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**Language policies and practices in wholly-owned foreign
subsidiaries: A recontextualization perspective.**

Eero Vaara

Hanken School of Economics, Helsinki

and

Vesa Matti Peltokorpi

Language policies and practices in wholly-owned foreign subsidiaries:

A recontextualization perspective

ABSTRACT

This study adopts a recontextualization perspective on language policies and practices in wholly-owned foreign subsidiaries. Drawing on a field study of 101 subsidiaries in Japan, we develop a contingency model that distinguishes between four different types of recontextualization with characteristic language policies and practices: developing/locally adaptive, developing/globally integrated, established/locally adaptive, and established/globally integrated. Our analysis shows how each of these four types is accompanied with specific problems and challenges. In particular, it elucidates five important aspects of language implementation: (1) the emergence of language praxis from the interplay of headquarters strategies and local responses, (2) the hybridization of language practices, (3) the central role of key actors such as subsidiary presidents in recontextualization, (4) the pervasive power implications of language policies and practices, and (5) the multifaceted implications for strategic human resource management. By so doing, our analysis opens up new avenues for context-specific and practice-oriented studies of language in multinational companies.

Keywords: language, language policy, practice, praxis, recontextualization

INTRODUCTION

As organizations expand internationally and their foreign operations become more dispersed, differences in ‘natural’ languages start to influence communication within and beyond their boundaries. In order to cope with these challenges, multinational companies (MNCs) have implicit or explicitly formulated language policies for corporate communication, documentation, and interaction (Marschan-Piekkari, Welch, & Welch, 1999). Empirical research on MNCs has highlighted various communication, staffing, and training-related challenges accompanied with language policies (Tieze, 2008). However, less is known about the implementation of language policies and practices in foreign subsidiaries (Kingsley, 2010; Sharp, 2010). In particular, there is a paucity of knowledge of the ways in which contextual factors affect this implementation and the associated dynamics.

For more comprehensive understanding, this paper draws on the recontextualization perspective (Barthes, 1970; Brannen, 2004; Fairclough, 2003; Thomas, 2003) to examine how language policies and practices and accompanied challenges are contingent on contextual factors in foreign subsidiaries. Recontextualization has been described as the transformation in meaning of cultural resources or practices as they are received in a new cultural environment (Brannen, 2004). Language, as the explicit artifact of culture, is both subject to and the vehicle for such transformation of meaning – or semantic shifting – and thus ripe for analyzing through the lens of recontextualization. Through a recontextualization perspective we can better understand how MNCs’ language policies and practices gain new meaning as they enter their new subsidiary and country context. In particular, it helps us to understand the practical and symbolic implications of language policies and practices that easily pass unnoticed in conventional studies of MNCs and their subsidiaries.

In this paper, we draw from an extensive field study in Japan. In contrast to previous research examining one or a few MNCs/subsidiaries (Tieze, 2008), our material comprises 101 wholly-owned foreign subsidiaries. Based on data including 138 interviews with parent country national (PCN) expatriates, HCN employees, and executive search consultants (referred to as consultants hereafter), we examine the recontextualization of language policies and practices, and their accompanied challenges with a diverse sample of subsidiaries. As a result of our analysis, we develop a contingency model that distinguishes between four different types of

recontextualization with specific language policies and practices: developing/locally adaptive, developing/globally integrated, established/locally adaptive, and established/globally integrated. Our analysis shows how each of these four types is accompanied with specific problems and challenges. In particular, it highlights five important aspects of language implementation: (1) the emergence of language praxis from the interplay of headquarters (HQ) strategies and local responses, (2) the hybridization of language practices, (3) the central role of key actors such as subsidiary presidents in recontextualization, (4) the pervasive power implications of language policies and practices, and (5) the multifaceted implications for strategic human resource management. By so doing, our analysis opens up new avenues for context-specific and practice-oriented studies of language in MNCs.

The rest of this study is organized as follows. The following section reviews the literature on language policies and practices MNCs and subsidiaries and outlines a recontextualization perspective of language policies and practices in wholly-owned subsidiaries. The third section discusses the study sample and methodology. The fourth section presents the main findings, and the fifth section discusses the theoretical and managerial implications, limitations and suggestions for future research.

CONCEPTUAL FRAMEWORK

Language Policies and Practices

MNCs consist of “diverse and geographically dispersed subunits, which encounter language barriers when communicating with their local business community and within their global network” (Luo & Shenkar, 2006: 321). In order to reduce these barriers, MNCs have explicit or implicit language policies to determine the language(s) used in official corporate communication, documentation, and interaction (Marschan-Piekkari et al., 1999). Sociolinguistic scholars have described language policies as a body of ideas, laws, regulations, rules, and practices used to achieve planned language change in the society, group or system (Kaplan & Baldauf, 1997). Building on this view, we define language policies as the rules and regulations that govern language use in MNCs. Language practices, in turn, are the concrete means through which language policies are enacted in MNCs. As complex systems with globally dispersed subunits (Bartlett & Ghoshal, 1989; Luo & Shenkar, 2006; Prahalad & Doz, 1987), MNCs use various practices, including language-sensitive recruitment, training, language nodes (bi/multilingual

people), expatriation, and impatriation, as an operational part of language policies (Harzing & Feely, 2008; Terpstra, 1978). Language policies and practices are expected to provide numerous benefits in MNCs, such as improved coordination, control, monitoring (Luo & Shenkar, 2006), communication, knowledge transfer, mutual understanding, learning, reporting, and collective identity (Tieze, 2008). They play a central role especially in radical organizational changes such as international mergers (Vaara, Piekkari, & Säntti, 2005) and joint ventures (Brannen & Salk, 2000) to reduce language barriers.

The MNC-level official corporate language is not always the home country language. Several MNCs from non-English-speaking European countries use English as their official corporate language (Lauring, 2008; Marschan-Piekkari et al., 1999). A study at Germany-based Siemens shows also that MNCs can use two languages in corporate communication and leave the issue of official corporate language intentionally ambiguous to avoid negative reactions from dominant language groups (Fredriksson, Barner-Rasmussen, & Piekkari, 2006). At the subsidiary level, language policies can be designed in three different ways (Luo & Shenkar, 2006). First, the official language is the parent country language, such as Japan-based Panasonic's subsidiary in the USA, which uses Japanese. Second, the official language is the host country language, such as Siemens' subsidiary in the USA, which uses English. Third, the official language is a third language, such as France-based Schlumberger in Saudi Arabia, which uses English. While the MNC and the subsidiary-level corporate languages can differ due to the global integration and local adaptation pressures (Luo & Shenkar 2006), the MNC-level language is in the top position in the organizational hierarchy of languages (Marschan-Piekkari et al., 1999). The MNC-level corporate languages are used, for example, in official corporate communication and reporting, meetings, and management training (Marschan-Piekkari et al., 1999).

International business (IB) scholars have examined MNC-level strategic and subsidiary-level contextual language policies. In the former stream of research, characterized by a 'mechanistic' perspective of language strategies (Janssens, Lambert, & Steyaert, 2004), scholars have seen language policies as a part of the MNC strategic orientation and argued for language standardization (Dhir & Goke-Pariola, 2002; Luo & Shenkar, 2006; Maclean, 2006; Sharp, 2010; Van den Born & Peltokorpi, 2010). In these studies stressing communication and control-related benefits of 'shared' corporate languages, MNC language policies are underpinned by economic and strategic rationality. In the latter stream, case studies have shown that MNC-level language

policies seldom provide the intended results in subsidiaries (Blazejewski, 2006; Harzing, Köster, & Manger, 2011; Luring & Tange, 2010; Steyeart, Osendorp, & Gaibrois, 2011). For example, subsidiaries are managed in a linguistically constrained environment where either no shared language exists or where the HCNs have low proficiency in the MNC-level corporate language (Andersen & Rasmussen, 2004; Buckley, Carter, Clegg, & Tan, 2005; Park, Hwang, & Harrison, 1996; Peltokorpi, 2007). Top managers, increasingly socialized into the Anglo-American management discourse in business schools (Tieze, 2004), also can be disillusioned about English proficiency in lower echelons (Piekkari & Tieze, 2011) and subsidiaries, limiting the use of language policies as strategic tools. Top management formulated language design, a “deliberate process underpinned by economic and strategic rationality” (Luo & Shenkar, 2006: 324) can thus be regarded as “unrealistic, and as such unproductive – perhaps even dangerous” (Barner-Rasmussen & Aarnio, 2011: 288). These ‘cultural’ perspectives of language strategies (Janssens et al., 2004) have demonstrated how several languages are simultaneously used in the MNC global network.

Despite increased usage and alleged benefits, to our best knowledge, only two scholars have focused on the implementation of MNC-level language policies in subsidiaries (Kingsley, 2010; Sharp, 2010). For Kingsley (2010), the process takes place through three factors: Ideology (top management beliefs) influences mechanisms (management devices), which affect practices (linguistic reality) in subsidiaries. While the first two factors refer to top-down forces, the last one describes bottom-up processes (language practices in subsidiaries). Sharp (2010), in turn, conceptualized the implementation process through three stages: Instrumental use of language influences conversational use of language, which affects internalization of language practices in the recipient unit. During the first stage, the MNC-level corporate language use in subsidiaries broadens as HCNs start to utilize it for work purposes. During the second stage, the conversational use of language, HCNs start to use the MNC-level corporate language on a social and professional basis. While the implementation process is influenced by (1) social context (institutional distance between home and recipient country), (2) organizational context (organizational culture of the recipient unit), and (3) relational context (attitudes of recipient coalition) (Kostova, 1999), HCNs are still assumed to accept and internalize the implemented practices. That is, when HCNs start to trust and identify with the HQ, they prefer their unit to become more similar to the HQ by adopting deeper layers of the MNC-level corporate language.

In the model, MNCs actively manage the implementation process through various practices, such as attitude surveys, language-sensitive recruitment, promotion, training, employee rotation, and trust building strategies.

Although the above models have provided important insights into the implementation of language policies, we know little of the micro-level dynamics of the implementation of language policies and practices, and how they may differ across cases. Thus, there is a need to extend this stream of research by systematic analysis that takes into account both the broader strategic aspects and the contextual processes of language praxis in subsidiaries. This is why we now pursue a recontextualization approach.

A Recontextualization Perspective on Language Policies and Practices

A recontextualization perspective highlights the ways in which the meaning of ideas, resources and practices change when they are adopted in a new context. This perspective is rooted in landmark studies of semiotics (Barthes, 1970; Kristeva, 1980; Saussure, 1916) and discourse analysis (Bernstein, 1996; Fairclough, 2003) and has thereafter been used in various ways in management studies (Brannen, 2004; Thomas, 2003). In particular, Brannen's (2004) semiotic model of recontextualization provides a fruitful basis for our analysis as it explains how the transfer of firm assets (her focus) or policies and practices (our focus) is crucially dependent on the meanings created. In the model, the transferred assets go through cultural sensemaking filters that attach pre-existing meanings to them as they enter the new context. The meanings of assets evolve and continue to undergo recontextualization as they are utilized and made sense of in the new context. The meanings associated with the firm assets can also be repatriated to the home context. Using the model, Brannen described the Walt Disney's theme park internationalization to France and Japan as a recontextualization process in which the meanings of specific assets were transformed while they were adapted from one context to the other. The meanings created in local contexts were very different, leading to a semantic fit or misfit, and ultimately to radically different organizational processes and outcomes in France and Japan.

While building on Brannen's model, our analysis focuses on concrete organizational practices to highlight the ramifications of the implementation of corporate language policies and practices. Thus, we seek to link the recontextualization perspective with the practice theory that has gained increasing attention in management research (Feldman & Orlikowski, 2011; Vaara &

Whittington, 2012). In particular, we emphasize that the recontextualization of practices often triggers a process where not only the very practice in question changes, but also other practices are affected and new practices developed. This means that any practice can become something different when it is put into use in a given context, often leading to a new kind of organizational ‘praxis’ – a term that refers to the ensemble of various practices. Empirical research has shown how the transfer of organizational practices involve various kinds of local translations and even lead to new hybrid practices (Ferner & Quantinalla, 1998; Gamble, 2010; Shimoni, 2011; Yu & Zaheer, 2010). For example, Ferner and Quantinalla (1998) described how globalization pressures have led to “Anglo-Saxonization” of human resource management (HRM) practices, but due to various cultural and institutional factors, in a distinctive “German manner” in German subsidiaries. In our case of language policies and practices, it is thus important to focus attention not only on their meaning in local context, but also on their implications for HRM practices and resulting organizational challenges.

What are the contextual factors that influence this recontextualization? We can infer from previous research that the strategic roles of subsidiaries, PCN expatriate deployment, and host country factors affect language policies and practices in subsidiaries. First, language policies are contingent with subsidiary strategic roles (Luo & Shenkar, 2006). MNCs with global strategies emphasize the standardization of practices and interdependence among foreign subsidiaries (Bartlett & Ghoshal, 1989; Prahalad & Doz, 1987). Because foreign subsidiaries are closely linked to the MNC global network in terms of knowledge and resource flows, HCNs are required to have certain proficiency in the MNC-level language either by subsidiary or HQ management. In contrast, MNCs with multi-domestic strategies focus on competition in each country and relatively interdependent foreign subsidiaries stress economic benefits arising from local market development and concentration. Providing little information to HQ and other units, locally adaptive subsidiary activities are closely linked with the local business community and are shaped by local market conditions (Luo & Shenkar, 2006). In them, HCNs are not required to be proficient in the MNC-level language because internal communication, documentation, and reporting are conducted in host country language. The locally adaptive language design is argued to enhance host country legitimacy of these subsidiaries (Luo & Shenkar, 2006). MNCs may thus allow, sometimes even encourage, subsidiaries to use host country languages as an expression of commitment and adaptation (Luo & Shenkar, 2006).

Second, language policies and practices can also change over time as subsidiaries became mature and more established in host countries. For example, the proportion of PCN expatriates of subsidiary labor force decreases over time as subsidiaries become more integrated with the local market (Fang, Jiang, Makino, & Beamish, 2010). Changes in subsidiary staffing affect language requirements: the MNC-level corporate languages are more often used in subsidiaries dominated by PCN than HCN managers (Luo & Shenkar, 2006). Although the language requirements are argued to be contingent with the proportion of PCN expatriates in subsidiary top management and subsidiary strategic roles (Luo & Shenkar, 2006), PCN subsidiary presidents are also found to give special emphasis to language requirements because of their insufficient host country proficiency (Peltokorpi, 2010). It is thus not surprising that proficiency in the corporate language is shown to provide power and career-related benefits to HCNs in subsidiaries (San Antonio, 1987). In contrast, HCN managers are shown to pay less emphasis on language requirements in recruitment practices especially in small subsidiaries (Peltokorpi & Clausen, 2011). While one or few bilingual HCNs can be responsible of inter-unit communication in small subsidiaries, it is feasible to assume that large/established subsidiaries need to have more HCNs proficient in the MNC-level language because of increasing inter-unit information flows (Gupta & Govindarajan, 2000).

Third, various host country factors, including available labor proficient in the corporate language, home and host country relations, and the regulatory environment, can affect language policies and practices in subsidiaries. For example, the average low foreign language proficiency is shown to influence subsidiary operations in China (Buckley et al., 2005), Japan (Peltokorpi, 2010), and Korea (Park et al., 1996). In Japan, recruiters in Nordic subsidiaries were not either able or willing to use language-sensitive recruitment practices due to the low English proficiency and the misalignment of language and functional competencies among HCN job applicants (Peltokorpi, 2010). Further, as shown in a study in a Finnish-Swedish bank merger (Vaara et al., 2005), employees can resist an official corporate language partly due to historical reasons. While regarded by the top management as a pragmatic decision based on cost savings, the choice of Swedish as the corporate language reproduced post-colonial identities among Finnish employees. The host country regulatory environment can also influence language policies and practices; for example, a U.S. Fortune 100 MNC was fined US\$ 800,000 for issuing English-language HR and benefits documents in France (Dowling, 2009). The above subsidiary and host country related

factors can lead to contextual misfit, i.e. the incongruence of adopted practices with the surrounding cultural, linguistic, and institutional context. For example, HCN and PCN managers may not be willing to implement contextually misaligned language policies since the surrounding institutional context and its collective rationality determine the appropriate, legitimate (accepted) practices (Brannen, 2004; Kostova, 1999).

While the above suggests that language policies and practices in subsidiaries are subject to various contingencies, these issues have not been examined in an in-depth manner. Thus, this study seeks to answer to the following three questions: (1) What contextual factors influence the recontextualization of language policies and practices in wholly-owned foreign subsidiaries? (2) What types of recontextualization can one distinguish in the implementation of language policies and practices? (3) What problems and challenges accompany the recontextualization of language policies and practices? In order to answer to these questions, we conducted a systematic case-specific analysis of the recontextualization of language policies and practices in 101 Western MNCs' subsidiaries in Japan.

METHODOLOGY

Research Design

We adopted a qualitative case study strategy that can be seen as an appropriate approach given the need to develop in-depth understanding of a relatively unexplored area (Birkinshaw, Brannen, & Tung, 2011; Miles & Huberman, 1994; Yin, 1989). In particular, it provides means to explore the fuzzy, non-linear nature of language policies (Lauring & Tange, 2010). More specifically, we aimed at cross-case analysis that would help to develop understanding of the different types of recontextualization types (Eisenhardt, 1989; Glaser & Strauss, 1967).

We conducted this study in Japan for three reasons. First, the low average English proficiency and HCNs' preference of domestic companies can influence language policies and practices in subsidiaries. For example, the Japanese are identified to have one of the lowest average Test of English for International Communication (TOEIC) scores in the world, and Japan to rank 180 out of 189 countries in the Test of English as a Foreign Language (TOEFL) (Yoshihara, Okabe, & Sawaki, 2001). Foreign subsidiaries can also find recruiting a high-quality work force in Japan challenging since HCNs are not willing to forgo the "life-time employment security" offered in domestic companies (Ono, 2007: 269). Domestic companies continue to be

the most desirable employers in annual surveys and those who work in foreign subsidiaries are perceived as a group of “maverick Japanese” who “have misplaced loyalties or could not cope with the Japanese environment” (Kang, 1990: 216). Second, more language-related studies in foreign subsidiaries are warranted because of the identified language-related challenges (San Antonio, 1987) and their increasing role as employers in Japan (Ono, 2007). For example, the Japanese External Trade Organization (JETRO) estimated that foreign subsidiaries in Japan employed one million people in 2002 (JETRO, 2002). The third reason is related to research design. The interviewers’ (first author and one collaborator) proficiency in English and Japanese helped to increase the accuracy and richness of information acquired during interviews (Welch & Piekkari, 2006). While focusing on Japan, we aimed at developing a model that would – with due caution – also be generalizable to other contexts (Yin, 1989).

Data

The empirical data is based on semi-structured interviews, field notes, and annual reports. The interviews allowed us to give ‘voice’ to actors who implement, reinforce, and experience language policies and practices in subsidiaries. We considered semi-structured interviews as a more suitable way to collect data than participant observation and action research due to the large amount of subsidiaries in this study and the need to acquire systematic data for cross-cases analysis. The data was collected in Western MNCs’ subsidiaries because of their dominance in the foreign company activities in Japan (JETRO, 2004). The selection criterion was HCNs and PCNs working in and consultants having Western subsidiaries as their main clients in Japan. The consultants were interviewed due to their extensive involvement in the recruitment of and the dominance of mid-career recruits in foreign subsidiaries in Japan (Ono, 2007). The contact details of informants were obtained through chambers of commerce, snowballing, and Internet search and they were contacted by e-mail/telephone. Most individuals contacted accepted our interview requests. The following interviews were conducted with 61 PCNs, 40 HCNs, and 37 consultants in the Osaka and Tokyo regions between 2002 and 2010. The PCNs worked as subsidiary presidents (n = 50) and managers (n = 11), and the HCNs as subsidiary presidents (n = 10), managers (n = 8), and staff (n = 22). Among the 101 PCNs and HCNs, 82 were male and 19 female. Among the 37 consultants, 24 were foreigners, 13 Japanese, and 27 male, and 10 female.

These consultants covered one or several industry areas, including finance & insurance, information technology (IT), manufacturing, and pharmaceuticals. While not able to match the consultants with all subsidiaries in the sample because all interviewees were assured full confidentiality, the consultants and PCNs/HCNs frequently mentioned each other's company names.

The average length of the digitally recorded interviews was 47 minutes. All interviews were conducted face-to-face, largely in the workplace in an area where interviewees could not be overheard. Following research protocols (see Appendixes A and B), all interviews with HCNs/PCNs started with a collection of descriptive data about the interviewees and their companies, continuing by open-ended questions about language policies and practices, factors influencing language policies and practices, and possible challenges to language policies and practices in their companies. In line with Fielding (1993), the interviewers followed the interviewees' lead while controlling the main areas of interest. These interviews were conducted in English and Japanese. The interviewers met 10 of these PCNs later through which additional information could be obtained in informal settings. Because of their involvement in recruiting, a different interview protocol was used with consultants (see Appendix C). The interviews were used to verify the findings and to provide additional information of language policies and practices in subsidiaries. These interviews were conducted in English. All English-language interviews were transcribed verbatim by the interviewers and four research assistants. All non-English interviews were translated verbatim into English by the interviewers and three bilingual research assistants to ease data comparison.

The sample consists of 101 subsidiaries because only one HCN/PCN was interviewed in each of them. These sales and service related subsidiaries, with an average of 658 employees, operated in machinery, such as cutting and machine tool (21), pharmaceutical (12), IT (11), consulting (10), finance/insurance (10), logistics (10), electronics (9), wood/paper (6), and other (12) industries. Categorized based on size, 36 of these subsidiaries were small (< 20 employees), 23 mid-sized (20-100 employees), and 42 large (> 100 employees). Their parent MNCs represented 11 different home countries, the USA being the most common with 23% of the sample. Categorized by age (years of host country operation), 29 of the subsidiaries were new (< 4 years), 36 mid-aged (5-9 years), and 36 old (> 10 years). The PCNs were a minority (< 10% of employees) in all these subsidiaries. More specifically, the PCNs constituted less than 5% of

employees in 77 subsidiaries and between 5-10% in 24 subsidiaries. The amount of PCNs was lower in old subsidiaries. While English was designated MNC-level corporate language in all subsidiaries, the interviews and annual reports suggest that none of them had official, written language policies.

Analysis

Our analytic approach was inductive (Glaser & Strauss, 1967). That is, we explored the cases in detail to develop a typology of the recontextualization of language policies and practices. More specifically, our analysis proceeded in an abductive manner (Eisenhardt & Graebner, 2007; Van Maanen, Sørensen & Mitchell, 2007). Abduction “assigns primacy to the empirical world, but in the service of theorizing” (Van Maanen et al., 2007: 1149). Accordingly, we developed our theoretical ideas alongside increasingly detailed analysis of the cases. In all this analysis, we used qualitative data analysis computer software, NVivo 8, through the process of data reduction, display, conclusion drawing, and verification (Miles & Huberman, 1994).

The analysis proceeded in three stages. First, we coded the interviews were into one broad category covering all language-related topics not to lose any relevant information. We then identified and coded more narrowly context-specific recontextualization types, language policies and practices in subsidiaries, and the accompanied challenges. Table 1 shows the coding categories, the number of HCNs and PCNs mentioning topics in these categories, and interview examples for these categories.¹

Insert Table 1 about here

Second, we identified and coded factors contingent with the language policies and practices, and the accompanied challenges. The initial round of codification produced three overlapping subcategories: Subsidiary (age, industry, and size), HCNs (hierarchical position and

¹ We established inter-rater reliability by having one research assistant code 20 randomly selected transcripts independently on language policies and practices in subsidiaries, and the accompanied challenges. The coding was compared with the coding conducted by one interviewer based on the same sets of transcripts. The agreement coefficient (.94) was above the minimal threshold suggested (.70) (Cohen, 1960).

functional areas), and PCNs (amount, hierarchical position, and host country language proficiency). We reduced these overlaps first by combining subsidiary age and size due to their interrelations and similar outcomes. For example, 90% of new (< 4 years) subsidiaries were also small (< 20 employees). Consistent with their size and length of host country operations, we labeled small/new and mid-sized/mid-aged subsidiaries as developing subsidiaries and old/large as established subsidiaries. Language policies and practices were further related with industry-specific strategic orientations. Drawing on seminal work on the strategic roles of subsidiaries (Bartlett & Ghosal, 1989, Prahalad & Doz, 1987), we categorized subsidiaries based on their strategic orientation to globally integrated and locally adaptive subsidiaries. In globally integrated subsidiaries, HCNs were required to be more proficient in English than HCNs in locally adaptive subsidiaries. Most globally integrated subsidiaries operated in finance & insurance (8), pharmaceutical (8), and logistics (7) and locally adaptive subsidiaries in paper & wood, and machinery (19) industries. Among the 101 subsidiaries, 35 were developing/locally adaptive, 24 developing/globally integrated, 25 established/locally adaptive, and 17 established/globally integrated. Despite some redundancies, age/size and strategic orientation allowed us to develop a 2x2 typology of language policies and practices and associated challenges in subsidiaries.

The remaining sub-categories, HCNs (hierarchical position and functional areas) and PCNs (amount, hierarchical position, and host country language proficiency), fit with the 2x2 typology. For example, the amount and hierarchical position of PCNs was higher and their host country language proficiency was lower in developing/globally integrated subsidiaries. That is, PCNs with insufficient host country proficiency were often deployed from HQs or other foreign units to start local operations. Language requirements for HCNs in these subsidiaries were higher than in developing/locally adaptive subsidiaries with less PCNs. Partly due to size differences, functionally and hierarchically differentiated language requirements for HCNs were also more clearly defined in established/locally adaptive subsidiaries than in developing/locally adaptive and globally integrated subsidiaries. In established/locally adaptive subsidiaries, HCNs in lower hierarchical ranks and localized functions often were not required to be proficient in the MNC-level corporate language. Lastly, the amount and hierarchical position of PCNs was higher and their host country language proficiency lower in established/globally integrated subsidiaries than their counterparts in established/adaptive subsidiaries. Interrelations among the above sub-

categories enabled us to develop a contingency model of four types of recontextualization in the case of developing/locally adaptive, developing/globally integrated, established/locally adaptive, and established/globally integrated subsidiaries.

Third, we developed and refined our recontextualization typology. At this stage, we elaborated on the recontextualization types that constitute the language praxis in the subsidiaries in question. In the analysis, we focused attention on the meaning of corporate language policies and the degree of integration. For example, our interviews showed that the MNC-level language policies in developing/locally adaptive subsidiaries are regarded as guidelines not necessary to be followed (meaning of corporate language policies) because of limited resources and challenges to recruit bilingual HCNs. The MNC-level language policy and practice implementation was limited in these subsidiaries. We then concentrated on the characteristic features of the praxis in each type (language-sensitive recruitment, language-sensitive promotion, company-sponsored language training, language nodes, and task-based solutions). We also examined in more detail the challenges inherent to the language praxis in the four types. This led us to identify challenges related to HR processes, career implications, communication networks, and identity issues. These challenges are related to the coding categories in Table 1. For example, communication networks include the overreliance of language nodes, and biased recruitment and promotion practices. In this analysis, we examined in more detail specific examples to develop in-depth understanding of these issues.

We made special efforts to establish validity. In particular, in line with the construct validity recommendations (Miles & Huberman, 1994), the findings presented in the following section were evaluated and viewed favorably by two PCN presidents, two HCN employees, and two consultants.

FINDINGS

In this section, we elaborate on our findings on (1) recontextualization types, (2) praxis with characteristic language policies and practices, and (3) challenges accompanied with language policies and practices for four different subsidiary types. Table 2 provides a summary of the main findings.

Insert Table 2 about here

Developing/locally adaptive subsidiaries

In this subsidiary type, MNC-level language policies and practices were general guidelines that do not necessary need to be followed. The subsidiary presidents were usually in a key position in interpreting and enacting the language policies and practices. For example, a PCN president reasoned: “Their [HCN employees] English language skills have not been the main criteria for me [...] if their English seems a bit awkward toward people at Headquarters, so be it”. The MNC’s language policies were implemented to a limited degree or not at all, as the emphasis was on localized operations. The host country labor market situation, the limited resources of these developing subsidiaries, and the PCN proficiency in Japanese were used as justifications for this lack of implementation. As one HCN president put it: “Why our sales personnel have to speak English? No reason. The same thing applies to other staff but our headquarters does not think so. For me there is no good reason”.

Praxis. The recruiters in developing/locally adaptive subsidiaries were often not able or willing to recruit bilingual HCNs. In addition to limited supply of bilingual HCNs in Japan, they explained that the applicants seldom had both strong functional and language competencies. Usually, recruiters valued HCNs’ functional competencies and social capital more than their proficiency in the corporate language. For example, one PCN president reasoned: “We often have to accept that they [HCN employees] do not speak English”. HCN/PCN presidents also considered higher compensation costs needed to recruit and retain bilingual HCNs as the waste of scarce resources in localized operations. These non-standardized language requirements enabled developing/locally adaptive subsidiaries to increase the limited pool of potential HCN applicants. Company-sponsored language training was provided on an “as needed” basis. For PCNs without sufficient Japanese proficiency, these non-standardized language policies and practices required extensive usage of language nodes and task-based solutions. For example, one PCN president explained: “Five [HCN] employees in this subsidiary are able to speak good English. They are my right and left arms”. HCN/PCN presidents were also in charge of most, if not all, HQ and other MNC unit communication.

Challenges. Despite the advantages, the non-standardized policies and practices were accompanied with various challenges. For example, because of the low emphasis on English proficiency in recruiting, 11 HCN and PCN presidents had to make language-based replacements. These replacements were initiated by subsidiary presidents and the HQs. Developing/locally adaptive subsidiaries had also challenges to retain bilingual HCNs because of limited career advancement opportunities. In addition, PCN presidents without sufficient Japanese proficiency had to rely on (or were under the mercy of) HCN language nodes strategically positioned in the middle of organizational communication networks. This dependence enabled language nodes to gain power and control information flows. In 14 subsidiaries, PCN presidents explained HCN managers acting as language nodes to filter, delay, and block the information flows between them and HCNs. A PCN president complained: “The information from the departmental manager is subjective. The information is filtered on the way. That is why I sometimes do not know where we are going”. PCNs proficient in Japanese, in turn, often identified with HCNs and local norms and were able to interact efficiently with HCNs. In addition, HCNs and eight PCNs proficient with Japanese identified closely with the host country environment rather than the MNC. As a PCN president explained: “I came here in 1993 and graduated from a Japanese university. When I started to work here I felt that I was Japanese”. These people were usually not motivated to implement MNC-level policies and practices in subsidiaries.

Developing/globally integrated subsidiaries

In this subsidiary type, MNC-level language policies and practices were norms to be followed and means to develop the subsidiary as an integrated part of the MNC. For example, one PCN president reasoned: “[HCN] employees are required to be proficient in English because it is our company’s official language”. Instead of following direct HQ mandates, PCN presidents initiated and reinforced informal language policies and practices partly due to the developing nature of the subsidiaries. Expatriated from HQs or other MNC units, these PCNs played a crucial role in transferring company values to subsidiaries. For them, informal language policies and practices ensured that intra and inter-unit language barriers would not occur as subsidiaries were becoming more established. Taking a more pragmatic approach, HCN presidents emphasized the need for all employees to interact efficiently with HQs, other MNC units, collaborators, and customers in other countries. In general, the interviews show that language policy and practice implementation was extensive in developing/globally integrated subsidiaries.

Praxis. In addition to the local-global integration needs, PCN presidents sought to recruit bilingual HCNs because of their insufficient Japanese proficiency, market knowledge, and social capital. One of these PCNs reasoned: “For me it is fundamental that I can communicate with these people. If I need to pay more, it is not a big issue”. In these subsidiaries, the recruiting channels were used to increase chances that HCN applicants have certain English proficiency. For example, six PCN presidents said job advertisements in local English-language newspapers to act as an initial screening device because those newspapers are read by HCNs with substantial English proficiency. In these advertisements, a certain TOEFL or TOEIC score was required. In managerial and professional employee search conducted often with executive-search companies, English proficiency was included as a part of search requirements. Several subsidiaries also adjusted their staffing practices. For example, six IT-related subsidiaries, partly due to shortage of functionally and linguistically competent HCNs, recruited third country nationals (TCNs) either in full-time or contract basis. In addition, nine subsidiaries had recruited TCNs educated in Japan and/or that had worked in other foreign subsidiaries. The consultants and PCNs explained that developing/globally integrated subsidiaries further target competent but underutilized female labor segment in Japan. In addition to being more willing to work for foreign-owned companies, women were seen by consultants and HCN/PCN presidents as possessing better language and communication competences than their male counterparts. These language-sensitive recruitment practices reduced the need for company-sponsored language training and provided a sufficient pool of linguistically competent HCNs that could be promoted to higher organizational echelons. Bilingual HCNs were also used as language nodes to facilitate interactions with local customers and collaborators.

Challenges. In addition to their limited recognition and attraction among HCNs, the low average English proficiency in Japan influenced these subsidiaries’ ability to recruit functionally competent, bilingual HCNs. As an indication of the large demand-supply gap of bilingual HCNs in Japan, one consultant estimated that 80-90% of subsidiaries initially screen HCN applicants based on English proficiency and only 5% of the Japanese population to have the required skills. It is thus not surprising that language-sensitive recruitment practices increased the functional and language competence misalignment. A PCN president explained this phenomenon: “If you speak English well, you can get your foot in the door. You may not have much in your head, but if you are smooth, you are over one of the big hurdles”. The same topic was also brought up by 20

consultants who stated that PCN recruiters placing emphasis on English proficiency usually do not have an accurate understanding of candidates' knowledge, skills, and abilities. Illustrating the challenges encountered, six PCN presidents admitted biases in their recruitment decisions. One of them recalled: "I hired several candidates because I was comfortable in communication mainly because of language skills. I was blinded to other aspects. It turned out that these people had more difficulties than expected". Part of the difficulty with bilingual HCNs educated abroad and/or recruited from other subsidiaries is their lack of social capital needed to establish business with first-tier domestic companies. Due to the limited career advancement opportunities, these subsidiaries also had special challenges with talent retention. For example, two PCNs put it as follows: "It is difficult to keep them [HCNs] because we need to hire people with extensive backgrounds and who speak good English" and "if they [HCNs] are good, they will not stay [...] turnover in our operations is 25%". Having low identity towards their employers and taking advantages of their foreign language skills, these HCNs managed their own careers often by opportunistic job hopping. The interviews indicate that foreign subsidiaries contribute to the job hopping phenomenon because they prefer to poach bilingual HCNs from each other. Finally, the people involved often saw themselves as "Japanese foreigners", which implied relatively low identification with the MNC organization.

Established/locally adaptive subsidiaries

In this subsidiary type, MNC-level language policies and practices were considered as guidelines that do not have to be completely followed in all functional areas; they had a limited role in the established unit culture. Internal communication in these subsidiaries was conducted mostly in Japanese. For example, one PCN president described the linguistic reality in his subsidiary as: "The company language here is Japanese. Global language of our company is English". Established/locally adaptive subsidiaries had more extensive inter-unit interactions in the MNC-level corporate language than in developing/locally adaptive subsidiaries. However, regardless of their nationality, all subsidiary presidents in established/locally adaptive subsidiaries emphasized the importance of host country legitimacy created and maintained with locally adaptive operations. One PCN reasoned: "Having a lot of expatriates gives an image of non-Japanese company. Some of our customers don't know that we are a foreign company". In traditional industry sectors with strong host country competitors, foreignness in terms of image and language was regarded as a liability. Due to the local adaptation needs, language policy and

practice implementation in these subsidiaries was partial, limited often to promotions and international functions.

Praxis. In contrast to their smaller and less well-known counterparts, established/locally adaptive subsidiaries, due to their larger size, internal resources, and career paths, were able to attract and recruit HCNs with higher functional competencies. For example, the consultants and HCNs explained that HCN applicants usually do not distinguish between established/locally adaptive subsidiaries, such as IBM, and their domestic rivals. In these subsidiaries, functional and host country language competencies were emphasized in lower organizational echelons and localized functions. HCN/PCN/TCN language nodes were used to facilitate interactions through language boundaries within and beyond the subsidiary boundaries. However, English proficiency was considered as a precondition for lateral movement to international functions and promotion into management ranks. For example, a PCN president reasoned: “No matter how good you are in marketing or another function, you need to speak English. All correspondence is in English. And our language competencies here are so poor. Even I have intelligent employees, I cannot promote them”. In all established/locally adaptive subsidiaries, HCNs were able to improve their proficiency in the corporate language through company-sponsored training. Twelve PCN presidents explained company-sponsored language training to have an important motivational impact because it provides equal career advancement opportunities for all employees.

Challenges. Although extensively used and enhancing upward mobility, the interviews showed that company-sponsored language training was an unreliable method to remove language barriers due to time and motivational limits to language proficiency development. For example, a HCN president recalled: “We hired a person eight years ago. Because he was not able to speak English we sent him to a language school. The company paid all expenses during the first year and half of the expenses during the second year. Rather than improving his language skills, he left our company”. For HCNs seeking to speak English in an international environment, working in established/locally adaptive subsidiaries was often a disappointment. In fact, three HCNs had moved from established/locally adaptive to established/globally integrated subsidiaries because the former were considered to be too “Japanese”. Because of the non-standardized language requirements in recruiting, PCN presidents without sufficient Japanese proficiency had to rely on language nodes and faced language barriers when communicating with HCNs in lower echelons and localized functions. Creating a boundary for career advancement, language-based promotion

practices also increased perceptions of unfairness and voluntary turnover in 18 subsidiaries. The interviews indicate, for example, that HCNs recruited from universities had not been aware of language-sensitive promotion practices. Not surprisingly, HCNs with insufficient proficiency in the corporate language were the least attached to their organizations.

Established/globally integrated subsidiaries

In this subsidiary type, MNC-level language policies and practices were norms; an essential part of the culture and identity of the MNC. Regarded as globally shared standards and signs of professionalism, the degree of language policy and practice implementation was extensive with little tolerance for deviation. Consequently, regardless of the location, language policies and practices were established to develop uniform communication competences among employees in the MNC global network. PCNs were deployed to strategic positions in established/globally integrated subsidiaries in part to reinforce these shared language standards. The shared standards played a crucial role due to frequent communication within the MNC network, as well as various international clients and collaborators. For example, a PCN explained this integration as: “We have to communicate worldwide. This means a lot of discussions with country A, country B, country C, country D, and in this region. We have many meetings in Taiwan and Korea. Also, many informal meetings and contacts by mail and phone at all levels”.

Praxis. Because of their host country legitimacy, high salaries, and career advancement opportunities, established/globally integrated subsidiaries were able to attract and recruit bilingual HCNs, usually with the needed functional competencies. Due to their internal resources and HR personnel, these subsidiaries simultaneously used several recruitment sources, such as college recruiting, referrals, and executive-search consulting companies to attract and recruit bilingual HCN talent. For example, all 37 consultants explained their HCN bilingual candidates to prefer large, established subsidiaries in prestigious, high-income sectors (e.g., consulting and finance). In these subsidiaries, HCN employees had often received their university education overseas (the whole degree or a part of it). Due to a larger pool of bilingual applicants, HCNs in consulting and finance companies, according to 24 consultants, were on average more proficient in English than their counterparts in engineering companies. In line with these consultants, a PCN president in a finance company summarized: “They [HCN employees] are articulated, well-educated, and they speak several languages, two at least, Japanese and English”. In case of the

shortage of functionally competent HCNs, established/globally integrated subsidiaries were able to hire and integrate TCNs efficiently due to the shared corporate language. The standardized language policies and practices were important because employees often participated in international teams, and were sent overseas for meetings and training.

Challenges. While well-known internationally, the consultants and HCN/PCN managers explained the challenges to recruit bilingual HCN talent from first-tier domestic companies. For example, a PCN manager in a prestigious US-based consulting company explained: “We cannot really get the best and brightest [HCNs] because past ten years all the Japanese companies have sophisticated retention programs”. Eight HCNs with overseas university degrees also explained to apply to first-tier foreign companies only after unsuccessful job search abroad and in domestic companies. One of them recalled: “I started with interviews with Japanese companies, such as Dentsu and Hakuhodo. I went through many interviews but didn’t make it to the last. In the middle, I also took interviews with American financial firms because they offered bigger pay. They were my second option”. In addition to low motivation to develop their careers in the MNC global network, HCNs were concerned about low chances to advance to top management due to PCN deployment to strategic positions in subsidiaries. Considered as a sign of intelligence and professionalism, several HCNs also hesitated to communicate with native speakers in English. In meetings, PCNs thus dominated discussions. Albeit less prevalent compared to their smaller counterparts, HCNs in established/globally integrated subsidiaries showed relatively low identification with and loyalty to their MNC. Identifying themselves as foreign-minded Japanese, these HCNs tend to move from one established/globally integrated subsidiary to another attracted by better benefits.

DISCUSSION

By adopting a recontextualization perspective, we have elaborated on the dynamics in the implementation of language policies and practices in wholly-owned subsidiaries. In contrast to previous studies on language policy implementation (Kingsley, 2010; Sharp, 2010), our analysis shows that language policies and practices and accompanied challenges differ depending on the subsidiary type in question. In particular, our contingency model helps to identify considerable variation across four types of cases: developing/locally adaptive, developing/globally integrated,

established/locally adaptive, and established/globally integrated subsidiaries. In each of these four subsidiary types, language policies and practices are recontextualized in specific ways and make up a distinctive praxis with its challenges (see Table 3).

Insert Table 3 about here

Our analysis elucidates five crucial aspects of language implementation: (1) the emergence of language praxis from the interplay of HQ strategies and local responses, (2) the hybrid nature of language practices, (3) the central role of key actors such as subsidiary presidents in recontextualization, (4) the pervasive power implications of language policies and practices, and (5) the multifaceted implications for strategic HRM.

First, our recontextualization model shows that the implementation of language policies and practices is not simply a matter of top-down HQ strategy (Sharp, 2010), nor does it stem from local specificities alone (Kingsley, 2010). Instead, the emerging language praxis is the result of the interplay of HQ strategies and local responses. Through the model, we can better understand that the language praxis is linked with the strategic role of the subsidiary (Bartlett & Ghoshal, 1999; Luo & Shenkar, 2006; Prahalad & Doz, 1987) – as enacted in context (Balogun, Jarzabkowski, & Vaara, 2011). Indeed, our analysis and previous research (Balogun et al., 2011; Brannen, 2004; Kostova, 1999) suggest that subsidiary managers' and employees' interests are not always aligned with those of the MNC. This is the case especially in language policies and practices that are subject to employees' language competencies and host country contingencies. By taking into account the interplay of HQ strategies and local responses, we can comprehend the differences across cases; for example, how developing/locally adaptive cases differ radically from established/globally integrated. In addition, this model helps to explain why the implementation of language policies and practices may often seem to lead to failure from the HQ perspective; this is often due to local responses as in the case of limited implementation in developing/locally adaptive subsidiaries.

Second, related to the previous point, our analysis underscores the hybrid nature of language practices. Similar to other studies on hybridization of management practices (Ferner &

Quantinalla, 1998; Gamble, 2010; Shimoni, 2011; Yu & Zaheer, 2010), our findings show that language policies and practices are hybridized precisely because they reflect both HQ and local practices. Our analysis adds to previous studies by showing large variations in this hybridization. For example, despite facing similar host country constraints, developing locally adaptive and globally integrated subsidiaries placed very different emphasis on HCNs' corporate language proficiency in recruitment and promotion practices. Due to the low average English language proficiency in Japan, foreign subsidiaries have to compete over limited amount of bilingual HCN talent. Not surprisingly, these HCNs often preferred established subsidiaries in prestigious and high-income sectors. Due to resource constraints and low host country legitimacy, developing locally adaptive and globally integrated subsidiaries emphasized the difficulty of attracting, recruiting, and retaining bilingual HCN talent in Japan. This finding adds to the previous studies suggesting general 'liabilities of foreignness' in terms of foreign company attractiveness to HCN job applicants in the USA (Newbury, Gardberg, & Belkin, 2006) and in Scandinavia (Aperia, Bronn, & Schultz, 2004). However, despite efforts to implement language policies and practices especially in globally integrated subsidiaries, several languages were concurrently used in all subsidiaries. Further, our contingency model shows that language policies and practices do not remain the same, but evolve as subsidiaries become larger and more established in host countries. For example, while task-based solutions are used extensively in developing/locally adaptive subsidiaries to cope with intra and inter-unit language barriers, established/locally adaptive subsidiaries use language-sensitive promotion practices due to their more complex host country operations.

Third, our analysis highlights the crucial role of key actors such as subsidiary presidents in recontextualization. In contrast to the MNC strategy frameworks (Bartlett & Ghoshal, 1989; Prahalad & Doz, 1987) and the strategic perspectives of MNC language policies (Dhir & Goke-Pariola, 2002; Luo & Shenkar, 2006; Maclean, 2006; Sharp, 2010; Van der Born & Peltokorpi, 2010), our findings suggest that language policies and practices are seldom transferred as such from HQs or other MCN units but are to a large extent subject to key actors' – such as subsidiary presidents – discretion. That is, when subsidiary presidents as boundary spanners make sense of MNC-level language policies and practices, the process is both enabled and constrained by pre-existing systems of signification, including their host country language proficiency and identification. For example, PCN presidents proficient in Japanese imposed strong language

requirements in developing/locally adaptive subsidiaries. In line with previous studies (Black & Gregersen, 1992; Peltokorpi, 2010), our findings suggest that these PCNs had dual identities and prioritized local adaptations over MNC-global integration. These findings challenge the assumed commitment of subsidiary managers and the eventual alignment of MNC and subsidiary-level languages (Sharp, 2010). In contrast, PCN presidents in developing/globally integrated subsidiaries implemented informal language policies and practices partly due to the developing nature of host country operations and partly to overcome their insufficient host country language proficiency.

Fourth, our analysis highlights the pervasive power implications of language policies and practices. By so doing, we add to the rare analyses of power in and around language policies and practices in MNCs (Blazejewski, 2006; Janssens et al., 2004; Vaara et al., 2005). Blazejewski (2006) and Janssens et al. (2004) stressed the competition and importance of status and power relationships of languages in MNCs. Language policies and their implementation processes are thus accompanied with the process of influence, persuasion, and resistance. Vaara et al. (2005), in turn, emphasized the multiple power implications of official corporate language policy. Our study extends these views by explaining how the power implications emerge from the practices themselves – a view that is consistent with advanced analyses of power in organizations (Clegg, 1989; Clegg, Courpasson, & Phillips, 2006). This is important because it helps to understand that problems and dilemmas related to power are not issues that could be dealt with separately, but something inherent to the language policies and practices. Our model also elucidates different dimensions of power among HCN and PCN employees, and how the power implications differ across four types of cases. In developing/locally adaptive subsidiaries, for example, English proficiency provided HCN language nodes power to control information flows between HCNs with insufficient English proficiency and PCNs with insufficient Japanese proficiency. This example illustrates how power relations do not only influence language policies and practices in subsidiaries, but how language policies and practices also affect power relations among HCNs and PCNs in subsidiaries.

Fifth, our analysis underscores the multifaceted implications for strategic HRM in MNCs. In contrast to often assumed alignment between corporate strategies and HRM practices (Huselid, 1995; Lepak & Snell, 1999; Wright, Dunford, & Snell, 2001), our contingency model enables to demonstrate that the praxis in each four subsidiary types creates specific challenges related to

HR processes, career advancement, communication networks, and identity. For example, while non-standardized language policies in developing/locally adaptive subsidiaries enabled to place emphasis on HCNs' functional competencies in recruitment and promotion, they reduced intra and inter-unit communication and isolated PCNs with insufficient host country language proficiency. In these subsidiaries, language nodes often linked PCN and HCN employees. Echoing the findings of previous research (Lauring, 2008; Vaara et al., 2005), language further acted as a strong determinant of social categorization among HCNs and PCNs especially in developing/locally adaptive subsidiaries. Social categorization can also influence with whom and how much HCNs and PCNs communicate (Larkey, 1996). Furthermore, while standardized language requirements in developing/globally integrated subsidiaries enabled to enhance intra and inter-unit communication, they had to find alternative staffing practices to ensure sufficient internal competencies in the corporate language. These standardized language requirements were also linked to higher compensation costs, biased recruiting practices, and challenges in retaining bilingual HCN talent. Moreover, distinctive challenges occurred in developed locally adaptive and globally integrated subsidiaries, former subject to hierarchy/function based language barriers, unfairness perceptions, and language based social categorization, and the latter to challenges to recruit bilingual HCN talent from first-tier domestic companies and turnover accompanied with low organizational identification. Finally, our analysis demonstrated that identification with the MNC and the subsidiary varied in the four subsidiary types, posing special challenges for each case.

Our findings indicate further that proficiency in the corporate language provides HCNs important career-related benefits. Acting often as language nodes in locally adaptive subsidiaries, bilingual HCNs were found, in line with a previous study (San Antonio, 1987), to have access to PCNs and information beyond their formal organizational roles. Bilingual HCNs are also more likely to be recruited and promoted by PCNs, especially in globally integrated subsidiaries. Due to high demand of English speaking personnel, bilingual HCN talent can also relatively easily to improve their salaries, organizational rank, and company status by calculated moves in foreign subsidiaries in Japan. In stark contrast to low voluntary turnover in domestic companies in Japan (Graen, Dharwadkar, Grewal, & Wakabayashi, 2006), bilingual HCNs in particular acted as 'free agents' having low organizational attachment to and short tenures in foreign companies. This is problematic because these HCNs often have important roles as language nodes. While this high

turnover might be partly due to low employment security (Ono, 2007) and internal promotion opportunities in foreign subsidiaries in Japan (Peltokorpi & Clausen, 2011), our findings suggest that HCNs' foreign language proficiency contributed to this job hopping phenomena. Although not as strongly aligned with foreign language proficiency, limited internal career advancement opportunities, combined with low organizational attachment and external job opportunities are also shown to contribute to high voluntary turnover rates in foreign subsidiaries in Singapore (Reiche, 2007). Bilingual HCNs' low willingness to relocate creates additional challenges to talent management in subsidiaries. In particular, our findings show that HCNs are most unwilling to relocate to other Asian countries. While bilingual HCNs regarded their language proficiency as an important part of their career capital and accepted language policies and practices in subsidiaries, HCNs with the insufficient proficiency resisted and perceived a loss of their status when language policies were changed. Career related benefits and acceptance of language policies were therefore unequally distributed in subsidiaries. Our findings consequently do not provide support for the argument that HCN employees would, over time, be increasingly inclined to adopt deeper layers of the MNC-level corporate language on a social and professional basis (Sharp, 2010). In all, these findings also extend the career literature in MNCs that focuses on PCN expatriates and assumes HCNs to be proficient in the corporate language (Collings, Scullion, & Morley, 2007).

CONCLUSION

While previous studies have highlighted various challenges accompanied with language policies in MNCs (Tietze, 2008), our knowledge of the implementation of language policies and practices in subsidiaries is still limited. Thus, we examined language policy and practice implementation in wholly-owned subsidiaries from a recontextualization perspective. The main contribution of this study is the contingency model of language policies and practices in subsidiaries. It highlights the differences across four types of recontextualization – developing/locally adaptive, developing/globally integrated, established/locally adaptive, and established/globally integrated – and explains the reasons for these differences. The model demonstrates that the challenges of language policy implementation are inherent to the type at hand. This finding has important theoretical implications for research on language policies and their implementation. Our analysis

suggests that to dig deeper into the challenges involved, one should move from ‘functionalist’ or ‘strategic’ analyses to studies that highlight the context, its practices and the emerging praxis. Our analysis specifically shows how language policies and practices are linked with a web of HR, task-based solutions, and other practices that together form a praxis characteristic of the subsidiary in question. Our analysis also underscores the agency of key actors, such as subsidiary presidents, in the interpretation process and hybridization of language policies and practices in subsidiaries. Instead of being regarded simply as the receiving end, our analysis describes how subsidiary presidents, taking account multiple, often conflicting firm and host country-related factors, make sense of MNC-level language policies and the nature and extent of their implementation in subsidiaries. In this way, our study elucidates the dynamic individual and unit level interactions of recontextualization processes.

Our analysis further adds to studies of recontextualization in MNCs more generally. In particular, it extends Brannen’s (2004) semiotic recontextualization model in several ways. Our analysis adds to studies of recontextualization by shifting the focus from positive or negative evaluations at the receiver end to the multiple ways in which the policies and practices may be institutionalized and made sense of. In our model, this becomes salient when comparing recontextualization in the four subsidiary types. Our study also highlights the close linkage of meaning and practice – which becomes salient through the notion of praxis and the agency of key actors such as subsidiary presidents. Finally, our analysis demonstrates that practice-based analyses of recontextualization do not have to focus on individual cases (Brannen, 2004; Gertsen & Zølner, 2012; Vaara et al., 2005), but can deal with a large number of cases to distill more generalizable characteristics and patterns.

Practical Implications

Our study provides practical insights for managers. First, the model shows that the challenges are radically different in the four types of subsidiaries. By identifying the key characteristics of their case, managers should be able to better deal with these issues. At the same time, however, the model indicates specific challenges in all these four types, and there is no optimal solution that would solve all issues. Second, our analysis shows that subsidiary presidents have crucial roles in language policy and practice implementation. Therefore, as also advocated by Luo and Shenkar (2006), MNCs can benefit from deploying PCNs to subsidiaries with important strategic roles in

the MNC global network. However, locally adaptive subsidiaries can be staffed by HCNs and PCNs with strong host country culture and language competencies. In support, HCN managers are more effective than PCN expatriates in locally adaptive subsidiaries partly because they share the same language and culture with local customers (Fang et al., 2010). Third, in order to decrease the language-based selection bias and to staff subsidiaries with the best available employees, PCNs can engage consultants, and HCN managers and employees in the selection process. For example, one consultant said PCNs to “hire people based on their English speaking skills instead on what the person can do [...] sometimes they miss the opportunity to find a talented executive because they many not interview well in English”. For improved assessment, several consultants recommended PCNs to conduct job interviews and evaluate candidates with HCN employees and managers. In support, a study in international joint-ventures in China shows that HCN managers are able to detect some nuances about the HCN job applicants through the language and behavior (Björkman & Lu, 1999). Fourth, our findings suggest that communication barriers were created partly by different communication styles. For example, PCNs could have dominated meetings in subsidiaries partly due to their higher proficiency in the corporate language and partly because Japanese tend to refrain from publicly disagreeing ones higher in hierarchy (Peltokorpi, 2010). Training can help employees to understand and empathize with the culture-related differences and develop efficient communication strategies.

Limitations and Future Research

This study has limitations that should be taken seriously. First, our analysis has focused on Japan – a country that undoubtedly has unique features. Thus, our findings should be interpreted with caution in mind. However, our main contribution – the contingency model – in an analytical generalization that should be with due caution also be applicable in other contexts. Nevertheless, future research should be expanded to other countries. On the one hand, it would be especially interesting to focus attention on to East Asian countries such as China (Buckley et al., 2003) and South Korea (Park et al., 1996) that may be similar to Japan for example in a relative lack of bilingual HCN employees. On the other hand, it would be important to contrast these findings with contexts such as Europe where bilingual HCN employees are more available (Lauring, 2009). Second, this study cannot establish causal claims of language policies and practices in subsidiaries. Linking our findings with strategic HRM research (Huselid, 1995; Lepak & Snell, 1999; Wright et al., 2001), for example, we expect that uniform language policies and practices

can provide communication and performance related benefits in globally-integrated subsidiaries. Thus, the present findings could be validated and extended by statistical analyses. Third, while we have highlighted the importance of power and politics, our analysis limited by our data and methods. In particular, we were not able to provide a detailed analysis of HCNs and PCNs perspectives of how conflicts and power relations emerge and evolve over time. Future research could use interviews and observations similarly to previous studies to provide more in-depth insights in one or few subsidiaries (Lauring, 2008, 2009; Vaara et al., 2005). Fourth, several career related aspects of the present findings warrant more in-depth future research. A longitudinal examination of language proficiency related career advancement is an interesting area for future research.

Despite its strong impact on MNC global operations (Luo & Shenkar, 2006; Terpstra, 1978), language has played a marginal role in the IB literature. Contributing to this important, but neglected area of research, the present study has disentangled language from the larger ‘culture box’ and applied a recontextualization perspective of language policy and practice implementation. Challenging the strategic perspectives of language policies as objective, neutral tools with assumptions of shared corporate *lingua franca*, our analysis at the receiving end demonstrates that language policies are something that individuals in subsidiaries make sense of and enact in daily practices. Instead of subject to top-down transfer from HQ or other MNC units, our findings demonstrate how various firm-specific factors, social interactions, and individuals’ competences and social positions together shape the web of practices that forms the language praxis in subsidiaries. By so doing, our analysis advances practice-based theorization and methods in IB research. We hope that our study paves the way for future work on language-related matters in foreign subsidiaries that would elaborate on the context-specific problems and challenges of language policy implementation.

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Appendix A: Guiding questions in interview protocols for PCNs

1. May I have your name and position in this subsidiary? How many people are working in this subsidiary? How many expatriates are working in this subsidiary? How many years has this subsidiary been operating in Japan?
2. Does your company have any language policies and requirements? What kinds of language policies and requirements are in your company? If your company does not have any language policies or requirements, how your company seeks to cope with language barriers? How these language policies and requirements are implemented and reinforced in your company? Are these language policies and requirements extended to all employees?
3. What kind of external factors, if any, influence language policies and requirements in your company?
4. What kind of internal factors, if any, influence language policies and requirements in your company?

Appendix B: Guiding questions in interview protocols for HCNs

1. May I have your name and position in this subsidiary? How many people are working in this subsidiary? How many expatriates are working in this subsidiary? How many years has this subsidiary been operating in Japan?
2. Does your company have any language policies and requirements? What kinds of language policies and requirements are in your company? If your company does not have any language policies or requirements, how your company seeks to cope with language barriers? How these language policies and requirements are implemented and reinforced in your company? Are these language policies and requirements extended to all employees?

3. What kind of external factors, if any, influence language policies and requirements in your company?
4. What kind of internal factors, if any, influence language policies and requirements in your company?

Appendix C: Guiding questions in interview protocols for consultants

1. May I have your name, industry sector covered, and position in this company?
2. What language requirements foreign companies have on job candidates? What kind of differences, if any, have you experienced in language requirements within and among foreign companies?
3. What kinds of challenges, if any, are related to language requirements in foreign companies in Japan?

Table 1: Coding categories and examples

	Categories	Frequency of examples	Examples
Recontextualization type	Meaning of corporate language	67	“English is must. Our company policy is that we are an international company” (PCN president)
	Degree of implementation	62	“In recruiting, I have to negotiate with the headquarters. Employees need to speak English” (HCN president)
Language policies and practices	Language-sensitive recruitment	45	Some [HCN] employees can speak English but that has not been a criterion for employment (PCN president)
	Language-sensitive promotion	67	If they [HCNs] don’t speak English, they cannot be promoted to higher levels (PCN president)
	Company-sponsored language training	70	In the beginning we had a few American guys who would teach English on Saturday morning [...] last year we hooked up with a more professional company (PCN president)
	Language nodes	42	Half of [HCN] employees are not able to speak English [...] I have to be an interpreter (HCN employee)
	Task-based solutions	21	Even I prefer local employees to speak English they don’t have to because I can speak Japanese (PCN president)
Challenges accompanied with language policies and practices	Limited number of bilingual HCNs	83	Basically, all Western companies plus a few Japanese companies are fighting over a limited number of bilingual [HCN] employees (PCN president)
	Overreliance on language nodes	25	I realized that a lot of information was controlled by the [HCN] secretary. I could not get information because I could not understand Japanese (PCN president)
	Biased recruitment practices	22	I hired several [HCN] candidates because I was comfortable in communication mainly because of language skills. I was blinded to other aspects. It turned out that these people had more difficulties than expected (PNC president)
	Time and motivation related barriers to language skill development	18	We have given [HCN] employees chances to study English but they are busy with their families and don’t want to (PCN president)
	Biased promotion practices	18	In the past, many [HCN] managers were chosen because they had some knowledge of English. Then they became managers. That did not mean that they had any management skills (PCN president)

Table 2: Characteristic language policies and practices and accompanied challenges

	Recontextualization type	Examples (quotes)	Praxis: Characteristic language policies and practices	Examples (quotes)	Challenges accompanied with language policies and practices	Examples (quotes)
Developing/ locally adaptive	<p>Meaning of corporate language policies: Guidelines that do not necessarily need to be followed</p> <p>Degree of implementation: None or limited, emphasis on locally congruent practices; host country labor market, limited resources, and PCN president Japanese language proficiency used as a justification</p>	<p>“The big decisions are coming from the headquarters but we are very independent. The head office does not interfere at all as long as you deliver [sales targets] according to objectives [...] we have managers without English language skills” (PCN president)</p> <p>“I need to modify things because I don’t have the needed resources. That is why all employees are not required to be proficient in English” (PCN president)</p>	<p>Language-sensitive recruitment: Mid-career recruitment; focus on HCNs; functional skills emphasized</p> <p>Language-sensitive promotion: Functional skills emphasized</p> <p>Company-sponsored language training: Training provided on-the-need basis</p> <p>Language nodes: Intra-unit communication primary in Japanese. Language nodes used if needed</p> <p>Task-based solutions: Focus on operations and tasks; communication dealt with separately</p>	<p>“Last year, we recruited six people. Those employees are totally Japanese. They have never worked for foreign companies and don’t speak English” (PCN president)</p> <p>“His [promoted HCNs’] English is not the best. We just finished writing a business plan for next year. Even though his English is not good, I could not care less. The language can always be worked out” (PCN president)</p> <p>“For people in key positions, we try to teach them English by having general lessons” (PCN president)</p> <p>“All things, such as managerial meetings, are conducted in Japanese. If there are things I don’t understand, I stop the meeting and they explain it again in Japanese in simpler way or my secretary brings bring me up to issue later after the meeting is over” (PCN president)</p> <p>“Their [HCNs’] English language skills are not that important to me because I am doing a large part of the contacts to headquarters” (PCN president)</p> <p>“I am the president. We also have a Japanese operational manager. He is in charge of the Japanese speaking side of the organization” (PCN president)</p>	<p>HR processes: Practical problems in various areas; special solutions such as translators or extra personnel needed</p> <p>Career implications: Limited career opportunities for HCNs within the subsidiary or the MNC global network</p> <p>Communication networks: Boundary spanners hold crucial positions in communication, both increasing their power and putting a great deal of pressure on them</p> <p>Identity issues: Internal division: HCNs (and some PCNs proficient in Japanese) identify with the host country environment whereas PCNs without sufficient Japanese proficiency with the MNC; disconnects between these groups of people</p>	<p>“Weakness is that they [HCNs] don’t speak English. Especially, accountant had communication problems and I had to hire a new person who can write and speak English with accounting knowledge” (HCN president)</p> <p>“The biggest problem is to be small. We can provide them [HCNs] nice work environment but limited training and promotion opportunities” (PCN president)</p> <p>“We have a sales manager who is basically the only person to who local people report. They don’t tell me anything. All information comes from the sales manager” (PCN president)</p> <p>“One expatriate is working here at the moment [...] the problem is that he cannot understand Japanese, and this limits his interactions with Japanese employees. He is mainly communicating with people in headquarters” (HCN manager)</p> <p>“In comparison to many other European managers here, I am adopting many things to local ways” (PCN president, proficient in Japanese)</p>

<p>Developing/ Globally integrated</p>	<p>Meaning of corporate language policies: Norms that are to be followed; means to develop the subsidiary as part of the MNC</p> <p>Degree of implementation: Extensive, emphasis on further integration through ‘shared’ language</p>	<p>“My job is to come to Japan and teach them some things from the global perspective. To bridge head office and Asia region on certain issues” (PCN president)</p> <p>“I would be worried about complete Japanese company if I were sitting in the headquarters. Because there is a danger of going local in the sense that you have to argue a lot with the headquarters. English and understanding headquarters culture gives you an advantage to explain things to the headquarters” (PCN president)</p>	<p>Language-sensitive recruitment: Mid-career recruitment; English proficiency emphasized</p> <p>Language-sensitive promotion: English proficiency emphasized</p> <p>Company-sponsored language training: Language enabled functional training</p> <p>Language nodes: Intra-unit communication primarily in English. Language nodes used if needed</p> <p>Task-based solutions: Focus on English proficiency in adjusted staffing practices</p>	<p>“There is no recruitment without English capability. That is tough when you are recruiting at lower levels” (PCN president)</p> <p>“They don’t know how to write proper business letters. We test this now. They have to spend a few hours to summarize a text in 20 lines. More than 50% of applicants have failed this test” (PCN president)</p> <p>“Consideration is naturally the language. They need to be bilingual people. The big office infrastructure is not available in our Japan office. So they need to be self-sufficient” (HCN president)</p> <p>“We send them all for five days to training in our regional office that is conducted in English” (PCN president)</p> <p>“We speak English internally and our Japanese counterparts speak English. HCN-san speaks Japanese with them. And PCN X is taking Japanese classes now and maybe he will do that in the future. Some of the supplies are more comfortable with Japanese. You can sometimes get better prices if you speak Japanese” (PCN president)</p> <p>“We have a factory in China. We have two guys who are Chinese, having been to a Japanese university, being bilingual or trilingual” (PCN president)</p>	<p>HR processes: Problems to attract/recruit bilingual HCN talent; language biased recruitment practices</p> <p>Career implications: Limited career opportunities within the subsidiary</p> <p>Communication networks: Homogeneous communication networks; bilingual HCNs often recruited from foreign-owned companies have weak ties with domestic business community</p> <p>Identity issues: Self-identification as a “Japanese foreigner”; low organizational identification</p>	<p>“I have three types of candidates: A, B, and C. The class A candidates have top education [...] and excellent English skills. You cannot get them to work for start-up companies at all. They won’t consider” (Consultant)</p> <p>“We have problems with turnover because we did some mistakes in recruiting [...] They seem perfect on the paper, but it is very difficult to get behind that” (PCN manager)</p> <p>“We don’t have management positions in this company. We have talent-seeking scheme [...] if there are positions somewhere else people can apply. But Japanese are not really interested moving abroad” (PCN president)</p> <p>“All people here are bilingual, which means that I have chosen to work in a bilingual and international environment. From that point, I don’t have any only Japanese speaking traditional people around” (PCN president)</p> <p>“I like to use English in my job [...] This is my fourth [foreign-owned] company. On the average, I have stayed for one year in these companies” (HCN employee)</p> <p>“If they [HCNs] have good English skills, they will get jobs in foreign companies. Even if they have a bad body odor, they can change jobs every year” (Consultant)</p>
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<p>Established/ locally adaptive</p>	<p>Meaning of corporate language policies: Guidelines that do not have to be followed; limited role in the established unit culture</p> <p>Degree of implementation: Partial, not implemented if clashes with local needs</p>	<p>“Of course we have company values from the headquarters through the subsidiary president. We also have a common manual but it is at the higher level” (PCN manager)</p> <p>“We have already made some changes that have not worked. That is OK. When you make changes here you have to be flexible to reverse them” (PCN president)</p>	<p>Language-sensitive recruitment: Entry-level/mid-career recruitment; Focus on HCNs; No English proficiency needs at entry-level and in localized functions</p> <p>Language-sensitive promotion: English proficiency emphasized</p> <p>Company-sponsored language training: Training opportunities provided to all employees</p> <p>Language nodes: Intra-unit communication primary in Japanese. Language nodes used if needed</p> <p>Task-based solutions: Focus on Japanese proficiency in adjusted staffing practices</p>	<p>“We don’t require [HCN] entry-level employees to have specific English skills” (PCN president)</p> <p>“If the core competencies are not there, then who cares about English? That is our philosophy” (HCN president)</p> <p>“Even I would like to, I can’t promote them. It starts with language. The first piece of that capacity is that you have proficiency in English” (PCN president)</p> <p>“We offer English teaching to all staff to make sure that everyone has the opportunity if they want to work and grow with the company” (PCN president)</p> <p>“Half of employees are able to speak English. Many people over 40 cannot speak English [...] it is hard for them to communicate with foreign executives because they cannot speak Japanese. I have to be an interpreter” (HCN employee)</p> <p>“Our controller speaks Japanese and has been here for many years. And the general manager has also been here for seven years and speaks passable Japanese. For hands-on managers, language is important. They need to speak Japanese” (PCN president)</p>	<p>HR processes: Practical problems in localized functions and lower organizational echelons; low motivation to develop English proficiency</p> <p>Career implications: Limited career advancement opportunities with insufficient English proficiency within the subsidiary; limited career advancement opportunities for local recruits in the MNC global network</p> <p>Communication networks: Intra-unit communication conducted primarily in Japanese; boundary spanners play a crucial role in linking PCNs to Japanese speaking organization</p> <p>Identity issues: Internal division between HCNs and PCNs; low organizational identification among HCNs with insufficient proficiency in the corporate language</p>	<p>“We have problems with communication. To a certain extent, this is a thing we have to overcome. We are doing that with training English [...] but that is a slow process” (PCN president)</p> <p>“We have given an opportunity for staff to improve their language skills but they don’t use this chance” (PCN president)</p> <p>“[Language-sensitive promotions] were especially bad for older employees who were not able to speak English. They were not able to advance in the company. That is why they have quit the company” (HCN manager)</p> <p>“They switch to a foreign company and thing that they can use their English and travel abroad, and it doesn’t happen. They use Japanese, don’t have any decision-making power because all decisions are taken in the head office overseas or in the regional level, which usually is not Japan” (Consultant)</p> <p>“Email communication is mostly in English. Other than that, I don’t really feel that I am in a foreign company” (HCN employee)</p> <p>“Language is certainly the biggest challenge because the English level of most people in our company is not quite good” (PCN president)</p> <p>“We faced a lot of problems with the older employees not being able to speak English. Because, at the moment, at the middle management level, you need to speak English” (PCN president)</p>
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<p>Established/ Globally integrated</p>	<p>Meaning of corporate language policies: Norms that are an essential part of the culture and identity of the MNC</p> <p>Degree of implementation: Extensive; emphasis on global integration through ‘shared’ language; low tolerance for deviation</p>	<p>”In this company it is [our] duty to speak English” (HCN employee)</p> <p>“They [HCN employees] get overwhelmed by the need for coordination with the managers in our Tokyo office and the headquarters” (PCN president)</p>	<p>Language-sensitive recruitment: Entry-level/mid-career recruitment; English proficiency emphasized</p> <p>Language-sensitive promotion: English proficiency emphasized</p> <p>Company-sponsored language training: Language enabled functional training</p> <p>Language nodes: Intra-unit communication primarily in English. Language nodes used if needed</p> <p>Task-based solutions: Focus on English proficiency and functional skills in adjusted staffing practices</p>	<p>“Even the temporary staff needs to speak English fluently. When they interview, it will be held in English. They are checking all the skills” (HCN employee)</p> <p>“Naturally, English language skills are a prerequisite for promotions” (PCN President)</p> <p>“In the firm there is a lot of training courses all year around. They send us internal memos. Classes, courses are available. They call outside vendors, instructors to improve personal skills and language skills, such as how to write business letters, or things like that, or how to do presentations” (HCN manager)</p> <p>“When foreigners meet important customers, we have interpreters to help them” (HCN employee)</p> <p>“It is difficult to find good traders, good sales people. If you go to the 20th floor, you will see that 32% of all employees are foreigners. I don’t know why, but we have difficulties to find quality traders in Japan” (PCN president)</p>	<p>HR processes: Problems to attract/recruit bilingual HCN talent from first-tier Japanese companies; challenges to create the needed identification and retain bilingual top talent</p> <p>Career implications: PCN expatriate deployment to strategic positions prevents bilingual HCN talent career progression to top management ranks</p> <p>Communication networks: Expected/forced language usage around PCN expatriates; hesitancy to communicate in English among locals</p> <p>Identity issues: Low organizational identification</p>	<p>“The pool of the valuable people for many years has been limited. So we, for example, who wanted to develop our business in Japan so it’s difficult to and get people from Nomura or from a typical Japanese firm. So what we tend to do is go and chase and poach the people from other foreign firms” (PCN president)</p> <p>“Most candidates prefer to stay in Japan. There are a few candidates who are interested in international career development possibilities. But that percentage is very low” (Consultant)</p> <p>“We have a 60 year old manager in this organization, Japanese, being in this company for 30 odd years. He, by right, seeks my chair. He has been passed over for three times. He asked me, why do we need a foreigner, why do we need you? [...] This company has a career policy that says that general managers will normally be expatriate managers not from the country in which they operate” (PCN president)</p> <p>“Employees around them [expatriates] need to speak English to communicate” (HCN employee)</p> <p>“In this office, it is difficult to get the competencies out in the meetings. If is often that if you speak bad English, you are labeled as less intelligent” (PCN president)</p> <p>“I am not patient have not stayed in any company more than four years. I am getting bored so soon” (HCN manager)</p>
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Table 3: Contingency model of language policies and practices and inherent challenges in wholly-owned foreign subsidiaries

<p style="text-align: center;">Developing/locally adaptive</p> <p style="text-align: center;">Recontextualization type</p> <p>Meaning of corporate language policies: Guidelines that do not necessarily need to be followed Degree of implementation: None or limited, emphasis on locally congruent practices</p> <p style="text-align: center;">Praxis: Policies and practices</p> <p>Language-sensitive recruitment: Mid-career recruitment; functional skills emphasized Language-sensitive promotion: Functional skills emphasized Company-sponsored language training: Training provided on-the-need basis Language nodes: Intra-unit communication primarily in Japanese; language nodes used if needed Task-related solutions: Focus on operation and tasks; communication dealt with separately</p> <p style="text-align: center;">Challenges</p> <p>HR processes: Problems in communication; task-related solutions needed Career implications: Limited career opportunities within the subsidiary or the MNC global network Communication networks: Bilinguals hold important positions in communication, both increasing their power and putting pressure on them Identity issues: Internal division and disconnect based on language differences</p>	<p style="text-align: center;">Developing/globally integrated</p> <p style="text-align: center;">Recontextualization type</p> <p>Meaning of corporate language policies: Norms to be followed; means to develop the subsidiary as part of the MNC Degree of implementation: Extensive, emphasis on integration through ‘shared’ language</p> <p style="text-align: center;">Praxis: Policies and practices</p> <p>Language-sensitive recruitment: Mid-career recruitment; English proficiency emphasized Language-sensitive promotion: English proficiency emphasized Company-sponsored language training: Language enabled functional training Language nodes: Intra-unit communication primarily in English. Language nodes used if needed Task-based solutions: Focus on English proficiency in adjusted staffing practices</p> <p style="text-align: center;">Challenges</p> <p>HR processes: Problems to attract/recruit bilingual HCN talent; language biased recruitment practices Career implications: Limited career opportunities within the subsidiary Communication networks: Homogeneous communication networks; bilingual HCNs often recruited from other foreign subsidiaries have weak ties with domestic business community Identity issues: Self-identification as a “Japanese foreigner”; low organizational identification</p>
<p style="text-align: center;">Established/locally adaptive</p> <p style="text-align: center;">Recontextualization type</p> <p>Meaning of corporate language policies: Guidelines that do not have to be followed; limited role in the established unit culture Degree of implementation: Partial, not implemented if clashes with local needs</p> <p style="text-align: center;">Praxis: Policies and practices</p> <p>Language-sensitive recruitment: Entry/mid-career recruitment; No English proficiency needs at entry-level and in localized functions Language-sensitive promotion: English proficiency emphasized Company-sponsored language training: Training opportunities provided to all employees Language nodes: Intra-unit communication primary in Japanese. Language nodes used if needed Task-based solutions: Focus on Japanese proficiency in adjusted staffing practices</p> <p style="text-align: center;">Challenges</p> <p>HR processes: Problems in communication in localized functions and lower organizational echelons; low motivation to develop English proficiency Career implications: Limited career advancement opportunities with insufficient English proficiency within the subsidiary and local recruits in the MNC global network Communication networks: Intra-unit communication conducted primarily in Japanese; boundary spanners link PCNs to Japanese speaking organization Identity issues: Internal division between HCNs and PCNs; low organizational identification</p>	<p style="text-align: center;">Established/globally integrated</p> <p style="text-align: center;">Recontextualization type</p> <p>Meaning of corporate language policies: Norms, an essential part of the culture and identity of the MNC Degree of implementation: Extensive, emphasis on global integration through ‘shared’ language; low tolerance for deviation</p> <p style="text-align: center;">Praxis: Policies and practices</p> <p>Language-sensitive recruitment: Entry/mid-career recruitment; English proficiency emphasized Language-sensitive promotion: English proficiency emphasized Company-sponsored language training: Language enabled functional training Language nodes: Intra-unit communication primarily in English. Language nodes used if needed Task-based solutions: Focus on English proficiency and functional skills in adjusted staffing practices</p> <p style="text-align: center;">Challenges</p> <p>HR processes: Problems to attract/recruit bilingual HCN talent from first-tier domestic companies; challenges to create the needed identification and retain bilingual talent Career implications: PCN expatriate deployment prevents bilingual HCN talent career progression to top management ranks Communication networks: Expected/forced language usage around PCN expatriates; hesitancy to communicate in English Identity issues: Low organizational identification</p>