

Current Trends in Language Usage in International Business in India – A Conceptual Study Based on Selected Multinational Corporations in Bangalore

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Abstract

Language is an important part of people's daily lives and plays a great role in their way of thinking. It determines their attitudes towards products and their decision towards purchasing products. Language is an important component of culture and has some qualities that the other components of culture cannot provide. A proper understanding of any situation is possible only when it is communicated in the language well understood by the receiver of the message. This could be an understanding of what a product is for, how to do a job in the way the Company wants it done, the company culture and behaviour as an employee of the Company can all be better understood if communicated in the receiver's native language. A number of Multinational Companies have entered India in the recent past. Originally it was trial and error for them in terms of the languages to be used. Recently they have been setting up procedures for the necessary languages to be used in different contexts. Languages used for communication between superiors and the middle level managers are different from the languages used between the middle level managers and the lower level of employees. In order to find out these trends, an empirical study was conducted among the respondents belonging to twelve different multinational corporations and the results are herein submitted in this paper. This paper has been divided into sections such as the introduction, the importance of local languages in India, a profile of the multinationals surveyed, the results of the study and the concluding remarks.

Key terms: Culture, Language, Multinational Corporations.

1.0. Introduction

Culture defines society and the behavioural characteristics of the members of a society are determined by the culture of the society to which they belong. Language as a component of culture plays a dominant role in the

determination of the behaviour of people belonging to a culture. Language is a means of communication without which communication cannot be achieved in its right perspective. Communication becomes effective only when a message is transmitted and understood in the

same context in which it was sent. Language at its most simple is a means of communication, but psychologists and linguists now believe that the language we use can influence our behaviour and how we interact with the outside world. (BBC News, 2002). Today, as the world economy is in a state of constant transition due to globalization, language has become a vital skill in every business organization. Multinational corporations were once well ensconced in their domestic countries without a need for entering the international market. Many drivers of change, such as globalization and liberalization led to these corporations entering into so many countries that today their revenue grossed outside their countries is much more than the domestic revenue. This is because international business crosses the borders of domestic countries and enters into several other countries, popularizes their products and gains a foothold in their countries of operations. It even becomes difficult to identify the country of origin because their foreign offshoots are larger than the parent companies. The Welsh language is to be introduced into Microsoft Windows as part of a project to increase usage by minority language speakers. It is one of 40 new languages due to be added in response to complaints from around the world that youngsters were losing their native tongues. Microsoft programmes already run in 40 languages including English, Spanish, Arabic and Chinese variants. The company's worldwide public sector senior vice president Maggie Wilderotter has said that they were working with governments and academics to develop the languages over the next year, for Microsoft Windows XP and Microsoft Office 2003. (BBC News, 2004). Each country has its own language. This makes it imperative for international managers to be able to communicate in more languages than their own. The Associated Press reported in January, 2006 that the U.S. Senate Foreign Relations Committee was considering a proposal to allocate US \$1.3 billion to public schools for teaching Chinese language and culture. (Mukerjee, 2006). To further complicate issues, many times some countries have more than one language spoken within its boundaries. These languages may also be the ones that are spoken by other countries as well, such as the English, French

or the Spanish language which have crossed borders due to earlier colonization, or they could be local languages that are spoken only by the native people of that country. The number of languages in a country determines the amount of diversity in the country. Since India has several languages and dialects, the variance of diversity is quite large as compared to other countries of its size. Whenever businesses have had partners belonging to more than one country, they have either learnt each others' language for communication purposes or have devised a language of their own. Such is the importance of language in international business. It has been suggested that the knowledge of English offers a 'window to the world'. For many people around the world it opens up career prospects and opportunities to travel. It is estimated that 1.3 billion people will use English as a first or second language by 2050. (BBC Radio 4). The English and the Chinese put together 'Pidgin English' for the purpose of conducting business with each other. Pidgin English was the name given to a Chinese-English-Portuguese pidgin used for commerce in the Canton region during the 18th and 19th centuries. It is suggested that the word "Pidgin" is acquired from the Chinese pronunciation of the word business, but it may also be "Pigeon English" in reference to the carrier pigeon. (Wikipedia)

The importance of understanding and communicating well in a language familiar to the people with whom an international manager conducts business stems from the following two dimensions. Language can either be an enabler or a deterrent to business. When the international business uses a language familiar to the local users of the language, they attach a familiarity to the identification of the company as well as to the product. A foreign business is generally viewed as 'them' against 'us'. When a local language is used, the 'them' will most likely become one amongst 'us'. This kind of acceptance is important because the company is better accepted, and the products of the company can enjoy better sales figures. This will further lead to long term relationships and stronger business ties. Language can be a deterrent when the international business is unable to transmit the message it wants to

convey by using a language that is unfamiliar to the local consumers. Consumers may be skeptical to try out the product about which they are not clear about. Further they may misunderstand what the product stands for. The very reason for which they may use the product may differ from what the product is meant for. When satisfaction of the need for which the product is used does not come by in such cases, the product will be rejected and consumers may not try to use it ever again. It is also important to remember that consumers can become advocates of a product when they are satisfied by using it. If dissatisfaction happens in product usage, then local consumers not only individually, but as a group can totally reject the product. Further, whenever local people opine about a product, other local people listen to these opinions more than listening to a foreign company. The risk of not only product rejection, but also the rejection of the whole company as such can happen. Therefore, utmost care needs to be taken in conveying the message about the product and the company and this should be done preferably in the local language. Caution should be exercised on the translation of the language as well so as to convey the right meaning.

In order for language to be an enabler, which is the better option of the two dimensions, businesses need to adapt either:

- a. Their communication strategies to the language: Consumers of a host country will tend to think of the foreign company as 'us', whenever the language barrier has been overcome. Sales pick up, and the barriers of communication are overcome. The largest community in a country and its culture determine the national culture of the country of operations for an international business. The language used by the largest community is also the language used by the majority in that country. Therefore businesses need to identify the largest community in the new country that they enter into. The language of this community must be identified and communication towards the host country consumer has to be done in this language.
- b. Adapt the product strategies viz., name and description of their product offering to the language.

Selling a company's product directly in a foreign market or globally in many foreign markets at the same time, entails a great sufficient amount of risk. The product name should convey the right image in the foreign countries the business plans to operate in. Therefore, the product has to be suitably evaluated for marketing in the foreign market with different languages and cultures. The areas in which the company has to concentrate in this context are product design, packaging, channel relationships, brand names, symbols, advertising visuals and themes, identity, image and positioning of product and company, prices, target customers, suppliers of marketing services, presentations and manuals. Both these strategies can bring in rich benefits as observed in several cases by international businesses.

Sometimes ordinary English words translated for overseas consumers may have unforeseen repercussions. Most products that have been successful in the domestic market will eventually be marketed abroad and the most appropriate time to research the product or brand name for foreign connotations is at the time of entry or even earlier. It is not only very expensive to change the name of the product once the product has been launched but also irreparable damages to consumers' sentiments may have been made. It is, therefore, of utmost importance that the name of the product should be an asset rather than a detriment in other cultures. Prior research on the product names for cultural appropriateness and for the impact a new name may have on people in foreign cultures is imperative. One in four international companies in the East of England is losing business as a result of language barriers, a survey has found. The findings are in an East of England Development Agency (EEDA) study. The survey of 329 companies across the region found that 47 per cent experienced language barriers, with 25 per cent reporting that it had lost them business due to this barrier. It found that only 10 per cent of the firms had a formal language strategy (BBC News, 2004).

1.1. The Importance of Local Languages in India

A Hindi publisher says: "Remember that oft-quoted

figure of 360 million people who can read but do not read any newspaper? Two-thirds of these are Hindi speaking consumers." "Behind the mushrooming of new and parallel Hindi newspaper brands lies the story of a buoyant advertising market in the Hindi-speaking states. Publishers who are launching second titles in the same market see merit, therefore, in segmenting their readers and offering more focused audiences. It is obvious that the understanding of markets and marketing has reached new levels in Hindi publishing". Analysing the data crunched from Indian Readership Surveys between 1998 and 2005, A S Raghunath, a print media consultant, says, "At the end of the day, a Times of India will not deliver an audience in Gorakhpur. Advertisers will have to use the Hindi medium." (Bansal, 2006). Jagran Prakashan Ltd and Yahoo India have jointly announced the launch of a new co-branded Hindi news and current affairs internet property. The partnership will create a richer online Hindi user experience. (Business Standard, 2007)

From the above reports it is evident that a vernacular language is gaining in importance over that of the accepted lingua franca of our country, i.e., English. There are several multinational corporations in India with a base in Bangalore. Given this background, it was decided to conduct a survey of multinational corporations with a presence in Bangalore to find out the various language issues they face and the strategies they utilize to overcome barriers if any as well as the competitive strategies they utilise to make use of language as a strategic advantage.

This paper was conceptualised as an offshoot of the PhD thesis done with the respondents of 61 multinationals who participated in the study titled " Strategy-Culture Fit of Selected Multinational Corporations- An Empirical Study" wherein the different components of culture were studied. The various components of culture were classified as education, language, ways of communication, social structure, social mobility, religion, and attitude towards age, attitude towards time and reward systems in the said study. This paper has been written with an intention of finding out the impact that language as a single component of culture

has on communication in international business. The said thesis examined the impact of culture based on the various components and how international businesses attune their strategies to the culture of the country of operations. This paper studies the current trends adapted by international businesses in India. A detailed study of the patterns of language usage has been done with the respondents of twelve multinationals with a presence in Bangalore. It will bring to the forefront how multinationals have been dealing with the differences in language, the number of languages they are supposed to know as employees of multinationals with a base in Bangalore, the training in languages offered by their employers and the official language used in business.

1.2. Profile of the Multinationals Surveyed

As per the table-1, there are four respondent companies whose origin is India, two from the United Kingdom, two from the United States of America, two from Canada, one from the Netherlands and one from Singapore. There is a wide array of activities conducted by these companies, ranging from aviation aircraft, security systems, semi conductors, telecom hardware and software, web servers, manufacture of scanners and printers, construction adhesives, manufacture of insulin, banking, financial and investment products, business process outsourcing and earth moving equipment. The intention of identifying these companies was to get as wide a coverage as possible for the exposure of languages in the context of service oriented companies or pure manufacturing companies.

1.3. The Results of the Study

1.3.1. The Official Language or the Lingua Franca of International Businesses in India

English is undoubtedly the lingua franca for multinationals based in Bangalore. All the companies used English as the official language in business. English is a commonly accepted and spoken language in Bangalore as well as in most parts of India, yet it still is a foreign language. Therefore, it was necessary to find out whether it was mandatory to know the English language before recruiting.

Company	Business Category	Home Country	Countries of operation	Employees		Connections with India
				Worldwide	In India	
A1	Aviation aircraft engineering	Canada	150	10,000	110	Joint venture with indian entity
B2	Semi conductors	Netherlands	140	37,000	800	Fully owned subsidiary
C3	Security systems, fire security Systems and access, CCTV	India	08	1,200	800	Indian company with foreign operations
D4	Application servers, web servers, databases and software services	USA	50	3,50,000	45,000	Fully owned subsidiary
E5	Telecom hardware and software	Singapore	6	6,700	4,000	Fully owned private company
F6	Consumer goods like printers, laptops, palmtops, photocopying machines, scanners	Canada	12	1,51,000	30,000	Fully owned subsidiary
G7	Tile adhesives, tiles, construction adhesives	Trent, United Kingdom	26	40,000	300	Fully owned subsidiary
H8	Simva statins, insulin	India	45	2,500	2,300	Indian export oriented unit
I9	Business Process Outsourcing	India	04	12,000	7,000	Fully owned subsidiary
J10	Banking, financial products, investment products	USA	40	10,00,000	2,00,000	Fully owned subsidiary
K11	BPO and IT services	United Kingdom	02	19,000	12,000	Acquisition of an existing Indian Company
L12	Earth moving equipment	India	02	1,500	1,500	Joint venture

Table 1 Profile of Respondent Companies

1.3.2. Mandatory requirement of English

In all the companies surveyed there is a mandatory requirement of the English language. It was then necessary to find out whether any tests were conducted in the English language at the entry level of recruitment.

1.3.3. Tests of English

Not all companies insist on entry level written tests in the English language. Some companies conduct tests in English grammar. Some companies, especially those who insist on a long term association of the employee

with the company do conduct tests in the English language. They agree on a score of above three on a scale of five in terms of fluency in the language. In some companies, a language team has been appointed and they are responsible for writing the brochures of the company. In fact, such teams exist for all languages, whereby either a native speaker of the language or a qualified translator is on the team for specific countries or for specific product lines. For example, there exists a team who speaks fluent Japanese and who is responsible for any Japanese written material or for specific product lines that need to be introduced in

Japan. In some companies, oral spoken English tests are conducted for the marketing force and for those employees who are supposed to handle overseas operations in any capacity.

It is obvious that the English language still presides in importance over all other languages though it is a foreign language for India. Yet not all employees, especially the employees at the lower level are comfortable with English for working purposes. Therefore it was necessary to investigate as to which were the unofficial languages that were spoken among the employees in the working environment.

1.3.4. The Unofficial Languages

All international businesses use the local languages unofficially, depending on the region of operation. Yet English still scores over all other languages in its usage. Even unofficially, businesses use English more than any other language. In a foreign country of operations the languages that were preferred to be used were, Chinese, French, German, Spanish and Japanese. These languages depended on the country in which the business had operations. In Bangalore, all local languages like Kannada, Malayalam, Telugu, Tamil, Urdu and the national language Hindi are spoken in international businesses. Local people have been employed in operations in all Multinational Corporations who have a base in Bangalore. Whenever an Indian employee converses with a foreigner they inevitably use English only, irrespective of the nationality of the foreigner, but when they converse among themselves, they use local languages. The India technical head of one of the companies said that their headquarters was in Germany and the top bosses were all German. Yet, when they converse with the Indian Technical head, they conversed in English only. This has been a policy for conversation with any foreign employee, not necessarily an Indian employee. In this company, there are sales offices all over Southern India. When the technical head needs to communicate with the regional technical staff he requires to use local languages such as Kannada, Malayalam, Telugu and Tamil.

If there were English as well as other languages

spoken at the workplace it had to be found out whether companies imparted training in any of these languages.

1.3.5. Training in Languages

Many companies impart training to the employees in English grammar and sentence formation. In fact training programmes in English are outsourced by several companies. Training programmes in languages other than English are not common for all employees. Employees deputed for overseas assignments are trained in the specific language required in that country. Some companies give a month's training along with a translator for better understanding of the foreign language. Most companies specifically said that employees with customer interaction roles required language skills. For the others, skill in the accepted lingua franca was enough. All local employees are required to know the local languages irrespective of their roles in the organization. Some companies who base their foreign employees in their home country, train such staff in the language used in the home country. A Dutch company surveyed trained their Indian employees who had to be based in Holland, in the Dutch language.

1.3.6. Localisation of Languages in Documentation

Localization in terms of using local languages does take place in written documentation. All user manuals and brochures are translated into local languages. Specialists in the local languages are employed to write the user manual and such other documentation that is to be used in the local market. Some companies said that employing local language specialists helped avoid not only language problems but also cultural problems. Further, within India also certain amount of localization is done as per different states. Local people are employed in the sales force as well in order to increase the comfort level of the consumers. For example, a Gujarati employee approaches Gujarati customers and speaks in the Gujarati language to create a rapport between them.

1.3.7. Exposure to Foreign Languages

Most companies do not insist on even a modest exposure to any foreign languages other than English. In some companies it is a hidden request for some exposure to at least one foreign language. In some other companies employees are told about the necessity of exposure to foreign languages, but not insisted upon. For selection to the higher cadre of jobs, being adept in foreign languages is preferable. Some companies opined that as the employee climbs up the organization ladder he needs to lead teams whose members may not all be from the same country and so foreign language proficiency is a necessity. Generally for the Bangalore multinational job scenario, proficiency in the English language as well as local languages is considered sufficient. Only one company which deals with security systems insists on a minimum exposure to foreign languages. Yet some employees opined that proficiency in foreign languages is a value addition to their qualifications, the English language opens up chances for them to go to the UK and the US, but for foreign assignments in other countries, other languages are mandatory. For employees who perform customer-interaction roles, proficiency in German, French and Spanish languages is preferred. Most of the multinationals were of the opinion that the requirement for particular foreign languages was client specific.

1.3.8. Multilingual means Better Prospects

Being bilingual or multilingual certainly seems to have advantages. Multi lingual skill in the local languages is advantageous for all jobs, but when an opportunity for a foreign assignment arises, the chances of considering an employee who has foreign language skills is higher. Some companies mentioned that the global sourcing department required multilingual skills more than any other departments.

1.3.9. Change in Language Requirement

Given the changing scenario in Bangalore, with multinationals flooding the state, it was necessary to find out whether there has been any change in the requirement for languages in the past few years. Most

companies did not find any change, but one factor that stood out was the recent inclusion of the national language, Hindi, in the list of local languages that are necessary to be spoken in business circles in Bangalore. As for foreign languages, in addition to the other languages, one company mentioned that the Korean language also needs to be learnt in recent times.

1.3.10. Localization of Product Names

Though various advertisements are seen in the media that include Hindi words in the messages conveyed, none of the companies surveyed had customized or localized their product names to meet local language demands. Their products were sold all over the world using the same names in whichever country they chose to operate in.

1.3.11. Foreign Phrases in Conversations

Some companies felt that it is necessary to use some phrases that foreigners frequently themselves use in conversations. They opined that it increases the comfort level in conversations because foreigners feel that these are adapting efforts made towards them. Even an accent like theirs helped. Companies also cautioned that whenever some phrases are not understood properly, they should not be used because foreigners can get offended very easily and are quite sensitive to these issues. Other companies strictly warned against using phrases and said that the conversation should be restricted to the English language. Customers who are not in the peer group need to be handled very tactfully in conversation. Any slightest disturbance can aid in simply losing the customer. People from the UK like to use formal channels for work procedures and for communication. People from the US do not mind if chat messages convey business correspondence. Some companies felt that phrases that are generally used by foreigners have to be used carefully. In the UK, the word 'anyway' was still the same, but in the US, it became 'anyways'. When speaking to the Chinese and Japanese business counterparts, it was necessary to speak slowly so that they could understand better. Further some companies were of the opinion that

Indians should avoid using the colloquial phrases that they use locally when speaking English, in order to avoid confusion among foreigners in understanding what is being conveyed.

1.3.12. Working Styles

One important fact that emerged without probing in this study was that the working styles of Indians was very different from that of Europeans. Irrespective of being on duty on a project, Europeans like to space out their working patterns. Time with family, weekend breaks are as important to them as getting back to work and executing the project well afterwards. As compared to them, Indians have a different working style. When on a project they sacrifice their free time to get the project done. When unpleasant news needs to be told, Europeans like to be told about it straightaway, without beating about the bush. Indians, on the other hand like to delay and cushion the unpleasant news before it is told.

1.4. Conclusions

Finally, author Donald De Palma quotes the former German Chancellor Willy Brandt: ``If I am selling to you, I speak your language. If I am buying, dann muessen Sie Deutsch sprechen.' Roughly translated, If I'm buying from you, you speak my language. (Mukherjee, 2006). This quote sums up the feeling that all consumers have as a requirement today. Businesses which cross borders essentially have to adapt language strategies for success in their new countries of operations. Bilingual employees are more valuable because they can communicate with more than one type of customer. Employees who are not fluent in the lingua franca of business may not share their ideas with management because they are not comfortable speaking. And those ideas left unsaid could cost the company money in the long run. (Holmes Tamara) Universities have also been offering courses in English and other languages to suit the necessities of conducting business after having identified the need for proficiency in languages. The

Times of India has reported on July 27, 2007, that a language of 1,500 words called Globish, a language meant for all professional communications globally has been propounded by Jean-Paul Nerriere, a former IBM vice-president, who thinks that there is need for a language that could help professionals to connect across languages and cultures. (Sinha, 2007).

In this paper, a sincere attempt has been made to uncover the language adaptation strategies made by international businesses in India. There is immense scope for further research in the field of language as a component of culture in studying the language used for different types and levels of documentation, in business meetings that are conducted at various levels, domestically or across borders, and any such intricate inner circle details that this study has not been able to unravel. It requires an indepth, on the spot study of more than one international business organisation indulging in businesses of different types. There is also scope for a detailed study on the other components of culture.

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