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UNBUNDLING THE LINGUISTIC DYNAMICS

AFFECTING CROSS-BORDER ACQUISITIONS

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ABSTRACT

Whilst integration is central to the success of mergers and acquisitions (M&A), less overt attention has been paid to its linguistic dimensions. By drawing on an inductive, large-scale research project totalling 166 interviews, where eight acquisitions conducted by globally-operating acquiring firms were under study, our findings confirm that language matters in acquisitions. Our main contribution is an appreciation of the linguistic dynamics at play in acquisitions undertaken by global acquiring firms. Further, our findings extend the appreciation of multinationals as multilingual spaces and attest to a tension between an ability to linguistically adapt, whilst retaining a degree of linguistic ethnocentrism.

INTRODUCTION

The issue of how to integrate two previously separate organizations following mergers or acquisitions (M&A) remains a central concern, be it from a practitioner or an academic viewpoint. Whilst the significance of post-deal organizational integration has been highlighted since the 1960s (Haspeslagh & Jemison, 1991; Howell, 1970; Mace & Montgomery, 1962), more recently connections between integration management and the performance of M&A have been established (Graebner, 2004; Larsson & Finkelstein, 1999; Teerikangas, Véry, & Pisano, 2011). Despite these advances, recent reviews and meta-analyses have called for more fine-tuned analyses of how do actions during the process of integration following M&A come to affect their performance outcomes (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009; Stahl & Voigt, 2008; Zollo & Meier, 2008).

Over the past decades, research on post-deal integration following mergers or acquisitions has established that integration projects differ in scope and nature, depending on the integration strategy adopted (Haspeslagh & Jemison, 1991; Pablo, 1994; Puranam, Singh, & Zollo, 2006; Zaheer, Castañer, & Souder, 2011). Further, various integration processes have been outlined (Birkinshaw, Bresman & Håkansson, 2000; Shrivastava, 1986). To be successful, integration management has come to be recognized as consisting of planning (Howell, 1970), adequate communications (Bastien, 1987) and attitudes conducive to cooperation (Haspeslagh & Jemison, 1991). Also, individual roles have been identified as critical toward value realization (Graebner, 2004; Teerikangas et al., 2011).

Looking deeper, though, we may ask ï what *is* post-deal integration? What does it, actually, consist in? In seeking to answer this question, we find that a central theme cutting across much of the research on M&A integration relates to the notion of interactions and socialization, as M&A are, at heart, organizational encounters; that is, encounters of people. To this end, Calori, Lubatkin, & Véry, (1994) studied óinformal control mechanismsô (Ouchi, 1981; Bartlett & Ghoshal, 1989) in M&A integration. Larsson and Lubatkin (2001) emphasized the importance of ósocial controlsô in fostering acculturation following M&A. The role of mutual interaction to the success of M&A integration has been addressed

(Buono & Bowditch, 1989; Cartwright & Cooper, 1992). These studies call for recognising the importance of exchange and interaction in promoting learning, sharing knowledge, and ensuring successful post-deal integration (Larsson & Lubatkin 2001; Schweiger & Goulet 2000). Through their case-survey of existing M&A case studies, Larsson and Finkelstein (1999) confirm that the degree of organisational integration and the ensuing degree of inter-firm interaction matter with respect to securing M&A outcomes.

Looking beyond M&A, however, we note that the theme of organizational integration has, in parallel, come to be central to the study of the multinational enterprise (MNE). With the increasing advent and pace of globalization, globally-operating firms have shifted from previously decentralized operations to increasingly integrated modes of operating (Bartlett & Ghoshal, 1989; Gupta & Govindarajan, 2000; Hedlund, 1986). In practice, global integration in multinationals requires reverting to various modes of inter-unit collaboration and coordination to secure knowledge transfer across borders (Feely & Harzing, 2003). In seeking to untangle organizational integration and coordination mechanisms in the context of multinational firms, since the mid-1990s, the role of language has been raised (Marschan-Piekkari, Welch, & Welch, 1997, 1999a). More recent work has posited the multinational as a multilingual space (Fredriksson, Barner-Rasmussen, & Piekkari, 2006; Luo & Shenkar, 2006; Steyaert, Ostendorp, & Gaibrois, 2011). Further, the impact of language on the multinationalôs strategic agility has been raised (Brannen & Doz, 2012).

Coming back to research on M&A, we note that whilst managing post-deal integration is critical toward securing M&A outcomes, extant research has made little effort at leveraging findings from the parallel literature on organizational integration in the context of multinational firms. In addition, whilst the significance of language has been raised in the context of multinational firms, much less explicit mention of language has been made in the context of M&A (Gertsen, Söderberg, & Torp, 1998; Welch, Welch, & Piekkari, 2005). Where studied, it has been found to have, for example, power and human resource management implications (Piekkari, Vaara, Tienari, & Säntti, 2005; Vaara, Tienari, Piekkari, & Säntti, 2005). We thus note that the linguistic dynamics shaping acquisitions across borders remain to be explored.

In this paper, our aim is to start exploring these gaps in the literature on mergers and acquisitions. To this end, we focus on the language dynamics in acquisitions conducted by global acquiring firms. Given the relative paucity of research on language in M&A settings (Welch et al., 2005) and calls for more multi-case research in MNE settings (Birkinshaw, Brannen, & Tung, 2011; Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011), this paper draws from a large-scale, inductive research project, wherein a set of one domestic and seven international acquisitions conducted by four globally-operating Finnish acquiring firms were under study. The research question guiding our work has been: ñHow does language affect acquisitions conducted by globally-operating multinational enterprises?ò

The study contributes to an appreciation of the linguistic dynamics at play in acquisitions by global acquiring firms. In contrast to a prevailing M&A discourse that largely withholds a language-neutral discourse, we argue that language matters. To this end, we posit acquisitions as multilingual spaces and, further, as grounds of shifting linguistic clusters. We find that language affects acquisitions through an impact on (1) the potential to purchase, (2) the integration of foreign target firms, and (3) the internationalizing of previously domestic target firms. Further, it appears that integration-related decisions are impacted by language. Moving beyond M&A to the international business literature, our findings extend the appreciation of multinationals as multilingual spaces. In particular, we draw attention to an apparent tension between a seeming linguistic intelligence to adapt to languages paralleled with a linguistic ethnocentrism vis-à-vis oneôs native tongue.

LANGUAGE AND COMMUNICATION IN INTERNATIONAL MANAGEMENT

Language and communication play a major role in organizational life and in the practice of management. Top-managers spend the majority of their working time in communicative activities (Mintzberg, 1973, 1975; Tengblad, 2002). Communication practices play an important role in the way work processes are organized (Orlikowski & Yates, 1994; Yates & Orlikowski, 2002) and in the shaping of identification at work (Fiol, 2002). In a multinational context, the importance of language is compounded by challenges of communicating across cultures. This issue has been studied for a considerable amount of time by communication scholars (Gudykunst, Stewart, & Ting-toomey, 1985; Scollon & Scollon, 1995). In contrast, for long, international management research seemingly hid language behind the all-encompassing concept of ócultural distanceô.

Since the mid-1990s, an emerging set of research has looked at the impact of language competencies and types of discourses in the management of multinationals. Seminal in this field has been the study of Marschan/Piekkari and colleagues on the role of different levels of fluency in the management of a large multinational company and the emergence of a language cluster-led shadow organization (Marschan-Piekkari et al., 1997, 1999b). The programmatic study of the merger leading to the creation of the Nordea bank (Söderberg & Vaara, 2003) has also shown how language was an important element in the circuits of power in a new organization, and particularly how the choice of an official corporate language triggered patterns of domination from one group to another by shifting power resources and impacting organizational identity (Vaara et al., 2005).

Recently, this stream of research has established multinational enterprises as multilingual entities. The combination of functional language in different units of the company has important implications for the firms willing to design a ölanguage strategyô (Luo & Shenkar, 2006). Typically, several languages are available simultaneously in multinationals. Such organizations thus form ölinguascapesô where the discursive practices will be changing according to the situation, the number of locutors, the levels of fluency, or the willingness to make an identity statement (Steyaert et al., 2011).

Yet, as English has become a widespread business lingua franca (Crystal, 1997; Nickerson, 2005), many organizations have decided to set it as the ócommonô corporate language with the aim of facilitating and standardizing communication across units and with the hope of promoting trust, collaborative work and information flows. This idealized vision remains a fallacy when it is accompanied by the belief that the designation of a corporate language will suppress the need for the use of other languages within the corporation. Choosing a corporate language does not make all organizational members instantly fluent in that language or willing to use it for everyday communications (Fredriksson et al., 2006). Further, the choice of a common language has important power consequences (Piekkari et al., 2005) and can also be used to exclude parts of the organization from the management processes (Welch et al., 2005). A review of language competencies, practices and policies conducted by Harzing and Pudelko across thirteen countries (2012) shows that many firms based in Asia do not want to define a common corporate language; many languages are spoken in parallel in most of the units surveyed worldwide, with the exception of Anglophone countries that have the lowest number of language spoken regularly in their units.

This multiplicity is hardly news for scholars in communication and language learning, where the combination of different languages at varying levels of fluency, including Business English as a lingua franca, has been studied for long. In international encounters, each communicative event brings together locutors with varying levels of fluency in various languages, and different exposure to specific cultural rules of behavior. Babcock and Du-Babcock (2001, 2007) distinguish eight language zones that describe configuration of speakers that have either parallel or non-parallel competencies in different languages. They define three levels of fluencies: unilingual, partial bilingual and fully bilingual. According to the language profile of the participants, business encounters will necessitate language ôlinkpinsô, i.e. people playing the role of connectors or intermediaries in the discussion who can also reinterpret, filter or distort the message. What is important to consider is that such a combination of language competencies is the rule rather the exception in contemporary business life, diversity being also present at the linguistic level. For instance Poncini (2002, 2003, 2007) showed how an Italian companyôs meetings with its industrial distributors involved the active use of nine languages (including English) in fifteen different countries. Participants can and will contribute to discussions and deliberations despite their language deficiencies. Communication linkpin channels will be opened, multilingual participants will switch from a language zone to another (Babcock & Du-Babcock, 2001), linguistic corrective activities will be conducted, strategic choices for the use of a language will be made. The language learning literature refers to the notion of óinterlanguageô to describe the system progressively built by a learner between complete ignorance of a language and full competence. Knowledge of a language is not of a binary nature; there is an entire space between partial competency and fluency, where people can exchange and communicate. The interlanguage is full of approximations, be it strategies and forms coming from the first language of the learner and applied to the second, simplifications and innovations in using the second language, to partial pragmatic competence (Bardovi-Harlig, 1999; Selinker, 1972; Selinker & Douglas, 1987).

Despite the recognition of communications laying at the heart of post-deal integration (Haspeslagh & Jemison, 1991), to the best of our knowledge, only a handful of research has addressed communication and language issues in M&As (Welch et al., 2005). Where addressed, the underlying power dynamics (Söderberg & Vaara, 2003; Vaara et al., 2005) and human resource implications (Piekkari et al., 2005) of inducing a shared corporate language have been brought forward. The communication problems ensuing from the use of foreign languages have been raised, though (Villinger, 1996). This lack of overt attention is a considerable blind point for the study of socio-cultural mechanisms at play in cross-border M&A, where it is to be expected that intercultural interactions will be conducted across different languages.

To conclude, we note that despite the centrality of communications to the work of management, the role of language has only recently emerged in the study of international business, and is yet to be discussed in the practice of M&A. Whilst research on language has burgeoned in the parallel fields of communication and language learning, in international business, a key tension has been identified with respect to the use of English as the official, corporate language on the one hand, and multinationals as multilingual spaces on the other hand. This tension is further compounded by the fact that the myriad of players engaging in international communications in multinational firms do so with varying degrees of fluency, in various languages. In light of this stage of affairs, more research has been called on the linguistic dynamics at work in multinational firms (Harzing et al., 2010; Luo & Shenkar, 2006; Welch et al., 2005). We extend this call to the context of M&As, where a lack of work prevails as to the linguistic dynamics therein.

RESEARCH METHODS AND RESEARCH SETTING

Given the recognized need for more theory-building in the study of international business (Birkinshaw et al., 2011; Welch et al., 2011) and M&A in particular (Larsson & Finkelstein, 1999; Trautwein, 1990), coupled with a paucity of research on language in M&A contexts, the grounded theory method, as brought forward by Glaser & Strauss (1967) and thereafter developed by Glaser (2001) was adopted (for reviews of the grounded theory method, its development, and variants, see Bryant & Charmaz, 2007; Morse et al., 2009; Suddaby, 2006).

By means of theoretical sampling (Eisenhardt, 1989; Glaser & Strauss, 1967), the research project came to encompass the study of eight acquisitions, of which one respectively in the United Kingdom, the United States, Denmark and Finland, and two respectively in France and Germany, made by four Finnish multinationals operating in different industrial sectors, Tables 1 and 2. Given the local nature of the Finnish language (Harzing & Pudelko, 2012), the study posits the linguistic dynamics at play in acquisitions conducted by multinationals from linguistically peripheral countries.

The studied acquisitions had been completed with a ósymbioticô integration strategy (Haspeslagh & Jemison, 1991), aiming not only to integrate the target but, further, to learn from the targetôs best practices. Depending on the acquisition, the interviews were made one to eight years after the completion of the transaction, Table 1. Research has evidenced that successful acquisition results may take three to ten years to materialize (Birkinshaw et al., 2000; Quah & Young, 2005) hence the danger of studying acquisitions too soon after the transaction has been completed. The first author was in charge of the empirical data gathering and the first rounds of data analyses.

[Insert Table 1 and Table 2 about here]

Data Collection

The research project was largely interview-based, totalling 166 interviews with 141 interviewees, as select key interviewees were met several times. Interviews were conducted in Finnish, English and French. In addition, for each acquisition, documentary material was gathered from the local media, the companiesô annual reporting, external and internal websites and company presentations. An ethnographic element was involved, in that the first author spent 2-5 days onsite at each of the studied acquired firmôs premises. At the end of the project, company-specific feedback sessions to discuss the results with the key informants were organized.

Depending on the size of the studied acquisition, between 10 and 36 interviews per acquisition were conducted, Table 1. As is typical in M&A research, key managerial representatives from both acquiring and acquired firm sides were interviewed. To avoid a management bias (Risberg, 2001), also employee representatives from the acquired firm side were included in the sample. The selection of the interviewees followed ósnow-ballô sampling (Graebner, 2004). Interviews followed an open and emergent logic (Glaser & Strauss, 1967). Though pre-interview preparations were undertaken and a set of themes were ready for each interview, interviewees were let free to share their story and views of the acquisition. During the course of the research project, as the researcherôs appreciation of the subject matter increased, follow-on questions matured and increased in clarity.

Data Analysis

As is typical to inductive research, the analysis process followed a number of cumulative rounds of iteration. The findings were first analysed at the level of each acquisition. The first stage of the analysis was a line by line coding of the transcribed and written interview notes (Glaser & Strauss, 1967), from which initial themes emerged. Then, all the quotes from a particular acquisition were organized along the emerging themes. Following rounds of iteration, gradually, per acquisition, a hierarchical ordering of the themes developed, and the story of each acquisition could be outlined. Per acquisition, the outcome was the drafting of a 40-160 page report inclusive of original quotes.

In a second stage of analysis, the thematical coding across the studied acquisitions was compared. Also this endeavour was inspired by the constant comparative method of analysis (Glaser & Strauss, 1967). The aim was to reach a higher level conceptualization of the emergent themes that would hold across the studied acquisitions. Having reached such an appreciation per theme, cross-case analysis techniques were used (Eisenhardt, 1989; Glaser & Strauss, 1967; Miles & Hubermann, 1994; Yin, 2004). The studied acquisitions were then compared along the emerging themes, identifying similarities and differences as regards contents and causal chains. Cross-case comparative tables were drafted to support this analysis. Through this iterative exercise, gradually, an appreciation of the integration dynamics following acquisitions matured. One of the emerging themes in this analysis related to the linguistic dynamics at play.

As a means of furthering our appreciation of language in M&A settings, the authors then jointly proceeded to a third round of analysis. This time, the focus was solely on instances and quotes, where language was present in the data. These quotes and instances were analysed on a one-by-one basis, leading to the identification of first order categories, followed by second order themes (see e.g. Gioia, Price, Hamilton, & Thomas, 2010). What emerged from this analysis was that linguistic elements did shape the unfolding of acquisitions by global firms. We proceed next to presenting our findings on the linguistic dynamics at play during domestic and international acquisitions.

FINDINGS

Our findings confirm the significance of language when seeking to integrate target firms, be these domestic or cross-border, into the operations of global acquiring firms. Extending recent evidence, we consider multinationals as multilingual spaces (e.g. Barner-Rasmussen & Björkman, 2007; Barner-Rasmussen & Aarnio, 2011; Luo & Shenkar, 2006; Steyaert et al., 2011). We present the findings in the form of a three-dimensional ólinguistic matrixô, see Figure 1. By positing the shifting nature of the linguistic spaces that the acquiring and target parties co-habit, we argue that this matrix illustrates the complex linguistic reality of modern acquisitions and multinationals.

[Insert Figure 1 about here]

In the absence of a shared native language with target firms and subsidiaries worldwide, we find that the acquiring multinational firm uses three types of ólinguistic practicesô to communicate with target firms: (1) using English as the corporate language, (2) going beyond English to reach foreign target firms, and (3) using the multinationalôs home language. In parallel, we identify three native speaking linguistic clusters across the acquiring and target firms: speakers native in (1) the multinationalôs native language, (2) English, and (3) other tongues. We find that, depending on the linguistic practice in use, the positioning and perceived power of the linguistic clusters change. This leads us to argue that acquisitions and multinational firms represent shifting linguistic grounds, depending on the language used, Figure 1. These findings lead us to argue that there is no one answer to the question of how does language affect M&A integration. We posit that the linguistic practices come to affect an acquisitionôs progress in different ways, depending on where and in which language cluster the acquisition is conducted. The lack of a shared native tongue is, however, compensated by the use of various mediating mechanisms. In support of the reading, Figure 2 summarizes the key findings.

[Insert Figure 2 about here]

Linguistic practice #1: Use of English as the official corporate language

The first linguistic practice that we identify was the acquiring firmsô seeking to communicate in a unified corporate language across their worldwide operations. In line with extant research (Dor, 2004; Tietze, 2004), the use of English as the ólingua francaô and corporate language was widespread in the multinationals we studied, though we identified tensions and paradoxes in its usage. Here, we differentiate the experience of using English as the official corporate language with respect to (1) non-native speakers of English, and (2) native speakers of English.

The non-native speakers’ experience of communicating in English. Though practice and the literature tend to attribute English the role of the ólingua francaô and that of *the* corporate language joining worldwide operations, our findings confirm that its usage in the modern multinational bears more subtlety. In particular, we highlight that the non-native English speakersô aptitude of communicating in the official corporate language hinges on their degree of fluency (Barner-Rasmusssen & Aarnio, 2011; Feely &

Harzing, 2003; Marschan-Piekkari et al., 1997). This was found to vary across countries, hierarchies and generations, and to imply challenges on the conduct of post-deal integration.

Degree of fluency. It appears that degrees of fluency in English differ from one country to another. The lack of fluency was raised as a problematic issue in all of the non-English speaking countries in the study. However, the issue appeared to be less dire in smaller, more internationalized countries such as Denmark, and more significant in countries with a tradition of majority language, such as France (Harzing & Pudelko, 2012). Interestingly, whilst language was also raised in the German cases, it appeared significant, yet less of an obstacle than in the French ones:

ñApart from the office clerks and management, only a handful of the workers spoke English. Also, customers do not speak English.ò (Finnish interviewee, French acquisition #7)

What is more, within a unit, the degrees of fluency would further fluctuate. Regarding non-native speakers, we identified a continuum with respect to the intervieweesô degrees of fluency in English along hierarchical and generational positions. Mirroring existing research, some degrees of fluency existed at middle to top management levels in the acquired firms and units, whereas language competence plummeted at lower degrees of hierarchy (Barner-Rasmusssen & Aarnio, 2011). In acquisitions, this becomes an issue, given that high degrees of integration are sought. The implicit assumption is that all employees are reached in a uniform language; clearly, the present findings posit a more nuanced view. How, then, to reach employees across linguistic borders?

ñAn additional problem at this site is the fact that hardly none of the workers can speak English. This complicates technology transfer. We organized an English language course for factory staff.ò (Finnish interviewee, French acquisition #7)

It appears, though, that the degree of fluency bears also a generational component. As the following quote illustrates, the older generation appears less competent in English than the younger one. It could thus be that part of the fluency question might reside in the rapid internationalization characterizing the past decades, with older generations experiencing greater difficulty in catching up:

ñTodayôs young staff with 10-15 years of experience have not experienced óthe old timesõ. [..] .. they want information, they speak English ..ò (French interviewee, French acquisition #5)

Implications on integration. Having noted that target firms acquired across borders enter the new global, parent firm, with varying degrees of fluency in the corporate language, English, what are the implications, if any, on the progress of acquisitions? We found the use of English as a corporate language to withhold both positive and negative implications for post-deal integration.

On the positive, interviewees highlighted that they experienced speaking in English as a foreign language being easier with other non-native speakers. Intriguingly, what appears here is a seeming rift in that non-native English speakers prefer one anotherôs company to that of native speakersô, in whose company they feel linguistically inferior. Thus, a óclusterô of non-native speakers emerges that brings together the foreign non-native acquired units as well as the acquiring firm:

ñIn a sense, the fact that English is not the mother tongue of either us or the Finns eases our communication. We understand one another better and it is easier to speak English with a Finn rather than with native American speakers.ò (French interviewee, French acquisition #7)

All the while, the same non-native English speakers, with varying degrees of fluency, expressed their frustrations and concerns with respect to using English in their daily work. For one, the lack of a shared native language between the acquiring and target firms was found to develop into a language barrier (Harzing & Feely, 2007; Harzing, Köster, & Magner, 2010; Marschan-Piekkari et al., 1999b). This was experienced as a hindrance to cooperation in the post-deal years:

ñThe language barrier, i.e. our bad command of English, is an essential hindrance in cross-Atlantic cooperation ...ò (German interviewee ï German-US acquisition #4)

ñAs a foreigner, it is more difficult to have good communication with the parent firmôs managers, to read between the lines, and hence get to know them.ò (Interviewee ï German acquisition #2)

The issue was more dire for those units that had a poor command of English, which nevertheless, had to follow the same integration procedures as other units:

ñThey need to learn that they need to speak English now that they are dealing directly with foreign units.ò (Finnish interviewee ï German-US acquisition #4)

Given that both the acquiring and target firms communicate together in a shared, non-native language, there is potential for misunderstandings to occur. Interviewees specified that misunderstanding were particularly prone in telephone conversations, and when discussing specific technical details related to manufacturing or research and development:

ñWe communicate in English between our Finnish and German locations. English is not the native language of either party. Unless we are specific enough, it happens that we run into misunderstandings.ò (Finnish interviewee ï German-US acquisition #4)

ñWe have difficulties in communicating with Finland, especially over technical questions on the phone. This results in misunderstandings.ò (French interviewee ï French acquisition #7)

Given that the acquiring firms sought global integration across their operations, the notion of ónetworkingô across sites was significant. Target firm managers lacking in English fluency noted, however, that the very notion of networking came to be discouraged by the fact that one would find it difficult to network in a language that is not oneôs own:

ñIt is easier to make new connections and network in the new parent firm in your own language. In a foreign language, it does not give the same feeling. A foreign language is sufficient to exchange information, but not enough to convey the underlying contextual message.ò (German interviewee - German acquisition #2)

In a similar vein, lacking language competence affected some membersô ability to attend global meetings and training sessions. All the while, these were opportunities of meeting peers from across other units of the acquiring firm, in so doing furthering integration:

ñIn R&D, some staff speak good English, so they can lead discussions and attend meetings. 60% of our R&D staff get along well in English.ò (German interviewee ï German-US acquisition #4)

The practical concern of translating documents from the acquiring firmôs native tongue, Finnish, to the corporate language, English was further mentioned. As most documents, such as technical drawings and specifications, had initially been drafted in Finnish in the earlier decades of the acquiring firmôs history, they now had to be available in English to the firmôs foreign subsidiaries. Given the potential for mistakes in the translation process, an impact on knowledge transfer ensued:

ñAt times, with language, some things get lost in translation.ò (American interviewee ï US acquisition #8)

ñLanguage creates a barrier, i.e. documents, print-outs might have lacked a correct translation at the start and it was hard to find someone to translate them for us.ò (American interviewee ï US acquisition #8)

Notwithstanding, the lack of a shared native tongue came to have implications on the progress of post-deal integration. The consequences were all the more dire the less fluency the target had. Where such an acquisition had been conducted, as here in the French and German cases, the lack of a shared language across the organizationsô layers came to slow down the progress of integration and identification in the target firm:

ñLanguage barriers have slowed down the integration of organisational cultures and the creation of a common organisational identity. The French do not speak Finnish and the Finns do not speak French. It is just so much easier with an English or German person. This has made integration more difficult.ò (Finnish interviewee ï French acquisition #7)

The extreme case, where language fluency was missing, was reflected in the acquisitions of previously domestic organizations, purchased by the global acquiring firm with the logic of internationalizing their offering. This required not only a strategic shift, but also a cultural and linguistic one. As to the latter, it appears that the challenge of internationalizing formerly domestic firms rests on the lack of linguistic capability. In the examples of the domestic Finnish and the German-US entrepreneurial firms, their post-deal internationalization efforts came to be in part stalled owing to their poor English skills. This portrays one example of why, in practice, the pre-acquisition strategic expectations and aims do not materialize. It is one thing to aim for internationalization, yet it is another to achieve this with a staff base lacking linguistic skills:

ñThe communication problems resulting from an increase in foreign calls and the need to speak English was the biggest problem for us at the start.ò (German interviewee ï German-US acquisition #4)

The native speakers' experience of communicating in English. Whilst we have thus far highlighted the non-native speakersô varying degrees of fluency in English, in parallel we find that the English native speaking interviewees also experienced tensions in the use of English as a corporate language. Intriguingly, both the studied UK-based entrepreneurial firm and US-based multinational that were acquired were being integrated for the first time into an acquiring firm from another linguistic group.

Whilst in the acquisitions, the UK and US firms were the ótargetô firms, with respect to competence in the corporate language, they enjoyed a higher degree of mastery in their native tongue as compared to the acquiring firmôs members for whom English was a second or third language. Some interviewees experienced the English or Americans as withholding a ónative speakerô advantage: fluency in English granted them an enhanced professional image. This was exemplified in research cooperation between the Germans and the Americans. As the quotes below illustrate, the Germans experienced the Americans as ówinning the showô, regardless of their technical competence:

ñThe Americans always ówin the showô, as they are better at making shows and making a good oral performance. In such a situation, the Germans always lose.ò (German interviewee ï German-US acquisition #4)

The issue of a native speaker advantage was particularly salient in instances that were already loaded with conflicts. Thus, in difficult instances, it was noted that language might be raised as a problem beyond its actual implications. This was exemplified in the German-US acquisition, where the two sides of the target firm reverted to blaming the other on linguistic grounds. Here, language took on the role of a scapegoat in an already troublesome context:

ñCultural differences were not the initial problem in the project. As with language barriers, they were used by the two parties to worsen the lack of trust and increase the competition between the two sites.ò (Finnish interviewee ï German-US acquisition #4)

ñThe language barrier is an essential hindrance in cross-Atlantic cooperation, especially if you do not trust the other party.ò (German interviewee ï German-US acquisition #4)

All the while, the English and American native speakers also experienced frustration and difficulties in working for a parent firm, whose members do not speak fluent English. In the American acquisition, interviewees complained of not always understanding the ôbrokenô English of the Finnish managers in pre-acquisition interviews:

ñIn interviews, I was interviewed by Finns and an American. I had a higher comfort level as an American was present, as the Finns spoke broken English, making it harder to understand. Their expressions were not clear so the American interviewee would clarify some of the questions.ò (American interviewee ï US acquisition #8)

Given the potential for misunderstandings, in the American acquisition, the acquiring firm soon realized that it was better off, if it delegated the responsibility for integration management onto its US-based organization. Having a local integration manager in charge of the targetôs implementation was a means of securing the local staff membersô commitment and easing their concerns.

ñThe local US organization was in charge of the integration. [..] Post-acquisition integration is easy ï you do not need brochures and big plans. You simply need to be a good person, to listen to others, so things will go smooth. [..] You need to talk to them in their language, about their work, their future, their families, as they realize the consequences of any change on their lives.ò (Finnish interviewee ï US acquisition #8)

In summary, whilst English as the corporate language emerged as the primary linguistic practice of the studied Finnish multinationals, we note that its use is not without difficulty. We thus call modern multinationals ôlimping elephantsô in English. For one, the degrees of fluency and competence vary across and within countries and sites. This bears implications on the progress and depth of integration and the pursuit of strategic goals such as technology transfer or internationalization. For another, we note that also native speakers experience difficulties in dealing with their non-native peers in English as a corporate language (Maclean, 2006). It appears that native English speakers also suffer disadvantages. This shows that working across borders means more than fluency in English.

This leads us to highlight that, when English is used as a corporate language, the structure of the linguistic clusters becomes reordered. We saw three new clusters emerging (see Figure 1): (1) those that do not speak English, (2) those that speak English with varying degrees of fluency, and (3) those that speak English as a native tongue. Our findings pointed to members in the second cluster as forming a cohesive group, given their óshared non-masteryô of English, whether they represent the target or the acquiring firm side. Thus, the non-mastery of English becomes a shared óweaknessô that bonds the two parties, leaving out the native speakers. This is a powerful example of the ways in which language fluency and deficiencies come to affect the in- and out-group categorizations (Brown, 2000) at play during changes such as acquisitions.

Linguistic practice #2: Going beyond the official language (English) to second or third languages

The second linguistic practice used by the studied Finnish multinationals consisted in the acquiring firms going beyond the use of English, the official corporate language, to second or third languages in order to secure communications and the integration of recently purchased foreign target firms. This finding points to the flexible strategies adopted by multinational enterprises coming from home countries, whose language is only locally spoken, as in the case of Finnish. As they cannot expect others to speak their language, they first revert to English; beyond English, they are ready to use further languages to communicate with foreign target firms. In this endeavour, a number of mediating mechanisms were used.

To begin with, acquiring firms were found to adopt other languages in the documentary correspondence with their target firms and international client base. One of the acquiring firms regularly communicated in five European languages (Italian, French, German, Finnish and English) as a means of reaching its employees and customers across its European markets:

ñWe operated in five languages. All important documentation was translated into Italian, Finnish, German, French and English.ò (Finnish interviewee ï French acquisition #5)

In most cases, however, the official language English was compounded by the parallel usage of one or two major languages. This was particularly critical in the French market, where proficiency in English is often poor or lacking. In terms of linguistic adaptation, acquiring firms translated their materials into French. This was considered necessary not only with respect to communicating internally toward employees but, further, as a means of communicating with French local clients, who were expecting to be serviced in French:

ñAt the start, clients suffered from not getting documentation in French, as the French mentality is to have documentation in French. This is now improving, as we are getting documents translated into French.ò (French interviewee ï French acquisition #7)

However, this process does not go without its hick-ups. The ensuing misunderstandings and mistakes were highlighted:

ñThere are at times misunderstandings and translation mistakes when originally Finnish documents have first been translated to English, then to French.ò (French interviewee ï French acquisition #7)

Beyond official documentation, the use of second or third languages was manifested in the studied acquisitions of targets in German or French-speaking countries, if language skills in English were not sufficient. The strategy of going ólinguistically localô was a means of securing access to information as well as the commitment of the targets. In the case of a domestic, entrepreneurial acquisition in Germany, the acquiring firm sought to speak in German from the first encounters in the pre-acquisition era onward. This practice then continued in the integration era, where the acquiring firmôs (Finnish) integration manager and the acquiring firmôs (Finnish) management team sought to communicate in German with the newly-acquired target:

ñCommunication is made easier as most Finns who are in touch with us speak German, this makes the contact easier.ò (German interviewee ï German-US acquisition #4)

ñMost of our current management speaks German; that makes communication easier. It is easier to get inside their culture. I think it has an indirect influence and creates a feeling of belonging.ò (Finnish interviewee ï German-US acquisition #4)

ñWe spoke German with the average German employee that did not understand English. In addition, our materials had been translated into German. At least that gave them the feeling of homeliness.ò (Finnish interviewee ï German-US acquisition #4)

When the local language is not mastered, as was the case in both of the studied French acquisitions, communication barriers ensued. Interviewees explained that most of the staff does not speak English; also, much of the target firmôs materials are in French. As a result, without the use of French, there is no shared language between the two organizations:

ñThe big issue with our former American and current Finnish owners has been language, as few employees are able to speak English. Also most of our documentation is in French.ò (French interviewee ï French acquisition #7)

The example of France points to the fact that certain country and linguistic dyads do not work as well as others. Here, it appears that historically, the Finns have established relationships with the Germans; thus, German is more commonly spoken as a second language in Finland. The apparent lack of historical relationships between Finland and France and the ensuing lack of linguistic bridges between the two countries has come to affect the Finnish firmsô willingness to internationalize toward France. When, finally, a Finno-French acquisition occurs, unsurprisingly, language issues emerge:

ñTraditionally, Finnish firms have internationalized their operations through Sweden, the UK and Germany. But in France, Finnish firms have had a very weak position. The Finnish corporate world has been afraid of France and has avoided France by going to locations that are easier in terms of language and culture.ò (Finnish interviewee ï French acquisition #5)

Given the inability of the Finnish acquirers to communicate in French, this was circumvented by empowering the target firm. On the positive, this led to the targetôs óself-integrationô endeavours in contrast to the acquirer óforcingô integration. On the negative, this meant that acquiring firms were to become dependent on the few individuals in charge of subsidiary-headquarter relationships. In the studied multi-site French acquisition, this came to have severe consequences; it appeared years later that this position had been usurped by the locals in charge as a means of supporting certain sites and persons to the disadvantage of others.

We note in the second studied French acquisition the practice of going beyond the immediate language, i.e. French, to a third language, namely German. This was the case of an acquisition in the French region of Alsace-Lorraine that has a history of being torn between France and Germany. Not only does the local dialect, Alsatian, mix the two languages but, moreover, many Alsatians learn German at school. This points to the nuances in the language maps as compared to geographic and cultural ones. For the Finnish acquiring firm, this turned into an advantage. Given the Finnish acquirerôs lacking skills in French, they reverted to German, as it is more commonly mastered by Finns. In other words, the language that bridged the acquirer and the target was not the official corporate language, nor the local language of the targetôs country, but a third language.

ñWhat eased our working with the unit was the fact that most Alsatians speak German. We did not speak French and only some of their staff spoke English. Without German, we would have had no common language. Naturally, the best option would have been if one of us would have spoken French. But even with German, we were able to speak to the staff in the factory. This has meaning, to understand the language and thus also some of the culture and the regionôs history.ò (Finnish interviewee ï French acquisition #7)

In practice, this might have translated into surprising moments, as the following quote illustrates. Whilst the acquirerôs representatives were delivering their speech in German, they knew little of the slidesô translation in French:

ñGiven that the Alsatians speak good German, some of our acquirer presentations were made in German, whilst our slides were in French. This made the presentations slightly funnier, as we didnôt necessarily know what the slide said!ò (Finnish interviewee ï French acquisition #7)

In addition to trying to speak the local language or communicate in a third language, acquiring firm interviewees noted that what further eased their work and earned them respect was the fact that they shared a professional language with the target firm experts, managers and workers. Thus, intriguingly, the lack of a common language was metaphorically compensated by a shared professional language:

ñThe Finns I have met in joint research projects are engineers with a technical background. In their work, they encounter the same challenges as we do, so we speak the same language.ò (French interviewee ï French acquisition #5)

ñOne big reason that I was approved among the employees was my long background in R&D in this sector, i.e. we had one common language more! This is related to culture, as in France, there is a respect for know-how and skills.ò (Finnish interviewee ï French acquisition #7)

As a result of the multilingual nature of the acquiring firms, a number of languages would be spoken in parallel to the official language, English. This is an example of multilingual communication zones (Babcock & Du-Babcock, 2001). This led the English native-speaking interviewees to lament their not understanding the myriad of languages that they heard spoken around them:

ñAs we travelled to meetings, it was always visible, as there would be crowds speaking German, or Finnish, but if you are the only one speaking English, then you feel óoh-ohô. This is psychological, not that you are ólowerô but that you are ódifferentô, because you are not able to communicate, you do not even understand what is being communicated.ò (American interviewee ï German-US acquisition #4)

In summary, we note that in the absence of sufficient English skills in the target firms, acquiring firms reverted to the use of second or third shared languages as a means of communicating with them. We term this the second linguistic practice. Whilst this might be a feature typical to the multi-linguistic reality of the European business landscape, it also portrays the example of acquiring firms that adapt to local contexts, here linguistically, when acquiring. This differs from the practice of UK or US based acquiring firm that might unwittingly expect English to be spoken, or the practice of French or Spanish acquirers, whose languages might be mastered beyond their countryôs borders. It appears that the ability of the Nordic acquiring multinational to flex to the linguistic context at play might be an advantage that acquirers from peripheral languages have over acquirers from majority language groups, e.g. Anglo-Saxon or Latin firms. In the absence of such linguistic adaptation, we found that the target firmôs few English-speaking managers might secure too powerful a position as linguistic nodes in-between the headquarters and the subsidiary. In other words, it appears that language, indeed, matters. All the while, such flexibility bears upon the English native speakersô ease of adapting to a multi-lingual parent firm. Thus, a new linguistic clustering appears: those native in languages other than English vs. those native in English. This leads us to conclude that, depending on the linguistic practice in use, the borders of the linguistic clusters become reshuffled. In sum, the relative positioning of the linguistic clusters depends on the languages being used.

Linguistic practice #3: Going beyond the official language to the multinational's home language

Similar to Marschan-Piekkari et al.ôs findings on the Kone case (1997, 1999a, 1999b), a third linguistic practice identified in the studied acquisitions by Finnish multinational acquiring firms was their frequent reverting to their home country language, Finnish. This illustrates the gap between the official discourse of a ócorporate languageô and the reality of the ópracticed languagesô in the case of multinationals whose home base is not a native English one. This bore advantages and disadvantages, depending on the receiving side. It was perceived and experienced by the target firm interviewees as having negative implications extending beyond the acquisition itself. All the while, benefits in domestic contexts were highlighted.

The experience of the non-Finnish speakers. We begin our exploration of the impact of using Finnish in the acquiring firmôs communications by analysing how it impacted the work of those who could not speak Finnish. As the ensuing analysis shows, mainly disadvantages were raised. It appears that the use of Finnish bore a native speaker advantage to the Finns, whilst in parallel excluding others (Welch et al., 2005).

For one, numerous communication-related implications were identified. The use of Finnish was experienced as a language barrier, given the difficulty of comprehending what was being said. This language barrier was experienced as being greater in depth than the language barrier toward English, as with Finnish, nothing could be understood. The use of Finnish thus virtually sealed off non-Finnish representatives from conversations, and hence, efforts to further integration:

ñWe have a language barrier: it is impossible for us to learn Finnish.ò (French interviewee ï French acquisition #5)

ñIt is more difficult to understand Finnish, thus we have a language barrier, whereas with the Americans, we could understand all that they said, as they spoke English.ò (French interviewee ï French acquisition #7)

In practice, this meant that the acquired firm noticed that they would be missing out on information, given that the Finnish acquiring firm representatives would unwittingly switch to Finnish, even in formal meetings, to get their message across. In so doing, they did not realise the consequences for those not speaking the language. It appears that the acquiring firms were oblivious to the linguistic dynamics shaping their communications:

ñThere were communication issues, e.g. as regards the Finnsô ability to speak English. At meetings in Finland, they would look for the right word, then ask it in Finnish, and switch back to English again. This happens in many situations, e.g. as when someone is telling a joke, they would switch to Finnish, if they cannot find the English word. So, as a non-Finn, you miss out on information. This is noticeable with Finns in Finland, the ones here are good at English.ò (American interviewee ï US acquisition #8)

Such practice, whilst is appears to have gone unaware by the acquiring firm representatives, triggered emotional reactions amidst the target firm members. Given that this occurred in the context of acquisitions, where it takes time to establish a relationship of trust between the two parties involved, the fact of not understanding the language spoken by their acquiring firm peers raised the suspicions of the target firm members. Acquiring firm official and unofficial communications came to be purposefully misunderstood. Questions such as óCan we trust the acquiring firm talk?ô were raised:

ñThe Finns speak a language you do not understand. People are naturally suspicious of things they do not understand, that is part of human nature.ò (American interviewee ï US acquisition #8)

Further, the use of Finnish came to affect the target firmsô ability to use the acquiring firmôs documentation. Here, we point to an intriguing aspect of internationalization over the past decades in that as firms have internationalized, this contrasts with their early materials (e.g. product drawings or technical specifications) having been made in their native tongue. Where this is not English, it poses practical challenges when crossing borders:

ñReading e.g. product drawings is an issue owing to language.ò (American interviewee ï US acquisition #8)

Beyond communication problems, the inability of the target firm members to understand Finnish was experienced as having an effect on their career prospects in the acquiring firm. As exemplified in the Kone case by Marschan Piekkari et al. (1997, 1999a, 1999b), the multinationalôs home language creates a óshadow structureô operating in parallel to the official structure:

ñOur business line board is Finnish. The barrier to climbing the ladder is language, as you cannot express yourself as fluently in a foreign language and establish such good connections.ò (German interviewee ï German acquisition #2)

This explains why the headquarters and the Finnish operations of the acquiring firms came at times to be perceived as operating with an óethnocentricô mindset. What is intriguing here is that the use of a non-recognizable language, Finnish, came to be one of the reasons why the acquiring firms were at times dubbed as ethnocentric:

ñThis does not give the image of an international company. [..] Naturally, having only Finnish managers is comfortable; they are located all in Helsinki, they share the same culture and language. But is this enough for the company to survive on the long-term?ò (French interviewee ï French acquisition #5)

In order to support target firms on their integration journey, the Finnish acquiring firms made frequent use of expatriates. The latter filled either the role of integration managers (Teerikangas et al., 2011), or were sent in to support the local integration manager in technical expert or project manager roles. As illustrated by previous research (Feely & Harzing, 2003; Marschan-Piekkari et al., 1999a), these expatriates effectively took on the role of language nodes in the acquired subsidiaries. They not only secured connections toward the Finnish acquiring firmôs home base, but also helped in the translation of materials into the local language. This finding reinforces the strategic role of expatriates in multinational firms, also in times of acquisitions (Hebert, Véry, & Beamish, 2005), as not only cultural but also language nodes securing the successful integration and transfer of knowledge:

ñExpatriates help us, as they interpret for us the language and what the corporate expects from us. They help to interpret what the firmôs goals and organizational changes mean.ò (American interviewee ï US acquisition #8)

The experience of Finnish speakers. Whilst the use of Finnish was experienced as a hindrance by non-natives, at the same time it appeared as the critical success factor behind the domestic acquisition in the sample. The deal represented the acquisition of a small-sized, founder-owned entrepreneurial firm, with only domestic reach. Given the founderôs and the firm managersô lacking language skills, an acquisition other than by a domestic player would have been unimaginable:

ñAs our founder did not speak English, I do not think he would have even agreed to a foreign company buying us out.ò (Finnish acquiring firm interviewee ï Finnish acquisition #6)

This points to the fact that language skills limit a target firmôs opportunities to be sold, whilst in parallel affecting an acquiring firmôs opportunities to purchase. Acquiring firm interviewees noted that making an acquisition in oneôs home country is easier. This starts with the ease of approaching a potential target ï in a shared language. In contrast, the lack of a shared language can explain why getting to a deal in countries, where a shared language is lacking is more difficult. It would appear that acquisitions follow an internationalization pattern, in that the first purchase of a small-sized, previously domestic firm tends to be by another domestic firm, boasting greater international reach. The following quotes exemplify this finding:

ñIt is much easier to approach a domestic company to discuss an acquisition. You can just call up the CEO and ask when you could meet. Calling abroad, first you need to find a common language, and then meeting is not that simple. You cannot just go and meet a competitor.ò (Finnish acquiring firm interviewee ï Finnish acquisition #6)

ñThere is this similarity in our ways of thinking, e.g. we mean what we say, we stick to our words, we are honest to what we say and do. As compared to France, how would we get along there as we do not even speak the language!ò (Finnish acquiring firm interviewee ï Finnish acquisition #6)

Beyond the purchase, also the execution of the domestic acquisition was experienced as culturally and linguistically easier, given that the target and acquiring firm headquarter and home country representatives shared the same native tongue. The resulting ease was concurred by interviewees on both target and acquiring firm sides:

ñSurely it has been easier that this has been a domestic than a cross-border acquisition ï as regards culture and language issues. It is a big relief! Naturally, it is much easier to buy a company from your own country than abroad.ò (Finnish target firm interviewee ï Finnish acquisition #6)

In summary, we note that in addition to using English as a corporate official language, and adapting to second or third languages to support integration, the multinational firmôs home country nationals unintentionally revert to their native tongue, here Finnish. We term this the third linguistic practice. This results in both power and communication imbalances between the Finnish native speakers vis-à-vis other members in the multinational firm. Thus, we notice that a new linguistic clustering emerges: the multinational home countryôs linguistic base vs. others. All the while, whilst leaving out the non-Finnish speakers, this practice in parallel enables and secures acquisitions in domestic contexts. Clearly, depending on the situation and language in use, oneôs linguistic positioning in multinationals becomes altered. Beyond ëlimping elephants in Englishí, multinationals might thus be labelled as ëshifting linguistic groundsí.

DISCUSSION

In this paper, we have explored how language affects the conduct of acquisitions undertaken by globally-operating acquiring firms. Given the relative paucity of research on language in the M&A context (Gertsen et al., 1998; Piekkari et al., 2005) as well as calls for furthering our appreciation of how language matters in the context of the multinational enterprise (Welch et al., 2005), we adopted an inductive research approach. Our findings are based on a large-scale qualitative study of 166 interviews conducted in a total of eight cases of acquisitions by four Finnish multinational, globally-operating firms. We argue that our findings bring forth two sets of contributions. For one, we bring forth an appreciation of the linguistic dynamics at play in acquisitions and in so doing posit that language does matter in M&As. For another, we extend upon the recent discussion in the IB literature on language.

Contributions to the M&A literature

Post-deal integration has been signalled as the key, yet the most challenging facet of making M&A work. Whilst integration has attracted direct research attention as such (Haspeslagh & Jemison, 1991; Birkinshaw et al., 1999), also the human (Napier, 1989; Cartwright & Cooper, 1990), cultural (Stahl & Voigt, 2008), power (Vaara et al., 2005), and identity (Colman & Lunnan, 2011; Ullrich, Wieseke, & van Dick, 2005) implications of post-deal integration have come to be debated. Surprisingly, the linguistic dimensions of M&A integration have to date received scant attention. Where identified, in the context of Nordic mergers, they have been found to withhold implications on inter-organizational power dynamics and the management of human resources (Piekkari et al., 2005; Vaara et al., 2005).

All the while, language has come to be recognized as a significant variable affecting the operations of multinational enterprises (Brannen & Doz, 2012; Harzing et al., 2010). Given that acquisitions conducted by multinationals induce not only post-acquisition integration, but moreover, integration to become part of the acquiring multinationalôs operating logic, it would appear that language deserves attention. By exploring the role of language in (domestic and international) acquisitions conducted by globally-operating acquiring firms, our findings break new ground and extend on our understanding of M&As as follows.

For one, we posit the post-acquisition integration context as a multilingual one (Luo & Shenkar, 2006; Steyaert et al., 2011), wherein not only English as the official corporate language, but also the acquiring firmôs home language as well as the target firmsô home languages are spoken. Our findings led us further to portray acquisitions by multinationals as grounds of shifting language clusters, as depending on the context, the boundaries of the linguistic clusters at play would change. This leads us to posit language as one of the means through which in- and out-group categorizations are defined in acquisitions. In addition to M&As being encounters of cultures and identities, this leads us to claim that M&As are also encounters of languages; they represent multi-lingual spaces (Steyaert et al., 2011). It appears that research on the sociocultural dimensions of M&A activity has come to largely equate the latter with culture and identity, in so doing ignoring language. We here join recent calls (Brannen & Doz, 2012; Welch & Welch, 2008) for the significance of accounting for language in the study of international business, and we extend this call to the study of M&A. It appears that to date the majority of M&A research has treated this inter-organizational encounter as one devoid of language. This withholds the implicit assumption that all parties interact together in a language with the same degrees of fluency. By positing, here, that languages not only exist, are used and, further, mastered to different degrees of fluency in acquisitive situations, we unearth the veil behind the myth of the seeming neutrality that language has enjoyed in much of the research on M&A. We posit M&As conducted by multinational enterprises as being, by definition, poised by linguistic issues. Do all parties speak the official language? What are the degrees of fluency? Are there other shared languages beyond English? How to deal with non-official corporate languages that many employees cannot follow? As M&A integration ultimately concerns communication and interactions between people, it would appear that it is timely to account for the linguistic challenges therein.

For another, we identified mechanisms through which language affects the conduct of domestic and international M&As alike. The presence of a shared native tongue, as in the case of domestic acquisitions, appears as a pre-acquisition deal maker/breaker. Our interviewees across countries noted that in such instances, a foreign bid would have been unacceptable. Moreover, in acquisitions of previously domestic firms, internationalization is often one of the strategic post-acquisition goals. Yet, the ósuccessô of this post-acquisition strategy comes much down to linguistic fluency. More often than not, domestically-operating firms lack the linguistic skills to go international, and need to be supported in this endeavour. Notwithstanding, language was present in the early work on the internationalization of the firm as well as in the dimensions of the ópsychic distanceô index (Johansson & Vahlne, 1977; Luostarinen, 1979), yet more overt attention to language in internationalization has been called for (Marschan-Piekkari et al., 1999a). Third, we identified how the lack of either a shared language or varying degrees of language competence affects the effectiveness of post-acquisition integration. Misunderstandings, language barriers, difficulties of networking, lost messages in document translation all illustrated instances where time and opportunities were lost in the midst of post-acquisition integration owing to language. It would thus appear that in the context of seeking to unlock the processual factors shaping M&A performance (King et al., 2004; Haleblian et al., 2009), in addition to accounting for specific key roles (Graebner, 2004; Teerikangas et al., 2011), also language in all its complexity needs to be incorporated.

Finally, we found that acquiring firms reverted to various mediating mechanisms in order to communicate with target firms across borders. In addition to having English as the official language (possibly among many others) and translating documents, acquiring firms also used local target firm managers and acquiring firm expatriates as cultural and linguistic nodes (Harzing et al., 2010; Marschan et al., 1999a) to support knowledge transfer in acquired targets. Professional language was experienced as supportive, when the parties lacked fluency in a shared language.

Intriguingly, the Finnish firmsô practice had it that responsibility for integration was granted onto local integration managers or target firm acting managers. This secured local staff gaining first-hand knowledge from a manager in their home language, be it English, French, or German. All the while, this incurs the risk of headquarters receiving partial information. Expatriates were only sent in as integration managers if they spoke the local language well enough, and no local resource was available for this task. This practice, much appreciated by local staff, stands in contrast to extant findings on the practices of US, UK or French acquiring firms (Calori et al., 1994; Child, Faulkner, & Pitkethly, 2001), where a more dominant acquiring firm approach is adopted. It would thus appear that language is a mediator that deserves attention not only with respect to integration-related decisions, e.g. key roles, resources and securing knowledge transfer, but also as a variable that differentiates between acquiring firm integration practices between countries. We thus note, with seeming surprise, the lack of overt attention paid to language in the M&A discourse over the past decades, given its seemingly central role in the daily interactions between target and acquiring firm members.

Contributions to the IB literature

Whilst we pointed to the lack of overt attention paid to language in the literature on M&A, in parallel, scholars in international business have called for the need to account for language since the mid-1990s (for reviews, see Barner-Rasmussen & Aarnio, 2011; Harzing & Pudelko, 2012; Welch et al., 2005). In light of the advancements made, we see that our findings offer the following extensions to this emerging and expanding body of knowledge.

Multinationals as multi-linguistic spaces. One of the central lines of inquiry in the IB literature as regards language has been the seeming tension between English as the ólingua francaô and official corporate language on the one hand (see Feely & Harzing, 2003) and the reality of multinational enterprises as multilingual spaces on the other (Fredriksson et al., 2006; Luo & Shenkar, 2006; Steyaert et al., 2011). In this light, our findings can be considered as answering recent calls for the need for a more nuanced appreciation of the multi-linguistic dynamics shaping modern multinationals (Barner-Rasmussen & Aarnio, 2011; Welch et al., 2005).

In particular, we developed a matrix portraying the complex linguistic reality of modern day multinationals. On the acquiring firm side, similar to the language categorization in Marschan-Piekkari et al. (1999b), we identified the studied Finnish multinationals as using three linguistic practices in the effort of managing their globally scattered operations. In addition to using English as the corporate language, they used second or third languages, whilst maintaining their home language, Finnish, as the unofficial language. All the while, these three linguistic practices appeared to withhold different implications, depending on the language of the receiver. On the receiving side, we identified three linguistic native-speaking clusters: the home country cluster (here, the Finns), the native English speaking cluster (i.e. the Americans, English, Australians, Canadians, ..), and the cluster of other languages (e.g. Germans, French, Danes, ..). Our findings pointed to the fact that, depending on the situation, the country and the degree of language fluency present, a different linguistic practice would be adhered to. The adhered practice would, however, be perceived differently depending on which native linguistic cluster the receiver belongs to and, moreover, his/her language proficiency. The analysis of this linguistic matrix in the studied Finnish multinationals points to the fact that there is not one linguistic regime or reality in global firms, but many, parallel ones. Moreover, there appears not to be ówinnersô or ólosersô in this multi-linguistic game; instead, each linguistic cluster might, depending on the situation, define itself to be in a winning or losing situation. The borders of the clusters would see themselves re-defined, depending on the language being used. Hence, we introduce the term *shifting linguistic grounds* to reflect the linguistic reality of modern multinationals.

Our findings thus posit modern multinational enterprises as multi-lingual spaces, wherein a variety of languages are spoken, at different degrees of fluency. The particularities of the linguistic mixes at play are likely a reflection of the home-host country dynamics. In particular; which linguistic cluster does the headquarter organization represent; further, in which linguistic clusters is the firm operating? In the present study, the example of Finnish multinational firms can be taken to illustrate firms from linguistically óperipheralô countries, i.e. ones, where a local language is spoken (as in the case of also e.g. Denmark, see Harzing & Pudelko, 2012). Multinationals originating from such countries need to use English as the official language as a means of securing communications on a global scale. Further, we noted that such multinationals, originating from countries that by definition need to speak other languages in order to survive operate with a linguistic flexibility: they are ready to go *beyond* English as the official language and adapt their subsidiary communications to the language at hand, be it e.g. German or French. They might even go beyond the immediate second language to a third shared language. We thus note the linguistically adaptable and flexible nature of multinational enterprises coming from linguistically peripheral countries.

Moving forward, we call for more research to distinguish between the linguistic strategies and practices used by multinational firms from different linguistic groups. Based on the current findings, it would appear that linguistic practices of multinationals from the cluster of linguistically peripheral countries differ singularly from those where English is spoken as a native tongue or those that speak a major world language as a native tongue, such as French, German, Spanish, Portuguese, or Chinese.

English as the 'symbolic' official language. By unearthing the linguistic dynamics shaping interactions in multinationals from linguistically peripheral countries, our findings contradict the seemingly normative view of using English as the official language, whilst pointing to the nuances of multi-linguality in modern multinationals, mediated by users at various degrees of fluency. Our findings posit that, at heart, these three parallel gaps in present day research on language in the context of the multinational firm are mutually intertwined in the daily interactions of members of multinational firms. Whilst the official language, often English, might be used for symbolic purposes and to secure a means of formal, shared communications, this does not preclude the parallel use of other languages. Here, the role of other major world languages, e.g. German and French, and in other settings why not Chinese or Spanish, appears critical. In particular, employees from ómajor languageô countries tend to speak English less well than employees from linguistically peripheral countries. Further, for historical reasons, there is an expectancy to use this other ómajorô language, be it German or French, when operating in these countries. This explains why English as the official language is not enough; one of the studied multinationals communicated in four European major languages: English, French, Italian and Spanish. Further, the studied multinationals did not hesitate to revert to other major languages, such as German or French, in order to communicate with their European subsidiaries and, more importantly, their European client base. We thus conclude by pointing that whilst the use of English as the ólingua francaô and the official corporate language is common practice, the daily linguistic reality of modern multinationals appears more multifaceted, nuanced, and laden with linguistic intricacies. It appears that there is a need to go beyond the myth of globalization, if defined as linguistic unity or linguistic neutrality, to recognizing the rich language space that modern multinationals inhabit, both within the firm and beyond its boundaries when interacting with partners, suppliers and customers. It appears that modern multinationals have the natural ability to flex and adjust to the daily reality of multiple languages, used at varying degrees of fluency. This to such an extent, that it has become an issue ósine qua nonô, accepted as is.

Linguistic intelligence vs. linguistic ethnocentrism? Recently, the question of the extent to which modern multinationals can ócontrolô or ómanageô language(s) has been raised (Fredriksson et al., 2006). The use of various technical and interpersonal tools and solutions has been suggested (Feely & Harzing, 2003), yet given the daily complexity of multinationals, the ability to revert to machine translation can be questioned. We argue that faced with a hyper-competitive global landscape, modern multinationals need to be agile (Doz & Kosonen, 2008), also linguistically (Brannen & Doz, 2012). Beyond multinationals ómuddling throughô multiple parallel languages, as suggested by Andersen & Rasmussen (2004), we argue that the reality is likely to fall between the need to ócontrolô vs. ómuddling throughô. Whilst the use of English as a corporate language helps to secure some degree of unity amidst linguistic complexity, the parallel use of other languages speaks for an innate ólinguisticô intelligence not dissimilar from cultural intelligence (Early & Ang, 2003). The interviewed executives did not make a ófussô over the use of many languages. Instead, it appeared natural. We thus call for the need for a more fine-tuned appreciation of the cognitive and emotional antecedents and attributes of linguistic intelligence. Thus, instead of seeking to ócontrolô the use of languages in multinationals, would it perhaps be timely to appreciate the cognitive and emotional dynamics that lead to such apt displays of flexible multilingual skills, depending on the situation?

All the while, the same managers reverted inadvertently to using their native tongue, even when this disadvantaged those not fluent in the language. It thus appears that the much advertised ónative speaker advantageô extends beyond those speaking the lingua franca, English, as native speakers, to anyone speaking their native tongue, when surrounded by others who do not master it, at least not to the same degree of fluency. The ensuing implications on power dynamics (Marschan et al., 2005; Vaara et al., 2005) and shadow structures (Marschan et al., 1999b) appear to go unnoticed by the native speakers, in this case the Finns. This seeming ethnocentrism (Triandis, 1990) stands in stark contrast to the parallel linguistic intelligence and flexibility discussed afore. It thus appears that there are two parallel, mutually antagonistic, linguistic tensions at play: being linguistically flexible on the one hand, whilst retaining a native speaker ethnocentrism on the other hand. More research is warranted to understand whether such behaviours are characteristic of the same or different people in multinationals? Is there a link to the degree of oneĉs previous international exposure?

In conclusion, through the study of acquisitions conducted by Finnish multinationals, we have enhanced our appreciation of language in both M&A and MNE contexts. Whilst we see our findings to hold particularly for MNEs from linguistically peripheral countries, such as Finland, we call for more research on linguistic practices in multinationals from other linguistic groups (Harzing & Pudelko, 2012). Clearly, going forward, language is a variable to be attended to, be it in acquisition, merger or multinational enterprise contexts.

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TABLE 1. Characteristics of the studied acquisitions.

Acquiring firm		**Acquiring firm A**		**Acquiring firm B**	**Acquiring firm C**		**Acquiring firm D**	
Acquisition	**Danish R&D unit #1**	**German R&D unit #2**	**UK firm #3**	**German-US firm #4**	**French multi-site firm #5**	**Finnish firm #6**	**French site #7**	**US multi-site firm #8**
Type of firm	R&D subsidiary of a multinational	R&D subsidiary of a multinational	Entrepreneurial firm	Entrepreneurial firm	Multi-site firm formed by a series of domestic acquisitions, and a recent merger	Entrepreneurial firm	Subsidiary of a multinational	Multinational firm
Created in	1980s	1980s	1980s	1970s	19th-early 20th centuries	1990s	19th century	19th century
# staff (t(=deal))	<100	<300	<200	<200	<2,500	<10	<200	<3,000
Acquisition type	Divestment of subsidiary	Divestment of subsidiary	Entrepreneur /owner cashing out	Owner retiring	Gradual increase in ownership	Entrepreneur/owner cashing out	Divestment of subsidiary	Acquisition of a financially distressed firm
Motive behind the acquisition	Increase R&D resources.	Increase R&D resources.	Increase R&D and manufacturing resources, access to UK market, and buy off competitor.	Operational growth to add a new product area to the business.	Operational growth to add new product areas to the business.	Operational growth to add a new product area to the business.	Operational growth to add a new product area to the business, achieve stronger presence on the European market.	Operational growth to add a new product area to the business, defensive buy of R&D potential, stronger presence in the United States.
Firms' pre-deal relationship	None	None	Competitors	None	Competitors	Prior failed acquisition attempt by the buying firm.	Competitors	Competitors
Acquisitive experience as acquired firm	One previous foreign parent firm after the founding parentôs era.	Three parent firms (1 domestic and 2 foreign ones) after the founding parentôs era.	Founder-owned company until the present acquisition.	Founder-owned company until the present acquisition.	The target is a result of a domestic merger of two firms, both consisting of previously acquired firms.	Founder-owned company until the present acquisition. Ownerôs personal experience of selling his previous firm.	Two previous foreign parent firms after the founding parentôs era.	One previous domestic parent firm after the founding parentôs era.
Native language	Danish	German	English	German/English	French	Finnish	French	English
Number of studied vs. purchased units	1(1)	1(1)	1(2)	2(2)	1(12)	1(1)	1(1)	1(6)
Number of interviews	18	20	15	19	22	19	13	40
- in acquiring firm	6	8	5	10	6	5	7	26
- in acquired firm	12	12	10	9	16	14	6	14

TABLE 2. Characteristics of the studied acquiring firms.

ACQUIRING FIRM CHARACTERISTICS	Acquiring firm A	Acquiring firm B	Acquiring firm C	Acquiring firm D
Industry	High-technology	High-technology	Process industry	Industrial products
Type of firm	Multi-division multinational (i.e. in one business area)	Multi-division multinational (i.e. in one business area)	Multi-business multinational (i.e. in several businesses)	Multi-business multinational (i.e. in several businesses)
Created in	Early 20^{th} century	Early 20^{th} century	19^{th} century	Early 20^{th} century
Buying party	A business division within the multinational	A business division within the multinational	A business division within the (multi-business) multinational	A business division within a (multi-business) multinational
Acquiring division created in	1980s	Mid-20^{th} century	1980s	Early 20^{th} century
# staff in acquiring division (t(=deal))	<3,000	<300	<3,000	<3,000
Turnover of acquiring division (t(=deal))	<2,000 Mú	<100 Mú	<1,000 Mú	<2,000 Mú
Official corporate language	English	English	English, French, Italian, German	English
Home country language	Finnish	Finnish	Finnish	Finnish

FIGURE 1. Linguistic matrix in acquisitions by multinationals from linguistically peripheral countries.

<table>
<tr><td>Acquiring firm linguistic practices
(to the right):</td><td colspan="2">Linguistic practice #1:
Use of English as official corporate language</td><td>Linguistic practice #2:
Going beyond the official language to second or third languages</td><td>Linguistic practice #3:
Going beyond the official language to the multinational’s home language</td></tr>
<tr><td colspan="5">Native speaker
language clusters (below):</td></tr>
<tr><td>Native speakers of Finnish</td><td rowspan="2">Emerging cluster 1a:
Medium to high degree of fluency in English</td><td rowspan="2">Emerging cluster 1b:
No fluency in English</td><td rowspan="2">Emerging cluster 2a:
Shared language beyond corporate language</td><td>Emerging cluster 3a:
Native speakers in Finnish</td></tr>
<tr><td>Native speakers of other languages
(e.g. German, French, Danish)</td><td rowspan="2">Emerging cluster 3b:
No fluency in Finnish</td></tr>
<tr><td>Native speakers of English
(e.g. English or Americans)</td><td colspan="2">Emerging cluster 1c:
Native English speakers</td><td>Emerging cluster 2b:
English speaking only</td></tr>
</table>

FIGURE 2. Overview of the findings.

Acquiring firm linguistic practices (to the right):	Linguistic practice #1: Use of English as official corporate language	Linguistic practice #2: Going beyond the official language to second or third languages	Linguistic practice #3: Going beyond the official language to the multinational’s home language

FIGURE 2 continued. Overview of the findings.

<table>
<tr><td colspan="5"><u>Native speaker language clusters (below):</u></td></tr>
<tr>
<td>Native speakers of Finnish</td>
<td rowspan="2"><u>Emerging cluster 1a:
Medium to high degree of fluency in English</u>

ADVANTAGE:
▪ Ease of speaking English with other non-native speakers

DISADVANTAGE:
▪ Language barrier
▪ Misunderstandings
▪ Difficulty of networking
▪ Difficulty of attending training
▪ Translating documents into English

CASES:
▪ German R&D unit, Danish R&D unit, French multi-site, German-US & French siteôs acquisitions</td>
<td rowspan="2"><u>Emerging cluster 1b:
No fluency in English</u>

DISADVANTAGE:
▪ Slower integration
▪ Difficulty of internationalization

CASES:
▪ Finnish acquisition
▪ Workers in French multi-site, German-US & French siteôs acquisitions</td>
<td rowspan="2"><u>Emerging cluster 2a:
Shared language beyond corporate language</u>

ADVANTAGE:
▪ The new parent firm becomes (at least in part) accessible

MEDIATING FACTORS:
▪ Corporate communications in multiple local languages
▪ Translating documents into local language
▪ Integration management in local (second/third) language
▪ Use of local integration managers
▪ Shared professional language

CASES:
▪ French multi-site, German-US & French siteôs acquisitions</td>
<td><u>Emerging cluster 3a:
Native speakers in Finnish</u>

ADVANTAGE:
▪ Targetôs opportunity to sell firm to a domestic buyer
▪ Buyerôs ability and ease of purchasing domestic firms
▪ Domestic deals are easier to integrate

CASES:
▪ Finnish acquisition</td>
</tr>
<tr>
<td>Native speakers of other languages (e.g. German, French, Danish)</td>
<td rowspan="2"><u>Emerging cluster 3b:
No fluency in Finnish</u>

DISADVANTAGE:
▪ Communication dynamics
○ Language barrier
○ Miss out on information
○ Trust erosion
○ Difficulty of using documentation
▪ Power dynamics
○ Career prospects

MEDIATING FACTOR:
▪ Expatriates as translation nodes

CASES:
▪ German R&D unit, Danish R&D unit, French multi-site, German-US, French site, UK and US acquisitions</td>
</tr>
<tr>
<td>Native speakers of English (e.g. English or Americans)</td>
<td colspan="2"><u>Emerging cluster 1c:
Native English speakers</u>

ADVANTAGE:
▪ Enhanced professional image through ónative speakerô advantage

DISADVANTAGE:
▪ Misunderstandings with non-native speakers

MEDIATING FACTORS:
▪ Local integration manager

CASES:
▪ UK and US acquisitions</td>
<td><u>Emerging cluster 2b:
English speakers only</u>

DISADVANTAGE:
▪ Not understanding the many non-English languages used in the multinational firm

CASES:
▪ UK and US acquisitions</td>
</tr>
</table>