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Localize or local lies? The power of language and translation in the multinational corporation

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Abstract

Purpose – The purpose of this paper is to contribute to previous research on intraorganizational power in multinational corporations (MNCs). It shows that a subsidiary manager may use language and acts of translation to resist control from headquarters and to (re)define his and his unit's power position in a headquarters-subsidiary relationship. It also uncovers the interplay between natural languages and "company speak" as a specialized language.

Design/methodology/approach – The paper is based on a single case study of a European MNC undergoing strategic change. The data were drawn from company documents, personal interviews and focus group discussions.

Findings – The findings show that actors at both headquarters and in the focal subsidiary employed language and translation to exercise power over meanings; headquarters exerted control over "mindsets" and practices, while subsidiaries responded by resisting these meaning systems. The authors argue that the crossing of language boundaries offers a window onto shifting power positions and micro-politics in the MNC.

Research limitations/implications – The study was limited to a single translation act in a focal headquarters-subsidiary relationship.

Practical implications – From the managerial perspective, any process of communication in a multilingual context needs to be sensitive to power (re)definitions associated with language and translation.

Originality/value – This study sheds light on translation as a political act and hidden activity in the MNC.

Keywords Language, Power, Multinational companies, Translation, Headquarters-subsidiary relationships

Paper type Research paper

1. Setting the scene and the purpose of our study

Philippe Duvall[1], the local managing director, held in his hand a letter in English. He was not happy. The company president, his own boss, had already sent it directly to Philippe's staff

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> and employees, although most of them did not even speak English. He picked up the phone to call the relatively new head of corporate communications at headquarters. "She must have had a finger in this", Philippe thought. "I need to educate her about the situation in my subsidiary". He started to translate the letter into the local language but soon realized that it was not only the English that needed to be translated but also the conceptual terms, which sounded foreign. They called for an explanation that would make sense to the people working in his subsidiary.

This incident inspired our study of language and translation as power sources in the headquarters-subsidiary relationships of multinational corporations (MNC). In recent years, MNCs have been conceptualized as multilingual communities consisting of the corporate language, the parent country language and a large number of local subsidiary languages (Luo and Shenkar, 2006; Neeley, 2012). English is often mandated as the corporate language to facilitate internal communication and to create cohesion and integration across geographically scattered units (Marschan-Piekkari *et al.*, 1999a). This decision may be supported by a language policy, either written or jointly agreed upon, that stipulates how and when organizational members should use the company language (Kangasharju *et al.*, 2010; Simonsen, 2009).

Previous research shows, however, that a top management decision to introduce a corporate language policy does not improve information exchanges overnight – it takes time to develop the required level of fluency (Marschan-Piekkari *et al.*, 1999b; SanAntonio, 1987). As our opening vignette suggests, fluency in the mandated language varies considerably across organizational levels, and in their daily activities subsidiaries may even use a language other than the mandated one. This turns them into "language pockets" in the MNC (Barner-Rasmussen and Aarnio, 2011). In challenging and complex communication environments like MNCs, the pressure to translate meaning and adapt it to local conditions increases, as Philippe's experience shows. He was not only concerned about literally translating it from English into the local language but also about translating the meaning of the president's message into everyday action. From this perspective, Philippe seemed to be exploiting the opportunity offered by translation and performing "uncontrollable localization", potentially distorting the original meaning and producing a deceptive message[2].

Distortion can be defined as "the communication of information to a target with the intent of creating a false understanding on the part of the target" (Buller and Burgoon, 1996). To lie, the translator must know that the information is incorrect (Bok, 1978). We are not arguing that the translations undertaken by the subsidiary manager in our study are potentially untrue; instead, with our wordplay – "localize or local lies" – we refer to the ambiguity of translations. In the case of excessive localization, the original message may be distorted to such an extent that the boundary between a localized and a deceptive message becomes fuzzy and fluid. We maintain that analysis of these ambiguities, which are inevitable in translations, can provide a better understanding of how intraorganizational power is (re)defined through language use and acts of translation.

However, research on intraorganizational power has paid limited attention to language and translation as power sources. Headquarters and foreign subsidiaries are commonly seen to draw on structural power stemming from three sources: hierarchical authority, resource control and network centrality (Astley and Sachdeva, 1984). Ferner *et al.* (2012) add that MNC headquarters also exercise the power of processes and the power of meaning when they design standardized policies and shape corporate values that they impose on foreign subsidiary staff. In turn, foreign subsidiaries may exercise micro-political power by contesting standardized procedures and giving them local interpretations (Dörrenbächer and Gammelgaard, 2011; Ferner, 2000; Ferner *et al.*, 2012). Middle managers – such as local country managers – may act as translators and interpreters of corporate policies and strategies which has been acknowledged in the literature (Balogun and Johnson, 2004; Ferner, 2000; Rouleau and Balogun, 2011; Suominen and Mantere, 2010). The "language capabilities [of middle managers] can be considered an important component of the subsidiary's relative power base" (Marschan-Piekkari *et al.*, 1999b, p. 435). Nevertheless, this aspect of power has hitherto been picked up by only a handful of researchers (Vaara *et al.*, 2005).

We position our contribution in recent writings on intraorganizational power and politics in MNCs (Bouquet and Birkinshaw, 2008; Clark and Geppert, 2006; Dörrenbächer and Geppert, 2011) and the growing research stream of language in international business (Marschan *et al.*, 1997; Marschan-Piekkari *et al.*, 1999a, 1999b; Piekkari and Tietze, 2011). Firstly, we introduce acts of translation to the discussion of intraorganizational power, particularly power over meaning (Ferner *et al.*, 2012). Philippe, the local managing director, engaged in political bargaining and negotiation and resisted control from headquarters through his use of language and acts of translation. As a culturally and politically aware translator, Philippe was temporarily able to thwart the president's attempts to introduce and eventually institutionalize a standardized corporate language. Secondly, we reveal the multifaceted nature of language by examining the relationship between specialized "company speak" and natural languages. Thirdly, our analysis shows the interplay between different power sources such as language use and acts of translation, hierarchy and control of resources. We argue that in the multilingual MNC, power over meaning can be used to define and redefine power positions in headquarters-subsidiary relationships.

The rest of the paper unfolds as follows[3]. We first review previous research on intraorganizational power (Ambos and Birkinshaw, 2010; Astley and Sachdeva, 1984; Bouquet and Birkinshaw, 2008; Dörrenbächer and Gammelgaard, 2011). We then turn to language-centered research in international business (Blenkinsopp and Shademan Pajouh, 2010; Janssens *et al.*, 2004; Piekkari and Tietze, 2011) and translation studies (Janssens *et al.*, 2004; Nida, 2001; Venuti, 1995, 1998). We move on to the research questions that guide our empirical study. Our research comprises a case study of a European manufacturing company that is detailed next. We refer to it as "ENOQ" to ensure its anonymity. Due to excellent access to several data sources at ENOQ, we were able to undertake an in-depth single-case study and embed it in ENOQ's historical and cultural context. The findings section reports the use of language and translation as intraorganizational power sources and the interplay with other power sources over time. The final section concludes the study by explicating our contribution to the existing body of knowledge.

2. Theoretical framing of our study

2.1 Intraorganizational power in the MNC

For some time, international business researchers have portrayed the MNC as a loosely coupled network consisting of the headquarters and a large number of foreign subsidiaries located in different countries with reciprocal and sequential interdependencies and redistributed power (Andersson *et al.*, 2007; Ghoshal and

Bartlett, 2005). The interest in studying the foreign subsidiary as a distinct unit of analysis started in the 1980s with early contributions on world product mandates (Rugman and Bennett, 1982; White and Poynter, 1984) and was later continued by Birkinshaw (1996). The role of the foreign subsidiary – its mandate – was understood in terms of the contribution of the subsidiary to the MNC's value creation (Bartlett and Ghoshal, 1989; Rugman and Verbeke, 2001). Responsibilities beyond the local market were assumed to provide the subsidiary with influence and power in the MNC (Holm and Pedersen, 2000).

In their conceptual article, Astley and Sachdeva (1984) offer a framework for analyzing intraorganizational power as an outcome of three structural sources, namely, the official authority that stems from the organizational actor's hierarchical position (hierarchical authority), the centrality of the organizational actor's location within the internal network (network centrality) and the capacity of the organizational actor to acquire resources from the environment and control their supply to other units through processes of exchange (resource control). Astley and Sachdeva argue that resources vary in terms of how difficult they are to acquire and how critical they are for the functioning of the organization. The organizational actors that secure the most critical resources are able to exercise the most influence because of the dependencies that are generated in the intraorganizational network. Astley and Sachdeva (1984, p. 106) point out that:

> […] to the extent that actors are located at tightly coupled interconnected nodes in the network, they gain power because their immersion in the multiple interdependencies makes them functionally indispensable.

Initiative-taking subsidiaries offered a novel way to understand internal dynamics and resource deployment in MNCs (Birkinshaw and Hood, 1998). Such subsidiaries were able to leverage the attention of headquarters, which is a scarce and critical resource in MNCs (Bouquet and Birkinshaw, 2008). Bouquet and Birkinshaw add this relational perspective to Astley's and Sachdeva's (1984) structural sources of power and ask how foreign subsidiaries gain attention from the corporate headquarters of the MNC. Drawing on the findings of a multimethod study on MNCs based in Australia, Canada and the UK, they distinguish between subsidiary "weight" and "voice". Bouquet and Birkinshaw (2008, p. 582) speak of "a top-down structural process whereby attention is allocated according to a subsidiary's weight" in terms of the strategic significance of the local market. The second route of attention-gaining identified by Bouquet and Birkinshaw (2008, p. 594) is "a bottom-up relational process whereby attention is earned according to the subsidiary's voice" such as its ability to take initiatives and to build a profile based on its track record. In this context, Dörrenbächer and Gammelgaard (2011) speak of the subsidiary's micro-political bargaining power in relation to headquarters, which depends on the ability of local managers to communicate, handle conflicts and engage in issue selling (see, also Dörrenbächer and Geppert, 2011). Nevertheless, this sophisticated literature does not include language considerations in the discussion of subsidiary power and attention-seeking behavior.

Ferner *et al.* (2012) contribute to this literature by distinguishing between the power of resources, processes and meaning. They build on Hardy's (1996) study, in which she draws on Lukes' (1974, 2005) perspective on power. Ferner *et al.* posit that power capabilities reside both at headquarters and in the foreign subsidiary. Firstly, headquarters controls the allocation of key organizational resources such as finance and defines career opportunities by rewarding well-performing subsidiary actors. Ferner *et al.* (2012) argue that subsidiary actors may in turn possess micro-political power capabilities which stem from their good financial performance in the MNC and provide them with power over resources. Secondly, the power of processes refers to the role of headquarters as the designer of global policies. Although power over processes is exercised primarily by headquarters, the subsidiary may use its bargaining power to render the processes more sensitive to local conditions. Thirdly, the power of meaning turns attention to the ability of headquarters to control "mindsets" and shape corporate culture and codes of practice that become institutionalized and legitimized in the MNC. When certain meaning systems and rhetorics are legitimized, others are delegitimized. Subsidiaries can contest the dominant systems of meanings through open opposition or more covert behavior such as local interpretation of standardized rules and norms as well as selective responsiveness (Ferner *et al.*, 2012).

The case study by Vaara *et al.* (2005) of a merger in a Finnish-Swedish bank is one of the few articles that explicitly examine language-related dimensions of power. The imposition of a new corporate language reproduced post-colonial identities of superiority and inferiority in the Finnish-Swedish merger. The study provides evidence that competence in the corporate language empowered certain employee groups. They were able to share information, demonstrate professional competence and shape social networks in the case company. Conversely, a lack of language competence disempowered the employees, who suffered from a loss in status and rank (Vaara *et al.*, 2005). While the authors draw on Stewart Clegg's concept of circuits of power they do not explicate the use of translation as a power source in the internal dynamics of the MNC. Table I summarizes the literature on intraorganizational power sources in the MNC and reveals that translation as a form of resistance has not been studied previously.

2.2 Language and translation-centered approaches to the MNC

Another relevant stream of literature is the language-sensitive research in international business (Piekkari and Tietze, 2011). To enable communication in the multilingual MNC, English is often selected as the mandated corporate language. The reasons for introducing a common corporate language, i.e. for implementing "language standardization" (Marschan *et al.*, 1997, p. 591), are manifold: to render formal reporting more efficient, minimize the potential for miscommunication, control and monitor communication exchanges (SanAntonio, 1987), enhance employer branding (Kangasharju *et al.*, 2010), improve access to company documentation and further a sense of belongingness within the MNC (Blazejewski, 2006; Luo and Shenkar, 2006). A common language is expected to speed up internal processes, enhance knowledge sharing and cut costs.

The introduction of a common language may be supported by an explicit or implicit language policy comprising general guidelines and practical procedures for harmonizing, governing and controlling internal and external language use (Kangasharju *et al.*, 2010; Peltokorpi and Vaara, 2012; Simonsen, 2009). In this regard, it is viewed as a control mechanism and a power source used to support the corporate strategy (SanAntonio, 1987). Typically, a language policy concerns both the specific use

Author	Power sources in the MNC
Astley and Sachdeva (1984)	Hierarchical authority The organizational actor's hierarchical position (usually headquarters) Network centrality Centrality of the organizational actor's location within the internal network (subsidiary) Resource control Capacity to acquire resources from the environment and control their supply to other units through processes of exchange (headquarters and subsidiary)
Bouquet and Birkinshaw (2008)	Subsidiary "weight" Top-down process of allocating attention according to the strategic significance of the subsidiary's local market and the strength of its interdependencies with other subsidiaries Subsidiary "voice" Bottom-up relational process whereby attention is earned according to the subsidiary's ability to take initiatives, build a profile, its commitment to the parent company and its skills in impression management
Dörrenbächer and Gammelgaard (2011), Dörrenbächer and Geppert (2011)	Subsidiary's micro-political bargaining power Ability of local managers to communicate, handle conflicts and engage in issue selling in relation to headquarters
Ferner *et al.* (2012)	Power of resources Control of allocation of key organizational resources such as finance, investment, knowledge and expertise (headquarters); Control of career opportunities by rewarding well-performing subsidiary actors (headquarters) Micro-political power stemming from good financial performance in the MNC; substantial share of the MNC's profit; access to key markets, local production facilities and other functions critical to the overall success of the MNC (subsidiary) Power of processes Master minding and designing global policies (headquarters) Bargaining power to render processes more sensitive to local conditions (subsidiary) Power of meaning Controlling mindsets and shaping corporate culture and codes of practice that become institutionalized and legitimized in the MNC (headquarters) Legitimizing certain meaning systems and rhetoric while delegitimizing others (headquarters) Contesting the dominant systems of meanings through open opposition or more covert behavior such as local interpretation of standard rules and norms and selective responsiveness (subsidiary)
Vaara *et al.* (2005)	Power of language Language competence as a source of empowerment and dis-empowerment Reproduction of post-colonial identities of superiority and inferiority through language

Table I.
Summary of intraorganizational power sources in selected literature

of a natural language (e.g. appropriate terminology) and the relationships between languages (e.g. which language to use in a particular situation, Kangasharju *et al.*, 2010).

MNCs are also characterized by the use of so-called "company speak", which consists of specific jargon – words, phrases and acronyms. Jämtelid (2002, p. 44) conducted a case study of Electrolux, the Swedish white goods manufacturer. Her informants describe the corporate language as "bad English", referring to a form of international English that the average Electrolux employee could understand and use comfortably. This label echoes the corporate culture in Electrolux, which emphasizes equal communication opportunities and informality. Corporate jargon differentiates the organization from others as it has developed over time and makes sense to insiders of the organization but not to outsiders (Brannen and Doz, 2012; Simonsen, 2009). Brannen and Doz (2012) offer a framework for appreciating the traps produced by the "conceptuality" and "contextuality" of the company speak. They explain that the company speak both enables and restricts the strategic agility of the MNC.

Imposing a common corporate language, however, does not remove the pressure to translate and adapt meaning to local context. Often subsidiaries are managed in the local language not only because of the employees' language skills but also to serve the needs of the local customers. Yet, in the MNC context, the term "translation" has received limited attention. The most frequently used concept is "localization", which we also have in our title. It means that practices transferred to foreign subsidiaries diverge from the standardized policies of headquarters because of differences in local business conditions. When used, the term "translation" refers to a blending of the foreign and the local, the new and the old (Saka, 2004). A translator mediates the travel of ideas and frames foreign words, concepts and practices so that they make sense in the local context (Becker-Ritterspach *et al.*, 2010; Boxenbaum, 2006; Czarniawska and Sevón, 1996, 2005; Saka, 2004). The act of translation often lays bare the taken-for-granted assumptions and norms of the host country (Ferner *et al.*, 2012).

Blazejewski (2006) and Peltokorpi and Vaara (2012) conducted research in the Japanese context where language is a particularly salient dimension of individual identity (SanAntonio, 1987). Their studies highlight the role of bilingual employees, either expatriates or local Japanese, who are proficient in both English (the corporate language) and in Japanese, and who control internal communications. In Blazejewski's study, nodal individuals are junior colleagues operating on a lower level of the organization; they rise in the hierarchy due to their valuable language skills. However, Peltokorpi and Vaara (2012, p. 827) found that the translators were managing directors of foreign subsidiaries who acted as boundary spanners to "make sense of MNC-level language policies and practices". Many of them were expatriates, whose fluency in Japanese varied. Although Peltokorpi and Vaara do not elaborate on translation *per se*, they firmly place relatively high-status middle managers as translators on the map.

One of the few studies in international business that explicitly theorizes about translation is the essay by Janssens *et al.* (2004). Janssens and her colleagues discuss the development of language strategies for MNCs and differentiate between mechanical, cultural and political metaphors for translation. They made a significant contribution to international business by drawing on translation studies. A recent study by Piekkari *et al.* (2013) explores the translation behaviors of managers and employees in an international service multinational. They argue that translation comprises a spectrum of invisible activities such as self-translation, and is undertaken by practicing managers and employees who have not been trained as translators (Blenkinsopp and Shademan Pajouh, 2010; Ribeiro, 2007, on professional translators and interpreters).

What becomes clear from the above literature review is that headquarters exercises its power by introducing a common corporate language and imposing it on the global subsidiary network in an attempt to reduce internal language diversity. Hence, a mandated language which is expressed in standardized company speak, defines the power position of headquarters. In turn, foreign subsidiary managers occupy an intermediary position in the MNC organization. They are concerned with translating messages from headquarters for their local employees. Apart from ensuring that the meaning of these messages makes sense in local subsidiary contexts, these managers are also often required to actually translate them from one language to another. To sum up, while recent international business research acknowledges that actors in the MNC engage in translation as part of their daily work, how they exercise power through acts of language use and translation is yet to be fully understood. Based on our reading of the above literature, we can safely conclude that the MNC is a multilingual community where multiple languages meet. It is this invisible space which offers ample opportunities to exploit language and translation as intraorganizational power sources (Piekkari and Tietze, 2014).

Set against this background, we are interested in gaining deeper insights into the minutiae of language and translation as used in defining power positions within the MNC. We will therefore empirically examine the following research questions:

RQ1. How do key actors in a focal headquarters-subsidiary relationship exploit language and translation as intraorganizational power sources?

RQ2. How does the use of these power sources change over time?

3. A single case study

The case embraces a single MNC, ENOQ, that underwent a process of strategic change in 2005-2009 and the empirical phenomenon of interest is language use and translation in a specific headquarters-subsidiary relationship that existed at the outset of the process. We chose a single-case study design because it allowed us to gain rich, contextualized insights into the translation and micro-politics involved in communicating a new strategy within an MNC (Dyer and Wilkins, 1991; Stake, 2000). Dubois and Gadde (2002) argue that interaction between a phenomenon and its context is best understood through in-depth single case studies.

There were specific reasons for selecting the above-mentioned change process for our study. ENOQ provided a highly interesting research setting for examining intraorganizational power in terms of language use in strategy communication because of its multilingual environment. ENOQ had grown through aggressive acquisitions in Europe, North America and Asia, and evolved from a domestic family-owned enterprise with some exports at the end of the 1960s into a publicly traded corporation by the beginning of the 21st century. In 2005, however, the corporation still functioned as a federation of highly autonomous foreign subsidiaries run by omnipotent managing directors in each country. In early 2005, ENOQ's new president announced a strategic agenda with global alignment as its target. He communicated the new strategy through letters sent to all employees; the letters were written in English, the corporate language. At the start, this evoked strong reactions and demands for translation by a few foreign subsidiaries, particularly the older and larger ones. We chose one such unit for closer examination because of our interest in examining language use and acts of translations as power sources in ENOQ. We henceforth refer to it as the focal subsidiary. This subsidiary had accumulated influence and power within ENOQ since it became part of the corporation in the early 1970s. It had a leading position in the local market, which was one of ENOQ's largest and most competitive service business markets in Europe. This provided it with the network centrality needed to influence other units in its region. In 2005, when we embarked upon the present study, the focal subsidiary was also the regional headquarters for part of ENOQ's European business. The focal subsidiary had furthermore supplied critical management resources to corporate headquarters over the years. Taken together, these reasons made the focal subsidiary an interesting research site for examining intraorganizational power.

3.1 Multiple data sources

In line with the case study tradition, multiple data sources were used (Creswell, 2003; Stake, 2000). Table II provides an overview of the complete data set, consisting of narrative interviews, focus group discussions, company documents and emails.

In *narrative interviews* the role of the interviewer is to intervene with only a few guiding or clarifying questions, thereby allowing the interviewee to talk as freely as possible (Søderberg, 2006). The interviews typically lasted from 50 to 60 minutes, within an overall range of 40-75 minutes. Altogether, 12 personal interviews with managers from four different locations in Scandinavia, Continental Europe, the Americas and Asia were conducted. Five of these interviews represented top management and seven represented middle management (Table II). Top management refers here to corporate executives at ENOQ's headquarters. The middle manager interviews included upper and lower middle managers from global functions (3) and local subsidiaries (4).

The choice of interviewees was aimed at ensuring inclusion of a variety of personal experience with the strategic change process. The selected interviewees represented parent company nationals, subsidiary country nationals, native and non-native speakers of English, various organizational levels and geographical areas and global and local functions. With the exception of one executive team member who had joined ENOQ in 2006, all had long tenure with the company. Furthermore, some of the interviewees changed jobs during the period of analysis. This allowed them to reflect back to times well before the new strategy had been introduced and to approach the questions at hand from several perspectives. Two middle managers had moved from a local overseas subsidiary to a global position in Scandinavia and a third from a global position in Scandinavia to a local management position in a European subsidiary.

In addition, *focus group discussions* were used as a source of data (Table II). Middle managers may not feel as comfortable as top management in discussing strategy and we hoped that the solidarity and support provided by the group setting would facilitate personal disclosures (Moisander and Valtonen, 2006). Focus groups provide a natural platform for soliciting rich communicative processes, ranging from joking and personal anecdotes about the change to arguing with other group members and even challenging them.

Three focus groups with four participants each from lower middle management were formed and facilitated in two locations in Scandinavia and one in Continental Europe. As in the case of the interviews, the choice of participants was based on their personal

Table II. Complete list of data sources

Source	Organization				
Narrative interviews	HQ	Global function	Subsidiary	Language	Time
Top management, code TM1–5	5			Parent company language	August-November 2009
Middle management, code MM1–3		2	1	Parent company language	August and October 2009
Middle management, code MM4–5		1	1	Corporate language	March and April 2010
Middle management, code MM6–7			2	Corporate language	September 2005
Focus group discussions					
Focus group participants, code FG1-1–4		1	3	Corporate language	September 2009
Focus group participants, code FG2-1–4		4		Parent company language	October 2009
Focus group participants, code FG3-1–4		4		Parent company language	October 2009
Company documents					
President's letters/original (2)	×			Corporate language	September and November 2005
President's letters/translations (2)[a]			×	Subsidiary language	September and November 2005
Internal emails (9)[a] associated with the translation acts	×		×	Corporate language	September and November 2005
Observational data					
Field notes	×	×	×	Corporate and parent company language	2004-2008

Notes: [a] Refers to the number of documents in our data set; corporate language = English; parent company language = different from English; subsidiary language = different from English and parent country language involvement in the strategic change process and their experience of language use in their job role. The persons who were approached had participated in one of ENOQ's internal middle management training programs that focused on the new strategy and change management. The participants represented various functions, backgrounds and mother tongues and the aim was also to form rather homogeneous groups to create a comfortable, non-threatening setting and to encourage open discussion even among the less enthusiastic. Each focus group discussion lasted approximately 1 hour. As Table II shows, both the interview and the focus group data were collected during the fifth year of change in 2009, offering retrospective views on the change process and a broader understanding of ENOQ as a multilingual community and its development over time.

Both the interviewees and the focus group participants were first asked to describe ENOQ's strategic change during 2005-2009 and to reflect upon their own roles in the process. At the end of the discussion, they were also asked how the multinational working environment had impacted the change and their roles. The interviews and focus groups produced extensive data about the strategic change from the perspective of both change agents and receivers of change. The theme of language evolved during data collection and analysis and became the core of our interest as the study progressed.

Company documents played an important role in our study and were used in the analysis of specific translation acts undertaken by the focal subsidiary. As Table II shows, these documents consisted of the original president's letters written in the corporate language, English, and their translations into the subsidiary language. We also studied email exchanges associated with the translations. The documentary data were collected in 2005 when the strategic change process began.

3.2 Qualitative data analysis

All interviews were recorded with the permission of the interviewees and then transcribed and analyzed. The translation acts between headquarters and the subsidiary were first examined as a process which provided the storyline for shifting power positions between the center and periphery. As the data analysis progressed, the theoretical themes crystallized. We focused on how language and translation were used to define and redefine power, how the president underlined his leadership through the use of a standardized corporate language and how the subsidiary manager regained power by translating the president's letters into the local language. We also included the decisions made about language policy and translation in our analysis. The depth and scope of our data set allowed us to approach translation from multiple perspectives.

In this paper, language is not only of theoretical interest, but also of methodological importance. As Table II shows, two languages were used in the interviews and focus group discussions: the corporate language (English) and the parent country language. The discussions were conducted in either a shared language or in the corporate language. In one of the focus groups, multiple languages were used simultaneously when the members compensated for their lack of English skills by introducing the relevant term in another language that someone else in the group understood. The English equivalent was then established collectively through group interaction.

Thus, the multilingual data set consisted of transcribed accounts in English, the parent country language and the subsidiary language. We translated these accounts into English ourselves. Our main concern in moving between these two languages was to ensure that "the richness of original data can survive translation" (Xian 2008, p. 239;

Welch and Piekkari, 2006). Following Creswell (2003), we have tried to report our analytical steps from raw data to findings as transparently as possible. To ensure that confidentiality agreements were met, we used numbers to denote which top manager (e.g. TM1), middle manager (e.g. MM2) or focus group participant (FG1-1) was being quoted (Table II). The audit trail is supported by clear documentation allowing an outsider to examine our research process and its outcomes. The write-up of our findings was also discussed with ENOQ's president for the purposes of factual verification.

4. Exercising power through language use and translation in ENOQ

In 2005, ENOQ's language landscape was defined by its operations in 50 countries with more than 30,000 employees. Approximately two-thirds of the turnover originated from Europe. The largest countries in terms of employee number were the USA, France, China, the UK and India followed by Italy, Germany, the Nordic countries, Australia and Spain. Despite the fact that English speakers (USA, UK and Australian as well as Indian English) were the largest single language group, the plentitude of other language groups among ENOQ's employees contributed to a large amount of translation work at headquarters. For example, the biannual global personnel magazine was printed in nine languages (Chinese, Dutch, English, Finnish, French, German, Italian, Spanish and Swedish).

However, a considerable number of high-level subsidiary managers lacked the communicative competence needed for dealing conceptual strategy-related terminology and the with the new strategy concepts in English. Our interview data reveal tension between the new prevailing pragmatism and contextuality of ENOQ's company speak. A top manager commented as follows:

> Here lies [ENOQ's] weakness and strength, that everything needs to be so very concrete and pragmatic. However, the challenge is of course that when we start [communicating the new strategy], at first, it is reasonably conceptual […] (TM2, translated from the parent company language).

This was the background for the translation acts of the focal subsidiary.

4.1 The act of translation as a focal subsidiary's power source

When Philippe Duvall, the managing director of the focal subsidiary, received the president's letter written in the corporate language English, he translated all the core terminology of the new strategy into the local language. It is worth noting that Philippe did not include the original English strategy terminology in his translation of the president's letter – not even in brackets. Instead, Philippe integrated notes into his translation of the original letter before sending it to his people. Although some of these notes were purely technical explanations of the terminology used by the president, he personally decided what needed additional explanation and what did not. He visually separated his own notes from the original text by adding his initials. In the following, we provide an example of his notes attached to the president's letter (English translation from the subsidiary language):

> The term "productivity" is used here in the broad sense of the word: anything that enables us to improve customer service at lower cost, including all costs.

Furthermore, Philippe made an effort to render the president's letters more sensitive to locally important matters. He asked the president to include the topic of safety in his letter because it was of great importance for the local country. In an email to corporate communications, Philippe wrote the following:

> You know that 75 per cent of people receiving this letter are workers, blue collars. We were used to speaking of their safety, and the safety of their [our] customers in 100 per cent of the messages sent to them. [In the president's letter] we give them a lot of info on productivity and profitability, and nothing on their safety and the safety of their customers. This could give a negative effect in their understanding of our strategy on long term [sic].

The above quotation illustrates that the local managing director attempted to influence the content of the president's letter by suggesting safety as an important item to be added to the corporate agenda. While Philippe did not succeed in having it incorporated into this specific president's letter, it was included in a subsequent letter in February 2006. Philippe used his bargaining power as a local managing director who possessed considerable weight and voice to make the president's letters more sensitive to local conditions.

From the perspective of headquarters, Philippe contested the meaning system of the new strategy, which was introduced in English, by ignoring company speak and translating all core terms into the local language. Moreover, he added his own explanations to the translations of the president's letters. Such behavior undermined the president's effort to create a shared terminology to support global alignment. This hybrid text also delegitimized the president as the original author of the strategy text and as the provider of a new direction for ENOQ. In this way, Philippe – knowingly or unknowingly – disconnected his local organization from the rest of ENOQ. He thereby attempted to reclaim power over meanings from headquarters and to resist the increased degree of centralization and standardization. Philippe engaged in self-interested translation by localizing the president's letters to the extent that it seems legitimate to ask whether he in fact distorted the original message instead of merely localizing it.

It is difficult to determine whether the focal subsidiary was the only unit engaged in contesting the dominant meaning systems because much of this kind of translation behavior is hidden from headquarters and beyond its control. The personal interviews with top managers reveal that they were aware of self-interested translations and localizations among subsidiary personnel that apparently took place particularly in the beginning of the strategic change:

> [In] the multilingual environment […] we were never really 100 per cent [sure] what was communicated, whether a few words were changed on the way (TM2, translated from the parent company language).

Another top manager concurred:

> In some locations the translations of the global message were a bit superficial, and there were attempts to explain the past in a new light […] Imagination was used to create connections that did not necessarily strengthen the global message (TM3, translated from the parent company language).

This was confirmed by a middle manager from a subsidiary located outside Europe. He explained how his unit had developed its own strategy and mission statements shortly before the "global came with another set". This subsidiary attempted to establish common meanings and connections between two strategy texts. It is possible that subsidiary managers in ENOQ, particularly in the beginning of the strategic change, interpreted the corporate strategy in ways that best suited local subsidiary needs, especially when headquarters lacked proficiency in the local subsidiary language. Instability and change seem to provide the invisible space needed for the agency of the translator to unfold (Piekkari and Tietze, 2014).

4.2 The common corporate language as a power source for headquarters

In 2005, the new president introduced a standardized language to support global alignment of processes and practices as a basis for profitable growth. With his choice of English as the language of the new strategy, the president signaled that it was ENOQ's common corporate language and must be learned by everyone. Hence global use of English marked a considerable change in the company's language policy. Expansion to Asia and the growing significance of China further strengthened the position of English at the expense of other European languages. As a top manager explained, people were told to get training in English (TM2).

The president's letters represented a new communication channel for delivering messages based on broad engagement of ENOQ's personnel. As a top manager explained, the purpose was "to involve everyone in the new strategy and change programmes" (TM1). This was the first time in ENOQ's 100-year history that strategy was shared through a targeted and inclusive communication program. Through this top-down communication channel the president elevated his own power position in relation to local subsidiary managers whom he bypassed by sending the letters directly to their employees. Before 2005, each subsidiary's email lists had been managed by the local IT and controlled by the local managing director. A global database of email account holders was now established for the purpose of distributing the president's letters (field notes). In the beginning, this new communication channel caused turmoil in some parts of ENOQ as a top manager recalled:

> [Until then] there was this prevailing perception that people don't need to know, [it was the local subsidiary manager's] gate keeper mentality. Then, the president's letters [were sent] directly to all people […] it was very difficult in the beginning (TM2, translated from parent company language).

ENOQ's president manifested his strategic agency and ability to author the strategy narrative in his letters to the personnel. The strategy-related terms used in the president's letters became part of ENOQ's company speak and represented an important organizational artifact for the change process. To illustrate, the new strategy was implemented through five change programs, each of which embraced a prioritized area to achieve the strategic targets. These programs, which were called must-win battles, were central vehicles for implementing change at ENOQ. An excerpt from one of the early letters illustrates this point:

> The five must-win battles have been reinforced since my last letter, especially with respect to our efforts to achieve operational excellence […] Customer focus has improved […] Our product and service portfolio has been developed according to customer needs in different areas. They range from advanced technological innovation […]. Our global sourcing organization is in place with product-category-based global teams (President's letter, November 2005).

4.3 Language-based power shifts in ENOQ over time

Until the new strategy of global alignment in 2005, ENOQ had been largely managed as a federation of rather autonomous companies, with each acquired subsidiary having its own business practices and even IT solutions as a manager described:

> We had all these companies that were running according to their own agenda […] Belgium, Italy, USA […] they were all doing their own thing – it was crazy! They had their own financial systems, their own IT (MM5).

Our retrospective data show that before 2005 local subsidiaries had considerable power and influence within ENOQ, which was also reflected in the language and translation policy. ENOQ used English primarily among higher-level management and otherwise operated as a multilingual community. Our interview data suggest that English had gained the status of a corporate language through an emergent, incremental process as a response to ENOQ's aggressive international expansion. Even if we could not find any document that formally declared English to be the corporate language it was widely approved by top management and used since the early 1970s in, for example, management meetings and in materials distributed by global functions such as long-term planning and annual budgeting instructions. Hence, we consider ENOQ to have a language policy, albeit one that was established gradually and never issued in written form.

While English progressively became the common language of higher management, it remained the language of those in power. Foreign subsidiaries in the front line that were responsible for sales and maintenance in the customer interface were run in the local language of each country. This was confirmed by a focus group member (FG1-1).

ENOQ continued to expand through foreign acquisitions, which meant that the language challenge within the company persisted. In regions such as Asia, maintaining a sufficient level of fluency in English as the corporate language was demanding even on management levels, as a top manager with regional responsibilities for Asia-Pacific put it:

> In China we tend to have a bit of challenges in that for example the regional managers do not all speak fluent English (TM3, translated from parent company language).

The penetration of English to lower organizational levels, however, was accelerated when certain functions such as production and R&D were granted global status in the late 1990s. The adoption of virtual meeting tools further reinforced the importance of English competence in everyday work since the early 2000. However, prior to 2005 there was neither a corporate-wide language nor a shared terminology or vocabulary to facilitate knowledge sharing and horizontal communication within ENOQ. Such a relaxed language policy mirrored the prevailing decentralized management style in ENOQ more generally.

The strategic change with a standardized company language and new company speak marked a change. Over time ENOQ middle managers were empowered to share knowledge with their peers, which was in sharp contrast with the past. This was clearly expressed in one of the focus group discussions:

> From the international meetings I can say, the language is now the same in Italy and other countries […] When I started my international meetings 7-8 years ago, I did not know how my colleagues worked, the processes were different, the way to speak, what we call various parts

> of the processes were different, we didn't have a benchmark, we didn't have a common base. (FG1-2):

> "Now […] we speak the same way, we believe in the same things" (FG1-3).

Compared with the situation prior to 2005, the new corporate language enabled a direct exchange of experiences and problem-solving through horizontal communication between subsidiaries. It can be assumed that mastery of the new corporate jargon provided non-native speakers of English with a shorthand for communicating with each other and for overcoming the language barrier. A manager in a focus group discussion evaluated the positive change that had taken place as follows:

> Now if I speak with my colleague in Holland for instance, I can compare, I can ask for clarification, we can share experiences. Eight years ago [in 2001] I just couldn't because he didn't understand me. We called things with different names, but we also handled the processes differently. Then we couldn't share experiences. Now, we work [in] the same way, we have the same language, we can share experiences [sic] (FG1-2).

As the quotation above shows, over time the new company speak and language standardization empowered managers in the middle to share practices and knowledge in a way not possible earlier.

5. Discussion

We posed two research questions in the present study:

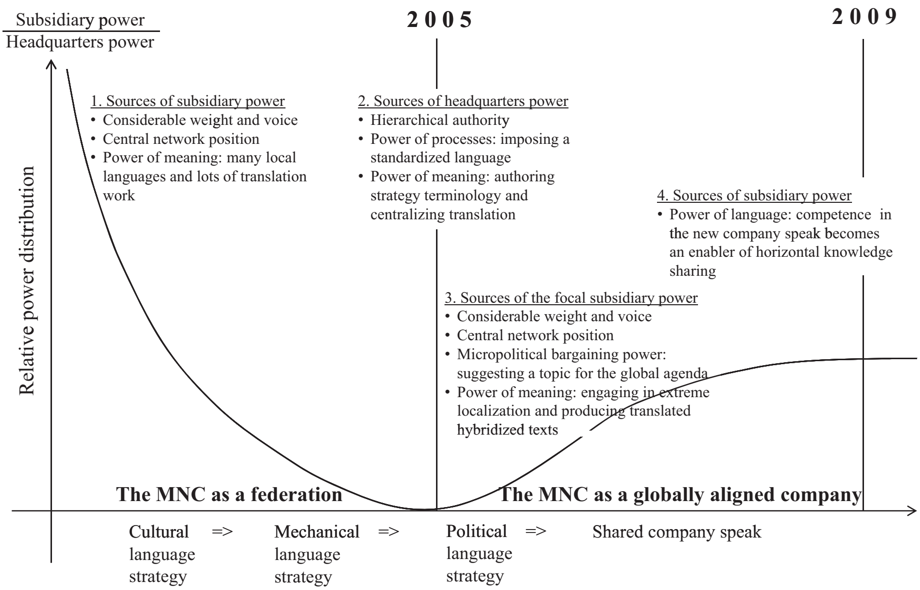
RQ1. How do key actors in a focal headquarters-subsidiary relationship exploit language and translation as intraorganizational power sources?

RQ2. How does the use of these power sources change over time?

Figure 1 visually portrays our answers to these questions and illustrates how the power distribution between the focal subsidiary and the headquarters shifted over time. Our findings show that some of these power shifts can be attributed to language use and translation which previous research had largely overlooked. In Figure 1 we distinguish between two main periods before and after 2005 during which ENOQ developed from a federative structure (Andersson *et al.*, 2007) into a globally aligned company and discuss our findings chronologically.

As Figure 1 illustrates, prior to 2005 the power of the foreign subsidiaries was high. The structural power source at that time was the federative management model with rather autonomous subsidiaries (Andersson *et al.*, 2007). It was supported by a cultural language strategy (Janssens *et al.*, 2004) allowing the co-existence of a multiplicity of local languages. The cultural language strategy required a lot of local translation work but also granted subsidiaries the power to interpret and legitimize the meaning systems of headquarters (Ferner *et al.*, 2012).

The new strategy in 2005 marked a considerable shift in relative power distribution in favor of the headquarters, which is shown in Figure 1. In the beginning of the strategic change process, the headquarters reclaimed power from the subsidiaries by introducing a standardized language and an authorized strategy text with conceptual strategy terminology in English through the president's letters. Centralized strategy communication and translation processes, a standardized language policy and a mechanical approach to translating strategy communication (Janssens *et al.*, 2004) were



Sources: Based on Bouquet and Birkinshaw (2008); Dutton and Ashford (1993); Ferner *et al.* (2012); Janssens *et al.* (2004); Vaara *et al.* (2005)

Figure 1.
Shifting power positions in headquarters and subsidiary relationship

used to support and legitimize ENOQ's new strategic direction of global alignment. This is reinforced by previous research suggesting that English is adopted as the mandated corporate language to facilitate internal communication and to create cohesion and integration across geographically scattered units (Marschan-Piekkari *et al.*, 1999a). Thus, the new globally aligned governance model upheld centralized power, and ENOQ's new president at headquarters relied on the structural authority provided by the corporate hierarchy (Astley and Sachdeva, 1984; Ferner *et al.*, 2012). Headquarters exercised power of meaning in shaping the organizational culture and code of practice as part of the strategic change.

Prior to the ignition of the strategic change, our focal subsidiary had enjoyed a central position in ENOQ's network (Astley and Sachdeva, 1984), and had considerable weight and voice due to the importance and size of the local market in Europe and its position as regional headquarters (Bouquet and Birkinshaw, 2008). As Figure 1 illustrates, at the launch of the strategic change process, translation was used by our focal subsidiary as a form of resistance to the shift of power from subsidiaries to headquarters. Philippe, the local managing director, engaged in political translations in the form of hybrid texts and extreme localization (Janssens *et al.*, 2004). His subsidiary had resided in its own language pocket (Barner-Rasmussen and Aarnio, 2011) for several decades. The local language of Philippe's subsidiary was one of the EU's main languages and had a prestigious status among the languages used in ENOQ. In line with our findings, Blenkinsopp and Shademan Pajouh (2010) maintain that when material is translated into a prestigious language, less of the original text is retained. Philippe was also successful in issue selling by adding a topic on the president's agenda about the global strategy (Dutton and Ashford, 1993). Taken together, these issues contributed to the considerable degree of localization of the president's letters. Previous research has focused less on the use of language and translation to resist corporate strategy which was brought out strongly by our findings.

During the course of the strategic change process the relative power distribution changed again when middle managers, including local subsidiary managers, were re-empowered by acquiring competence in company speak (Vaara *et al.*, 2005). The labels for globally aligned processes were standardized in English, thereby supporting wider adoption of the common corporate language. In light of our data, subsidiary power was enhanced through the common company speak, which allowed not only bottom-up but also horizontal communication and benchmarking. In practice, ENOQ's employees started to mix untranslatable strategy-related terms in English with local words and expressions which resulted in a language cocktail or code-switching (Muysken, 1995). Jämtelid (2002) also found such company speak, in her study of Electrolux. A common terminology became an important enabler of knowledge sharing within ENOQ and added a sense of belongingness (Blazejewski, 2006; Luo and Shenkar, 2006). However, as Figure 1 illustrates, this did not happen overnight; it took the middle level of the organization approximately 5 years to grow comfortable with the corporate language and the new strategy-related company speak and thus to regain some of the power over meaning for strategy.

6. Concluding thoughts

This empirical paper makes three contributions to international business research. Firstly, it joins the discussion on intraorganizational power in the MNC by focusing on the minutiae of language use and acts of translation in (re)defining power positions in headquarters-subsidiary relationships (Bouquet and Birkinshaw, 2008; Dörrenbächer and Gammelgaard, 2011; Dörrenbächer and Geppert, 2006; Ferner, 2000; Ferner and Edwards, 1995; Morgan and Kristensen, 2006; Schotter and Beamish, 2011). With few exceptions (Vaara *et al.*, 2005) this literature has largely treated natural languages in passing, if at all. Ferner (2000, p. 530) conducted an exploratory case study of control systems and power resources in British and German MNCs and made an aside that language differences between the center and the foreign subsidiary "provided scope for the subtle amendment of policy in the course of translation into host country languages". Maclean and Hollinshead (2011) touch upon this issue in their study of a joint venture that comprised a Turkish parent and a Serbian subsidiary. They found that the combined effect of the Serbian managers' "prodigious language proficiency" in English and their "striking familiarity with western management discourse" provided them with considerable political bargaining power in negotiations about the joint venture. We approach the question of power both from the perspectives of headquarters and a foreign subsidiary, and provocatively ask whether the focal subsidiary's language use and acts of translation were part of a conscious effort to alter the message being conveyed by headquarters to reclaim power and control locally. Future research could bring the two streams of literature on intraorganizational power in MNCs and language in international business more closely together.

Secondly, our case study of ENOQ uncovers the relationship between natural languages and company speak as a specialized language. The story of Philippe Duvall, the local managing director, is about resisting efforts to institutionalize company speak, a specialized form of English, through language use and translation. Philippe's translation provided a local interpretation of standardized rules and norms and rendered them more sensitive to local conditions. In this way, he contested dominant meaning systems in ENOQ. The relationship between company speak and natural languages has received limited attention in extant literature (cf. Simonsen, 2009) and offers considerable promise for future research. Brannen and Doz (2012) analyze company speak in strategizing but do not incorporate natural languages in the discussion. Our findings suggest that proficiency in ENOQ's company speak provided non-native speakers of English with a shorthand to communicate with colleagues from other units. During the change process, such shared meanings over work-related concepts empowered middle managers at ENOQ to negotiate and interact with each.

Thirdly, our paper explores the interplay between the various sources of power used in ENOQ. Our findings show that actors at both headquarters and the focal subsidiary employed language and translation to exercise power over meanings; headquarters exerted control over mindsets and practices, while subsidiaries responded by resisting these dominant meaning systems (Ferner *et al.*, 2012). These actors created and contested dominant meaning systems and (de)legitimized authoritative texts to regain their power positions in the MNC. In line with Ferner *et al.* (2012) and Lukes (1974, 2005), it is apparent that the power of meaning reinforced structural and resource-based sources of power and vice versa. Future research could further uncover the complex interrelationship between various power sources in the multilingual MNC.

Our study is limited to a single translation act undertaken by one of ENOQ's foreign subsidiaries. We would have liked to compare language use and translation in two or more headquarters-subsidiary relationships embedded in different language environments. Our fieldwork experience suggests, however, that it is very difficult for researchers to obtain political translations as they often remain invisible in organizational life and gatekeepers may not be willing to grant researchers access to study them.

It is not accidental that the translation occurred on the middle level of the ENOQs organization. The role of middle managers as interpreters of corporate policies and strategies has been acknowledged in the literature (Balogun and Johnson, 2004; Ferner, 2000; Rouleau and Balogun, 2011; Suominen and Mantere, 2010). Their in-depth understanding of the local market and business environment and sensitivity to corporate realities assure them a nodal position in the network. In turn, the ignorant headquarters (Holm *et al.*, 1995) is dependent on subsidiary management to perform their interpretive role (Ferner, 2000). Our study shows that translation is not a mechanical exercise to ensure equivalence of meaning between corporate and subsidiary languages but rather a performative act aimed at regaining control and power from below. Philippe's story reveals self-interested behavior that leads to distorted communication. Our wordplay – "localize or local lies" – aims to capture the inherent ambiguity and creativity associated with translation and the gray area between legitimate localized messages and linguistic distortion at the local level.

Notes

1. The name of the local managing director in the focal subsidiary has been changed to ensure anonymity.
2. A similar idea is noted in Italian: "traduttore, traditore" (translator, you are a traitor) (Cooren, 2010, p. 31).

3. In the interpretive case study tradition, the theoretical concepts and frameworks emerge from the data and analysis rather than being derived from previous research. Reporting in accordance with the interpretive tradition would entail a presentation of qualitative data before presenting the major theoretical issues to the reader (Welch *et al.*, 2013). In other words, the theory would normally appear *after* presentation of the data. We depart from this standard procedure of interpretive reporting for the sake of reader clarity and accessibility.

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