Círculo de Lingüística Aplicada a la Comunicación

Developing Language Operative Capacity in a Subsidiary of a German MNC in China

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Abstract. One of the key challenges of language management in multinational companies is developing corporate language capacities to fulfil business goals. Yet the notion of corporate language capacity remains to be explored and developed in research. To address this gap, this study aims to conceptualise corporate language operative capacity and investigate how it is developed at a German multinational corporation that specialises in providing business software. Participants in this study were six staff members at different levels, namely two vice presidents and four senior managers from different departments. Data were collected through in-depth interviews and document analysis. Qualitative analyses indicated senior management's conceptualisation of languages as a sophisticated, dynamic and multi-functioning system in support of the company's global strategy. Developing corporate language operative capacity requires the acquisition, deployment and development of language resources derived from interactions among human capital, social-cultural capital and technological capital. Analyses of the data also identified middle-level management's role in designing and implementing language-related activities to support the corporate goal of developing corporate language operative capacity.
Keywords: language operative capacity; conceptualisation; language strategy; senior and middle management; subsidiary of a German MNC

[ch] 在中国德企子公司提升多语实操能力的研究

摘要: 跨国公司语言管理面临的主要挑战之一是提升企业多语能力，实现商业目标。然而，企业语言能力的概念还有待研究发展和探讨。为了填补这一空白，本研究旨在对一家提供商业管理软件的德国跨国公司的企业语言实操能力概念进行深入研究，并探讨该企业管理层是如何提升语言实操能力的。本研究的参与者为6名不同级别的管理者，包括2名副总裁和4名来自不同部门的高级经理。数据收集包括深度访谈和文件分析。定性分析表明，最高管理层将语言视为支持跨国公司全球战略的一个复杂、动态和多功能的系统。发展语言能力需要获取、部署和发展来自人力资本、社会文化资本和技术资本之间互动的语言资源。研究还发现了中层管理人员在支持公司发展语言实操能力，设计和实施与语言有关的活动方面发挥的作用。
关键词: 语言实操能力；概念化；语言战略；中高层管理者；德国跨国公司子公司

Contents. 1. Introduction. 2. Literature Review. 3. Method. 4. Findings. 5.Discussion. 6. Conclusion. References.

1. Introduction

Over the past two decades, with the accelerated global expansion of business operations and the international recruitment of a linguistically diverse workforce, multinational corporations (MNCs) have become aware of the growing importance of managing multilingualism and developing multilingual capacity at the workplace (Angouri, 2014; Luo & Shendar, 2004; Welch & Welch, 2018). Language, once neglected as the orphan of international business research (Feely & Harzing, 2002) has shifted to become a strategic concern in social-linguistic and international business studies. Concomitant with this shift is increasing research attention on corporate language management as a distinctive inter-disciplinary research stream at the interface of applied linguistics (Saden, 2014) and international management

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(Angouri & Rebecca, 2017; Karhunen et al., 2018; Saden, 2014). Current research endeavours have identified the critical role of languages as resources, if properly managed, to enhance internal and external corporate communication (Feely & Harzing, 2003; Louhiala-Salminen et al., 2012), knowledge transfer (Reiche, Harzing & Pudelko, 2015), a sense of cohesion in multicultural teams (Neeley, 2017) and business operative effectiveness (Marschan, Welch, & Welch, 1997).

A growing body of research has unravelled the complex and dynamic multilingual and translanguaging practices in MNCs (Angouri, 2013; Cheng & Zhao, 2019; Zheng et al., 2021) and identified the inconsistencies between language policy/language ideology and language practices (Angouri, 2013; Spolsky, 2005; Shohamy, 2006). Such studies have advanced our understanding of micro-level complex language ecology, the ongoing tensions between language policy at a corporate level (e.g. English-only or a flexible and implicit language policy), and micro-level language practices in multilingual workplaces in various geographic locations. However, so far a dearth of empirical studies have delved into how MNCs as multilingual entities develop their multilingual capacity by utilising language resources for global operations.

While previous studies have proposed a conceptual framework for developing corporate language operative capacity (Welch & Welch, 2018) and the strategic design of language systems (Luo & Shenkar, 2006) in MNCs, few empirical studies have been conducted to explore the dynamic interplay between multilingual workplace discourses and its various contexts. For example, it is necessary to examine senior management's conceptualisation of languages and corporate multilingual capacity as well as the language strategies pursued by both senior and middle management to develop multilingual capacity. It is also necessary to explore how MNCs use multilingual resources to develop their corporate language capacity for business operations in contexts other than Western countries, such as China (Cheng & Zhao, 2019; Welch & Welch, 2018).

To address above-mentioned research gaps, this study aims to investigate how MNCs conceptualise and develop multilingual capacity in China. Specifically, it examines senior executives' conceptualisation of languages and the multilingual capacity of MNCs as well as the pursued language strategies; it also investigates the planning, design and implementation of language strategies by middle-level management.

2. Literature Review

2.1. Conceptualisation of Languages in the Workplace

Research into multilingualism at MNCs has burgeoned in both applied linguistics and international business studies over the past three decades (Angouri, 2014; Barner-Rasmussen & Bjoerkman, 2007; Jansesens & Steyaert, 2014). Various conceptualisations of languages in a multilingual workplace have been identified, among which 'language as a barrier' (Feely & Harzing, 2002) and 'languages as a resource' (Hagen, 2011) appear as the two most distinctive and contrasting viewpoints. Previous research showed a gradual shift from conceptualising language as a barrier to efficient communication and business performance to conceptualising it as a more productive resource in the form of both individual and corporate assets. Beneath such a shift lie concerted research efforts from sociolinguistics and international studies into multilingual workplace discourse, problematising the simplistic managerial beliefs about 'language as a barrier', 'language as a senior management problem' (Karhunen et al., 2018) and the adopted 'language standardisation' strategy/policy (Angouri, 2014; Marschan-Piekkari, Welch & Welch, 1999). Research has revealed increasingly negative impacts from the management of 'language standardisation' in the multilingual workplace, including a noted divergence between language policy and complex language practices (Angouri, 2013), power contests (Aichorn & Puck, 2017), ineffectiveness in fulfilling international business communication purposes and a loss of business opportunities (Van der Meeren, 1999).

In contrast, other research has revealed the value of language as an economic, communicative and strategic resource (Grin, 2006; Heller & Boutet, 2006). For example, previous studies identified that using a customer's first language can boost profitability in international export and import companies (Grin et al., 2009; Hagen, 2011). More recent sociolinguistic studies have revealed, through a micro lens, the positive effect of dynamic translanguaging practices on business communication. Studies have also conceptualised languages as strategic resources for MNCs' global operations (Luo & Shenkar, 2006; Welch & Welch, 2015), with language playing a strategic role in shaping organisational process resources, deploying human resources and facilitating coordination and communication between parent companies and subsidiaries in various locations. As senior executives' conceptions of languages are very likely to influence the design of language systems/strategies in a given MNC, this area deserves further attention.

2.2. Language Management: A Business Strategy Perspective

Concomitant with the shift in the conceptualisation of languages are three lines of inquiry into corporate language management. Most previous studies, through the theoretical lens of languages as social practices and translanguaging, have focused on the micro multilingual practices at MNCs, unravelling a complex multilingual reality that is

inconsistent with language ideologies and corporate language policy (Angouri, 2014). Another research strand draws on Spolsky's framework of language policy to examine the interactions among the three interrelated components of language beliefs, practices and management, thereby highlighting the role of language management as a form of language regulation at different levels within the company.

Meanwhile, a third research line pursues a language strategy model (Sanden, 2014). This model, which identifies the strategic role of languages as resources in achieving organisational goals (Luo & Shenkar, 2004), views language management as a business strategy tool and initiates initiating top-down regulations while being influenced by employees' language practices and feedback. Such interplay among different levels contributes to a better understanding of how an MNC develops its language capacity. However, there is still a dearth of research investigating how middle management has designed and implemented language-related activities in response to senior management's conceptualisation of languages and strategies to develop corporate language capacity.

2.3. Developing Language Operative Capacity

Language operative capacity (LOC), proposed by Welch and Welch (2018), provides insights into how an MNC manages its language resources and improves language capacity at the corporate level (see Figure 1 below). Welch and Welch (2018) highlighted the critical role the managerial level plays in building and transforming language resources into LOC. They argue that three components of language resources exist within an MNC: individual-level language capital, corporate-level language capital and 'language-centric' technology. The above-mentioned language resources are inherent and can be derived from human capital and social capital. Individual-level language capital can be improved through the attendance of extra language training provided by society or the company. Language capital at the corporate level can be advanced through recruitment, language training, technology translation and the establishment of a centralised translation department, while individual-level language capital can be promoted through corporate-level activities such as group building. However, low investment, inadequate language utilisation and high staff turnover can result in the deterioration of language resources. In contrast, considerable investment, regular language audits and constant encouragement of employees' self-improvement in language competence are all effective means of advancing language resources and improving an MNC's LOC.

Welch and Welch (2015) proposed three sub-capacities to transfer the language capitals derived from human resources and social capital into corporate LOC: language-in-time, language-in-place, and language-in-context. To be specific, language-in-time requires appropriate language choice and timely replies to information requests and business transactions. Language-in-place refers to the proper deployment of language-competent individuals and the establishment of a language training centre. Language-in-context requires the ability to use language appropriately in business and other social-cultural situations. Previous studies have also examined the factors that influence the development of corporate LOC, such as corporate beliefs about languages, acquisition of new employees with high language proficiency, and provision of language training (e.g. Logemann & Piekkari, 2014; Marschan-Piekkari et al., 1999b). However, there is a lack of empirical support for the conceptual framework Welch and Welch (2015; 2018) proposed to develop corporate LOC in MNCs.

To address the above-mentioned research gaps, this study, premised on the theoretical perspective of 'language management as a business strategy model' (Saden, 2014) and the conceptual framework for developing corporate LOC (Welch & Welch, 2015), investigates how a German MNC developed its corporate LOC in China. More specifically, the following three questions are asked:

1. How do senior executives perceive languages in MNCs?
2. How do senior executives conceptualise and develop corporate LOC?
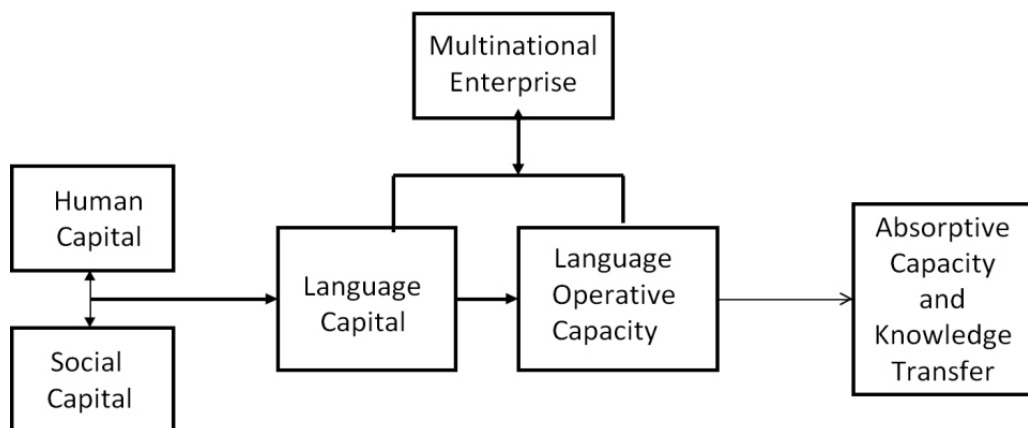3. How does middle-level management design and implement activities to develop corporate LOC?

Figure 1. Developing language operative capacity (Welch & Welch, 2015)

3. Method

3.1. Research Context

This study was conducted in a German technology MNC subsidiary located in China. This subsidiary was selected mainly for three reasons: its multinational and multilingual nature, its long development trajectory in China, and its specialisation in technological innovation. Established in 1972, the Germany technology company is currently one of the world's leading senior business solution providers. It has set up subsidiaries in the US, France, Japan, India, and Israel, and it entered China in 1995. The subsidiary in China has a 25-year development trajectory that well reflects the changing role of language strategies in MNCs against the changing backdrop of the development of China and its foreign direct investment policy. Finally, as a technology company with distinctive features, the subsidiary offers opportunities for exploring the role of LOC development in technology innovation, knowledge innovation and the localisation of global services.

3.2. Participants

To investigate how MNCs develop corporate LOC at the case company, this study recruited six voluntary informants from senior and middle-level management, comprising two vice presidents and four senior managers from five departments. Detailed information concerning the informants is presented in Table 1 below.

The two vice presidents of this subsidiary were invited for in-depth interviews. One of them had been working in China for fifteen years and was mainly responsible for overall coordination among subsidiaries across the US, Europe and the Asia-Pacific. The other had led a language experience team overseeing internal and external languages issues during global expansions. Therefore, both had managerial strategic considerations towards corporate language capacity and language strategies from both global and local perspectives.

Four informants from middle management also expressed their willingness to participate in this study. They were from the departments of global services, strategic development office, people management, and language experience, respectively. Their positions and experiences were related to designing and implementing concrete language-related activities to execute corporate language strategies.

3.3. Data Collection and Analysis

Data were collected from semi-structured interviews and document analysis.

Interview. In-depth semi-structured interviews were conducted in both English and Mandarin at the informants' convenience. Interview questions for senior managers were mainly designed to capture their conceptualisation of languages and corporate language capacity as well as their perceived strategies for obtaining and deploying language resources. In addition, interview questions for middle managers aimed to elicit how they designed and implemented language-related activities to develop LOC. The interview protocol is provided in Appendix 1.

Table 1. Participant profile

Code	Nationality	Job Title	Working Years	Language
Charles	German	Senior VP	20	German, English
Stephen	German	VP	18	German, English
Tom	China	Strategic Operational Officer	10	Mandarin, English,
David	China	Head of Global Services	20	Mandarin, English
Susan	Thailand	People Manager	20	Thai, English, Japanese
William	China	Service Owner, Language Experience	13	Mandarin, English

All interviews were conducted in a meeting room at the company, lasted about 30-45 minutes each and were audio-taped with the informants' approval. The interview data were analysed based on the transcribed texts. Qualitative analysis was adopted with an integrated approach combining a theory-driven approach (Namey, Guest, Thairu, & Johnson, 2008) and a thematic bottom-up approach (Kvale & Brinkmann, 2009). Informants' responses were categorised into two groups and were read iteratively to generate coding schemes relating to senior managers' conceptualisation of LOC and reported pursued language strategies and middle managers' design and implementation of language activities at the executive level. Comparison and contrast were also conducted to identify consistencies and inconsistencies. Inter-rater analysis, an expert check was performed to increase the trustworthiness of the qualitative data analyses.

Document analysis

Data from other sources were also collected to triangulate and corroborate the research findings. Ninety-two different job posts dating from 09/08/2018 to 04/12/2019 were selected as the sample for analysis. Coding of job posts was conducted for dimensions such as language requirements as well as the alignment between language requirements and position responsibilities. Online artefacts related to language-related activities (e.g. regulation announcements, promotion materials, videoed reports, etc.) were also collected. Content analysis was performed to categorise the middle-level activities used to develop corporate LOC. Key activities identified from the frequency check were analysed to explore how middle-level management developed corporate LOC.

4. Findings

4.1. Conceptualisation of Languages at the Senior Management Level

The first research question explores the strategic consideration of the development of LOC from the senior management's perspective. The analysis of the interview data with the two senior executives at the company revealed their conceptualisation of languages (German, English, and local languages) and LOC.

Languages as resources to balance globalisation and localisation

The interview data revealed that both executives explicitly expressed their view of languages as strategic resources supporting the overarching corporate goal of global expansion. The analysis shows their changing views towards the roles of German, English and local languages as the parent company goes international across Europe, America and Asia. The two executives embraced language diversity within the company's global network, indicating a dynamic and sophisticated conceptualisation of languages as strategic resources that can balance globalisation and localisation. For instance, Charles reflected on his conceptualisation of the role of English as a business lingua franca for communication among sub-units in different countries.

> We made a decision about 20 years ago, Engineering would use English as our global language. It is an important decision because before we went for engineering in India at the end of the 90s, we use[d] German as our main language for communication and also in engineering, it left people of India or later China out of the communication. Therefore, we decide ok, whatever you write, an email, please make sure you write it in English in the right way, ... Most software engineering in China works with virtual teams in Germany, the US and India. So language again, because it is a part of communication, it is a very important vehicle for people to work and create together. (Charles)

In this excerpt, Charles reflects on the leading role of English in pursuing the corporate global business expansion strategy. English has been selected as the shared language, particularly in written communication, as it is seen as a lingua franca that can draw together multilingual employees in various locations for idea sharing, knowledge transfer and product innovation.

In addition, both executives acknowledged the significant functionality of local languages. As captured in Charles's account, the local language, particularly in the oral form, is seen to enhance internal communication efficiency in a subsidiary as well as expand the local network for product localisation.

> Let's say ..., if there is a call, and there would be like Chinese colleagues, all of them realise they are all Chinese and they all could speak Mandarin. In such calls, colleagues would also speak Mandarin to each other. Because is more efficient in their mother tongue. (Charles)
> Always good to use their language with local clients and partners. Employees find it easy to identify local needs for product adaptation. (Stephen)

Although English is used as a business lingua franca, explicitly in written communication, Mandarin, at the managerial level, is regarded as a valuable oral communication medium and linguistic capital that can expand the social network for product localisation.

Besides English and Mandarin, other languages are also highly valued in the company, mostly related to its product development. For example, Charles expressed his pride in a rich language pool of over 70 languages in product development. Managers reported that languages other than German (mother tongue), English (functional lingua franca) and Mandarin (local language) were developed to bolster product globalisation.

> Our company is multilingual in nature.. as we have more 70 languages alive company-wide. Not among our employees but on our product side. In our area, we call globalisation services, because they run the globalisation of products which needs the languages of the context. (Charles)

Considering the nature of the company as a hi-tech business solution provider, product globalisation demands a rich pool of languages to support knowledge transfer and product adaptation, which is aligned with the corporate global strategy.

The interview data with the two senior executives revealed a sophisticated and dynamic conceptualisation of languages as a communicative and strategic resource supporting the corporate globalisation strategy. During its global expansion, the company constructed a language system of English, Mandarin (as the local language in this case) and other languages which are neither competing nor exclusive but rather supplementary and supporting. This multilingual system, if utilised properly, enables efficient internal and external communication for knowledge transfer and knowledge co-creation; it also balances product globalisation and localisation.

4.2. Conceptualising and Developing Corporate LOC at the Senior Management Level

Conceptualisation of corporate LOC

The analyses revealed that both senior executives reached an agreed definition of corporate LOC as 'organisational/corporate capacity to manoeuvre languages resources in the globalised environment'. According to Charles and Stephen, corporate language capacity in this hi-tech company has three components: the multilingual competence of the employees at the individual level, the organisational language capacity, and the multilingual capacity of products to achieve the business goals of global expansion; these components are well reflected in the following excerpt.

> Corporate language capacity is how our company is able to manoeuvre language resources within a global reach to support our business goals... how, at a corporate level, to obtain enough languages at communication among employees or towards the product? How to communicate with subsidiaries across the world? How to localise products in local languages to help local customers? How to communicate with locals in their language? (Stephen)

Strategies for developing LOC

Analysis of the interview data identified that the strategies reported by the senior executives for developing LOC are reflective of and aligned with the hybrid corporate strategy aiming to achieve both global expansion and local responsiveness. The reported development strategies can be classified under three themes: the acquisition, deployment and development of human capital, the development of social capital, and the development of technological capital. The main findings are summarised in Table 3.

Acquisition, deployment and development of human capital

To develop corporate LOC, the senior executives mentioned that the company values employees' multilingual competence and has formulated a worldwide strategy of establishing a pool of multilingual talents with particular focus on tensions between demand and supply in some regions. In China, the company tends to recruit talents highly proficient in both Mandarin and English and preferably in a third language. This is underlined by these excerpts from the two interviewees.

> We have a diverse language ecology in our company. To develop language capacity, we need recruit talents with multilingual competence. However, there is some problem of over-capacity in certain region and low-capacity in others. Even if we have the global pool (of multilingual talents), there is always conflict between efficiency and coverage. (Stephen)

> Certainly, traditionally, English is not a very strong skill, like in Germany, in China, we also see that today the university graduates are better. We hire those with high English language proficiency. Of course they need to have great command of local language. Great if they can speak German or other languages. They will have more chance of working in foreign countries. (Charles)

In addition to acquiring multilingual talents, the interviewees also mentioned their strategies for deploying the job candidates with multilingual competence in appropriate job positions. In addition, tailored language training was provided for current employees to develop existing language capital to enhance inter-unit communication and knowledge co-creation in multilingual teams; this is observed in the following excerpt.

> A few countries where English is not so strong in education which is Germany, which is France, which is also China, for those countries, we need to invest into language skills. ….We have to make sure that a certain level of English is achieved for efficient communication between sub-units and knowledge transfer. (Charles)

Development of social-cultural capital through an expanding social network

The interview data also indicated that the senior management emphasises the social and intercultural interactions of the employees at different units in various locations and with external parties. Social networking may bring in or

generate language resources to build social capital for internal community building or external social integration or localisation. Therefore, developing social-cultural capital is considered a key strategy to enhance corporate language capacity. Here is an example from Charles' account:

> Because we are a global company, we can certainly share and develop language resources quite well. Social networking with other units or beyond the company with clients, partners, customers in local markets can enhance one's exposure or use of foreign language and obtain cultural knowledge. (Charles)

As stated by Charles, this global company owns subsidiaries in the US, India, Japan and several other countries. Therefore, the network between its headquarters and its globally dispersed locations enables this company to solve problems caused by language diversity or an imbalance between the supply and demand of languages. Furthermore, social interactions with external parties may offer local linguistic and cultural knowledge, resulting in accumulated social-cultural capital that can boost corporate language capacity.

Development of language-centric technology as language capital

Another strategy for capacity development revealed in the data is the development and utilisation of language-centric technology. Language capital is not only inherent in employees but can also be directly provided at the organisational level. Such corporate-level language capital can be obtained from language-centric technology, such as machine translation. The following excerpts present what Charles and Stephen mentioned about machine translation as useful language capital.

> On the corporate level, if you go beyond individual skill, of course, we talk about tools, what kind of tools do we have, we have, of course, automatic translation, but also in the product side which we use a lot of machine learning for translation because the product needs to be translated. (Charles)
> Some internal language problems, for example, can be solved by technology, say, automatic translation, AI-aided gadgets... We have committed to machine translation and other technology as one of our strategies to..... further improve our corporate operative capacity. (Stephen)

As a technology company, this organisation is motivated to provide an internal machine translation system to overcome language problems. Hence, designing and utilising language-centric technology to develop corporate LOC has become a corporate strategy.

4.3. Design and Implementation of Language-Related Activities at the Middle Management Level

The third research question concerns how middle management designs and implements language-related activities to develop corporate LOC. Our analysis of the interview data and relevant documents identified and classified language-related activities into three categories related to the language strategies mentioned by the senior executives, namely, activities related to the acquisition and deployment of human capital, social-cultural capital and technological capital. The main findings are summarised in Table 4 below.

Acquisition and development of human capital: a functional and participatory approach

The acquisition of language resources in human capital practised at the middle management level has two main approaches: recruitment and development. The interview data revealed that the middle-level management has designed concrete recruitment plans, criteria, and activities which are consistent with the senior management's strategy. We observed that a functional approach was adopted during talent acquisition and development, with the multiple language needs across positions clearly examined.

For example, for candidates applying for positions in the R&D department, skills in speaking and writing are highly valued. In contrast, preferred qualifications for other positions (e.g. user assistants and senior consultants) include proficiency in additional languages, such as German, Japanese, and Mandarin, because these positions involve market extension, the ability to serve and maintain global customers, and product innovation and localisation. As the informants put it:

> For colleagues at the R&D side, it is necessary to have a certain level of speaking and writing skills. So, because of different posts, the requirements are different. (Tom)
> English may be the most basic skill. At the same time, I know that German and Japanese language talent are also included in some positions. This depends on business needs. (David)

Further, the analysis indicates that language requirements are specified across job positions through language auditing done by the human resources department or the heads of different units. To triangulate the findings from the interview data, we further analysed the language requirements contained in 92 publicly posted job advertisements. The results show that 58% of posts mention English, 18% require English and the customer language, 8% require

English with an additional language as a plus, and 3% require English with the customer language and an additional language as a plus. Thus, 21% (18% plus 3%) of posts mention customer language. The content analysis of the job advertisement information further revealed that different language requirements are specified based on the globalised nature of positions.

Table 2. Conceptualisation of a strategy for developing language operative capacity
at the senior level and language activities at the middle level

Senior Management			Middle Management
Strategy for developing language operative capacity			Activities to develop language operative capacity
Human capital	Acquisition	Recruitment of multilingual and bilingual talents	Auditing language needs for job positions across locations; setting flexible threshold language competence criteria
	Deployment	Balancing supply and demand on a global scale	Aligning multilingual competence with job positions and units
	Development	Cultivating a multilingual and multicultural community; providing language training	Engaging employees in language-related activities; designing and communicating implicit promotion criteria related to language/communication; working collaboratively in multinational teams
Social-cultural capital	Acquisition	Coordinating with headquarters and other subsidiaries for language resources; social interaction with external parties	Building multinational project teams; promoting social-cultural events; organising users' conferences
Technological capital	Development	Developing machine-translation and other tech-aided communication tools	Setting up a language experience department; collaborating with external experts; acquiring language/communication tech companies.

Another notable observation from the data is that middle-level managers have adopted a participatory approach to developing employees' individual practical language competence. The company has no mandatory language training or explicit language-learning requirement. The middle-level management instead promotes the message that linguistic advantages can lead to a job promotion in this globalised workplace. The human resources department designs and provides language training and activities and the company reimburses the costs. As the informants state:

> Language training is not compulsory. The company provides some related training, but you sign up yourself because your level is different, some people may need it, others may not. (David)
> We don't force them into doing this thing...they can plan their own as well. The individuals have their own development paths... Some need to have a great command of foreign languages if they are to take managerial positions. Others may just improve English written skills and concentrate on developing their technical expertise. (Susan)

Susan, a human resources manager, mentions that she encourages employees to participate in language training by clearly explaining the significant roles that foreign languages play in their career development. Considering the employees' varying language proficiency levels and their different career options, middle-level managers offer due respect and freedom to employees concerning language training and related activities. They utilise a participatory approach, giving the employees agency in developing their foreign language competence. This can also be observed from the collected artefacts, such as the activity posters and other promotional materials. Such an approach is consistent with a corporate culture which embraces diversity and shows full respect to employees from different linguistic backgrounds.

Acquisition and development of social-cultural capital

Another array of language-related activities observed in the data related to social activities aimed at establishing or expanding social networks within the company or beyond. The internal social network refers to the company's relationship and network with its headquarters and subsidiaries in other locations. Middle managers mentioned organising corporate-level activities across locations using English as a lingua franca to build a multilingual and multicultural community. For example, Tom mentioned his experiences of designing and organising corporate TED talks and grassroots innovation roadshows in English.

> In our annual grassroots innovation contests, employees are encouraged to set up multinational project teams from different units... working on innovative ideas. To help them speak a good innovation story in English, we identified their (language and communication) needs and provided targeted training courses on public speech and storytelling... in English. (Tom)

As mentioned, these language-related activities brought together employees from different locations across the world. To fulfil their team innovation projects, employees had to communicate ideas with each other using language(s). Their cross-boundary and cross-location interactions and collaborations built up internal social networks through which they were able to acquire and accumulate social-cultural capital, which contributed to the development of corporate LOC.

Another category is the external social network. The internal social network refers to the company's relationship and network with its clients and suppliers. The data analysis also revealed that middle management implemented three core activities to extend its social network and increase language capital: building an ecosystem by partnering with clients, suppliers and academics, acquiring (language/communication) technology companies, and outsourcing translation services.

> We see ourselves as a hub, organising various activities, such as regular user/client conferences and company(industry)-university collaboration. We could figure out language needs as well as problems among our clients. (Susan)
> Another part is from the outside, because we have many partners...we also have acquisition, those companies originally support many languages other than English.... We have a huge amount of translation work. Most of them have been outsourced... (David)

These excerpts further explain that the middle management, following corporate strategies, designed activities that encouraged employees to interact with local partners to acquire multilingual resources and tackle language problems. Thereby, the company has gained not only professional technology expertise but also language resources from local partners via collaboration, outsourcing or acquisition, echoing the senior management's strategy of developing social-cultural capital for corporate language development.

Acquisition and deployment of technological capital

The analysis also showed that in line with the corporate language strategy to develop overall LOC, a specialised unit dealing with language issues, both internal and external, was established, allowing multilingual talents to concentrate on language-related tasks or the design of language-centric technology.

> There is a special department...which handles messages from customers...We are also from the language side. For example, we have Japanese language support, Mandarin language support, and Korean language support. Of course, the size of the team depends on the specific situation and actual needs. But most languages have a professional support team. (Tom)
> In this new unit, two teams work collaboratively to guarantee language problems will be addressed in a timely and effective manner. One collects and solves internal language problems, particularly pertaining to product localisation. The other arranges for and manages outsourced translation services. (William)

We have some language professionals working on machine translation. Hopefully, this can help us dealing with language issues associated with our product localisation. (William)

From these excerpts, it is observed that the middle management, particularly in the newly established language-related unit, played an increasingly active role in executing the corporate language strategy. These core activities to develop corporate LOC include integrating and utilising both internal and external language resources in a productive and timely manner and developing language-centric technology to enhance translation quality.

5. Discussion

This study aimed to explore how a German hi-tech subsidiary has developed its corporate LOC in China. Interviews with both senior and middle management revealed senior executives' conceptualisation of languages and LOC and their strategies for capacity development as well as middle managers' execution of such strategies through the design and implementation of concrete language-related activities.

The first finding relates to senior management's conceptualisation of languages in the workplace. Unlike previous studies' findings that languages are considered problems/barriers (Feely & Harzing, 2010) or economic, communicative or strategic resources (Welch & Welch, 2015), this case study on a German hi-tech subsidiary revealed that senior managers share a sophisticated and dynamic conceptualisation of languages as resources to serve the

corporate MNC strategy of balancing global expansion and localisation. Languages are not conceived as a static system or a single-function resource (e.g. economic, communicative or strategic), but rather as a co-existing, dynamic, diverse, and multi-functioning ecosystem that supports an MNC's global strategy. Such findings serve as a basis for understanding the corporate language strategies pursued by senior management in the globalisation process.

Another interesting finding revealed in this study is that senior executives conceptualise LOC as a process of developing and utilising language capital, which is derived from the interactions among human capital, social-cultural capital and technological capital; this process facilitates a corporate globalisation and localisation strategy (see Figure 2 below). In addition to human capital and social capital (Welch & Welch, 2015), technological capital has been identified in this study as another important source of language capital. Such a finding is particularly informative for globalised hi-tech business solution service providers, where long-cherished traditions in technological innovation, global expansion and production localisation require the development of language technology. Meanwhile, technology may provide employees with scenarios in which social interactions with internal and external parties can take place in multiple languages. This may facilitate interactions between human capital, social capital and technological capital that will enhance language capital and thus develop corporate language capacity. Such findings provide empirical evidence to further develop the conceptual framework proposed by Welch and Welch (2015) against the backdrop of intensifying globalisation and the unprecedented development of technology.
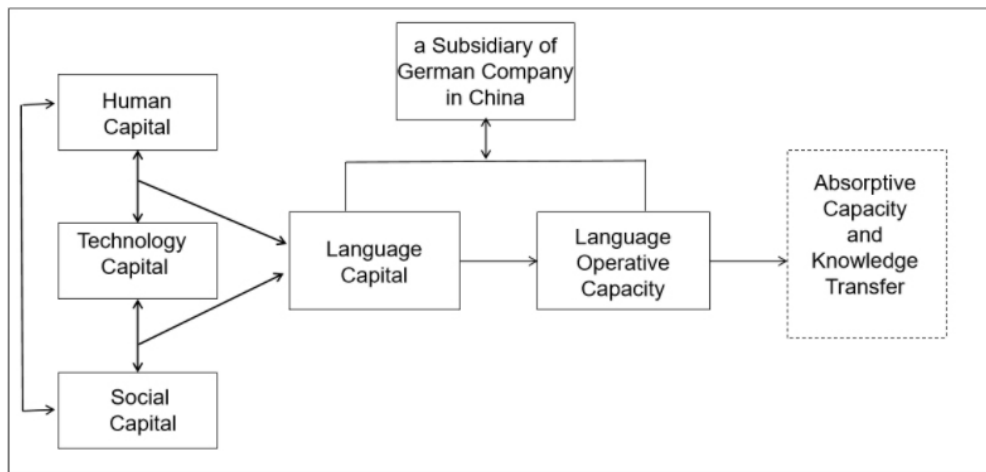
Figure 2. Conceptual framework for developing LOC in a subsidiary of a hi-tech MNC

In addition, our finding that the language capacity of products is a significant component of corporate language capacity is novel and deserves more attention. The relationship between LOC development and product localisation has not been well addressed in previous studies (Luo & Shenkar, 2006; Welch & Welch, 2015). Our finding of a strategic consideration of corporate language capacity differs from the findings of previous studies by including the language capacity of products at the corporate level. Such a finding might be context-specific (related to a tech MNC), but it points to a well-felt necessity for a contexualised understanding of LOC as an initial step for formulating development strategies. Finally, this study explores how middle-level management designs and implements language-related activities to execute corporate language strategies. First, our findings reveal that a functional, participatory, and community-building approach is adopted in acquiring/recruiting and developing human capital as a major source of language capital. Unlike previous studies (e.g. Luo & Shenkar, 2004), this study highlights the role of a participatory approach rather than a mandatory approach, emphasising employees' agency in enhancing multilingual awareness and practical business communication competence. Within the company, rich language-related activities are organised to build a multilingual and multicultural community in which social networks are expanded as employees acquire and utilise social-cultural capital. Such approaches are found to be consistent with corporate values. The managerial level shows respect to employees and provides rich opportunities for them to develop their language competence. This plays a vital role in developing individual language competence, congruent with corporate strategy and values.

6. Conclusion

This study aims to provide empirical evidence of how MNCs located in China develop corporate LOC. It enriches the current literature on corporate language management in general and on corporate LOC in particular by exploring these subjects in a subsidiary of a German hi-tech company in China. Moreover, it investigates how middle-level

management develops corporate LOC by designing and organising language-related activities. This research identifies the significant role of the functional, participatory and community-building approach adopted by middle-level management in effectively acquiring and developing human, social-cultural, and technological capital. On a practical level, the study provides useful, concrete suggestions to develop corporate LOC in China.

This study, which is exploratory in nature, has two limitations. First, the findings from a hi-tech company with a typical multilingual and multinational nature may be inapplicable to MNCs in other industries. Second, this study recruited a rather small number of interview informants for the in-depth interviews due to real-world constraints. Therefore, the findings should be interpreted with caution. Further studies may consider a larger sample within the selected MNC or other MNCs in the same industry to generate a holistic picture of corporate LOC development. An alternative line of inquiry may consider extending the current exploration to other industries to further verify and develop the theoretical framework of corporate LOC.

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Appendix Sample Interview Questions

Part I. Interview Questions with Senior Executives

1. How do you perceive the role of language(s) in the development of your company as well as the subsidiary located in China?
2. What language strategy have you pursued? Any changes over time? What are those critical events that brought about changes?
3. What do you think of the current language capacity of your company now? What have you done to develop corporate language capacity?

Part II. Interview Questions with Middle-level Managers

1. What language strategy have been pursued in your company? How do you like them?
2. How do you perceive corporate language capacity in your company?
3. As a department head/ team leader, what do you do to develop corporate language capacity?
4. What language-related activities do you design or organize? How do you like the activities?
5. Could you make some comments on other language-related activities you once participated?
6. What do you think of language training or language clubs provided by the company?