversity is a theme that has received very little scholarly attention (Henderson, 2005). At the theoretical level, the impact of multilingualism has been examined mainly in relation to language management, which conceives of language as a facilitator providing for the acquisition and transmission of information through social interaction (Dhir & Góké-Paríolá, 2002; Feely & Harzing, 2003; Vaara et al. 2003b). In comparison, empirical studies have focused on the manner in which language differences create a complicated managerial situation, with great implications for the practice of intercultural communication (Marschan-Piekkari, Welch, & Welch, 1999a; Marschan-Piekkari, Welch & Welch, 1999b; Vaara et al. 2003a). With specific reference to culturally diverse groups, Distefano and Maznevski (2000) have found language differences to have a negative impact on relationship building. Furthermore, research by Lagerström and Andersson (2003) indicates that a condition of multilingualism may challenge the socialization of team members. Henderson (2005) proposes an alternative approach to language diversity, by examining possible sources of communication failure within the global workplace. The research relies on a distinction between problems relating to the transmission and reception of messages, and to difficulties in the area of interpersonal perceptions and attitudes, which arise from interlocutors' encounters with the unfamiliar practices of alien speech communities. Thus, Henderson (2005) argues that communication failure should be read as a socio-cultural rather than a purely linguistic phenomenon.

In this Chapter, language use is considered to be the way the linguistic medium is used in communication. To further define the concept, it is the main argument of the chapter that language use

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