

International Organizations in the Linguistic Context of Quebec

International Business Master's thesis Julia Sulonen 2011



# **International Organizations in the Linguistic Context of Quebec**

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Abstract
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### PURPOSE OF THE STUDY

This study sets out to investigate the linguistic context of the province of Quebec (Canada) from three angles. Firstly, it examines what components context can be seen to compose of. Secondly, the channels through which these components can influence international companies are explored. The third research goal is to analyze the resulting effects on international organizations' operations in this context.

### **DATA**

The main data source used is qualitative interviews, which were held with companies (3), a university business faculty, and an institutional body. Secondary data from websites and company and governmental publications along with some personal observations are used to complement the interview data.

### **FRAMEWORK**

The political-historic context and institutions are distinguished as key components of the Quebecer context. Institutions are further divided as follows: the cultural-cognitive context (influencing organizations through attitudes and mentalities), the normative context (influencing through norms and values), and the regulatory context (influencing through laws and regulations).

### FINDINGS AND CONCLUSIONS

Findings suggest that the political-historic backdrop, involving the longstanding oppression of Francophone rights, has shaped the unique linguistic context of Quebec markedly. In institutions, the cultural-cognitive and normative contexts comprise of i.a. the protective attitudes towards French against the threat of English. The regulatory context is shown to set linguistic limitations to international organizations in the province: the law prohibits the use any other official language than French and demands its dominant position in operations. Having a language strategy in Quebec is therefore challenging. Regardless of the increasing need for proficiency in English, the strict regulations lag behind, restricting international operations and consuming resources. This is perceived by organizations as an entry barrier and a potential reason to move business elsewhere. The mission of the governmental body implementing the language law has not been adjusted to the internationalizing marketplace and is therefore deemed somewhat obsolete. International organizations are faced with linguistic duality; the contradicting demands of the local law and the requirement to conduct global business operations in English. The strength of this duality depends on the organization's strategic orientation: for those employing local adaptation conformation comes rather naturally, whereas a globally integrated approach is in conflict with the law. The key contributions of this study are the novel, multi-perspective approach combining historical/contemporary, national/provincial, and organizational/institutional angles, and the evaluation of bilingualism in an organizational context, which has remained scarce to date.

**KEYWORDS** Language, language strategy, language laws, bilingualism, corporate language, role of language, context, institutions, regulations

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# 1. Introduction

"Linguistic duality is everybody's business. It can only succeed in Canada if the majority accepts the reasons for it and fully supports it. Bilingualism in the 1970s was aimed at institutional change, but now it can be considered a personal and collective asset in an era of globalization. To give young people a chance to be bilingual is to give them a tremendous opportunity for cultural enrichment and help them participate in the new knowledge and information economy."

Dyane Adam, Commissioner of Official Languages

As multiculturalism is a fundamental characteristic of international business today, one would expect a large volume of studies to be focused on its elements and their implications to doing business. Among these is inevitably language, which forms a major part of any culture. However, language and its impact in international business emerged as a standalone research topic only in the late 1990's. Before this the role of language was studied, but as a part of a broader set of factors encompassed by culture. The emergence of MNCs in global business has undoubtedly contributed to the increased attention language issues receive today.

A country whose national identity is very much determined by its linguistic duality is Canada. Due to its bilingualism and the resulting necessity to manage the different linguistic groups, Canada has a reputation of encouraging diversity and thus continues to attract immigrants from around the world. It is publicly recognized - i.a. by The official body governing bilingualism in Canada, the Office of the Commissioner of Official Languages (OCOL), and the Institute for Research and Public Policy - that this gives the country an advantage in global competition: Canada's bilingual brand allows better access to markets that share either one or both of its two languages.

Bilingualism in Canada and especially Quebec has a long and controversial history, and the two language groups are a significant dimension of the country's past and present. The French-English relations have passed through several phases, many of which have been characterized by misunderstanding, injustice, and prejudice, especially from the Francophone point of view. In the Canada of today, most of these controversies have been overcome, but realizing the ideal of a linguistically equal opportunity country still requires work.

The role of bilingualism in Quebec's business world is particularly interesting due to its paradoxical nature. From the longstanding historical power struggle of the French population under British rule, to the multicultural, officially bilingual and tolerant country Canada is considered to be today, the linguistic context and its implications for business are likely to be unique in the world.

# 1.1 Background of the study

Marschan-Piekkari et al. (2004, 247) recognize the scarcity of discussion on context in organization studies over the 1980's and 1990's. Only in the 21st century did qualitative research method handbooks start to put more emphasis on the research process and the factors affecting it. This discussion has largely been centered on the organizational context, with the internal workings of the MNC as a key research object. Topics studied include i.a. the implications of the multinational organization context to team learning and performance (Zellmer-Bruhn & Gibson, 2006) and the impacts of career capital of international assignments within distinct organizational contexts (Dickmann & Doherty, 2008). The external context of the international firm has been quite a popular topic of studies as well, with research focusing on e.g. the implications of operating in different national environments (e.g. Punnett & Shenkar, 1994), international best practice transfers and context embeddedness (Dinur et al., 2009), and especially the cultural and linguistic barriers affecting cross-border HQ-subsidiary relationships (Harzing & Feely, 2008; Harzing et al., in press; Barner-Rasmussen & Aarnio, in press). These two perspectives have also been combined, for instance by Tregaskis et al. (2010), who looked at transnational learning in multinational firms and how this is affected by both organizational context and national embeddedness.

However, more detailed levels of context still remain widely unexplored, for instance, different contexts prevailing *within* a country. In general, the existing research on the topic sees context either as a background element having certain effects on the research process, or a broader definition of the operating environment (i.a. a country's national context). Specific, unique contexts that impose particular demands on certain types of companies remain virtually unstudied to date. The bilingual environment of Quebec is an example of such a context. As Cai (2007) states, context drives the way phenomena are perceived and abstracted by researchers at a conceptual level, and this process results in new categorizations and relationships. Therefore context can be used to derive new knowledge.

A significant part of context for international companies today is formed by the different national cultures of the countries of operation, along with their languages. The 'language issue' received scant attention for a long period of time, as pointed out by several studies (Reeves & Wright 1996, Verrept 2000 in Harzing et al. in press, Welch at al. 2001 and 2005, Harzing & Feely 2008). Even though special issues of International Studies in Management & Organization (2005) and, more recently, Journal of World Business (2010) have shed considerably more light on the language issue and its implications for HQ-subsidiary relationships, many areas of language in international business remain ignored.

As Welch et al. (2001) argue, traditional international business literature has tended to bundle language together with culture, and the associated problems together with 'cultural distance'. These authors sought to separate language from being dealt with as a component of culture, and to investigate whether the adoption of English as a corporate language facilitates internal communications or actually creates added cross-cultural issues. In the aforementioned special issue of Journal of World Business, Harzing et al. (in press) also recognize that cultural differences as barriers in international business are today widely accepted, but language diversity has continued to receive very limited attention.

It comes as no surprise, then, that bilingualism and its role in international company operations is even less researched. Bilingualism has been and is researched mainly from the phonetic and linguistic perspectives, and especially in the educational setting (many studies focus on the effects of a bilingual education and its learning trade-offs, see e.g. Dylan, 2010). Spanish speaking workers in the U.S have been studied some (e.g. Winston & Walstad, 2006 looked at recruitment and diversity in the context of bilingualism and library services), but hardly any studies exist on the bilingual environment and what kinds of demands it creates for international organizations operating in this context. Existing work that comes closest to this topic has looked at e.g. how employees of multilingual organizations in Switzerland conceptualize the use of different languages (Steyaert et al., in press), how four official languages operate in a global nongovernmental company (Lehtovaara, 2009), the role of Finnish and other languages at the multilingual workplace (Piekkari, 2010), and language management and policies in corporate communications in general (e.g. Andersen & Rasmussen 2004, Dhir & Gòkè-Parionlà 2002). The bilingual environment of Quebec, as well as its development and history have been extensively studied in sociolinguistics (e.g. Cobarrubias 1983, Wardhaugh 2006, Kaplan & Baldauf 1997). Studying bilingualism from a business perspective is much rarer. The only Canadian study on bilingualism in an organizational context is a review of bilingualism in the Canadian armed forces in 1763-1969 (Pariseau & Bernier, 1986). In the field of economy, Canadian bilingualism was a popular topic especially during the 1970's when the economics of English vs. French<sup>1</sup> were a heated political topic. For an overview on these studies see Vaillancourt (1985). The research on bilingualism from an organizational perspective has thus been scattered even in a geographical area where its historical importance has been paramount. Also globally the role of language in international business has varied markedly from one discipline to another, as is discussed next.

<sup>-</sup>

<sup>&</sup>lt;sup>1</sup> The economics of a language entail the comparison and evaluation of its benefits as opposed to another language, in order to determine which one to use. The key socioeconomic indicator in this evaluation is usually the effect of language on income (Vaillancourt, 1985)

Chapman et al. (2004, 297) state that a considerable difference in attitude can be seen between IB research and social anthropology when it comes to dual and multiple language use. The latter regards linguistic competence as a necessary element of cultural expertise. Contrarily, in IB the prevalent language used has become English along with its adoption as the lingua franca of global business. These authors claim that this has more profound implications for research, as in social anthropology language is considered part of the specific socially constructed context in question. Language mismatches are thus a key point of interest. IB researchers, however, are said to often have a more positivist outlook on the world, seeing language as a quantifiable issue that can be documented (leading to e.g. translation issues being experienced as lack of expertise in English, not opportunities to discover cultural differences). (Ibid, 297)

# 1.2 Objectives of the study and research questions

Combining these two deficiencies in past research - the lack of studies on context as a decisive factor in international organization operations, and the minimal focus so far on bilingualism as a requirement for companies in its context - the present study seeks to start filling the gap by looking at a particular linguistic context affecting international company operations: the bilingual context of the province of Quebec, Canada. The research objectives are to conduct an overview of the present literature on both context and language in international business, and thereafter analyze the context of Quebec relative to the existing theories. Based on both the literature and the empirical evidence from the 5 cases used in this study, the aim is to identify the key elements of context, to investigate the channels through which they affect organizations, and finally to explore the resulting phenomena occurring in these organizations.

The research question this study aims to answer is how does a bilingual environment affect international companies operating in that context?

In order to be able to answer the research question in a structured and clear way, it was further divided into three more precise questions:

- What are the components of context?
- Through what channels can context pose limitations and demands to organizations operating therein?
- What kinds of effects can context have on organizations?

### 1.3 Definitions

Terminology can cause confusion as the same titles are sometimes used quite liberally in management literature. For the purposes of clarity, this section outlines some key terms and the definitions adopted for them in this study.

*Context* entails the surroundings, forces, and phenomena of the external environment, affecting the focal organization.

Language is a generally agreed-upon, learned symbol system that is used to represent experiences within a geographic or cultural community, and that acts as a carrier of cultural values (Van der Born & Peltokorpi, 2010). A person's first language is his/her native tongue that he/she feels most comfortable talking. A second language is the next in line when looking at proficiency. Unilingual people speak only one language while a bilingual person is fluent in two languages. Accordingly, bilingualism is a concept or setting where two official languages are employed. Anglophones' first language is English, and that of Francophones is French.

A *multinational company* (MNC) is one that owns and controls producing facilities in more than one country (Dunning 1971, 16). A *corporate language* is an officially designated language to be used in written and spoken communications within the MNC, as to facilitate understanding. *Language strategies* and *policies* are formal guidelines on

how to decide which language is used in corporate communication and documentation. (Marschan-Piekkari et al., 1999a).

An *ethnocentric* approach to international HR management involves the emphasis of global integration and spreading best practices and a common corporate language to all parts of the organization. Conversely, *polycentric* MNCs promote local adaptation according to subsidiary countries. (Van der Born & Peltokorpi, 2010)

### 1.4 Limitations

As will be explained in more detail in the methodology section of this study, the approach employed in the research is contextualized explanation, put forth primarily by Bhaskar (1998). This involves merging two views often considered opposing, contextualization and theorizing, in order to reach richer description and more workable theories. The aim is to describe how and why events are produced by working backwards in the causal chain. Consequently, the main limitation of this study is its high contextual nature and that the results are generated in a distinct and particular environment. As Devereux and Hoddinott (1993) state, research findings cannot be separated from the context in which data collection and analysis take place.

It has also been cautioned in literature (Cobarrubias, 1983) not to draw too much general theories based on Canada's case of language policy. Comparing bilingualism in Quebec to e.g. the position of Spanish in America already reveals that the background conditions of the two environments are too unique for findings to be generalized from one context to the other. Bilingualism as a concept varies greatly depending on where it prevails and what the two languages used are. However, since the main approach of the present study was highly contextual and the goal is not to produce universal theories but rather to explore the phenomena occurring in the specific context in question, this was not seen as a major limitation to accomplishing the research objectives.

Regarding the implications of the results, as stated in the research questions the goal is to find the components of context, their channels of influence, and what kinds of effects can be observed at the organizational end. The study does not however aim at exploring effects that go outside the scope of the context in question (the province of Quebec). Therefore, issues such as knowledge transfer implications between Quebec and organizational units elsewhere are not included in this study.

# 1.5 Structure of the study

This study is divided into two main sections; the literature review covering the pertinent theories, and the empirical part mirroring them to the findings from the case studies and other data. The first half of the theoretical part deals with the concept of context; first its definition is discussed followed by an overview of research on the topic. Thereafter contextualization is defined and reviewed. Thirdly, ways of dividing context into components and how these components can influence organizations are presented. Finally, the relevant aspects for the purposes of the present study are combined into a framework to be used in the analysis of the empirical data.

As we will see in the discussion, culture - and encompassed by it, language - are key components of context. In this study, language is a central factor organizations operating in Quebec are forced to consider. Accordingly, the second part of the literature review focuses on language in international business. As with context, we first look at existing research. Thereafter the development of English into a lingua franca of global business is discussed. To meaningfully manage language as a part of context, planning is required, and this activity is examined first on the level of the MNC along with the resulting language strategies and policies. Thereafter focus is shifted to the national level. Finally, we take a look at language skills and training within the MNC. The section ends by answering the two first research questions that can be addressed based on the literature review.

The literature review is followed by a discussion on methodology, namely the qualitative case study as a research method, contextual explanation as a research approach, and the choice of case organizations. Also data collection and verification methods are presented here. The section ends with remarks on reliability and validity. Subsequently the four case organizations and the reasoning behind their selection are presented.

The second half of the study is made up of findings, starting with an analysis of bilingualism in Quebec including its history, the legislation involved - contrasting the national and the provincial levels - and a brief overview of the statistics of bilingualism. These are contrasted with the theory presented earlier.

The next part mirrors the findings from the case studies to the theoretical framework presented as part of the literature review. The themes are the institutional pressures the context creates on organizational language strategies, the languages actually used in business in Quebec, and the relationship between language skills, training and promotion. Finally, the effects of the bilingual context on competitiveness are discussed. This section also answers to the research questions based on the empiria.

The study ends with the conclusions section, where main findings are summarized and contrasted to existing research, along with a discussion on their managerial implications. Finally, suggestions for future research are given.

# 2. Literature Review

### 2.1 Context

"Clearly, much research remains to be done before a body of knowledge can be promulgated to the point at which contextual issues become integral to [strategy]. But of context, content, and culture, there is a sense here that the greatest source of inspiration may be context." (McKiernan 2006a, 5)

Michailova (2011) points out that the nature of the processes and phenomena studied in International Business would let us assume that the discipline treated context as an important explanatory variable. She argues that this is however rarely the case, and that researchers often fail to account for differences in contexts and "treat contextual factors as exogenous variables when they are, in fact, central to the phenomena we research." (Ibid, 130) According to Tsui (2004), context can be of great help in clarifying the limitations of existing theories and explaining local phenomena. It can thus assist in deriving new knowledge since it drives the way phenomena are perceived by researchers at a conceptual level (Cai, 2007).

### 2.1.1 What is context?

Roberts et al. (1978) were among the first to call for more focus on explaining phenomena in a particular, specific context in organizational theory. Thereafter, Das (1983, 393) claimed that "any serious discussion of a phenomenon can happen only if its contexts (of occurrence) are carefully described and studied". Contextual factors in research started attracting increasing attention towards the end of the 1980's, with Lincoln & Guba (1985) and Pettigrew (1985) arguing for research as a social process, not a rational application of techniques. In 1991, Cappelli & Sherer defined context as the "surroundings associated with phenomena which help to illuminate that phenomena, typically factors associated with units of analysis above those expressly under investigation" (1991, 56). Subsequent definitions in Mowday and Sutton (1993, 198) and

George & Jones (1997, 156) outlined context as "stimuli and phenomena that surround and thus exist in the environment external to the individual, most often at a different level of analysis" and "the environmental forces or organizational characteristics at a higher level of analysis that affect a focal behavior in question", respectively. A more recent view by Johns is that context entails the "situational opportunities and constraints that affect the occurrence and meaning of organizational behavior as well as functional relationships between variables" (2006, 386). Finally, Marschan-Piekkari et al. (2004, 245) argue that context can be seen as both the environment of the phenomenon under study and the research setting constructed.

As McKiernan (2006b) states, the treatment of contextual factors has wandered between prominence and obscurity in literature. Their definition depends largely on what phenomena one seeks to study and explain. Should this be the behavior of *individuals* in organizations, context can be seen to include workplace conditions, broader social or normative environments (i.a. dimensions of organizational or national culture, or unit or organizational climate). On the other hand, when studying the behavior of *organizations* themselves, context may encompass industry-, sector-, or economy-wide characteristics, and other normative and institutional structures, as is the case in this study (Bamberger, 2008).

For the purposes of the present study, the definitions in Cappelli & Sherer, George & Jones and Mowday & Sutton are most suitable. Combining them we can say that *context* entails the surroundings, forces, and phenomena of the external environment, affecting the focal organization. We now turn to the relationship between context and the research process.

### 2.1.2 Contextualization

Several research handbooks stress the intertwined relationship of qualitative research and context, and how it essentially distinguishes qualitative from quantitative research (e.g. Yin 2003, Marschan-Piekkari et al. 2004). According to Marschan-Piekkari et al. (2004),

context presents two types of challenges to research. From the theoretical perspective, contextual processes and phenomena should be incorporated into academic explanations. On the other hand, the researcher should acknowledge - and adapt to - the impacts context has on the research process itself. The past three decades have brought a considerable volume of studies on national and cultural contexts and on how to take their effects into consideration during the research process (see e.g. Devereux & Hoddinott, 1993; Rousseau & Fried, 2001; Johns, 2001). More recently, the effects of the organizational context on research in international business - more precisely, the research interview - were discussed by Marschan-Piekkari et al. (2004).

The general description of *contextualization* is that it involves linking observations to a set of relevant facts in order to generalize findings and make their interpretation more robust (Rousseau & Fried 2001, 1-2). Contextualization has increased in the past years and several management and organizational behavior journals have started to encourage authors to provide more sophisticated accounts of context (Johns, 2006). As Bamberger (2008) suggests, however, this is typically a post hoc exercise aimed at informing the reader about the factors influencing study results. This approach to context differs from that of the present study. As described above, context has historically been seen as a background factor and an account of the research setting. Studies usually focus on a phenomenon X in the context Y; the context *itself* is rarely the focal point of research. The present study turns the traditional approach around and puts the bilingual context of Quebec - and namely its effects on international company operations - in the spotlight.

Bamberger (2008) critiques contextualization for its often-superficial nature and suggests we should instead be working on *context theorizing*: building situational and/or temporal conditions directly into theory. International business by definition deals with different locations and populations, and thus different contexts (Tsui, 2004). Michailova (2011, 132) states, along the lines of Bamberger (2008), that "there is a distinction between dealing with different contexts 'per definition' and addressing explicitly those contexts in theorizing, in applying methods, in conducting analyses and in articulating findings". She laments that the definition of IB and the assumption that it inherently transcends

national contexts not always means researchers in the field succeed in integrating contextual effects into their work. The present study seeks to do a better job in this area, and to avoid what Martinez & Toyne (2000) describe as merely transferring context-bound theories across contexts. As Welch et al. (2011, in Michailova 2011) offer, the most interesting IB studies are those that intertwine context with research evidence to explain the phenomena under investigation, and this combination is what the present study seeks to accomplish.

### 2.1.3 Components of context and their channels of influence

Depending on the definition of context, different classifications for it exist in research. According to a similar logic as e.g. Marschan-Piekkari et al. (1999b) use for classifying the different languages used in a multinational, also context has been divided into the rationalities of *local* organizational context, the subsidiary's *host country* context, and the national context of the parent company's home country (Geppert & Matten, 2003). In the present study this classification is not purposeful, as the goal is not to go beyond the host or home context of the subsidiaries or parent companies operating in Quebec. In the framework of MNCs, also Kostova (1999) distinguishes between three types of context: social, organizational, and relational. This author uses the term social context synonymously with Scott's (2001, 49) institutions: the "multifaceted, durable social structures, [that are] made up of symbolic elements, social activities, and material resources". The elements of social context are further discussed in the next paragraph. Organizational context refers to the compatibility of organizational cultures and practices, and relational context to commitment, identity, trust, and power/dependence relationships. As Kostova studied knowledge transfer between home country and recipient, the mentioned definitions refer to this dependency. As this relationship is outside the scope of the present study, Kostova's classification is not ideal to use here. The element of social context, however, is noteworthy for this study, and we now look at Scott's approach to it as institutions.

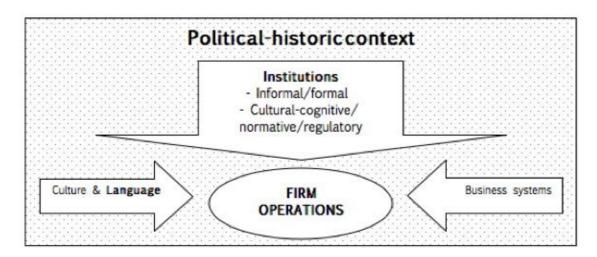
Scott (2001, 51–57) recognizes three pillars of institutions: the regulatory, normative, and cultural-cognitive. Each component involves specific channels through which it can affect organizations; 1. The *regulatory* context reflects the existing laws and rules of the environment, promoting certain behaviors and restricting others, through reward and punishment. 2. The *normative* context includes values - conceptions and standards of the preferred and desired - and norms - the way things should be done, and thus defines the appropriate means to pursue defined goals and objectives. 3. The *cultural-cognitive* context involves the shared conceptions making up social reality and affecting the way people notice, categorize, and interpret stimuli from the environment.

Also Redding (2005) explores institutions in his discussion on societal systems and capitalism, and divides them into the *formal* and *informal* kind. Formal institutions include more or less visible and tangible structures, such as legal systems. Their channels of influence are thus more prominent and visible in the operating environment. Informal institutions exist at a deeper level of culture, shaping the formal kind. It is also important to note that outside influences shape all societies, and do their part in forging the development of institutions.

Institutions can also be seen as an interest group. Interest groups can be defined as organized collective actors (e.g. unions, professions, or owners) representing particular societal positions and competing to obtain a share of resources or other benefits. Their structure, significance, and impact vary between societies. (Porter & Wayland, 1995) As per this definition, the impact institutions can have on organizations differs from one business environment to another, but their key characteristic is that they have certain interests they seek to advance. This happens through the channels discussed above.

Redding (2005) proceeds to propose a highly contextualized theory of business systems. In it culture underlies institutions, which in turn underlie business systems. He builds on the views of Whitley (2003) to suggest that firm behavior is deeply embedded in their socio-political-economic-historic contexts. In the present study, particularly the political and historic perspectives are pertinent. However, the goal is not to study the cause-and-

effect relationships between the different components of context, but rather the effect they together have on the organizations. Figure 1 illustrates the accordingly modified framework of Redding (2005), where culture, business systems, and institutions are all embedded in the political-historic context they operate in, and thus have their effects on firms operating in that same context. In this study, especially the political-historic context and institutions are focal points of interest. In the figure, language is incorporated by culture, but as we will see later on it can be analyzed also from the political-historic and institutional perspectives.



**Figure 1.** Elements of context and their effects on organizations (modified and combined from Redding 2005, 133 and Lewin & Volberda 1999, 528)

History is thus an important component of context. Redding (2005) argues that history molds the background context, and without it accounts of current economic systems are incomplete. He emphasizes the role of history in providing trajectory of development, and distinguishes between two channels of influence: specific historical events, and conditions that during a specific period shaped an environment. Historical factors are often excluded in international business studies, though as Redding (2005, 131) points out, their "explanatory contribution is commonly too significant to remain untreated". This angle is particularly relevant in the present study, as will be seen in the empirical part.

Sorge & Brassig (2003) studied small German enterprises and argued for a co-evolutionary approach when looking at organizational strategy and environmental determinism. That is, incorporating historical context, change within institutions, industries, and firms, as well as surrounding economic, social, and political macro-variables, into the research. In the background is the theory of organizations resulting from a co-evolutionary interaction between the construction of environmental niches, organizational form, and context, guided by strategy (Lewin & Volberda, 1999).

Also an element in Michael Porter's (1990) theory of competitive advantage is pertinent to the concept of context. As at the core of this thinking is that an organization's comparative advantage resides where it is based, location and environment become central factors benefiting or impairing operations, contrasted with competitors elsewhere (Porter & Wayland, 1995). A set of factors Porter (1990, 647-649) distinguishes as potentially undermining competitive advantage are governmental regulations. These might be e.g. standards on production, safety, environmental impact, or the operating practices of a firm. Porter notes that regulations can act both in favor of and as a hindrance to competitive advantage. They can serve as entry barriers when they render the operating environment unattractive, and also make it difficult for local firms to develop advantage. Positive effects can result when regulations anticipate standards and thus encourage firms to develop their practices ahead of competitors elsewhere. But when regulations are formed with a short-term focus or lag behind those of other nations, they can be detrimental to competitive advantage. Additionally, only efficient and agile standards that are applied consistently can contribute to competitiveness, whereas slow, uncertainly applied, and outdated regulations undermine innovation and competitive advantage.

In this section we have looked at context from different perspectives. To provide background, the historical treatment of context in research was examined and found to be quite rare to date. Especially more specific, micro-level contexts (such as a province within a country) have been studied scarcely, with the exception of intra-firm contexts. Research on broader, national contexts is more common. Thereafter, different definitions

of context were presented, out of which a suitable one was combined to suit the purposes of this study: context includes the external surroundings, forces, and phenomena affecting the organizations operating therein. Next the role of context in the research process was discussed, as well as the challenges it creates to researchers. One of them is contextualization, which entails the linking of observations to relevant facts in order to generalize findings. As a research activity this was found to remain rare, though it has become more common in studies in recent years. Context theorizing was presented as more evolved approach; incorporating situational and temporal factors directly into theory.

Subsequently, different ways for classifying context were introduced, and out of these the notion of social context was distinguished as most pertinent for the present study. Instead of social context, institutions were found to serve as a better framework, as it incorporates the social aspect (shared conceptions of reality), and divides into two additional components; the regulatory (laws and regulations), normative (values and norms) kind. Institutions can also be classified into informal (deeper levels of culture) or formal (e.g. laws), with the previous shaping the latter. Moreover, institutions can be seen as an interest group, competing for resources and attempting to forward their own goals and to impact organizations. Finally, history was discussed as an important, yet often ignored component in understanding context, as particular events or periods in time can significantly forge the setting in which we live today. Combining all these components, a conceptualization of context was developed, in which culture, business systems, and institutions are embedded in and affected by the political-historic context surrounding them. Organizations operating in the same context are then effected by these elements. Finally, a point was made about regulations as a factor of competitive advantage. They were noted to have potential to boost or impediment competitiveness, depending on whether they are efficient and anticipate international standards (advantage), or are outdated, sluggishly applied, and lag behind other nations (hindrance).

The second chapter of the literature review goes in more detail into language, which is a central component of context in the framework of this study.

# 2.2 Language in international business

Even though International Business as a discipline by definition entails the examination of different geographical, cultural, and thus linguistic contexts and areas, language long remained as a relatively unexplored topic in management literature. It has often been bundled together with the wider definition of culture, or psychic distance, and therefore received little attention as having an independent and influential role in international business (Welch et al., 2001). Indeed, several articles over the past two decades have pointed out the lack of research on the subject, calling it "the forgotten factor" (Marschan-Piekkari et al., 1997) or "the most neglected field in management" (Reeves & Wright, 1996). Luo & Shenkar (2006) also recognize the lack of studies focusing on the strategic role of language in IB, and argue that language does have an impact on strategy since subunit language design influences local responsiveness, and parent language design in turn affects global integration.

Especially coming into the 21<sup>st</sup> century, language issues have gained more prominence in literature, and scholars have started to stress their importance and significance that warrant a more focused approach (e.g. Welch et al., 2005). Peltokorpi (2007) has argued that separating language from cultural values has allowed researchers to explore and present its strong influence in a range of issues in MNCs. These include i.a. intercultural communication (Andersen & Rasmussen, 2004), social interaction (Tange & Lauring, 2009), coordination, control, and structures (Marschan-Piekkari et al., 1999a), and knowledge transfer (Mäkelä et al., 2007). Consequently, an example of a strategic area where language effects have been examined is the internationalization process; it has been found that firms have a tendency to stay within the language group where their initial competence resides, as to minimize the demands and risks of having to operate in a new language (Welch et al., 2001). Also the HQ-subsidiary relationship and the implications of language to its functioning have been studied (e.g. Harzing et al., in press; Harzing & Feely, 2008; Barner-Rasmussen & Aarnio, in press). A need for a common language in international business has arisen from these challenges. As the following discussion shows, this position is today widely held by English.

### 2.2.1 English as a lingua franca of business

In 1988, John Davidson - the director of the Confederation of British Industry at the time - stated: "English is no longer the international language of business. Today's international language of business is the native language of the customer." (Duncan & Johnstone, 1989 in Visser, 1995). Visser (1995) later criticized this view as an unattainable ideal, arguing that few companies can afford to invest in being able to speak the languages of all potential customers. Instead, they set priorities and realistic targets regarding language competencies in order to achieve export goals.

A phenomenon occurring in research on the adoption of English as a corporate language is the "English divide" discussed by Rogers (1998); the perspective on the matter can be either that of English as a cultureless and neutral language, as an imposed obligation resented by those having to learn it, or as deemed fitting by the international business community. She suggests that due to this divide, two types of research can be distinguished: the multilingual research arising from countries where English is a foreign or second language, and studies prioritizing English that originate from the English-speaking world. But as Nickerson (2005) laments, the larger part of research on English in international business contexts has been relatively uncritical, taking the use of the language as a given and a neutral means of communication disassociated with any culture. She calls for more research with a collaborative element (involving multilingual settings and non-English researchers) in order to shed light on business discourse as a "creative, strategic activity" (Ibid, 378). The present thesis looks at the use of English in a specific linguistic context instead of discussing it as an isolated factor. Such work in the area is still rare apart from some exceptions (see e.g. Fredriksson et al., 2006).

The emergence of English as a lingua franca of global business is explained by House (2002, in Frendriksson et al., 2006) by several factors: 1. The historical widespread rule of the British Empire, 2. The global political and economic influence of the USA, 3. The development of modern information and communication technologies, and 4. The increase in international merger and acquisition activity. On the other hand, as companies

internationalize and expand, they inevitably start consisting of a more and more diverse workforce with regard to nationality, culture, and language. This is a key aspect in a MNCs ability to be locally responsive and serve each foreign market according to its specific needs. (Dhir & Gòkè-Pariolá, 2002) To deal with the communication issues emerging from this linguistic diversity, several MNCs have opted for a common corporate language. Zaidman (2001) stresses that a common language for internal communications becomes even more critical with increased resource sharing within a globally diversified MNC. This can also be referred to as 'language standardization', which has been said to bring the following advantages (Marschan-Piekkari et al., 1999a):

- 1. If facilitates inter-unit reporting, minimizes miscommunication, and allows everyone equal access to company documents,
- 2. It enhances informal communication and information flows between subsidiaries,
- 3. It fosters a sense of belongingness and togetherness.

Because of the dominance of English as a universal business language, it is often the choice of companies going for one official corporate language (Marschan-Piekkari et al. 1999b, Charles & Marschan-Piekkari 2002). Yet, as Fredriksson et al. (2006) present, the mere introduction of English as the language of internal communications does not mean it will actually be adopted, used, or shared throughout the organization. Indeed, MNCs are multilingual by definition, and consequently a common corporate language will not create a monolingual firm, but language diversity will persist within the company (Andersen & Rasmussen, 2004). As the adoption of a common corporate language requires a substantial amount of people in a MNC to be bilingual, it creates challenges for international human resource management practices (Van der Born & Peltokorpi, 2010). An important divide exist between the managerial and lower levels of the organization; the perception of English as a universal language of business tends to be particularly strong among top management, who have good command of it after e.g. English MBA programs (Tietze, 2004). Also Feely & Harzing (2003) found that employees at lower hierarchical levels are more likely to only speak the local language, and that it takes some time before the common corporate language penetrates the entire organization. These authors identify language penetration as a component of language barriers caused by

cross-cultural communication within MNCs. Previously, it was often enough for a small, exclusive group of language specialists to channels cross-lingual communications. Today, however, due to global coordination, higher language penetration is required and language competence needs are often a reality on all corporate levels, including supporting functions.

Consequently, in the process of implementing a common corporate language, some members of the organization often have a language advantage, while others might be excluded from critical information exchanges (Charles, 2007). Due to these factors, as Janssens et al. (2004, 415) argue, "international companies are multilingual organizations in which language diversity needs to be organized". MNCs thus have the need to deal with their language diversity in a meaningful way, i.e. develop some kind of language strategies, or at least policies. These will be discussed next, and thereafter language planning on the national level is reviewed.

### 2.2.2 Language policies and strategies of MNCs

As Dhir & Gòkè-Pariolá (2002) point out, the changes occurring in the global business world would suggest it to be imperative for MNCs to take a serious look at the development of language policies. Nevertheless, research on the topic is still rather inadequate, and so are actual language strategies in MNCs. Marschan-Piekkari et al. (1999b) recognize that a relatively large amount of studies exist on the internationalization process, but the language issues resulting from global expansion - and how some companies introduce a common language as a solution - are still quite unknown territory.

Why is it then important to generate language policies? As Dhir & Savage (2002) develop: language is the means by which the culture of an organization is communicated to its members, and by which value creation is facilitated through the exchange of ideas. Language can therefore be seen as a repository of an organization's knowledge; "Like money, it is an asset, and when in use, capital ... Consequently, it has economic value"

(Ibid, 2). The authors offer a process for the evaluation of the economic value of languages for an organization for the purposes of choosing the most suitable one to use. Luo & Shenkar (2006) suggest that good management of the language issue in a MNC has the potential to improve intra-network communication, inter-unit learning, parent-subsidiary coordination and integration, and intra-unit value creation.

Language policies are formal guidelines on which languages to use in corporate communication and documentation (Marschan-Piekkari et al., 1999a). Van der Born and Peltokorpi (2010, 100) propose a classification of language policies based upon the global integration vs. local adaptation trade-off facing MNCs. According to these authors, language policies should be aligned with HRM practices according to ethnocentricity, polycentricity, or egocentricity, depending on the strategic orientation of the organization. Firstly, ethnocentric MNCs emphasize global integration and seek to spread best practices and a common corporate language to all parts of the organization. These kinds of language policies are formulated for enhanced control, communication, and coordination, and usually prevail in countries concerned with value homogeneity, and not so much foreign language competence. Conversely, a MNC with a polycentric orientation carries out local adaptation, differentiating practices according to local subsidiary environment and with limited control from headquarters. These organizations require corporate language proficiency on the managerial level, but subsidiaries often use the local language. Finally, a geocentric strategic orientation from the IHRM perspective involves recruiting managers from a global candidate pool. As Van der Born & Peltokorpi (2010) point out, this approach amplifies the need and importance of a common corporate language and its proficiency amongst managers. Moreover, it has been shown in studies that even when language policies would let us assume that competence is at a certain level in the organization, this is not always the case, especially in countries where the general second language proficiency is low (see e.g. Marschan-Piekkari et al. 1999b, Peltokorpi 2007). This may result from a country's national language policy, which organizations may need to consider as a powerful factor in their external context.

### 2.2.3 National language planning

As recognized by i.a. Dhir & Gòkè-Paríolá (2002), language planning in MNCs is a relatively new activity. On the national level, however, language planning and policy have a longer history. In sociopolitics, language planning is defined as "a government authorized, long-term, sustained, and conscious effort to alter a language's function in a society for the purpose of solving communication problems" and it involves "complex decision making, the assignment of different functions to different languages or varieties of a language in a community, and the commitment of valuable resources" (Weinstein 1980, in Dhir & Gòkè-Paríolá, 2002).

Wardhaugh (2006, 357) distinguishes two types of language planning: status and corpus planning. *Status planning* involves the position of the target language or its varieties in relation to others. Policies resulting from this kind of planning may better or diminish a language's status compared with others. A government can for instance declare that two languages instead of one will be officially recognized in all functions. In this case the new language gains status; instead of having no official position it is now used alongside the other official language in public communications. Most often, however, status change happens gradually, and at the expense of another language's position. In an extreme case this can lead to linguistic discrimination that raises contest and leaves strong residual feelings, as is the case e.g. in Canada. *Corpus planning* in turn entails the internal constitution of the target language with the goal of changing it. The result is usually a policy that attempts to standardize a language as to have it serve all possible functions. This may include developing new vocabulary and dictionaries. These two types of planning are not mutually exclusive and usually co-occur.

Different philosophies may underline the linguistic decision-making and policy planning in societies. Cobarrubias (1983) identifies four such ideologies:

1. *Linguistic assimilation* requires everyone in the society speak the dominant language. France is a good example of a country with such a policy.

- 2. Linguistic pluralism involves the coexistence of multiple language groups, and it can be found e.g. in Switzerland where four different languages are employed. Linguistic pluralism can be regionally or individually based, or both, and this is reflected in the overall language policy of the country employing it. Canada and Belgium are other examples.
- 3. *Vernacularization* involves the restoration or elaboration of an indigenous language in order to adopt it as an official language.
- 4. *Internationalization* is the common alternative of today's corporate world, and can be said to be behind the ideal of a common corporate language as a facilitator of internal communications across country borders. The languages that have been most internationalized are French and English, with English much ahead in volume. *La Francophonie* as an organization has been set up to further French globally, and is a manifestation of the internationalization philosophy (Wardhaugh 2006, 358).

Language issues can be closely linked to identity and power because of the strong connections between certain languages and nationalism (Fredriksson et al., 2006). This is very much the case with French, which can be seen in the considerable protectionism of the language in France and other Francophone countries of the world (e.g. the regulation of the amount of English in media).

These two levels of language planning create specific linguistic demands for international HR management activities, especially the need to manage language skills of employees. Therefore, even though language training and the effects of language skills on promotion are not among the focus points of this study, they need to be discussed briefly to provide background to the empirical findings.

### 2.2.4 Language skills, training and promotion

In this section we review the implications of language skills on training needs as well as promotion and advancement within the organization.

### Language training

The importance of knowing the corporate language may differ according to what kind of strategic approach the organization has taken towards the language issue. In an organization employing a polycentric approach where practices are differentiated according to local units, the local language might be enough especially on lower hierarchy levels. However, with an ethnocentric strategy language competence becomes a lot more critical. (Van der Born & Peltokorpi, 2010) As most MNCs with this orientation recognize the need for corporate language proficiency, they offer language courses for employees. According to Van der Born and Peltokorpi (2010), especially when using the corporate language is considered to lower inter-group boundaries, language training should become available. They however note that language training, whether it is provided at the headquarters or at subsidiary level, may not be equally accessible to all employees. Also, language training is an expensive activity. While larger companies are able to maintain their own language-training facilities, smaller organizations often see acquiring such training as a financial burden (Dhir & Savage, 2002).

### Language and promotion

As Fredriksson et al. (2006) have found, the higher up one goes in an organization, the more important language skills become. In the study of these authors, language competence was discovered to be a requirement for reaching the managerial level at Siemens. However, it was also found that English, even though the official corporate language, was not required nor mastered in all parts of the organization.

It has been found by several authors (e.g. Fredriksson et al. 2006, Marschan-Piekkari et al. 1999a) that proficiency in the corporate language is often a pre-condition for promotion to managerial positions because of increased interaction between expatriates, headquarters, and other foreign subsidiaries. As Marschan-Piekkari et al. (1999b) note, this can turn language into a determinant of professional competence and cause certain individuals or groups to have gate-keeping positions and to channel information, increasing their power within the organization. This type of individuals are often referred

to in literature as "language node", that is, people who because of their superior language capability become crucial in communications, translating and transmitting information between parts of the organization (e.g. Welch et al. 2001). The final topic regarding language is the reality of language use within a MNC, which is shown to not necessarily coincide with official strategies.

## 2.2.5 Languages used in MNCs

As stated above, the appointment of a common corporate language as a solution for the language issue in a MNC does not render an organization unilingual, nor eliminate linguistic diversity. Even with language training available it is not guaranteed, or even common, that all employees will be able to function in the corporate language, especially in organizations employing a pluralistic or polycentric approach to strategy where local adaptation is encouraged. It has been found that even though the role the corporate language is assigned in official language policies would suggest widespread proficiency in the MNC, the competence may not in reality exist, especially in countries with a low general second language level (i.a. Marschan-Piekkari 1999b, Peltokorpi 2007).

Nickerson (2005) found that in reality language use does not often follow the rule of purely one language a day, a meeting, or even a sentence. In her study of a multilingual company she observed a co-existence of multiple languages, and occasionally a hybrid form involving two languages, randomly switching between them for a sentence or just a word. Needless to say, this kind of speak would be impossible to follow for someone mastering only the other language.

This second section of the theoretical part started with an overview of language in managerial and IB literature, where its novelty as a standalone topic was demonstrated. The strategic implications of language for MNCs have however attracted increasing attention coming into the 2000's. Be that as it may, Bilingualism was noted to remain a scarcely studied topic in the field of business. Next, the concept of English as a lingua

franca of business was discussed, including the factors having affected its development into a universal language of business, the different attitudes towards the issue between disciplines, and their effects on research. Here we saw that the tone of research usually differs considerably based on its origin, and studies coming from non-Anglophone countries usually have a broader perspective on the matter. Thereafter linguistic diversity in MNCs was reviewed as well as the resulting need to manage the language issue in a purposeful way, and the designation of a common corporate language was shown to be a popular solution. In line with the widespread use of English as a business language, this was noted to often be the choice of multinationals for corporate language. However, it was also pointed out that this does not create a unilingual firm, and that corporate language competence may vary considerably within the organization.

These developments boil down to the need for language strategies and policies. These were first examined on level of the MNC, where language policies were defined as formal guidelines on which language to use in corporate communication and documentation. Three strategic orientations were found in international HR practices when it comes to dealing with the language issue: ethnocentricity (global integration and spreading the HQ home country language in all parts of the organization), polycentricity (local adaptation and using the subsidiaries' home country language in sub-units), and egocentricity (applying a global philosophy to recruitment and thus requiring proficiency in the corporate language). From this division focus was shifted to national level where language policies result from both status planning (changing a language's position in relation to others), and corpus planning (developing the language to suit all purposes). Additionally, four language planning ideologies were presented: assimilation (everyone is required to speak one official language), pluralism (several official languages are used), vernaculation (the restoration of an indigenous language for use as official), and internationalization (promoting the use of a language globally).

In the case of a common corporate language, as stated in the discussion on linguistic diversity, competence may vary across the organization and therefore language training is usually required. The need for language penetration (the extent of language proficiency at

different levels of the organization) was noted to have increased; it is no longer enough for cross-lingual communications to be left to a small group of linguistically competent employees. Additionally, it was shown that language proficiency requirements commonly increase when moving up the hierarchical ladder and promotion is conditional to mastering the corporate language. On the topic of linguistic diversity, the final section looked at the reality of language use in MNCs, pointing out that linguistic diversity often leads to the use of a hybrid form mixing several different languages.

The first and second research questions can be answered based on the literature review. For purposes of clarity, the questions will first be answered based on the theories on context. Thereafter we will add the effects of language and how they relate to context. The research questions will be re-addressed using the empirical findings.

### What are the components of context?

Starting with what are the components of context, several alternatives for dividing context into elements were presented. A suitable classification was combined from the views of Kostova (1999), Scott (2001), Redding (2005), Lewin & Volberda (1999), and Whitley (2003), where context is made up of culture, business systems, political-historic factors, and institutions (the social context that includes the durable structures of symbolic elements, social activities, and material resources of the environment). As there is almost no limit to what can be included into these categories, certain components had to be focused on. The most pertinent ones for the purposes of the present study were found to be the political-historic context and institutions.

Institutions can further be divided into different types. Scott's (2001) classification includes the regulatory, normative, and cultural-cognitive contexts, whereas Redding (2005) distinguishes between formal and informal institutions. Based on their definitions, the regulatory and formal as well as the cultural-cognitive and informal contexts can be used rather synonymously, whereas the normative context falls somewhere between informal and formal when the two authors' views are contrasted. Also the political-historic context shares both formal/regulatory and informal/cultural-cognitive elements

(e.g. historical legislative milestones vs. national mentalities developed over decades and centuries).

Through what channels can context affect organizations operating therein?

Each component involves different kinds of instruments and conduits linking them to organizational operations. According to each component of context identified, key channels of influence can be assigned to them as follows:

- Political-historic context: Forms the backdrop for any context and can have major
  implications to organizations through specific historical events or periods of time
  during which certain conditions shaped a society.
- Cultural-cognitive context: Shapes the formal institutions through the deep-rooted attitudes and mentalities that belong to the culture.
- Normative context: Incorporates the shared values and norms of what kind of behavior is preferred and expected and therefore also molds the regulatory context.
- Regulatory context: Affects organizations in the most visible way through set laws, regulations, and rules that must be followed to avoid sanctions.

From officially set laws to norms of right and wrong and deep-rooted cultural values, the immediate strictness of the channels reduces when we move from formal and regulatory towards informal and social-cognitive elements of context. However, factors on either end of the scale can have as important implications to organizations in the context, as the empirical part of the study will show. The Figure 2 below summarizes the characteristics of each component of context along with their channels of influence. Regarding the regulatory context, Porter's (1990) theory of competitive advantage includes the notion that strict regulations can improve competitiveness, but on the condition that they are anticipative to international standards. Conversely, outdated and sluggishly applied regulations hinder competitive advantage.

### Cultural-cognitive context Informal - Involves creating shared concepts making up social reality - Affects organizations through attitudes, mentalities, and shaping of formal institutions Political-historic context - Molds the background Normativecontext context and provides - Defines the appropriate ways to trajectory to present pursue set objectives conditions - Affects organizations through - Affects organizations values (what is preferred) and through specific historical norms (expected good behavior) events and conditions that during a period shaped the environment Regulatory context Promotes and restricts behavior through reward and punishment - Affects organizations through laws, regulations and rules Formal

**Figure 2.** Components of context and their channels of influence contrasted (combined from Kostova 1999, Scott 2001, Redding 2005, Lewin & Volberda 1999, and Whitley 2003)

### Language

Based on this classification, once language is placed into the framework we see that it touches upon all of the components of context. In the cultural-cognitive context it allows communication and is an instrument for diffusing culture. The values and norms of the normative context involve likewise language through the positions of different languages in a society; which ones are considered appropriate and which perhaps have a less attractive reputation. But as important factors of context, the role of language in the regulatory and political-historic contexts is most important. Due to language planning, over the course of history certain conditions apply for different languages; some can be promoted through assimilation whereas the position of others is reduced, or linguistic pluralism may encourage the use of multiple languages. Since this kind of planning involves not only the languages but also the people speaking them, it can have profound effects on society (e.g. in the case of discrimination) and thereby the context businesses today operate in. Regulations and specific historical events involve language laws and other political decisions regarding which languages are promoted. Given the discussed

position of English as a lingua franca of business, these can be especially significant for international companies when the language at the core of an assimilation strategy or an official language law is not English. This concludes the theoretical part of this study, and we now turn to methodology.

# 3. Methodology

# 3.1 Case study as a research strategy

Buchanan & Bryman (2007) argue that the choice of research method is shaped not only by research aims, norms of practice, and epistemological concerns but also by a combination of organizational, historical, political, ethical, evidential, and personally significant characteristics of the field of research. These factors are often considered difficulties or unwelcome distractions for the researcher, but the authors suggest that they should instead be seen as "core components of the data stream, reflecting generic and specific properties of the research setting, central to the analysis and interpretation of results and to the development of theoretical and practical outcomes" (Ibid, 483–484).

The present study uses a perhaps slightly unusual approach where historical, political, organizational, federal, and institutional perspectives are employed and mixed to achieve a comprehensive account of the phenomena. Both information from cases and other secondary data are used. Therefore, traditional case study methodology was considered unsuitable for the framework of the study. Instead, an emerging approach primarily put forth by Bhaskar (1998) and just recently discussed by Welch at al. (forthcoming), called *contextualized explanation*, was found to fit acceptably with the multi-perspective research strategy. We now turn to why this method was chosen over other alternatives.

### 3.1.1 Alternative case study approaches

Welch et al. (forthcoming) argue that according to the predominant view, case studies have been considered to only suit *inductive* theory building. The authors emphasize the potential of A) incorporating context into case studies and B) generating causal explanations as factors that have been thought incompatible in the past. However, as presented in the above discussion on context, IB by definition entails the examination of different national contexts, and in order to produce theories with more explanatory value, the effects of context should be accounted for. Welch at al. posit that by focusing more on these ignored dimensions, IB research has the potential to reach a higher lever of case theorizing.

In their forthcoming article, Welch et al. present three alternatives to traditional inductive theory building. Firstly, case study can be seen as a *natural experiment* for confirming or developing an already existing theory. *Interpretive sensemaking* takes a step further to acknowledge the value of contextualization (discussed in section 2.1.2) to the development of sound theories. These two philosophies are however criticized for forcing a choice between a robust, internally valid theory and rich description. In addition, IB is argued to benefit from a more diverse approach to building theories, and a more pluralistic ideology is called for, again implying a greater need to include context into research. The authors consequently propose a third alternative: *contextualized explanation*. The four approaches' key aims, results, and how they relate in terms of how they deal with contextualization and causal explanation is depicted in Figure 3. As we see, unlike the other three methods, contextualized explanation does not aim at producing theories that are generalizable outside the context in which they were shaped. This allows for a more profound and detailed focus on the context and its effects, while at the same time analyzing causalities. Contextualized explanation is discussed in more detail next.

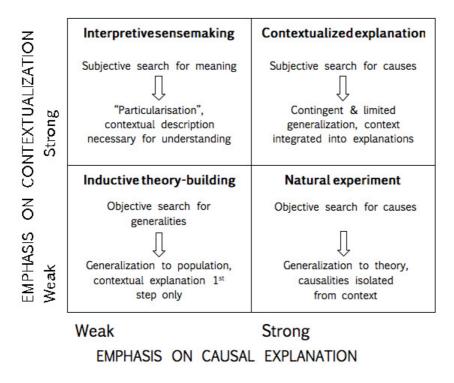


Figure 3. Approaches to case studies (modified from Welch et al., forthcoming)

#### 3.1.2 Contextualized explanation

Welch et al. recognize that the scientific community has widely overlooked the potential of case studies as generators of causal explanations. Because theory is seen as something general that can be used to provide explanations to phenomena universally, contextualization and theorizing have been considered as opposing views. Contextualized explanation can work as a bridge between the two, as to enrich the building of theories and especially the dealing with context while constructing them. As an emergent research approach it is still relatively rare (in their study Welch et al. found that only 24 out of 199 case studies employed the method), but based on the potential benefits the authors hope for increased contextualized explanation in the future.

### Critical realism

As opposed to the positivist and interpretive logics of the other approaches, the underlying philosophy of contextual explanation is *critical realism*, put forth primarily by

Bhaskar (1998). According to him, reality is made up of the empirical level (what is experienced), the actual level (events and states of affairs), and the real level (underlying structures, causal laws), and true knowledge deals with this last, most profound level. Welch et al. (forthcoming) gather from previous research that causalities should be searched for on this deeper level, not from even regularities or by collecting observations. Contextualized explanation seeks to account for *why* and *how* certain events are brought about, through the method of working backwards and reconstructing the causal chain. This has been argued to provide stronger explanatory power than the traditional approach to causality, where a change in A causes a change in B (e.g. Roberts, 1996). By definition, working backwards in the causal chain suggests the inclusion of historical aspects, the importance of which as a part of context was discussed in section 2.1.3.

# Multiple conjunctural approach

Ragin (2000, 51) further criticizes the traditional view of causality as a uniform sequence that can be applied to all cases. He suggests that in case research, we should instead be using a *multiple conjunctural* approach. This involves seeing the whole of the influences and conditions having their effect on the case, and using them together to explain the phenomena, as opposed to "*measuring the net effect of an isolated variable*". According to Ragin (Ibid), taking a variable out of its spatial-temporal context might not yield accurate analysis results, as the same variable can produce different effects in particular contexts. This further encourages a multi-perspective method to be used in this study.

According to these suggestions, the present work uses a qualitative case study as the research method, employing contextualized explanation in the analysis. The case study can be defined as a research strategy that "examines, through the use of a variety of data sources, a phenomenon in its naturalistic context, with the purpose of 'confronting' theory with the empirical world" (Piekkari et al. 2009, 569). In this study interviews are the primary source of data. As we saw in the theoretical part or this study, institutions play a key role in context and therefore interviews were held both on the business and the institutional side. In addition, secondary data sources such as company, governmental, and institutional websites and other publications were used to complement the interview

data. To support one of the points discussed in the interview with Company F, an example of an internal e-mail was given to the researcher. For deeper understanding of bilingualism, a recording of the 2009 symposium on official languages was used. The data objects and their sources are presented in Table 1.

Table 1. Data sources used

Data source  Data object	Interview	Website	OTHER SECONDARY DATA
Case organizations  • Company C	HR Manager	company website	-
<ul> <li>Company E</li> </ul>	HR Manager	company website	-
Company F	CEO	company website	Example of an internal e-mail
• FSA	Professor and director of int. relations	http://www4.fsa.ulaval.ca/ /cms/site/fsa	Marketing material for exchange students
Office Québécois de la Langue Française (OQLF)	Spokesperson	www.oqlf.gouv.qc.ca	Leaflets and instruction manuals directed to organizations
Office of the Commissioner of Official Languages (OCOL)	-	www.ocol-clo.gc.ca	Bilingualism documentation
Statistics Canada	-	www.statcan.gc.ca	Working language documentation
Quebec International	-	www.quebecinternational.ca	-
Province of Quebec	-	www2.publicationsduquebec.	Legislative documents
Symposium: 40 Years of Official Languages in Canada		www.cpac.ca	Speeches

In addition to the above, personal observations were made possible by the researcher's stay in Quebec during the research process. The next section explains the choice of the cases used in this study; Université Laval and Office Québécois de la Langue Française

from the institutional side and the three case companies from the business side. Thereafter, the qualitative interview is looked at in more detail.

# 3.2 Choice and presentation of the case organizations

### 4.1.1 FSA of Université Laval

Universities today play an increasingly important role in globalization and international business, with exchange programs and cross-country collaboration becoming more and more commonplace. For the academic community, inter-university co-operation is vital in order to exchange knowledge. It is also from the universities, and the international experience they provide, that future business leaders acquire basis for business competence. Additionally, even though language strategies have been shown by several studies to still be quite rare in businesses (see e.g. Visser 1995, Ylinen 2010, Harzy & Feeling 2003), most universities today must have such strategies due to the increasing multiculturalism of their students. Based on these factors, it made sense to make Université Laval one of the case organizations of this study. Quebec is an interesting case in point as it has an exceptionally high proportion of population registered for bachelor or master level studies (1.4%) and 90% of 25-64-year-olds hold a degree equivalent or superior to a high school degree (Québec International).

The Université Laval business faculty FSA (faculté des sciences de l'administration) was founded in 1924, and today it has approximately 4000 students, 500 out of which are international. FSA has around 80 partnerships with renowned schools and universities around the world. Degrees are offered on BBA, MBA, and post-graduate levels. FSA has an international double accreditation. It was the first non-Anglophone school in the world to receive the AACSB (The Association to Advance Collegiate Schools of Business) certificate in 1995, and in 2008 FSA was accredited with the EQUIS certificate of the European Foundation for Management Development. According to Geneviève

Champoux, a research and development agent at FSA, these accreditations push a university to improve its operations while also being a benchmarking tool. They allow the comparison of the school to others with the certificates, and give a basis for encouraging employees to work for development and internationalization. For students it is easier to evaluate the quality of the school, and it is EQUIS that pushed FSA through internationalization. Due to the accreditations, FSA has had to develop its global approach, since before 2005 no business classes were offered in English. Obtaining the certificates requires a school to train students to be able to operate on a global scale.

From FSA, the interviewee was Mr. Zhan Su, a professor of Strategy and International Business and the Director of International Relations for the faculty. He is also director of the Stephen A. Jarislowsky Chair in International Business at FSA. According to Mr. Su, FSA created the position of International Relations Director because a faculty's internationalization is more than student exchanges: the goal was to gain visibility in the international education market and build strong partnerships for research and professor exchange. Along with his academic career, Mr. Su does consulting and training work for international companies, and was thus an ideal interviewee for discussing both the educational and business perspectives.

## 4.1.2 Office Québécois de la Langue Française

Another institutional player whose inclusion proved essential in order to present both sides of the coin was the body governing the implementation of linguistic legislature in Quebec; Office Québécois de la Langue Française. As will be seen in the examination of the Quebecer context, this institution has a key role in terms of the topic of this study.

Office Québécois de la Langue Française (OQLF) was founded in 1961, and an additional commission for the protection of the French language existed until 2002, when the two organizations were merged to create Office Québécois de la Langue Française. This organization today is responsible for the tasks of both of the previous organisms,

that is, the francisation of enterprises, the development of vocabulary (corpus planning), and the processing of complaints. Eight offices operate in the province of Quebec, employing 259 people in 2010. The offices in Quebec City and Montreal handle services to companies. Francisation activities and complaints handling is based in Montreal, whereas Quebec City takes care of most of the terminology development. The mission of the office is to ensure French is the general language of work, communications, and commerce in Quebec, that is to say, supervise that Bill 101 is adhered to. In addition, from 2002 the office also documents the linguistic situation of the province and publishes reports on it. (Mr. Bergeron)

From OQLF, the spokesperson and director of public relations, Mr. Martin Bergeron was interviewed. As to companies, three cases were chosen. As will be seen in the findings section when the regulatory environment of Quebec is discussed, companies get different treatment according to their size. Firms with less than 50 employees have exemption of certain regulations and laws, while those passing a headcount of 50 are obligated to consider a wider set of rules and institutions in their operations. Thus, companies of both sizes were needed to get perspectives from the two positions. Another selection criterion was to choose companies in a field where language is in a meaningful role for the success of business. The key industries internationally thriving in Quebec are life sciences, insurance and financial services, ICT and electronics, and food processing (Quebec International). Using e.g. an international restaurant chain would not have been as meaningful as selecting companies from hi-tech fields, as the need for global research and development, and thus a common language, would not have been as essential for the company and the international aspect not as prominent. The pool of international companies with offices in Quebec City is quite limited in volume. Based on these criteria, the fields from which the companies were chosen were information technology, management, and business process outsourcing; telecommunications; and biopharmaceuticals.

### *4.1.3 Company C*

Founded in 1976 and headquartered in Montreal, Company C has grown to have the high local presence of 125 offices in 16 countries, totaling 31 000 employees. The company offers information technology, management, and business process services in the following fields: banking and financial markets, distribution, government, healthcare, insurance, manufacturing, oil and gas, retail and consumer services, telecommunications, and utilities. Company C's success is to a high extent due to its combination of industry and IT knowledge; according to its website the technology expertise allows to help clients adapt to industry change while also evolving the industries themselves. All services are delivered through 15 centers in onshore, nearshore, and offshore locations. Company C generated annual revenues of CA\$3.7 billion in 2010.

From Company C, the HR Manager working in the Quebec City office was interviewed, and he will be referred to in the findings as HR Manager C.

#### *4.1.4 Company E*

Company E was founded in 1985 in Quebec City, and continues to be headquartered there. The company started with the production of field-portable equipment for the use of installers and operators of fiber-optic networks, to be used for the installation, maintenance, monitoring, and troubleshooting of optical networks. After a decade of growth, the company expanded its product portfolio into high-end products, mainly for R&D purposes and manufacturing activities of optical component and system vendors. Company E's initial public offering was in 2000, and since then its stock has been traded in both the NASDAQ and the Toronto Stock Exchange. Today Company E employs 1600 people in 25 different countries, and has over 2000 customers in the telecommunications field globally.

To extend its expertise in the field Company E has performed several acquisitions of companies complementing its portfolio. Most recently, at the start of 2010, Company E acquired N Oyj, a privately held wireless communications testing company based in

Finland. With this acquisition came an office in Bhubaneswar, a second location for Company E in India. Today Company E is highly active in the international field. It for example participates in over 100 tradeshows around the world every year displaying products and educating customers, and produces a large volume of technical reference material, e.g. articles in industry magazines. (HR Manager E)

In 2010, Company E achieved an annual growth rate of 32%, amounting to sales of US\$228.1 million.

From Company E, the interviewee was the Internal Communications and HR Manager at the Quebec City office, and is referred to in this study as HR Manager E.

### *4.1.5 Company F*

Company F was founded in 2006 in Montreal and operates in the field of biopharmaceuticals, developing research and therapeutic proteins to supply the life sciences industry. The company is headquartered in Quebec City and has 7 sales offices around the world. It classifies as a born global with operations spreading to 18 countries in the first 2 years of operations. A significant proportion of revenues where obtained from outside Canada already in the first year, and outside the North American continent after 3 years of operations. Sales are distributed as follows; 22% in Canada, 30% in the United States, 31% in the Middle East and Arabic countries, and 17% in Europe, Latin America, Asia, and the rest of the world. This amounts to over 200 customers in 31 countries today.

At Company F, the CEO was interviewed. He splits his time between Egypt and Quebec City and is referred to as CEO F in the findings. Table 2 below summarizes the industries and sizes of the case organizations used in this study. The next section looks at the qualitative interview and how it was used in this study.

**Table 2.** Case organizations, industries, and sizes (Organization websites)

Case organization	Industry	Size
Company C	IT, management, and business process outsourcing	31 000 employees
Company E	Telecommunications	1600 employees
Company F	Biopharmaceuticals	<50 employees
FSA of Université Laval	Education	100 professors, 4000 students
Office Québécois de la Langue Française (OQLF)	Governmental body	259 employees

# 3.3 The qualitative interview

Avelsson (2003, 13) describes qualitative interviews as "relatively loosely structured and open to what the interviewee feels is relevant and important to talk about, given the interest of the research project". Obviously this creates new linguistic challenges to both the researcher and the interviewee as to their language skills, which must be sufficient to respond to unexpected themes emerging in the course of the interview (Marschan-Piekkari & Reis, 2004).

As pointed out by Patton (1980, 14), qualitative methods in general produce a large amount of detailed information, even when a relatively small number of people and cases are analyzed. In the present study, a total of five interviews were conducted, one with each case organization. The interviews took place during the period from February to April 2011, and all the business side interviews as well as the one with Université Laval were organized in Quebec City. The institutional perspective interview with Office de la Langue Française took place in Montreal, at the organization's headquarters. The durations varied between 30 minutes and one hour, and all interviews were conducted

face-to-face. Details on the interviews can be found in Appendix A, and the interview guides used in Appendix B.

The type of the interviews used in this study was semi-structured. A structural approach was evaluated not to yield the desired level of profoundness in data, as the interviewees might have been be too bound in their responses. In a standardized questionnaire the respondent is given ready response categories, e.g. fully agree, agree, slightly disagree, disagree), and the freedom to answer is thus limited considerably (Patton 1980, 211). The semi-structured approach proved to be extremely suitable for this study, as most of the interviews with the case organizations came to be story-telling situations where the respondents went into their personal experiences over the course of their careers. The semi-structured approach allowed for questions to be modified and adjusted to the course of the interview.

On the other hand, open interviews bear the risk of becoming too time-consuming, and resulting in ambiguous results with different themes discussed with different people. A semi-structured approach was used to combine the positive aspects of the previous two, and to assure that the relevant themes were discussed with all interviewees, while at the same time giving the respondents liberty to answer using their own words and to come up with issues not necessarily mentioned in the questions. The length of the interviews did not become an issue as most interviewees had tight schedules and took care that their responses were concise enough. The challenge was rather to make sure the questions were formulated so that they truly gave the respondent full freedom in his/her answers, and did not guide in any particular direction (Patton 1980, 231). Here we can consider the importance of the question type in obtaining meaningful data. As with the research question itself, also the interview questions' form has an effect on the focus of the answers. For instance, "why" questions in themselves already assume a cause-and-effect relationship exists, which can guide the respondent into a certain direction (Patton, 1980, 228-229). To avoid this, questions were asked in the how form whenever possible, as to make the respondent answer in the most descriptive way possible. With most respondents, this worked well and the answers obtained were very descriptive indeed.

Also the formulation of neutral questions can be challenging. The goal is generally to obtain answers that describe the respondent's realistic experiences and opinions. Conversely, accounts that go into extreme events or experiences that may not necessarily even be the respondent's own, should be avoided. (Ibid, 231-232) For the purposes of this study, interviewees were encouraged to tell stories regarding their own experiences, because this kind of information is often richest and can be used to gain deeper insight into the research topic.

As noted by Rubin & Rubin (1995), the stream of questions in a case study interview is likely to be rather fluid than rigid, resulting in more of a guided conversation than a structured query. This means that the questions will be used as general guidelines of the interview, and questions might be asked in a different order from different respondents, depending on the course of the discussion. Yin (2003, 80-90) reminds that this creates two distinct jobs for the interviewer; to follow the line of inquiry that reflects the aims of the study, and to ask the conversational questions in an unbiased manner that also serves the needs of the goals of the research. The interviews of this study were mostly very conversational, with the exception of the OQLF interview, which resembled somewhat a rehearsed marketing speech by the spokesperson.

Also Patton (1991, 280) argues that the interview guide is rather a checklist that makes sure relevant topics are covered, and that the actual wording and sequence of the questions should be adapted to each interview situation. This logic was applied especially when modifying the questions to suit the business side and the institutional side. For example, the question "How do you see coming from a bilingual environment affecting your position in relation to other companies in the international market?" was modified to an opinion question in the interview with Université Laval; "Based on your consulting work with companies, how do you see coming from a bilingual environment affecting a Quebecer company's position in the international market?"

### Selection of respondents

The interviewees were selected through purposeful sampling; choosing information-rich employees who can contribute the maximum amount of good data for the purposes of the study. (Patton, 1991, 169) In addition, snowball sampling was used, where information-rich individuals are first located within the company, and used as sources of information regarding other people who have valuable information that could potentially contribute to the study (Ibid, 176). In the case of the present study, this often meant a HR manager, and in one case, it was possible to gain access to the CEO. Also Maykut and Morehouse (1994, 44) vouch for snowball sampling to attain maximum variation through locating respondents that are different from the previous ones. This happened in the Université Laval interview, from which a tip for a potential other case organization, Company C, resulted.

### 3.4 Data collection and verification

All secondary data such as legislative and historical documents and company materials were gathered under themes to allow comparison and confirmation between sources. Only one theme was dealt with at a time, and in the case when unrelated but important data was come across, it was labeled and saved for processing with the appropriate topic. This helped in achieving thorough understanding of each theme and prevented topics from getting mixed with each other. After processing e.g. historical and legislative data first separately, it was more logical to later make the links between the two in a purposeful manner.

Regarding the interviews, permission was obtained to record each one. As Belson (1968) suggests, the problems arising from multiple interpretations by different respondents can be addressed by asking the interviewee to re-ask the question from the interviewer, in his or her own words. This way any misunderstandings can be spotted and the form of the question revised accordingly. This was a strategy used in the pilot interviews, where the actual responses were not as important as the testing of the functioning of the questions

themselves. The same kind of refining also occurred in the official interviews, since their form was semi-structured and thus the interview situation more of a conversation than an interrogation. Along the course of the research, different data sources increasingly verified each other. Excluding political opinions on the language issue in Quebec, there were hardly any inconsistencies between different data sources when facts are considered. As can be seen in the empirical part, also the interviewees were quite unanimous on most topics, though of course unaware of each other's views.

The data was organized and analyzed by first transcribing the interviews in the language they were held, after which the French parts were translated into English. Next the interviewees' responses were gathered under key research themes, such as languages used at work, institutional language demands, etc. This method is referred to by Miles & Hubermann (1985, 223) as "subsuming particulars to the general". After this the process of matching and contrasting the findings with the theory was more structured and logical.

I order to make sure the interviews were transcribed correctly and no misunderstanding in e.g. vocabulary were created, a local professor was consulted in the process. Apart from minor clarifications of terms, the content of the responses was not changed. Hopkins & Ahtaridou (2009, 291) suggest that good research holds conclusions emerged at early stages of research lightly, as to maintain skepticism and readiness to change position as the research process develops to the conclusions and verification stage. In this study no strong hypotheses were made to keep the approach as open as possible. Any future verification of conclusions was made possible by the logical storing of both the audio files and the transcripts.

In this study the preparations by the researcher prior to conducting the interviews were paramount. As the topics discussed assumed historical, political, and legislative knowledge of Quebec, the research work was started from secondary empirical data regarding the province. Only after being familiar with the socio-historic fabric of Quebec was it purposeful to A) outline the interview questions, and B) conduct the interviews. Asking the right questions or being able to request additional clarifications would not

have been possible without the understanding of the linguistic context, which comes naturally to those residing in Quebec.

# 3.5 Validity and reliability

Yin (2003) distinguishes four tests to evaluate the quality of research designs. It is important to note, however, that Yin's evaluation ignores historical factors as providers of depth to a study. The present thesis draws on the history of Quebec as one major determinant of the business context today. This is considered to increase validity as it broadens the perspectives of the research and gives trajectory to the findings. The definitions and implications of Yin's validity and reliability test to this study are evaluated below.

- Construct validity occurs at the data collection and composition phase, and indicates the use of correct operational measures for the concepts under study. It can be enhanced by using multiple sources of evidence and establishing a chain of evidence. Yin (Ibid, 80) states that a good case study will try to use as many sources as possible. This is usually referred to as *triangulation*; collection of data from different sources and persons, and checking how each source confirms, disconfirms, or elaborates information gotten from the other sources to enhance data accuracy. Additionally, Yin (2003) posits that using multiple case studies renders the overall study more robust. The present study uses a total of five cases, and in each one multiple sources of data: interviews, company and governmental records (both websites and other publications), as well as some direct observation by the researcher (made possible by a research internship in the environment under study). As different sources confirmed each other and lead to the same conclusions, validity was considered achieved.
- Internal validity involves establishing causalities and is related to the data analysis phase. It can be increased through pattern-matching (comparing empirical patterns

with predicted ones), and explanation building (analyzing case study data by building an explanation about the case), and is relevant especially in explanatory studies. This study provides thorough explanations about the cases and the context of the research by using several perspectives (governmental, institutional, and business as well as present and historical data).

- External validity is constructed in the research design phase and refers to the domain to which the study's findings can be generalized. Replicating findings in different settings is a solution, but this test is not of significant importance to the present study as the goal is not to produce generalities but to explain phenomena in a specific context.
- Reliability requires that the study's protocol, i.a. data collection procedures, can be
  repeated with the same results. In this study the research process is carefully
  described and the selection of cases explained. The main factor jeopardizing the
  replication of the research is language, as some of the interviews were bilingual
  and would thus require proficiency in French to be repeated.

Additionally, to increase validity in research, Yin (2003) suggests creating a case study database and maintaining a chain of evidence. The cases used in this study were documented thoroughly, and both the audio files and the transcripts of the interviews were stored securely in electronic form. It should thus be possible for other researchers to use the data in a similar manner. Regarding the chain of evidence, any citations and conclusions drawn from the material can be traced to the original data.

### 3.6 Limitations of the researcher

Two main limitations were identified as potential hindrances to the researchers work in this study; language and the concept of access to critical information. These are discussed next.

### Language limitations

Relating to the limitations caused by the researcher's language skills in French, pilot interviews were used as a means of minimizing any negative effects. The researcher's relatively wide acquaintance base in Quebec provided opportunities to get help in translating questions in an optimal manner and to discuss and develop the terminology used, as to make sure the appropriate meanings were be maintained in the questions. According to Yin (2003, 79), pilot studies can help in developing the relevant lines of the questions and also in clarifying certain concepts.

The researcher's language competence affects access to both insightful data in interviews, and to potential informants in the first place. Language skills are important in building trust and rapport in order to establish relationships with interviewees in cross-cultural interviews. These issues likely remain unnoticed to the monolingual researcher, conducting interviews only in English. Language is thus more than a technical problem; it shapes the research process in various ways. In a mainly non-English context, a multilingual approach to data collection and interviewing is likely to result in more valid and trustworthy information. (Marschan-Piekkari & Reis 2004, 226-231) The researcher's competence in English and French made data collection easier, and probably reduced outsider effects i.a. through allowing interviewing in both languages. According to Welch & Piekkari (2006), when using the interviewee's language the researcher may be taken more seriously and considered less foreign.

Generally, Quebecers speak English on a fair level, but for some the skills are limited. Should these people be required to answer questions in English, their responses would probably be negatively affected because of the lack of expertise needed to assess certain

topics in the language, and to go into detail in explanations. As Chapman (2001) points out, when interviewees are talking in a second language, the narrative is stopped by a friction created by problems of translation and expression. Thus, depending on the interviewee's preferences, interviews were held in either English or French; in the latter case the questions were translated into French and the obtained answers into English. However, in the majority of the interviews, the respondents did not use purely one language, but mixed English and French; they may have started to reply in English but switched to French when they felt more comfortable describing the issue in their first language.. The interview with Office de la Langue Française was held entirely in French, mostly due to the issues regarding access, discussed in the next section.

### Access and the 'outsider' effect

Rousseau & Fried (2001) recommend in their discussion on organizational context that researchers provide rich descriptions of process of gaining *access*. Chapman et al. define the concept of access in research as who and what you are as determinants of what you are readily able to discover and to understand (2004, 292). They suggest that several unchangeable demographic features of the researcher act as constraints to and opportunities in his/her work, i.a. age, sex, and nationality. Marschan-Piekkari & Reis (2004) add institutional affiliation to the list, which is a particularly meaningful factor in the research process of the present study. In order to minimize the negative effects of being an 'outsider', and the resulting impediments to access, the researcher undertook a research traineeship at Université Laval (Quebec) for the duration of the thesis project. This made access to local data possible, along with facilitating the contacting of local companies, as the research could be associated with an institution familiar to local organizations, and of course allowed to use the university itself as one of the case organizations.

Impediments to access arose also from the topic of the study itself. This was the case when attempting to gain access to Office Québécois de la Langue Française; the body governing the position of French in the province of Quebec. The office was contacted several times by phone during February and March 2011, mostly with no response and on

two occasions, refusal to participate in the research project. After visiting the Quebec City office in person, apologies were made and the employee advised to send a letter describing the project in more detail, after which the office could evaluate whether or not they would agree to an interview. This seemed as a dead end given the usual speed of bureaucracy in Quebec, so more phone calls were made, finally leading to getting hold of the public relations manager at the head office in Montreal. At this point it had become clear that collaboration would be unlikely when describing the project as looking into how the bilingual/French environment can affect international companies. Instead, the research was presented as examining how the French language can be preserved under the effects of international business and English. This made the difference and an interview was agreed to in Montreal.

Out of the cases, only Université Laval and the Office Québécois de la Langue Française are referred to by their real name. With the companies it was decided to keep both the organizations and the people anonymous due to the sensitive nature of the results. This also permitted the respondents to relax about the possible consequences of talking about delicate experiences, and thus allowed for more insightful data to be obtained. Mr. Su from FSA at Université Laval did not require anonymizing by his own view; neither did Mr. Bergeron from OQLF.

# 4. Findings

This section of the study presents the findings from both the secondary data on the context of Quebec and the case organizations studied. First the historical-politic context is reviewed to provide important trajectory, and thereafter language laws are presented first on the national, then on the provincial level. This is followed by a brief overview on the statistics of bilingualism, after which the reality of language use in businesses is examined. Based on these findings, the first second research questions are answered.

Next the focus is moved to the case organizations, starting with the implications of the linguistic context to language strategies. Subsequently concrete examples of how the language law of Quebec - and the office implementing it - can affect organizations. This is followed by a discussion on the actual languages used in everyday business. Finally, the linguistic context's effects on selection, language training, and promotion in the case organizations are investigated. The section is drawn together with a discussion on the linguistic context's effects on the competitiveness of the province and it's organizations.

# 4.2 Bilingualism in Quebec

Today multiculturalism, along with bilingualism, is a fundamental characteristic of Canada. The use of the two official languages, English and French, is not only part of everyday life, but also regulated and required by law. Throughout the long oppression of the French speaking population during the British rule, the French-Canadians remained conscious of their cultural and linguistic heritage. Without their preservation efforts, the bilingualism that is now considered one of the most important dimensions of Canadian identity - and also its greatest asset in the globalizing world - would unlikely have survived. As Wardhaugh (2006, 96) posits, in a society where more than one language is used it is important to find out who uses what, when, and for what purpose in order to be socially competent, as language choices are a part of the identity one claims for oneself. In this chapter we examine bilingualism in Canada and especially Quebec, contrasting the

reality with the theoretical framework presented in the first half of the study. We start by the historical factors, after which linguistic legislation is reviewed first on the national level, then in the context of the province of Quebec. How bilingualism manifests itself in Quebec business is discussed next, and the section ends with a look at the statistics of bilingualism.

## 4.2.1 History of bilingualism

We saw in the theoretical framework presented in section 2.1.3 how political-historic factors make up the fabric in which culture, institutions, and business systems that influence firm behavior are embedded. In this study the historical background of the operating environment is especially meaningful, and its effects on the context in which organizations operate today is highly visible. Bilingualism in Quebec has strong roots in which country ruled the region, and therefore for better understanding it is necessary to take a look at history before talking about the current situation.

The intertwined development of the English and French languages dates back to the 11<sup>th</sup> century and the Norman conquest of England, that led to a long period of bilingualism and the essential transformation of the English language. During this time, the foundations of modern English were created, with French having a profound influence on its pronunciation and vocabulary. The situation was however reversed starting from the 18<sup>th</sup> century, when the English gradually imposed their new vocabulary on France and other countries. The anglification of the French heightened in the 19<sup>th</sup> century and was further fueled by the rise of the American civilization in the 20<sup>th</sup> century. In Quebec, Anglicism resulted from the political and economic dominance of the English, and the Anglo-Saxon life style that started to prevail in North America. (Poirier, 1988)

The pivotal victory of British forces over the French in North America took place in the Battle of Sainte-Foy (also known as the Battle of the Plains of Abraham) in Quebec in 1759. Canada was formally ceded to Great Britain with the subsequent Treaty of Paris in

1763. (Wallace, 1948) Significant waves of English speaking immigrants started flowing into the country, the British government adopted policies of acculturation (assimilation), and with these developments the proportion of Francophones fell so much that by the 1840's French had become a minority language in Canada. The French speaking population had started to feel threatened and concerns over the preservation of the language, "La Survivance", were increasingly voiced. (Bélanger, 2000) We can see that the philosophy behind language planning at this time was strong *assimilation*, as English was imposed on the French-Canadians, everyone was required to speak it, and service was not available in other languages.

In addition to the preservation concerns, the Francophones felt threatened by Anglicisms. With the increased trade, Anglicisms increased steadily until the 20<sup>th</sup> century, when the French speaking population started to demand back its rights regarding its native language with renewed vigor. Professional life acted as a major factor forwarding Anglicisms, as English vocabulary was diffused in the internal communication of organizations through Anglophone managers. As Francophones were unable to describe business and scientific phenomena in their own language, English was used for most of industrial and modern technology vocabulary. (Poirier, 1988) The corpus planning that in this era would have been essential for the development of equivalent French vocabulary was not possible as the French-speaking population had no rights or means of engaging in such planning or policy-making. Looking at the ideologies leading language planning that were presented in section 2.2.3, we can say that the British government ethnocentrically led language planning during this time.

Finally, the minority position of Francophones, and a manifestation of the assimilation strategy regarding English, could be seen in the scarcity and low quality of services available in French. This longstanding disadvantaged minority position created tension between the two linguistic groups. Henry Bourassa, the early 20<sup>th</sup> century French Canadian nationalist was the first to see the country's future as bilingual and independent. In 1867 the citizens of Quebec voted to join with New Brunswick, Nova Scotia, and Ontario to form the Nation of Canada (according to the British North American Act by

the Parliament of Great Britain). Up to this point the linguistic legislation from the Francophone point of view had been mainly restrictive. Real improvements did not, however, take place for another century, as until 1960 the body handling services, education, and health in Canada was not the government but the Roman Catholic Church. Proactive linguistic legislation was thus inconceivable until the Quiet Revolution (1960-66), an era of profound social reform and modernization led by Prime Minister Jean Lesage. This period also redefined the role of Quebec and French-speaking Canada within Confederation. (Bélanger, 2000) This is when the country started taking first steps towards linguistic *pluralism*, which here meant bilingualism and was to develop into one of Canada's key characteristics over the next three decades.

As described above, ever since the British conquest of Quebec in 1759, English secured its position as the language of business. As most businesses were owned and managed by Anglophones (Franchophones being categorically lower educated as they did not have access to services in their own language for a long period), this group strengthened further by networking mainly amongst itself and blocking out the French population. Monolingual Anglophones earned steadily more than monolingual or bilingual Franchophones until 1977. (Bélanger, 2000) Overall, the civil rights movement that started in 1960 with Prime Minister Jean Lesage coming into power was a major factor in the rise of the language issue from the 1960's, that is, the efforts to remove economical and social discrimination based on French language and start the development towards linguistic pluralism.

### 4.2.2 Linguistic legislation in Canada

The language issue was finally officially addressed with the *Official Languages Act* in 1969. Thereafter the *Canadian Charter of Rights and Freedoms* constitutionalized fundamental freedoms and language rights in 1982, and a new Act was adopted in 1988 to clarify the rights and obligations set forth in the Charter. Language service regulations were added to the Act 4 years later, in 1992. (OCOL, 2009). The Act is perhaps the most important piece of legislation in the status planning of French in Quebec (Cobarrubias)

1983, 13), and a crucial step in making linguistic pluralism an official strategy supported by the law.

The Act and its regulations are a detailed prescription of the language rights of English and French speaking Canadians. The linguistic obligations of the federal government are overseen by The Commissioner of Official Languages. Both bodies are guided by the objectives of the Official Languages Act, which are to:

- Ensure respect for English and French and ensure equality of status and equal rights and privileges as to their use in federal institutions;
- Support the development of English and French linguistic minority communities; and
- Advance the equal status and use of English and French.

The act is divided into ten parts: I Parliamentary proceedings, II Legislative papers, III Justice, IV Communication with and services to the public, V Language at work, VI participation of both language groups, VII advancement of English and French, VIII Role of the Treasury Board<sup>2</sup>, IX Role of the Commissioner of Official Languages, and X Court Remedy. For the purposes of this study, the most noteworthy section is V Language at work. According to the Act, employees of federal institutions have the right to work in the official language of their choice in the designated bilingual regions of New Brunswick, the Greater Montréal region, parts of the Eastern Townships, Gaspé and western Québec, the National Capital Region, and parts of Eastern and Northern Ontario. The right to work in one's own language entails having work tools and access to training in this language in addition to being able to speak it in meetings, with supervisors, and with senior management. Federal institutions should also ensure that the work environment is truly conductive of the use of both official languages.

The major deficiency of the Act as a universal guideline for bilingual equality can be found in its very beginning and relates to its target institutions: the Act does not apply to provincial and municipal governments, or private businesses, only federal institutions -

<sup>&</sup>lt;sup>2</sup> The Treasury Board has responsibility for the general coordination of the implementation policies and programs of the federal government relating to Parts IV, V and VI in all federal institutions other than the Senate, the House of Commons and the Library of Parliament. (OCOL, 1998)

that is to say, offices, Crown corporations and federal departments. In addition, certain organizations, such as Air Canada and VIA Rail, retained their language obligations after they were privatized. (OCOL, 2009)

Separate provinces and territories have adopted policies and legislation for the protection of language rights, but these are scattered and a uniform line is missing. Of course, in other provinces than Quebec bilingualism is not as strongly a part of everyday life, and more a question of the preservation of linguistic minorities. In the following section the linguistic regulations of Quebec - the heart of bilingualism in Canada - are examined.

### 4.2.3 Language regulation in Quebec

"The law is an important instrument to protect our bilingual future. We should take advantage of our bilingualism and turn it into a competitive edge."

Mel Cappe, President of the Institute for Research on Public Policy

"I invite the citizens to defend the survival of our language ... We will never accept a law that undermines our common language in Quebec, French."

Pierre Paquette, House Leader, Bloc Québécois<sup>3</sup>

While the Canadian government was making efforts to extend bilingualism in the rest of the country, the government of Quebec was aiming at restoring unilingualism in the province and thus again moving towards assimilation, only this time in favor of the French language. The motivation was the fear of bilingualism leading to English unilingualism, or which evidence could be found also in Quebec. (Wardhaugh 2006, 375) The other major cornerstone of linguistic legislation in Quebec thus became the *Bill 101*, also known as the *Charter of the French Language*. It is the Quebec language law passed

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<sup>&</sup>lt;sup>3</sup> Bloc Québécois is a federal political party devoted to the protection of Quebec's interests on a federal level as well as the promotion of its sovereignty.

in 1977 that made French the only official language of the province. The goal was to enhance the role of French and the status and income of Francophones i.a. though increased spending on French education and cultural activities, while restricting access to English education (Kaplan & Baldauf, 1997). This law and the Official Languages Act meet in Quebec were, according to Leith (2009), the interest in language is most intense in Canada, and also among the strongest in the world. Given the power of English today, Quebec is a rare exception of an island in the Anglophone world where the language is actually in a minority position. The governmental body enforcing language laws in Quebec is Office Québécoise de la Langue Française (OQLF).

The some 200 articles of Bill 101 mark the linguistic relations of public administration and set regulations for the domains of instruction, work, legislation, justice, commerce, and business. It states that all people, regardless of their mother tongue, are entitled to have civil administration, health and social services, public utility enterprises, the professional orders, the associations of employees and all enterprises doing business in Quebec communicate with them in their choice of the two official languages. Consequently this means that all these actors must provide services in both languages. Similarly, public language education is available in both French and English throughout the province. In the following the implications of Bill 101 to the business world will be examined.

According to Bill 101, Quebecers have the right to work in French. This obviously requires employers to provide communications and working tools in the language. Additionally, firms with 50 employees and more have to make themselves known to OQLF to undergo an analysis of their linguistic situation. Should French not be generalized at all levels of the organization - that is, used as a primary working language in communications, working tools such as software, and promoted by management - a francisation programme must be adopted. This leads to acquiring a "francisation certificate" that proves the level of French is adequate. This is an epitome of the assimilation strategy and status planning that aim to ensure the superior position of

French over English in the province. (The Charter of the French Language, updated 2011)

It is also stated that French should not be confined to sub-alternate tasks, but should give access to lucrative managerial positions to make it an indispensable work tool in Quebec. Otherwise, as the Bill states, its usefulness will rapidly decline at the face of English, especially among those who immigrate to Quebec. The Bill states that French does not eliminate English or other languages where they are necessary to business. As to the language used by top management, Bill 101 states that the more strategic the position is, the more French should be considered a regular selection criterion. In communications between different linguistic groups in organizations, the use of French should be encouraged. Public servants are also entitled to bonuses for being bilingual. Additionally, several bodies work to publish annual vocabularies to make French terminology available for use instead of English (Kaplan & Baldauf, 1997). This is a classic demonstration of corpus planning, where the language is modified to make it suit all possible uses. The reality of the use of this vocabulary is a different issue, and will be discussed further with the case organizations.

Bill 101 recognizes the importance of exports to the Quebec economy, and the fact that the region hosts the highest proportion of bilingual and multilingual workforce in North America. Communications of Quebecer organizations with those outside the province are outside the Bill's domain, and Office Québécoise de la Langue Française can grant exemptions and special agreements to organizations operating in Quebec, based on their justifiable need for this. Such is the case e.g. with research organizations, which can be allowed to use English or another language as the main working language in order to preserve their ability to recruit highly skilled international talent. (The Charter of the French Language, updated 2011). However, in the interview with OQLF it was specified that the exemption concerns only the scientific staff in such an organization, while employees in other functions must use French, as the following quote illustrates:

"It doesnt' mean that a company doesnt' need to conform, just a portion of it ... For example with pharmaceutical companies, they need to be able to employ researchers from all around the world, so the working language will be English. But all the rest of the company must still use French." (Mr. Bergeron)

It is an interesting question why only the biopharmaceutical domain is recognized by one where the attraction of global talent is important, when in also many other fields the general working language is English. Mr. Bergeron was reluctant to further clarify the reasoning behind this logic.

A profound economical impact of Bill 101 is that of raised costs. In the five years after its implementation, 0.5% of provincial output was cut and 2% of employment lost. There were also added costs to doing business, movement of headquarters out of the province, and loss of business confidence. The figures spent on translation, training, and the public service bilingualism bonuses are in hundreds of millions of dollars annually. (Kaplan & Baldauf 1997, 169–170) To briefly illustrate the current situation of bilingualism within the population of Quebec, the next section presents an overview of statistics on the topic, both generally and at the workplace.

### 4.2.4 Bilingualism in figures

The figures presented in this section are from the 2006 Canadian census. Newer data, that is the section on language of the census of 2011 is released in October 2012, and was thus unavailable at the time this study was written. Working language data is from the latest linguistic situation report put together by Office Québécois de la Langue Française in 2001. This was however not considered particularly damaging to the validity of the analysis, since the figures change slowly. Also, statistics are not a key point of interest for the topic, but are presented rather to provide trajectory and perhaps illustrate some trends regarding the linguistic situation.

According to the 2006 census, the number of Canadians using more than one language at work went up by 12% from 2001, amounting to 2.8 million people in 2006. The figure represents approximately 15% of the above-15-year active workforce of that year. Looking at the statistics from the perspectives of the two language groups, we see that 33,6% of Francophone workers used more than one language at work, while the same proportion of Anglophones was just over 4%. Not surprisingly, the figure for Francophones working outside Quebec (a total of 577 000 people in 2006) was considerably higher, 69.1%. (Statistics Canada, 2006) This reflects the high concentration of Francophones in Quebec: out of the 7 370 400 Francophones of the country, 86,5% reside in the province (Statistics Canada, 2007). Additionally, according to the latest review by OQLF, two-thirds of the Anglophones working inside Quebec reported using French at work in 2001, but only 22,3% did so as the primary language. Out of Quebecer Francophones, only 3,6% used English as a primary language at work in 2001. Out of all Quebecers in 2001, 82,4% used French most often or regularly, and 11,6% did so with English. (L'èvolution de la situation linguistique au Québec, OQLF) As much as 77% of allophones (people whose first language is neither French or English) were found to use French at work, and 70% English in 2006. (Statistics Canada, 2006) The main figures for Quebec are summarized in Table 3 below.

**Table 3.** Working languages in Quebec in 2001 (Èvaluation de la situation linguistique au Québec, OQLF 2001)

	French used most often or regularly	English used most often or regularly
All Quebecers	82,4%	11,6%
Quebecer Francophones	92,6%	3,6%
Quebecer Anglophones	22,3%	66,6%

The immigrant inflows to Quebec are in turn affecting the languages spoken at workplaces. Out of the 507 000 immigrant workers, 65% were found to use French most often at work in 2006; a 3% increase from 2001. At the same time the use of English

decreased from 47% of the immigrant workforce in 2001 to 43% in 2006. The proportion using both languages equally often was 12% in 2006. (Statistics Canada, 2006) Based on these figures one might observe that the assimilation strategy (endorsing French as the first and foremost language of all communications) employed by OQLF has been working in the favor of the French language.

In language planning, a major corner stone is the data used to make decisions. As in all planning, also language policies must be based on good information. As Wardhaugh (2006, 359–360) emphasizes, the problems with census data are numerous: the difficulty of determining who speaks what language in which situation, the possible political motivation behind answers, the variety of interpretation, etc. As the data above shows, bilingualism is on the rise in Canada and Quebec, but assessment of such self-reported claims is scarce. One should thus be careful when interpreting unprocessed data taken from censuses; the difference between someone's opinion of his/her language skills may be quite different from the actual proficiency.

When we look at bilingualism, equally or perhaps even more significant than statistics are the attitudes towards the two languages and their importance. In Canada, the general view is that knowledge of more than one language is to be encouraged and most Anglophone parents would like their children to acquire French as a second language. (Jedwab, 2011) 71% of Canada's total Anglophone youth and 64% of the proportion living outside Quebec believe bilingualism to be an economic asset to the country. Anglophones also enroll in French language immersion programs for the principal reason of securing more and better job opportunities; over 8 out of 10 of them believe bilingualism to improve career prospects. Additionally, over 6 out of 10 Anglophones residing outside Quebec are of the opinion that high school graduates should be bilingual. (Eurobarometer data in Jedwab, 2011). The attitudes towards bilingualism are positive also on the Francophone side of the population: 97% of French-speaking Quebecers believe it is important for children to learn English. (OCOL, 2008) We next take a look at the issue from the business perspective, where attitudes are very different from the views of the government of Quebec.

## 4.2.5 The reality of bilingualism in Quebec's business

Even thought the laws seem to give a clear account of the use of languages in everyday operations, they are continuously a topic of heated debate in Quebecer business. The view of Parti Québécoise (a centre-left political party that advocates national sovereignty for the province of Quebec) is that the language laws should be extended to include the province's approximately 196 000 small and medium-sized businesses. The party outlined in its electoral platform of 2008 (and maintains so in its current plan, should it form the next government) that French should become the designated working language. This means offering customers the choice to be served in French would no longer be enough; all written and verbal communication should be done in French within the organizations. (Parti Québécois).

Should this happen, each business would need the aforementioned francisation certificate, proving it possesses a level of French meeting the objectives of Bill 101. As a small business owner in Montreal stated in a Maclean's article, the change would be essentially useless: "We're bilingual already. I don't hire people who can speak French because the government tells me to ... but because it's good for my business.'" (Patriquin, 2011)

Parti Québécois proceeds to suggest that French CEGEP, which is the college system in Quebec, should be made mandatory for students gone to French high schools (Parti Québécois). Currently students graduating from high school seize to be bound by language laws and can enter higher education in the language of their choice. A study commissioned by the Centrale des Syndicats du Québec (CSQ, a prominent union body) showed that since 1997, more than half of the students enrolled in English CEGEPs have come from non-Anglo backgrounds. This was in part because the students felt they would improve their future international career prospects by knowing both English and French. (National Post, 2011)

From the business perspective, this would mean that any immigrant-owned oriental restaurant that used another language instead of French amongst its employees would be

subject to penalty. Needless to say the suggestion of Parti Québécois arouses strong opinions, also from the financial decision-makers' side; small businesses make up 95% of all businesses registered in the province, making re-regulation a highly bureaucratic and very expensive project. (Patriquin, 2011) This theme came up in some of the interviews, and the unrealistic nature of the proposition can be seen also in the responses:

"...They pushed [Quebecers] to become completely separate [from the Anglophone Canada]. And English and Anglophones to become alienated in the province. But they did not succeed and that's why they're at a loss and they'll impose anything." (CEO, Company F)

"...what makes an economy running is SMEs, and it probably would have a negative impact on business, since most of them are having difficulties to survive already, and imposing another legislation on them would increase the cost of doing business." (HR Manager, Company C)

As the second quote points out, it is important to note that Quebec is already one of the most bureaucratic provinces where the cost of red tape is sixth highest, and cost-per-employee highest in Canada (Canadian Federation of Independent Business, 2010). Further regulation would thus very likely drive independent business out of the province. This concludes the background discussion on the regulatory, cultural-cognitive, and political-historic contexts of Quebec from the linguistic perspective.

This section has overviewed the historical and legal aspects of bilingualism in Canada both on the federal and the provincial level. It was found that most of the time language planning has been very extremist, with English first imposed on the French-speaking population through a strong assimilation strategy, with policy-making and planning ethnocentrically lead from Great Britain starting from the 1760's. For the French-Canadians this meant a strongly discriminated position that lasted for two centuries, and shaped the cultural and political mentalities of the province towards nationalism and the will to protect the French language. Thereafter, with the Quiet Revolution in the 1960's and the improved position of French-Canadians, the situation was gradually reversed and French was declared the only official language of Quebec. Even though the rest of the

country started promoting linguistic pluralism as an official language strategy, the province of Quebec moved in the other direction, advocating for assimilation in the favor of the French language. In the discussion at the end of section 2 we saw how language can be linked to the different levels of context. Next this framework is applied to the linguistic context of Quebec, with each of the components presented in Figure 2 (page 32) examined based on their effects on international organizations.

- Cultural-cognitive and political-historic contexts: From the overview of Quebec's history we can draw the deep-rooted attitudes and mentalities prevailing especially amongst the generation of French-Canadians that lived through some part of the English assimilation era. As is often the case with the culturalcognitive context, even though times change negative memories can persist, and this is essentially what has happened in the province of Quebec regarding the French language. This becomes evident to anyone who resides in the province for several months and follows the local political discussion. Due to the long-term discrimination based on language (which in the framework presented falls under conditions prevailing during a specific historical time period), the reality international organizations face today is characterized by high protection of the French language and sometimes even negativity towards English, which is demonstrated e.g. by the views of Parti Québécois presented earlier. French language in Quebec is strongly associated with the cultural mentality of being a Quebecer, not a Canadian. The generalization of English is often seen as a threat to the French language and culture. Key historical events shaping the context for international companies today have been the language laws passed in Canada and Quebec, especially Bill 101 in 1977.
- Normative context: The values and norms put forth by provincial authorities, with Office Québécois de la Langue Française at the forefront, advocate the superiority of French and using French in everyday operations in order to achieve business goals. This obviously has implications to international organizations, which cannot by definition function using only one language. In section 4.1.4 it

was shown that statistically Canadians and Quebecers have an increasingly positive stance when it comes to bilingualism and e.g. providing their children with competence in both official languages of Canada. Also the discussion on the college system of Quebec (CEGEP) featured elements that suggest the young generation to be more and more interested in acquiring better language skills; an increasing proportion of students wish to enroll in English college to improve international career opportunities. The development thus seems to be towards a greater appreciation of linguistic diversity and capability in Quebec, but the change is rather slow due to the historical heritage of several generations.

• Regulatory context: Together the cultural-cognitive and historical-politic contexts have shaped linguistic legislation; Bill 101 today supports the assimilation strategy adopted towards French by making it the only official language of Quebec. The direct effect of the law on all businesses with more than 50 workers is the demand to operate in French. It is thus the major channel of influence through which the context can limit international operations. The law is upheld by Office Québécois de la Langue Française, which engages in both the status and corpus planning regarding French. Apart from minor changes, the law's content has not been revised since its adoption, even though there have been considerable changes in the business environment, demanding a greater need for an international approach.

As a general statement we can say that language planning in Canada and especially Quebec is far from complete, and continuously subject to influences such as increasing immigrant flows. As Wardhaugh (2006, 376) observes, the two official languages of Canada are increasingly becoming territorially based, much like is the case in Belgium and Switzerland. The constitution of Canada rejects this as a direction of development, as it does not suit the ideal of bilingualism flourishing across the country. This is however an ideal that seems to still require work in the province of Quebec, which should become evident as we next proceed to the empirical findings from the case companies.

# 4.3 Institutional pressures regarding languages

As we have seen so far in the empirical part of this study, in the operating context of Quebec the provincial language strategy is one of strong assimilation compared to the pluralistic view prevailing in the rest of the country (Section 4.2.1). Canada promotes bilingualism as a competitive advantage, while Quebec only has one official language, French, and English has no legal position. Depending on the their size organizations face slight to considerable pressure to handle everyday operations in French, which - taken into consideration the discussion on the dominant role of English in global business - can be especially challenging for international companies. As will be shown in the findings from the case organizations, Bill 101 is actually in contradiction with the needs of international business. It for instance states that the more strategic a position within a company is, the more French should be emphasized as a selection criterion and it's use promoted. Conversely, international business requires the increasing use of English over local languages, especially in more strategic higher management positions.

This section looks first at the general implications of the bilingual context on language strategies from the case organizations' perspective, and thereafter more concrete examples of how Bill 101 and OQLF can intervene in international company operations are presented.

## 4.3.1 Language strategy limitations in the context of Quebec

As we saw in the theoretical part of this study, official language strategies are still quite rare in companies, and the language issue is often left to 'sort itself out', the strategies being more emergent than planned. But what if the operating context prevents an international company from having a language strategy or an official language other than the one promoted in the assimilation strategy of the provincial government?

After HR Manager E had described the use of English within the group, which clearly was dominant in all international exchanges, she was asked to confirm English as the

official corporate language. The response shows the central paradox of the language issue for international organizations operating it the context of Quebec:

- So you would say that English is your official language?

"Yeah, you're right, but we don't say that. We don't want to have any trouble. But of course everything is done in English. But if I have to deal with people in Quebec I will do it in French as well ... We try to keep it as low profile as possible ... Because it's really complex and they can come here and decide that the button that says enter has to say something else, and they can go nuts. So we try to really... It's why we're really careful about never saying that our official language is English." (HR Manager, Company E)

This may seem excessive, but it is the reality for international companies in Quebec. OQLF can cause considerable extra trouble and costs for companies should they suspect an insufficient level of French in an organization.

CEO F discussed the company's internationalization process and the development of its website, and stated that 99,9% of people visiting the site are expecting English as the first language, including people in Quebec because the vocabulary of the field is in English. However, because Company F's operations are in Quebec, the frontline of the company must be French. Serving customers in their own language seems to be a priority for Company F. The site will be redesigned as to direct customers to the country-site corresponding to their nationality; Egyptians to the Arabic site, Quebecers to the French-Canadian/English site, etc. Also the phone system is changed so that voicemail can be left in the local language of the customer, which according to CEO F makes a huge difference. Generally he stated that Company F does not yet have a specific language strategy, but that these initiatives will eventually lead to one. Since Company F is still small enough in size not to need to submit a French level report to OQLF, it has up to now had relatively more freedom in its language choices. In order to not attract negative attention though, it must still ensure that the front of the company in Quebec is French:

"Because of the law 101, which is French first, we need to [present] ourselves as a French, Francophone, French-speaking company, before we do anything else." (CEO, Company F)

At company C, the language strategy was found to be more emergent and a taken-for-granted state of affairs than an explicitly communicated policy. HR Manager C stated that during his one year of employment with Company C, he had not yet heard of any language strategies on the business unit level, and he suspected such issues to be more geared towards the corporate office. He did note, however, that everything needs to be compliant with the law, and that personnel in communications are making sure that happens. Communications coming from the corporate office are always bilingual, but according to HR Manager C exchanges between Quebec City and Montreal are in French. No specific rules exist on what should be bilingual and what in French; this depends on the geographic areas involved in the communications. Overall, to Company C the pressure to be French does not seem to create as much issues as for the other case organizations, as the company's everyday operations are naturally mostly French:

"To maintain French, it's kind of built in, it happens, it's been there for 30 years and we don't really think about it, it's kind of part of the ongoing business needs. Most of the business, our customers are Quebec government-related agencies, so most of the information is dealt in French." (HR Manager, Company C)

In the case of FSA, Mr. Su describes the faculty's approach as strongly bilingual. He notes that there is a tendency among international business schools to become more and more English, and he is against this trend:

"We don't think we should use just English for everything. We want to use English for local students and also to attract foreign students. But once the foreign students are here, we want to offer the opportunity for them to learn French. That's our position." (Mr. Su, FSA)

The goal according to Mr. Su is to give all graduates the readiness to speak French and English, and if possible, more than these languages. However, having a specific language strategy is more complicated than that. As Mr. Su emphasizes, to be able to work in a global market, one should have the ability to speak correct English, and additionally be ready to face cultural and linguistic diversity. A good global training program should offer possibilities to do this, and therefore the faculty increasingly offers business courses taught in English. However, FSA is not unaffected by the French assimilation strategy of the province either. This creates a challenging balancing act between the demands of the local environment and the goal to be internationally competitive. As Mr. Su outlined:

"When promoting a purely English-speaking program, you never have the possibility to have good competitive advantage against America, Australia, and other Anglophone countries ... But I can't say we have a very clear strategy, you know, we want to play a little game with the law. Since a lot of people here want to use only French, I'm sure, we want to try to go further, but always stay within the boundaries of the law. That's very difficult." (Mr. Su, FSA)

The strategic implications of Bill 101 are somewhat less significant in the case of a university. As Mr. Su commented, the law has a stronger effect on primary and secondary education, on these levels it is very difficult to get into an English-speaking school. As discussed in section 4.1.4, starting from the Quebecer college, CEGEP, the pressure to be purely French eases and students can choose in which language they want to study. Mr. Su recognizes FSA is in a grey area regarding the language issue. But not even a business faculty has full freedom regarding its language choices; recently, FSA introduced a MBA program directed primarily towards foreign students, which initially only had courses in English. Mr. Su had to eventually accept certain modifications to give French a role, so that even if students are allowed to take all business courses in English, they still need to take some French language courses to get a degree. According to Mr. Su, not to be required to take business courses in French is already a big step forward. Based on these findings, FSA's could be categorized as striving for a geocentric approach - encouraging

proficiency in the global language, and employing a global philosophy to recruitment (Van der Born & Peltokorpi, 2010).

What the bilingualism regulations essentially require from companies are resources; time and increased expenditure. As Kapland & Baldauf (2010, 299) have found, e.g. translation activities are often unplanned because of an initial impression that 'anyone who speaks the two languages can translate'. This leads to underestimated costs, duration, and difficulties. When asked if the interviewees would prefer no regulations on the use of French, the responses were unanimously yes:

"Of course. I mean sometimes it's regulations that are show stoppers ... Like for me the intranet is going to be a complex project, because everything has to be there, the French and the English, it's a lot of work, it's double the price ... and everything has to be translated. It's very complex. It's easier when you only have English." (HR Manager, Company E)

"Yeah, absolutely. The French issue is, we don't like to deal with the French issue, personally, I have a role as a business leader, to do what my region wants, what my politicians want, and not to infringe any laws, but personally I prefer and I think it's a lot easier, to work in English as a uniform language." (CEO, Company F)

"I would say we probably would be better off without having that, and the Quebec culture would still be there. So as a business if you want your folks to be happy where they work, the company would still provide employees with tools in French. But probably it would be better without regulations." (HR Manager, Company C)

HR Manager C's response was based on his experiences with a previous employer where he saw the regulations as an extra cost, whereas he stated that at Company C, French is part of everyday work. On the whole we can thus conclude that the strategic implications of the regulatory and political-historic context of Quebec regarding the language issue depend highly on the organization's own language strategy. Company C was the only one

of the cases in this study where the language issue did not seem to have significant impact on operations. This was because the company as a subsidiary a multinational has a very localized strategic approach in general, and works rather independently using mainly French to run the business. Even the client base is largely formed of governmental agencies, so the primary language is, in line with Bill 101, French. In Company E, Company F, and FSA however there is a constant need to balance between the strategic linguistic needs of everyday functioning, meaning using English in business, and the demands created by the regulatory environment, which derive from the political-historic context of the province. Even though English is increasingly important in international operations, it cannot be an official language since law prohibits this. Any change towards giving more status to English must be complemented by increased status of French, even at FSA which as an educational institution experiences somewhat less pressure on the matter. The relationships between the case organizations' general strategic approaches and their level of contradiction with the demands of Bill 101 are illustrated in Table 4 below. In it we see that the more locally adaptive (which in the case of Quebec means French) an organization is, the less it needs to worry about Office Québécois de la Langue Française or the Bill 101, as their demands are filled by the organization quite naturally. Conversely, in ethnocentric organizations where operations require global integration, the contradiction between these requirements and the law is greater. It is noteworthy that the pressure Company F currently experiences is low due to its smaller size, but once it passes the 50-employee mark of Bill 101, the contradiction between the strategic approach and the law will be more prominent. Similarly, the pressure for FSA to comply with the law was found to be less significant due to the fact that it is an educational institution. Nevertheless, looking at its strategic approach a contradiction with Bill 101's demands is present.

**Table 4.** Contradiction between case organization strategies and Bill 101

Case organization	Strategic approach <sup>†</sup>	Inconsistency with Bill 101  Rather low	
Company C	Polycentric		
Company E	Ethnocentric	High	
Company F	Ethnocentric with local adaptation	High	
FSA	Geocentric	Somewhat high	

<sup>&</sup>lt;sup>†</sup> Ethnocentricity entails global integration, i.a. the use of a common corporate language, while polycentricity emphasizes local adaptation. Geocentricity involves a global recruiting philosophy and increases the need for a common language internationally. (Van der Born & Peltokorpi, 2010)

International companies face the risk of being audited by OQLF, which can become very costly. The concrete ways in which Bill 101 and its governing body Office Québécois de la Langue Française can affect international organizations are discussed next.

### 4.3.2 Bill 101 and the 'Language Police'

As presented in section 4.1.3 on the language regulations of Quebec, the main purpose of Bill 101 is to protect French as the only official language of the province. It is the corner stone of the regulatory context of Quebec when it comes to the language issue. However, other than stating on the need to participate in a francisation programme to obtain a certificate (should the level of French be considered insufficient), the communications of the office are quite ambiguous as to what their language audit can actually involve.

Mr. Bergeron from OQLF described the process as follows: when a company reaches the limit of 50 workers (the legal limit set by Bill 101), they either make themselves known to the office or are contacted by OQLF. Either way, the office will get the information since its data is coordinated with the revenue office. Thereafter the linguistic situation of the firm will be outlined in a report, according to which OQLF rules whether or not it is

eligible for the francisation certificate. If not, OQLF draws up a francisation programme the firm needs to implement in order to reach the approved level of French. This results in the certificate, which is good for 3 years, after which the office checks once again that the standards have been upheld to. Mr. Bergeron's role as the spokesperson entails i.a. meeting with foreign organizations that wish to establish offices in Quebec, to inform them about Bill 101 and its implications to business. Companies that are not certified are not entitled to governmental contracts or subventions, which according to Mr. Bergeron can be used as a powerful point of persuasion. Overall, Mr. Bergeron presented the language audit as a relatively simple and swift process, not taking too much effort from the companies' side. According to him, approximately 84% of the 6000 enterprises in the register of OQLF have the certificate, and the rest are in the process of obtaining it. The situation is however quite different from the international companies' perspective.

Based on the interviews, the implications of an audit by OQLF can become quite resource consuming for an organization. More importantly, attracting the attention of the "Language Police", as the office is often referred to in Quebec, usually leads to their tightened observation for several years. This is why most companies prefer to stay off the office's radar, as the following quotes illustrate:

"It's like everything I do, I do it in both languages to make sure we don't have trouble with the language police. Because it can be really costly and for us, it's a lot of work which has no value, you know." (HR Manager, Company E)

"If you're their target, they'll keep bugging you until they're satisfied. We used to call them the Quebec French-speaking police. There's no grey area, it's French or it's nothing, they have zero tolerance. Good thing there's not too many people going around, but I know there's a few, and they're overwhelmed by what's going on in the market, so if you're not in their line of target you're kind of ok to do some business [\*laughs]\*" (HR Manager, Company C)

Company E has so far not had to deal with a language audit, but it is recognized that such an inspection could be problematic and become expensive. According to HR Manager E, OQLF can e.g. state that all software on computers needs to be in French, and as all of her applications are in English this would obviously create issues. As she states, having e.g. Excel in French would be impossible because Anglophone colleagues both in Quebec and at international subsidiaries would get confused with the terminology immediately. Even things like instruction signs over printers and on walls should be in French. This is clearly impossible in an international company, where a large part of the workforce is English-speaking. At Company E, the HR Manager estimates that two-thirds of employees are Anglophone. She realizes that what would make the office take action against Company E is a complaint from an employee about being unable to work in French, and as some of the instructions in production are only in English, this is something the company needs to be careful with. So far there have been no such complaints, but according to HR Manager E the risk exists.

Even though HR Manager C did not have much to say about the OQLF interfering with Company C's operations, he shared some interesting experiences from the time of his previous employment with Irving Oil, an energy processing and transporting company with headquarters in New Brunswick, operating in the U.S. and Canada. HR Manager C described that OQLF in a way creates its own purpose as its employees observe violations and file complaints, after which the office proceeds to investigate the matter. This was in conflict with Mr. Bergeron's statement, according to which the office only sends inspectors when civilians file complaints, as to validate their accuracy. In the case of Irving Mainway gas stations, according to HR Manager C complaints could be filed e.g. because of a tag on a product being only in English, and thereafter the office would call Irving and instigate an audit, threatening to shut down of the business should the demands not have been answered to. The office issued various complaints about the stations, starting from the name "Mainway" that was too Anglophone. The investigators of the office came to the Irving locations to take photos of signs and facilities, and then dictated demands regarding their modification. As HR Manager C continued:

"It went to the legal to finally settle that it was ok ... It's either you take it out of the shelves, you stick something on top of it in French, or we'll shut you down ... In offices, they were doing audits, making sure keyboards were bilingual, and stamp machines, photocopiers, all signs, and even mainframe applications were to be in French. We did hide some applications, it's like if this one credit manager has a laptop in English and she wants to work in English, once you get the audit going you take that laptop and you hide it in a drawer until it's done, 'cause we wouldn't get our certificate otherwise." (HR Manager, Company C)

To Irving not having the certificate could have been detrimental, as bidding on some government tenders requires it. The audit at Irving came to cost the company over CA\$40.000 only in Quebec City, which included converting some of the laptops, keyboards, and other equipment into French. What was perhaps most interesting in this example, was that even when all the other requirements of the office had been fulfilled, the company's website could still not be made to satisfy the inspectors. HR Manager C pointed out that there were sections in the site with information on business in the Maritimes, directed to an Anglophone public. The office nevertheless wanted these parts translated into French, which according to HR Manager C was not a quick or simple thing to do. This is interesting given that according to the exemptions to Bill 101, the regulations on packaging, brochures, and other marketing material do not apply to products intended for a market outside Quebec (Charter of the French Language). The sections of the website in question had nothing to do with business inside Quebec, but the office's reasoning was that French-Canadian people wanting to educate themselves on the company's operations in general should be able to do this in French. This illustrates well the certain ambiguity of Bill 101 and the extent to which OQLF is entitled to interfere with company operations.

Moreover, as discussed above, the certificate allows for a company to be left alone only for three years, after which the office may refocus on the case to make sure the standards have been upheld to. When asked about extreme demands such as those experienced by HR Manager C, Mr. Bergeron's view was that the negative reputation of the office is exaggerated:

" ... Often they [companies] have heard all kinds of horror stories, like the language police that walks around with a ruler to measure the sizes of letters, and there was a coverage on the office saying we came and seized a parrot 'cause it only spoke English." (Mr. Bergeron, OQLF)

There is thus a noticeable difference in attitude between what OQLF sees as reasonable and what the international companies perceive. The examples above have to do with status planning; improving the position of French in relation to English. As noted, OQLF also engages in corpus planning; it publishes annual French vocabularies to promote the use of French equivalents for English terms in business. These are a good example of the certain obsoleteness of the attempted francisation of international companies. As CEO F notes:

"Our industry is so young that nothing exists in French. There was a show in Paris years ago and a presentation, and they started doing it in French and halfway through a person in the room raised his hand and said: 'could you continue in English please, 'cause we understand nothing'. 'Cause all those terms have been translated, they've studied them in a book. But no one uses them." (CEO, Company F)

This quote illustrates how in a hi-tech field such as biotechnology, the vocabulary that is used globally is all in English. It makes thus no difference what the OQLF publishes, companies operating internationally will not adopt this vocabulary because it would not be usable in business. Also HR Manager E described a similar situation; she noted that for instance all the product sheets of the company are in English, because that is the language in which the vocabulary of the field exists.

This section has showed OQLF's operations from both its own perspective and that of organizations. A concrete case example of Irving Mainways illustrated what kinds of

costs a linguistic audit can cause an organization. This was found to contradict with OQLF's view on the matter, according to which the francisation process is rather simple and the negative reputation of the office is due to exaggerated and false stories. Finally, it was found that regardless of OQLF's attempts to diffuse French vocabulary for use in place of English terms, in hi-tech fields this is a rather obsolete quest as international operations require a common language, usually English. This juxtaposition is now examined further as the actual languages used within the case organizations are discussed.

## 4.4 Languages of business in the case organizations

## 4.4.1 Increasing importance of English

Even with the weight of the political-historic context and especially the institutional pressures in Quebec, using mainly French is hardly the reality of international business based in the province. As Vaillancourt (1985) has noted, Canada belongs to a commercial bloc where English is the language of most international exchanges. As Patterson (2009) emphasizes, international business across the country is no longer the preserve of the large companies; almost every business in Canada, large and small, has some international dimension to it. The Francophones hoping to do business with either the English-speaking Canada or other countries (excluding Francophone ones) need to master English. This development is illustrated by an example told by HR Manager E:

"Even for a company that does business only in Quebec, you need to have suppliers, like I know people who make wedding dresses, and they sell them only in the Quebec area, [but now a lot of their suppliers are in China]. So to do business, even if they only do business in Quebec, they need to speak English." (HR Manager, Company E)

There is thus a clear development towards more internationalized business in the province, even if in some cases as in the example above it concerns primarily inward internationalization (such as imports and sourcing activities). This requires businesses to

somehow build the staff's English competence into their language strategies. HR Manager E described that a few years ago, only marketing people and some employees in R&D in the company needed to speak English, but today an increasing proportion of administration staff needs English in everyday work. Even in production a certain level of English is required. For instance, after establishing a factory in Shenzhen, Company C had to train the new employees, and this was done by employees from the Quebec office. This concurs with the concept of increasing language penetration in MNCs discussed by Harzing & Feely (2003). Because of global integration and coordination, it is no longer enough for an exclusive group of employees to take on the weight of handling crosslingual exchanges. English proficiency is becoming a must across the organization.

Even though the importance of English is clearly increasing in international companies in Quebec, the proportion of bilinguals was still found to be quite low in most of the case organizations. At Company C, the proportion of fluent bilinguals was estimated at 10-15%. Bilingual individuals in organizations can develop an important position that is often referred to in the literature (e.g. Welch et al., 2001) as a *language node* and was discussed in the theoretical part. HR Manager C described this phenomenon as follows:

"Out of 40 people maybe 5 or 6 people are bilingual on this floor. So if you get one in a department, then if there's some English need, like English phone calls, then it's all directed to that person ... You really need some key strategic people to assist to English meetings." (HR Manager, Company C)

Also on the educational side the lack of competence in English is apparent. As Mr. Su describes, the current situation at the faculty is insufficient:

"We should work harder, to be honest, internationalization at Laval University, or even at the faculty, is something relatively new. We are at the beginning of this process. That's why I'm sorry to say - and my faculty is the most dynamic in internationalization - even here I think that French occupies maybe 90%. So it's not enough." (Mr. Su, FSA)

At FSA this becomes even more important when trying to attract more international students. The long-term objective of FSA is thus to improve the English competence of the staff, not only because one of the indicators of the EQUIS accreditation is English used in everyday work by the personnel.

Both CEO F and HR Manager E predicted an increase in the need for English in the future of the businesses. At company F, French was stated to have an important role only in communications between French-Canadian employees. In exchanges with customers as well as documentation, English is already predominant, and French was estimated to end up playing a very small part over time. As CEO F summarized:

"When you look at business, what I think you will find is that French cannot and should not occupy a very large place there. The minute you go outside the province of Quebec, it's really difficult, because of globalization today. And global means non-French ... I mean we all agree to speak English. So Quebec has to be more and more English." (CEO, Company F)

### 4.4.2 Linguistic duality

The result of the forced balancing act between the requirements of international operations (namely, the use of English as a business language) and the legal linguistic demands of Quebec as a home base (the primary use of French in operations) is labeled here as *linguistic duality*. As presented in the theoretical discussion on linguistic diversity, language use in organizations where multiple languages co-exist seldom follows any rules and a hybrid form is more common. An example of an e-mail sent within Company F (and showed to the researcher to clarify the point that at the company, everyday speak is often a mixture of French and English) demonstrates this well:

"On a biller X\$ à General Hospital (Massachussetts) et ils past due... I can't move the date parce que la date de l'invoice est dans une closed période (2010). What do we do? On cancel la facture? Mauvaise créance? J'attends de vos news" (internal e-mail, Company F)

The strong influence of English is thus clearly visible even in internal communications between French-Canadian employees. Resulting from the well-understood fact that international operations require the use of English, certain condescension could be observed in the company representatives' attitudes towards OQLF. The extent to which the office can, in a worst-case scenario, cause extra work is appreciated in the businesses, but from the international business perspective OQLF's mission to keep French as the primary working language in the province is clearly unrealistic. Companies realize they need to show their will to collaborate not to end up in a bad light, but it seems they are doing the least possible to meet the requirements:

"We did do some modifications [to our website] just to show them that we were working in good faith." (HR Manager, Company C)

"We have to do something but we're doing the minimum." (HR Manager, Company E)

"They're imposing on us something that does not necessarily exist ... So we'll do our best, we'll play their game, as long as you're trying for them, cause they know also that they're a bit idiots and what they're asking is impossible, with all due respect to them. But they need to see you try. So we're trying, we're making the effort." (CEO, Company F)

"What is acceptable, what is the limit, it is not clear. That's why in the case of my faculty, we want to play a game." (Mr. Su, FSA)

It becomes evident that the purpose of the law from the organizations' point of view is not in line with today's business requirements. Companies do not want to infringe the law, but at the same time they need to answer to the demands of their international operations and this often involves using English as a working language, not French. The strategic importance of knowing English is already appreciated by the case organizations. Most of the interviewees predicted an increase in the use of English in the future while also stating that the current level in the organizations is insufficient.

The next chapter focuses on the demands the duality of a strongly French home base vs. an international market place creates to talent management.

## 4.5 HR activities: Recruitment, training and promotion

The context of Quebec creates unique linguistic demands to employees of international organizations. As stated in the theoretical part, the addition of these aspects seemed necessary to provide a consistent description of the effects of the context on international organizations, even though they as such were not main focus points of the study. This section discusses the implications of language skills on international company recruitment, the training they offer, and their demands regarding promotion in the unique linguistic context of Quebec.

### 4.5.1 Language as a selection criterion

In Quebec the need to be bilingual varies considerably depending on the position in question. Company C is headquartered in Montreal, where - according to the HR Manager from Quebec City - English is used side-by-side with French. In Quebec City subsidiary however, the recruitment of truly bilingual individuals was pointed out by HR Manager C to be quite a challenging task. He noted that finding as much as a bilingual secretary is difficult. He however emphasized that for most of the jobs of Company C in Quebec City French unilingualism is sufficient:

"Most of the jobs do not require, in Quebec City, to be bilingual, other than some jobs that work more with outsourcing, like if we have a contract with the government, with the army or something like that, we need some people that are bilingual 'cause you deal with Ottawa and Calgary." (HR Manager, Company C)

It is again important to note that the overall strategy of Company C is very locally adaptive, with subunits working as relatively independent bodies. This concurs with the *polycentric* orientation discussed by Peltokorpi (2010), where the firm differentiates practices according to local subsidiary environments, with limited control from headquarters. Advanced language proficiency is required on the managerial level, but subsidiaries often use the local language, which is precisely the case with Company C.

At Company C, the selection criteria regarding languages was found to depend heavily on the position to be filled. As discussed above, due to the local strategic orientation of the company, English is not important in everyday operations even though we are talking about an international company. However, even unilingual Anglophones had been employed by the firm in Quebec City, because "they don't have to interact other than in English with the customer. [We only have a few], but they were recruited as they had the knowledge and experience that we were looking for".

HR Manager C stated that generally, the requirements to be bilingual at the Quebec City office are rather low. He did however point out that bilingualism can be an asset in the selection process on the managerial level:

"As they [Company C] recruit, when I started here, they needed a person with not only HR experience but one of their requirements was bilingualism, so I got the job ... If there's two people on the line with otherwise the same qualifications, the bilingual one will bet the job." (HR Manager, Company C)

Conversely, the CEO of Company F had a much stronger view on the matter:

"I will not hire someone who does not speak English. Because our work requires it, not only because this person can easily be confronted by the English language, but also because all the scientific information is in English." (CEO, Company F)

CEO F also added that the field in which the company operates has a considerable effect on the language matter; as approximately 90% of Company F's employees are scientists and R&D staff they have almost without exception studied in English. Expecting proficiency in the language in the recruitment phase is thus natural in the industry (biopharmaceuticals). Additionally, and in line with their localization strategy demonstrated i.a. by the new website and the modernized phone system mentioned by CEO F in section 4.3.1, he stated that recruitment criteria are very dependent on specific markets. Clients are to be communicated with in their own language. Employees in the U.S. are generally expected only to speak English since they mainly deal with Anglophone clients, but in the Middle East, Arabic is essential in addition to English. In Europe, CEO F would expect an employee to master three or four languages, depending on the territories covered. Company F's approach is thus very locally responsive when it comes to languages, but with an absolute requirement to master English at all offices. In its international HRM practices, it hence employs a combination of ethnocentricity when it comes to English (requiring proficiency globally), and polycentricity regarding local languages (subsidiary employees should master the local language).

The situation at FSA (the business faculty of Université Laval) has evolved towards a more international stance over time. In the past, Mr. Su described that everyone had to speak French but currently the faculty is able to recruit professors who might be purely Anglophone, in order to attract the best teachers and researchers and thus improve international competitiveness. Nevertheless, there is still a condition (though somewhat

ambiguous) that these professors should in four years get to a level of French that allows them to teach in the language.

As to OQLF, English has a minimal role in operations. Mr. Bergeron described himself as bilingual, but noted that in the rest of the office only proficiency in French is required. He also pointed out that occasions where he needs to communicate with any Anglophone investors in English are actually quite rare. This either suggests that foreign companies hoping to start operations in Quebec are few, or that out of the ones willing to set up operations in the province only a portion are in contact with OQLF at the planning stage. The first option would be more in line with the views of the other interviewees, according to which the linguistic regulations act as an entry barrier to foreign companies (and even Anglo-Canadian ones). This is discussed more in the final section of this chapter.

Based on the findings we see that the importance of language skills (or in this case, proficiency in English) in recruitment in the context of Quebec varies markedly from case to case. Finding truly bilingual individuals to fill positions in Quebec City was found to be challenging, and in locally focused subsidiaries such as Company C mastering English was most of the time not necessary. However, in Company F English was a key requirement for getting a job, mostly due to the dominance of English in the field's vocabulary. In all case organizations except Company C, the interviewees observed an increasing need for English skills (discussed in more detail in section 4.5). This leads to a demand for language training within the organizations, which is examined next.

### 4.5.2 Language training

As presented in the theoretical part of the study, language competence becomes more critical when a company has adopted an ethnocentric strategy: global integration is encouraged and one official language spread to all parts of the organization (Van der Born & Peltokorpi, 2010). This view can be extended based on the findings; when the *context's* language strategy is ethnocentric, language training can become equally

important. Even though Quebec is expected to be bilingual, the language law is indeed ethnocentric when it comes to the use of French. As the regulatory context of Quebec partially inhibits learning English at an earlier stage of education than university, it is not surprising that international companies find if difficult to hire bilinguals. This leads to a need for organizations to offer language training as English starts becoming more and more important on all organizational levels. This is the case at Company E, where English language training was found to be an important activity:

"I have more than 80 students here learning English, at lunch time." (HR Manager, Company E)

Even in the smaller Company F with inadequate resources to offer language training to its employees due to its growth-phase, CEO F emphasized the need for improving workers' language skills:

"Even between us [employees of Company F], I force people, not force but strongly encourage the staff and team and the partners to communicate in English ... In Quebec, there's a cocooning syndrome, that they speak only French and it takes a lot for them to make the extra effort to proactively and instinctively do anything in English. Therefore when the real English comes in, customer, partner, vendor, then there's a barrier, or at least I could say gap between the capability of really speaking in English and expressing yourself, which you need ... to build a relationship." (CEO, Company F)

By 'cocooning syndrome' CEO F refers to the linguistic limitations Quebec creates to people's language skills in the province. Because of the discussed difficulty to go to English schools and the laws that demand the use of French as a primary language at workplaces, employees often stay within this French 'cocoon' and do not get to improve their English skills.

At FSA, language training is aligned with the condition that non-Francophone professors have four years to learn French. Université Laval has one of the largest language schools

in North America, which according to Mr. Su can also be used as a means of attracting talent.

### 4.5.3 Language skills as promotion requirements

As found by e.g. Fredriksson al. (2006), language skills become more and more important the higher up one moves within the organization. Certain language skills are often a requirement for reaching the managerial level of companies. In Company E, if one wishes so advance to a manager position, French unilingualism will not suffice:

"At [our company], if you want to be a manager, you have to speak English. Because you cannot get a promotion if you don't speak English ... It's because you won't be able to manage your employees, you cannot ask a guy in Finland to learn French. Or a guy in China, or Spain, to learn French, there's a bigger change that they will speak English." (HR Manager, Company E)

The reasoning behind this was also that being a manager at Company E often involves managing an international team scattered internationally, which obviously requires proficiency in English.

CEO F commented that on the managerial level it is vital to be able to forge business relationships internationally, and this definitely requires good command of English:

"[Another guy, who learned English at school], will sometimes speak English, but [he'll be translating] himself and thinking 'what kind of joke can I make', and you messed up already. You're more on a working level than a comfort level. Whereas I don't think when I speak." (CEO, Company F)

As mentioned, even though English skills are not necessary at company C at lower hierarchy levels, they can differentiate managers at the selection phase where a bilingual will be chosen over a unilingual French-speaker. In this area a contradiction between Bill

101 and the reality of international business can once again be observed. The law states that the more strategic the position is, the more French should be both a selection and a promotion criterion. The findings showed the exact opposite of this, with the importance of French reducing and English increasing steadily as one moves to more strategic positions within the organization.

The implications of the regulatory context and the political-historic factors to international operations can be gathered under the concept of competitiveness. In international business, a key question is where to base operations, and the final chapter of this section looks at the strengths and weaknesses of the Quebecer context as a choice of location.

## 4.6 Language regulations and competitiveness

The theoretical framework included a remark on competitive advantage and especially regulations as a factor either strengthening or impairing competitiveness. When regulations are anticipative and implemented in a consistent and efficient manner, they can push organizations to innovate and to evolve ahead of their international competitors. Conversely, slowly developed and applied regulations that are outdated deteriorate competitive advantage (Porter, 1990). Based on the interviews, the view of international companies seems to be that the linguistic regulations of Quebec are an extra burden for a company and create additional work with no value to the business. Interviewees were generally of the opinion that removing the regulations or making them looser would not make the French language or culture disappear, and that people and businesses with an international mindset should be allowed to choose their language freely.

From the outside, the regulatory context of Quebec can seem intimidating to companies and employees. The interviewees commented on the regulations' effect on Quebec as a desirable business location as follows:

"[It's about] the political environment and the pressure I can get ... If they [authorities] come to me and start putting pressure on me because of French, I won't think twice, I'll move out of Quebec." (CEO, Company F)

"They [regulations] are not necessarily driving people out, but it's keeping other people outside ... It's an entry barrier ... There's a lot of ignorance, and a lot of media and politicians what to keep that [ignorance] alive. I think the new generation [of Quebecers] is not going to be as bad, I hope it's going to change" (HR Manager, Company E)

"Maybe ten years or fifteen years ago I would have said yes, but these days, maybe not [keeping business out], but to get in, probably yes ... I would say there's all kinds of companies [that are] shy about doing business here, and probably language is one of the reasons." (HR Manager, Company C)

HR Manager E elaborated that from her time in Vancouver she remembers a company that had offices in all other Canadian provinces, but because of the overly complex regulatory environment, they never established an office in Quebec. Also HR Manager C pointed out that if a US company that had not been exposed to an environment with a different language wanted to do business in Canada, their choice would unlikely be Quebec. He mentioned Home Depot as a company that took a long while to adjust to the context of the province. Out of these responses the opinion of CEO F on the previous page is probably most troubling from the province's point of view; it shows that the risk of losing successful growing companies is considerable because of the regulatory environment.

The differences in opinion between the businesses and OQLF could once again be seen in this matter. The view of OQLF is that negative perceptions of companies outside Quebec are mostly misunderstandings, and can be corrected by educating them on Bill 101:

"Maybe sometimes the language issue can be a factor, when people on the outside have heard the horror stories they are scared of coming, it's understandable, but when they come to talk to us and we explain the reality that if you want to do business here you need to be French, and generally they understand. "(Mr. Bergeron, OQLF)

When Mr. Su was asked whether or not he thinks the requirement for non-Francophone professors to learn French while teaching at FSA acts as an entry barrier, he noted this to be a very difficult struggle. As capable researchers often know their value, they can be tempted to choose another university that does not place any linguistic demands:

"I think in most cases it's less interesting for the good people. This to be honest is a big problem. But, you should balance, 'cause French or Spanish or any other language is part of civilization and international business, so that's why we try to offer other attractive factors like working conditions, research environment, or a research chair." (Mr. Su, FSA)

In general Mr. Su had a pluralistic and optimistic view on the language issue in Quebec. As multiculturalism and multilingualism are known to create tensions in the workplace, emphasis should be put on managing this diversity. According to him, the need to come up with alternative factors to attract foreign talent should be appreciated on the provincial level, not only within the scope of the faculty:

"I think this [choosing what languages to promote] is a question of principle. We should open up much more to have new possibilities, and at the same time defend our language, French, and to preserve the culture, so there is pressure to do much more in [areas like management], and other attractive factors. That's why for me, this is a very beautiful struggle, not sad at all." (Mr. Su, FSA)

Mr. Bergeron actually saw the regulatory context of the province as a positive thing and described it as a testing ground for companies wanting to internationalize. After learning to adapt to the context of Quebec, he stated that the experience helps companies succeed in penetrating e.g. a European market. This however was the answer given when Mr. Bergeron was asked about the competitive advantage of companies based in *Quebec*, not outside the province. He did not comment on Quebec-based companies' competitiveness.

In conclusion, it seems that from the international business perspective the linguistic regulations of Quebec have a negative effect. They have not been adapted in any way to the changing environment and the increase in international business. This kind of evolution seems out of reach also in the future; when Mr. Bergeron was asked how he thinks the role of the office will change with increasing globalization, he emphasized an ever-greater need to stay vigilant so as to ensure Bill 101 is respected. He did not see any need for regulatory change because of internationalization. On a related note, it should be mentioned that in addition to linguistic regulations, it is extremely easy to get unionized in Quebec. The general situation is that employees are so well protected that employers have no resources so fight back. As HR Manager C pointed out, also this keeps a lot of business out of the province, and he expected changes in labor laws within the next 10 years because of the unhealthy situation for businesses. This traces back to the problem of high bureaucracy of Quebec, and the resulting slowness of change.

Due to these challenges, organizations attempting to attract investment into Quebec (e.g. Quebec International) need to work harder. As Mr. Su pointed out, the government of Quebec gives out financial and fiscal incentives to companies settling in the province. High clustering (that is, the concentration of companies in a specific field into a certain geographical area) in the fields of e.g. physical optics and insurance shows these factors together with a good supply of local talent have to date sufficed to give the province edge in global competition, regardless of the obstacles created by the regulatory context.

## 5. Conclusion

## 5.1 Main findings

This study set out to investigate the nature of the context of Quebec from three angles; what components the context can be seen to compose of, through what channels it can influence organizations, and what these influences may involve. Existing theory on context and the role of language in IB was overviewed and pertinent concepts combined into a framework for constructing the findings. In it the components of context were found to range from informal to formal, depending on their immediate observability in the environment and the strictness of their influences on organizations. The framework from the theoretical part of this study is reproduced below, filled with the key findings of this study regarding each component of context.

### Informal

## Cultural-cognitive context

- Heavy negative heritage from generations that lived through Francophone discrimination
- → Protectionism towards French
   However, amongst international
  organizations the shared conception of Bill
  101 and OQLF is that the mission is
  outdated and creates extra work with no
  value

#### Normative context

- Law and authorities advocate the superiority of French over English, with latter often seen as a threat
- Attitudes changing in favor of bilingualism and better language skills among Quebecers, but change is slow

#### Regulatory context

- Bill 101 demands all businesses with >50 employees to operate in French
- Conformation supervised by OQLF through complaints and audits, authority to demand expensive conversion of working tools and communications into French
- Strong perceived duality between context demands and needs of international operations in organizations

# Formal

#### Political-historic context

- Discrimination of Francophones during British rule 1759-1960's; strong assimilation of English
- While Canada moved towards bilingualism starting from the 1960's, Quebec made efforts to become unilingual (French only)
- Bill 101 to make French the only official language of Quebec in 1977
- The language issue continues to be a topic of heated political debate in the province

Figure 4. Key findings placed in the theoretical framework

### Strong influence from political-historic and cultural-cognitive contexts

In the transition area of the informal-formal continuum the political-historic and normative components of context were identified. These were observed to have profound and long-term influences on the regulatory context. To provide thorough trajectory and understanding of the nature of the business environment today, historical background was supplied, where the power struggle between the Anglophones and Francophones of Quebec was shown to have shaped legislation markedly. After the assimilation strategy of English imposed by the British rule starting in the 1760's, the Francophones had high concerns about the preservation of their language and this was reflected in Bill 101, the language law making French the only official language of the province on Quebec in 1977. The language planning strategy of assimilation was thus turned around in the course of two centuries: the position of English developed from a one-sidedly assimilated language to sharing the position of official language with French in Canada (constitutionalized with the Canadian Charter of Rights and Freedoms in 1982), whereas the status of French rose from a discriminated language in which no service or education was available, to the only official language of Quebec. While nowadays the rest of Canada promotes bilingualism and sees it as a fundamental characteristic of the country as well as a key competitive advantage, the Francophone population of Quebec can be seen to carry the weight of the longstanding oppression of its language, leading to perhaps exaggerated protectionism towards French today. Bilingualism on the national vs. the provincial level are thus two very different things. Underlining all this, an indispensable component of the operating environment of Quebec is the culturalcognitive component of context. It was noted to involve the inherent attitudes and social realities (namely protecting French against the threat of English) that form the background workings shaping the more formal and visible levels of context. This layer was demonstrated to be particularly affluent in Quebec due to the discussed historical heritage, resulting in continuous debate about the two languages and their status in the province, and sometimes negativity and an approach towards English as a threat that undermines the position of French.

## Strict regulations as restraints to international operations and competitiveness

Regulations were distinguished as the most formal component of context, with potentially strong effects on organizations through the power of laws, regulations, and rules. Porter's (1990) theory on competitive advantage was linked to this as he found that regulations that anticipate international standards can benefit competitiveness, whereas outdated and lagging regulations impair the competitive advantage of organizations in the context where they are applied. In line with these arguments, it was found that for international organizations operating in Quebec, linguistic regulations create extra work with no value to the business. Due to its emergence as the lingua franca of international business, MNCs of today were shown to often opt for English as an official corporate language to facilitate inter-unit communications. The strict regulations on the use of French contradict with this ideology and create additional costs and inconvenience to organizations, as English as an official corporate language is against the law.

Even though Office Québécois de la Langue Française does not have the power to order fines or other sanctions, it can for instance demand the conversion of all of an organization's working tools, signs, materials, etc. into French. As the empirical evidence from the case organizations showed, this can become a costly project depending on the scale of the translations required. Overall, it was found that the implications of the regulations to operations depend highly on the general strategic orientation of the organization. For a MNC that employs a polycentric strategy with high local adaptation, effects were less significant as the use of French came naturally. But in organizations with a geocentric or ethnocentric strategy (Van der Born & Peltokorpi, 2010), the global operating requirements, namely the use of English, contradict strongly with what the law demands.

The extent and rigor of the language audits carried out by Office Québécois de la Langue Française was among the most surprising results. Companies were found to i.a. need to hide non-French applications and working tools during inspections to be able to continue running international operations in English. Moreover, the limits of the rights of OQLF to intervene with operations were found to be ambiguous: according to the law it does not

apply to business directed outside the province, but in one of the cases it was found that the office can still demand e.g. translation of websites with information unrelated to Quebec. Even on the educational side an all-English MBA program had to be modified to fulfill the requirements of OQLF, though in general a university faculty was found to be allowed more freedom regarding its language strategies.

A key finding was also that OQLF either has an unrealistic perception or downplays the nuisance the regulations cause international operations. The office's line was that with sufficient information on Bill 101, firms usually come to appreciate the law as an important tool in preserving the French language. The regulations derive largely from the separatist movements starting in the 70's, and their content has virtually not been updated since. Even more curiously, OQLF did not recognize globalization or the increase of international business as factors that affect its operations in any way, except for the need to increase vigilance. Based on this result, it is unlikely that there will be any changes towards making the regulations less strict in the near future, either. This is concerning contrasted with the interviewees' unanimous view that their businesses would be better off without linguistic legislation.

The central contradiction of the linguistic context of Quebec is the misfit of the increasing importance of English in business and the outdated, heavy regulatory environment. This leads to international organizations having to cope with considerable linguistic duality caused by these conflicting demands. The regulations were observed to hinder Quebec's competitiveness as a business location, as both Anglo-Canadian and international companies often consider it too complex to set up offices in the province. What is even more concerning, according to the CEO of one of the case companies, if he feels the political pressure to operate in French becomes excessive he will not hesitate to move his business out of the province. Instead of being a language-hub in Canada, Quebec is losing this position to other provinces that have adopted a more diverse stance. As an example, a decade ago IBM was looking to consolidate its technical support operations for all of North America, which totaled 1500 jobs. Even though several cities matched the needs in the having the right people, Toronto (Ontario) was chosen because

it not only had the right people at the right price, but people who could do the job in 23 different languages. Language skills thus do matter to investment and trade. (Patterson, 2009)

### Office Québécois de la Langue Française and organizational hypocrisy

Nevertheless, all case companies as well as the university predicted an increase in the need for English proficiency in the province, even for companies whose downstream operations are not international. English is already a prerequisite for most managerial positions in the case organizations. Moreover, in line with Harzing & Feely's (2003) findings, the need for greater language penetration at lower levels of the case organizations is a reality as well. The difficulty of recruiting Anglo-French Canadians in Quebec City was recognized as a strategic challenge by several interviewees. In their recent article Brannen & Thomas (2010) identify such individuals as biculturals – people with more than one cultural profile, and with it more than one language. These authors recognize that the increasing importance of collaboration, communication, trust building and knowledge transfer make biculturals a vital asset for international organizations. The reason is that such individuals can access both cultural frameworks and switch back and forth between the models (Ringberg et al., 2010). Biculturalism and bilingualism can thus be sources of considerable competitive advantage to French-Canadian individuals and companies. Canada is officially bilingual and Quebec has the highest concentration of Francophones in the country. The province thus has the potential to set the example on how bilingualism and biculturalism can become strengths in the global marketplace. To date, however, excessive language regulation acts as an impediment to developing such a profile.

Indeed, it was found that organizations in Quebec find OQLF's mission outdated, unrealistic, and obsolete; in global industries that function in English, a subsidiary cannot survive using French. The juxtaposition of international business requirements and the regulatory context of Quebec can be anchored to Brunsson's (1989) discussion on organizational hypocrisy. This concept entails that in the 'political organization', actors hold a diversity of conceptions about what the organization is, what is its purpose, what

are considered to be 'good' organizational outcomes and how such outcomes should be reached. Consequently, the organization is faced by strong inconsistent norms even in areas vital to them, and must adjust their structures, processes, and outputs to acquire support and legitimacy in the environment. Organizational hypocrisy thus involves the need for managerial inconsistency between talk, actions, and decisions. This is largely the case with the linguistic context of Quebec and the demands it sets for international organizations. Using the conceptualization of Brunsson (1989), the use of English can be seen as a vital factor in their operations, yet they are faced with strong conflict and inconsistency between this necessity and the regulatory and political-historic pressure of the environment. This was labeled in the present study as linguistic duality. Regarding the support and legitimacy organizations must acquire in their environment, e.g. governmental contracts and subventions are only available to companies with a francisation certificate issued by OQLF. In order to obtain a certificate, organizations must adjust their structures (French should be promoted more the higher up one goes in an organization), processes (e.g. internal communications need to be in French), and outputs (products, materials, websites, etc. must be in French). The managerial inconsistency can be seen in the difficulty to have a clear strategic line regarding language use in the organizations.

Wenger (1998) has built on Brunsson's ideas and states that in a setting of such hypocrisy, living dialogue and a climate for experimentation are vital for finding better ways of working. Such discussion in Quebec on the language issue and its regulatory implications to international business is characterized by politics and nationalism, with a healthy, evolutionary approach virtually missing. It will be interesting to see whether the federal elections of May 2011 bring results that develop Quebec towards a more open and internationally appealing business location.

### **Contributions to research**

As we saw in the introduction, studies on bilingual and other linguistically special contexts and their implications to international business are still rare (for an exception focusing on the multilingual setting of companies in Switzerland see Steyaert et al., in

press). To date, most studies that focus on context do so on either the organizational level (i. a. Zellmer-Bruhn & Gibson, 2006; Dickmann & Doherty, 2008), or the national level (see e. g. Dinur et al., 2009; Harzing & Feely, 2008; Barner-Rasmussen & Aarnio, in press). This study takes a more focused approach as it explores a micro-context within a national context; a province. Quebec is a good case in point as it is a clearly defined area with its own legislation, but still part of the overall context of Canada. This infrequent approach was combined with the examination of languages in international business, which for long remained an ignored topic in IB research (as noted by e.g. Welch et al., 2001; Harzing et al., in press), but in the recent years increasing research has been published on the different aspects of cross-lingual communication in IB (see e. g. the special issue of Journal of Cross Cultural Management, April 2010). Language diversity has however not yet been combined with contextual aspects in the way that is done in the present thesis. In this study, a multi-perspective approach is employed and the role of language is examined in the frameworks of history, institutions, and organizations. The factor perhaps most significantly differentiating the present study from previous research is the legislative aspect. In Quebec, organizations are obligated by law to have certain types of language strategies, while others are prohibited. This makes for a unique context and a novel setting for analysis.

Though this study confirms past findings that language strategies are still relatively rare in international organizations (e. g. Dhir & Gòkè-Pariolá, 2002), there is an understandable reason for their absence in Quebec. This is the unwillingness to attract the attention of Office Québécois de la Langue Française, which can lead to extra work and costs in the form of translating materials and converting working tools into French. Also the inclusion of historical aspects in IB studies has been rather uncommon, and this study shows that the political-historic context can certainly have a profound impact on the operating environment organizations face today.

## **5.2 Managerial implications**

Perhaps the most important implication of the findings of this study to the managerial level is the challenge associated with having a language strategy in Quebec. Since the law rules out any other corporate language besides French, if organizations wish to use English in daily operations, they need to do it secretly. In the case organizations it was found that language strategies were more emergent than planned. A context that presents special linguistic challenges for its organizations would suggest a higher level of language planning and strategy-making in order to better manage the issue, so it is quite paradoxical that international organizations are in fact prevented from having such strategies in Quebec. The main challenge for management in these companies is thus to come up with innovative ways to confront the linguistic duality they are faced with.

Strong bilingualism is clearly an asset in both recruitment and promotion, and international companies should thus make sure sufficient resources are channeled to language training and preparing the staff for the changing demands of the environment. The current situation in the case companies regarding true bilingualism (the ability to fluently speak and write in both English and French) was found to be insufficient, and the recruitment of such individuals rather challenging. Quebec City was shown to be considerably more French than for instance Montreal, where bilingualism is a stronger reality. In the past, having English-speaking staff in departments such as sales, marketing, and R&D has been sufficient in Quebec City. Today however language penetration is required also at the administrative level, again suggesting increasing language training needs.

The implications of the findings of this study are significant also on the level of the provincial government. A successful, growing born global (Company F) is prepared to move its operations out of the province in the case of exorbitant regulations once it passes the 50 employee mark. This should be a major reason for concern for the provincial decision-makers. The regulatory context already acts as an entry barrier for business, but there seems to be no sign of revising the language laws to better suit the changes in the

international business arena. Combined with the labor laws that empower unions at the expense of employers, for many companies the context of Quebec is not an attractive alternative for establishing offices. Discourse and debate between international organizations and governmental bodies would be necessary for the modernization of the regulatory context.

## 5.3 Limitations and suggestions for future research

Regarding the choice of case companies, certain limitations may arise from the nature of their fields. As Fredriksson et al. (2006) noted in their study on Siemens, due to the hitech nature of the industry, the role of English could be assumed to be relatively strong. Such is the case also with Company E and Company F in this study, as they operate in the fields of biopharmaceuticals and telecommunications, both domains of high technological complexity, where the vocabulary is developed and used in English. This probably contributes to the favoring of English within the organization. These companies were however still among the best candidates for the purposes of this study, as the pool of international companies with operations in Quebec City was somewhat limited.

Finally, within the context on Quebec, the fact that most interviews were with people working in Quebec City can be seen not to represent the entire province's environment optimally. Be that as it may, the choice to include mainly Quebec City offices of businesses was a conscious one, as the pressure for international organizations to be French is more visible there than in Montreal. In Montreal, even though the laws and regulations are the same, bilingualism is more of an everyday reality, whereas in Quebec City the challenge to find bilingual individuals to fill positions in international companies is bigger. The results were thus expected to be more visible when using Quebec City organizations.

As studies on bilingual and other linguistically special contexts and their role in international organizations are still rare, options for future research are numerous. For

example cross-border knowledge transfer within MNCs has been studied, but not in the setting of a subsidiary or headquarter being located in a strongly bilingual environment. Within the scope of this study, it was not possible to examine how knowledge transfer is affected by the fact that companies in Quebec have to deal with special linguistic requirements. Also the effects of bilingual origins on international career paths could be an interesting topic for future studies.

In the areas of diversity and talent management, multilingual and multicultural employees and their value to international business have started attracting more attention in research (see e.g. Korzelius et al., in press; Lauring & Selmer, in press; Stahl et al., 2010; Brannen & Thomas, 2010.) A possible topic here could be how such individuals are able to gain stance in bilingual environments, and how bilingualism is recognized as an important asset in international companies. Also a comparative study on different multilingual contexts (e.g. Switzerland, Belgium, India) would be an interesting approach, and would surely contribute to what is currently known about inter-cultural communication in business.

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# **APPENDIX A – Interview details**

Interviewee	Organization	Position	Date	Duration
Zhan Su	Faculty of Administrative Sciences, Université Laval	Professor of Strategy and International Business, Director of International Relations, Director of Stephen A. Jarislowsky Chair in International Business	25.3.2011	50mins
Martin Bergeron	Office Québécois de la Langue Française	Public Relations Director and Spokesperson	8.4.2011	30 mins
HR Manager C	Company C	Human Resources Coordinator	30.3.2011	50 mins
HR Manager E	Company E	Human Resources and Internal Communications	1.3.2011	40 mins
CEO F	Company F	CEO	27.2.2011	35 mins

# **APPENDIX B – Interview guide**

### Companies and Université Laval

- 1. Describe your company in your own words; what you do, where you operate, your mission, etc.?
- 2. As an international company, what role do different languages have in your operations?
- 3. Do you have a specific language strategy in place?
- 4. What is your official language? Where does it show?
- 5. Have you needed to submit a report on the level of French in your company to the Office Québécois de la langue Française?
- 6. How does Bill 101 affect your operations?
- 7. What institutions in Quebec do you have to consider when managing languages in your organization?
- 8. How can these institutions affect your operations?
- 9. In recruiting new employees, what is your language policy?
- 10. Does this policy vary from country to country?
- 11. In Quebec, do you see bilingualism as an asset for
  - a. A company?
  - b. An employee?
- 12. Internationally, is bilingualism a competitive advantage for a company?
- 13. What kinds of changes (if any) would you make to the linguistic regulations in Quebec?
- 14. How do you think the regulatory environment of Quebec affects new international business?

## Office Québécois de la Langue Française

- 1. Describe the mission of your organization.
- 2. Describe your position as the organization's spokesperson.

- 3. As an organization, do you have your own language strategy?
- 4. In recruiting new employees, what is your language policy?
- 5. How has your work changed in the past 10 years?
- 6. Describe the process of obtaining a francisation certificate.
- 7. How do you find the cases where you need to intervene?
- 8. In what ways can you interfere in company operations?
- 9. Internationally, is bilingualism a competitive advantage for a company?
- 10. Considering the high cost of bureaucracy in Quebec, what do you think of the language regulations?
- 11. Taken into consideration globalization and increased international business, how do you see the role of your office changing in the future?