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Talukder, Sazzad; Barner-Rasmussen, Wilhelm

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Exploring the language choice dilemma of international small firms: A social exchange perspective on English-only versus multilingualism

Sazzad Talukder^{*}, Wilhelm Barner-Rasmussen

Åbo Akademi School of Business and Economics, Åbo Akademi University, Vänrikinkatu 3 B, 20500 Turku, Finland

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ABSTRACT

In international business, firm-level language choices are important questions that require scarce organizational resources to deal with external stakeholders' diverse preferences. While language choices have a major impact on the success and survival of SMEs, current knowledge of these choices is mainly based on data from MNEs, which constitutes a research gap. We help address this gap by exploring from a social exchange perspective why and how decision-makers in international small firms choose between "English-only" and "multilingual" approaches to language. We find that when evaluating the cost and benefits of these alternatives, decision-makers aim for high levels of both external and internal resource sharing. However, external language diversity and limited internal availability of relevant language competencies force them into difficult trade-offs.

1. Introduction

Language choices are key decisions that firms must make deliberately to succeed in international business activities (Luo & Shenkar, 2006), and critical for the survival and growth of international small firms (Altinay & Altinay, 2008; Dobson et al., 2013). Most empirical research on language choice in international business has however been carried out in the context of multinational enterprises (MNEs) (Tenzer et al., 2017), which differ in many important respects from the small and medium-sized enterprises (SMEs) that constitute the great majority of all firms. Hence, extant findings on language in IB cannot simply be assumed to apply to smaller firms (Wilmot, 2017). This study accordingly explores language choices in SMEs, focusing on the dilemmas of international small firms choosing between "English-only" and "multilingualism", two approaches to language that will be explained further down.

The limited extant research on language in SMEs suggests that language plays an important role also in these firms. It fosters communication and knowledge sharing (e.g., Dichtl et al., 1984; Crick, 1999; Knowles et al., 2006) and helps overcome the constraints of limited resources by building and maintaining social contacts (Crick, 1999; Altinay & Altinay, 2008). Small firms strive to use appropriate language(s) to promote social interaction, improve common understanding, and facilitate the acquisition of important resources such as information and finance (Cross, 2016). Using appropriate language(s) has been found to

contribute to increased innovation (Dobson et al., 2013), improved image, and growing sales of small firms (Crick, 1999). More recently, the number of appropriate languages that international SMEs use on social media has been found to increase their return on sales (Caputo et al., 2022).

However, prior inquiries into the role of language in SMEs have not problematized what constitutes an "appropriate" language, and have primarily focused on language use in external communication (Cross, 2016; Knowles et al., 2006; Altinay & Altinay, 2008). This research does not shed light on small firms' language selection processes and particularly the role of key actors, such as owners and/or top managers, in deciding on the use of a specific language. Hence, we still know little about how language choices are made in small firms and how such selection processes are constituted in terms of activities and events.

Importantly, this missing knowledge may be a key piece in the puzzle to understand the success and survival of small firms. Nearly a quarter-century of research has very clearly demonstrated the manifold significant effects of language on MNE operations (Tenzer et al., 2017), but there is reason to believe that these effects may be even more significant in SMEs. Compared to MNEs, SMEs can usually afford less work role specialization, and especially at the top management level it is more difficult in SMEs to separate the competencies of the firm from the competencies of key human resources (Bloodgood et al., 1996). Hence the language preferences and skills of key decision-makers may shape SMEs' linguistic setup to an even greater extent than in MNEs, with yet

^{*} Corresponding author.

unknown consequences for firm development, competitiveness, and long-term survival. The finding that immigrant-owned SMEs tend to export more to global than to regional markets (Sui et al., 2015) hints at the potential magnitude of these effects.

Research in the MNE context tells us that English is increasingly used as a common language in international firms to minimize linguistic differences by establishing a shared framework (Tietze, 2010). Adoption of such an “English-only” approach can be seen as an example of a language standardization strategy, in which a single language is selected and used as the standard language of a multilingual society or organization (Haugen, 1959, 1966; Rubin, 1977). By contrast, a “multilingual” approach entails using several languages to leverage all available resources for effective communication (Feely & Harzing, 2003; Steyaert et al., 2011).

Both strategies help deal with linguistic diversity within and outside the firm, but choosing between them requires difficult tradeoffs. Using English-only may underutilize the firm’s actual language capability (Aichhorn & Puck, 2017) and render it unable to respond to the language preferences of certain external parties (Marschan-Piekkari et al., 1999). Multilingualism, again, entails uncertainty about the number of languages to deal with, the costs associated with the acquisition of linguistic resources, and the long-term viability of this strategy if the firm expands to additional markets (Feely, 2004; CILT, 2006, 2011; Peltokorpi & Vaara, 2014). Also, language choices are not made on a clean slate basis, but perceived language group memberships and existing language-based identities play a key role in the selection of alternative language choices in international business (Bordia & Bordia, 2015).

Against this background, the purpose of this paper is to explore language choice processes in SMEs, focusing on the following twin research questions: Why and how do decision-makers in international small firms make the firm-level language choice between English-only and multilingualism? Answering these questions contributes important knowledge to international SME management by (1) identifying the purpose of internal firm-level language choices in SMEs, (2) shedding light on the dilemmas faced by international small firms choosing between English-only and multilingualism, (3) examining the influence of resource scarcity and organizational structure on language choice decisions in inter-organizational relationships, (4) exploring differences in language evaluation criteria between SMEs, and (5) describing the role of language diversity and language competence in SMEs’ language choices. From a practitioner viewpoint, this study helps facilitate language selection processes in internationalizing SMEs (Turunen & Nummela, 2017), which through their external network partners (e.g., customers or suppliers) are increasingly involved in international business operations (Welch & Luostarinen, 1988).

We approach our research questions through the theoretical lens of social exchange theory (SET) (Homans, 1958; Thibaut & Kelley, 1959; Blau, 1964). We argue that deciding on a firm-level language choice between English-only and multilingualism can be seen as a social exchange process between small firms and their external partners (customers, suppliers, etc.), driven by partners’ expectations and proceeds by evaluating the cost and benefits of each language choice. Decision-makers’ language choices can be viewed as social behavior in response to the exchange experience of using a particular language(s) in communication with external actors, a behavior shaped by the quest for mutual benefit (Blau, 1964; Cropanzano et al., 2017; Cross & Dundon, 2019).

A key question in SET is how an actor’s capabilities influence the exchange relationship (Blau, 1964). Firms’ language capabilities shape their ability to communicate effectively and influence the exchange relationship with their communication partners to achieve desired goals, underlining the appropriateness of SET as a theoretical perspective to view firm-level language choices. Further support for this choice of theoretical lens can be found in research accounting for the influence of social identities on social exchanges (e.g., Umphress et al., 2010; Tavares et al., 2016), as empirical IB research has found individuals’

language-based social identities to influence communication and knowledge exchange in international firms (Vaara et al., 2005; Reiche et al., 2015; Bordia & Bordia, 2015). In short, SET offers a holistic perspective on exchange processes in all types of organizations including linguistic exchange in SMEs, with the power to integrate prior findings on language choice and the novel empirical findings presented later in this paper.

Building on this conceptual base, we focus on firm-level language choice dilemmas in the empirical context of Finnish international small firms. As will be elaborated later, Finland can be seen as an ideal context due to its national language situation and the structure of its business sector, in which firm decision-makers’ choice and use of appropriate languages has been found to enhance firm performance (Ojala, 2008; Kontinen & Ojala, 2010; Turunen & Nummela, 2017).

2. Literature review

2.1. Language and firm-level language choice in international business research

We follow Tietze et al. (2003) in defining languages as systems of meaning that construct organizational, social and global realities. While acknowledging that there are many different types of language (e.g. organizational jargons or “company speaks”, Welch et al., 2005), the contemporary literature on language in IB has largely focused on exploring the role of national languages (e.g., German, English) and transnational *linguae francae* (especially BELF or Business English as a Lingua Franca, Louhiala-Salminen et al., 2005) and their impact on international business communication. As already pointed out above, this work has focused on the MNE context (see recent reviews by Tenzer et al., 2017; Karhunen et al., 2018).

Reflecting the research priorities of different academic communities, prior research has tended to focus on these impacts in either external or internal communication (Tenzer et al., 2017). External communication takes place between the companies and external parties, such as customers, investors, partners, suppliers, etc., and often leans towards the marketing side of business. Internal communication occurs inside the firm between various units, departments, or divisions (Bartlett & Ghoshal, 2002), and thus deals specifically with the language skills of employees (Welch et al., 2001). International management and international human resource management (IHRM) research have accordingly concentrated on the latter, further limiting the relevance of extant findings for small-firm contexts where the distinction between internal and external may be less clear-cut.

To deal with language differences in business communication, international firms tend to adopt a corporate language policy, or a set of general guidelines and systematic activities that regulate modes of communication (Sanden, 2016). Corporate language policies usually contain elements of regulation or standardization intended to influence linguistic behavior (Seargeant, 2009), for example establishing an official company language or explicitly stating which language(s) to use in which situations. A common corporate language (CCL) facilitates formal reporting and eases access to professional/technical literature and policy and procedure documents (Marschan-Piekkari et al., 1999). It may also have a positive impact on informal communication and even foster a sense of belonging to a global family, thus acting as a kind of soft control mechanism (Marschan-Piekkari et al., 1999; Piekkari & Tietze, 2012).

Most existing literature on this topic focuses on the role of English as a CCL (Thomas, 2008; Tietze, 2008). The attractiveness of English in this regard stems from its role as “the language of globalization” (Phillipson, 1992) and concomitant widespread use in present-day global communication (Crystal, 2003; Nickerson, 2005; Graddol, 2006; Ferguson, 2012; Kachru, 2017). Neeley (2013), in a qualitative study of a French MNC, identified external pressure from customers, partners, suppliers, and competitors, alongside the need to enable delegation of tasks to a

dispersed workforce, as reasons to implement English as a lingua franca. The Japanese retailer Rakuten switched to English as a CCL (Maeda, 2010) to enable further international expansion. Consistent with these findings, Thomas (2008) argues that English-only language policies are often used for pragmatic reasons, such as removing linguistic barriers, although they may also have the goal of establishing identity, for example, to signal belonging to an international community. There are also strong institutional pressures favoring English as a CCL (Barner-Rasmussen & Aarnio, 2011).

On the other hand, Karhunen and colleagues (2018) highlight a growing number of studies (e.g. Meierkord, 2002; Janssens et al., 2004; Henderson, 2005; Janssens & Steyaert, 2014) suggesting that corporate languages develop and change over time. Specifically, MNEs are known to be multilingual (Barner-Rasmussen & Björkman, 2005, 2007; Luo & Shenkar, 2006; Barner-Rasmussen & Aarnio, 2011; Tietze et al., 2016), but over time different language communities in the firm tend to converge linguistically and discursively towards each other, evolving a new, hybrid language or distinct “company-speak” (Welch et al., 2005) that draws both on the CCL and various national and special languages used within the firm (Czerniawska, 1997; Du-Babcock & Babcock, 2007; Tietze et al., 2016). Developing this notion theoretically, Janssens and Steyaert (2014) reconceptualize the CCL as a “multilingual franca”, a dynamic, negotiated, co-constructed hybrid language that is continuously created and reproduced as a function of an organization’s communicative requirements and needs.

In short, then, extant MNE-focused IB literature considers that firm-level language choice stands between the alternatives of designating and enforcing a CCL, which in Western firms is usually English (Harzing & Pudelko, 2013), or adopting a “multilingual franca” approach that allows and even encourages the use and mixing of different national and special languages as the situation requires. However, these findings are overwhelmingly based on empirical data from large firms with significant international activities. The lack of research on language in the empirical context of SMEs means that we have a very limited understanding of whether the same choices apply also there, and if so, what dynamics may shape the outcome. As pointed out above, SMEs are more resource-constrained than larger firms. Does this matter for language choice, and if so, how and with what consequences? Exploring this is among the key suggestions for future research in the recent literature review by Tenzer and colleagues (2017).

2.2. Language choice in small firms

Extant research on language choice in SMEs, though limited, is consistent in suggesting that key decision-makers’ language skills and international experience matter for how their firms approach internationalization. More specifically, studies indicate that these individuals’ personal linguistic and cultural skills tend to be positively related to their recognition of opportunities abroad (Hurmerinta et al., 2015), and consequently also to a stronger tendency for international expansion compared to their monolingual and -cultural peers (Fernández-Ortiz & Lombardo, 2009; Sui et al., 2015).

This suggests a recursive loop between SME decision-makers’ linguistic and cultural backgrounds and their tendency to recognize and seize opportunities abroad, hinting at both better insights into foreign market opportunities, better contact networks, and (for immigrant entrepreneurs) possibly also “liabilities of outsidership” in the home market (Johanson & Vahlne, 2009) driving them to compensate by expanding to more distant regions where they can leverage their linguistic and cultural skills (Sui et al., 2015). The latter finding also suggests that language skills are not always purely advantageous but may also entail limitations and path dependencies that can result in different outcomes than more systematic approaches to international expansion.

Wilmot (2017), in an in-depth qualitative study, found evidence that in the SME context – where scarce resources mean that a limited number of employees are engaged in a broad range of work tasks – the language

skills of existing staff members introduce a degree of serendipity or randomness that can shape SME internationalization paths in unexpected ways. Individuals who happen to speak a particular language can become engaged in external interactions well outside their formal remit simply because colleagues ask them to help out, which may in turn feed into chains of events with important firm-level consequences. This matches with the argument that over time firms tend to try to acquire the language competence needed to evaluate and adapt to changes in external language diversity (Piekkari et al., 2014).

The studies cited above suggest that language choice in SMEs tends towards the “multilingual franca” approach, with available resources used flexibly and often in an ad hoc manner to reach business goals, while these very resources recursively help shape or delimit the opportunities available to the firm. This view should however be balanced against SMEs’ resource constraints, which may put systematic management of multiple languages out of reach due to reasons of cost and time, and the global dominance of English as a business language. These factors increasingly force internationalizing SMEs towards English to contain internal language complexity and conform to mimetic and practical pressures from larger firms in their business networks (Johanson & Vahlne, 2009). Due to the limited amount of research on SME language choice, it is not yet known which of these dynamics is stronger in SMEs, or if they are confined to specific categories of SMEs or entrepreneurs. One of the contributions of the present study is to shed more light on this question.

2.3. A social exchange perspective on language choice

Social exchange theory (Homans, 1958; Thibaut & Kelley, 1959; Blau, 1964) views exchange as a social behavior driven by the desire or need to maximize benefit or minimize cost. It is one of the most influential perspectives for understanding workplace behavior, providing a broad framework applicable to almost any organizational or social context (Cropanzano et al., 2017). From this theoretical perspective, to understand the costs and benefits associated with a specific exchange, actors attempt to gain information on the required resources and evaluate the alternative options. Between exchange partners, the expectation of gaining reciprocal and equivalent rewards in return leads to mutually beneficial economic and/or non-economic outcomes (Gouldner, 1960; Cropanzano & Mitchell, 2005). In a social exchange relationship, actors feel a sense of obligation to repay any benefits they have received in the exchange of socio-emotional resources, and thus develop trust in a long-term orientation and maintain a cooperative relationship with each other (Shore et al., 2009; Kuvaas et al., 2020).

However, the actions that partners take in an exchange process, their degree of involvement, and the desired outcomes of the process are determined by their ability to influence their counterparts. As part of their efforts to pursue the best possible results of an exchange, rational actors tend to assess their own capability to influence their exchange partners. Thus, the exchange also becomes an exchange of power in which both participating partners may not benefit proportionally (Blau, 1964; Cropanzano et al., 2017). The ability of an actor to achieve the most preferred result, however, depends on their experience and extent of their engagement in the exchange process (Lyons & Scott, 2012; Cropanzano et al., 2017).

Social exchange theory has explanatory power across a broad range of exchange processes in organizations. It is a useful lens to understand language choice in SMEs because social exchange is inherent in our definition of languages as systems of meanings that construct organizational, social, and global realities (Tietze et al., 2003, p. 11). In linguistic exchange, interpretations of such meanings are suggested, considered, rejected, modified, or accepted, in an ongoing social process that shapes participants’ emergent understanding of physical as well as social realities. When linguistic exchange is undertaken for business purposes, it usually has an instrumental end – to advance an interest, gain a piece of information, serve a client, get a job done – but there are

multiple available means to get to that end, and when actors choose between these, they assess costs and benefits. What is more, they must do so in light of prevalent norms of reciprocity and expected future interactions, including repaying received benefits and maintaining cooperation. This means that language choices in SMEs cannot focus only on the focal actors' own needs or preferences, such as speaking the language they are most comfortable with. Relational aspects and the balance between costs and benefits as unfolding over time must also be considered, and actors will strive to assess these as part of their ongoing interaction with relevant business partners.

Social exchange theory has seen previous application in SME contexts. For example, in the recent research by Prouska et al. (2023), the impact of top-down communication and employee voice on employees' solidarity behavior toward employers was examined from a social exchange perspective, specifically through the rules of reciprocity and rationality. SET has also been used as a lens to investigate the linkage between knowledge sharing within and outside international SMEs (Newman & Sheikh, 2012), where decision-makers were found to engage in a series of exchanges in mutually beneficial relationships and feel a social obligation to reciprocate to achieve common organizational goals. This underlines the theory's applicability also to language choices in international SMEs.

Social exchange theory also has several advantages compared to other theories used in the MNE context to understand language choice, such as language management theory (Nekvapil, 2006; Jernudd, 2009; Harzing et al., 2011; Luring & Selmer, 2012), resource dependence theory (Luo & Shenkar, 2006), the recontextualization perspective (Peltokorpi & Vaara, 2012), or social identity theory (Van den Born & Peltokorpi, 2010). Language management theory and resource dependency theory are top-down and firm-level, which makes them difficult to apply in SME contexts because they do not account for individual-level choices, whereas SET is fundamentally social and relational in focus and thereby well suited to understand the choices of individual actors. Also, SET is by definition acutely sensitive to cost-benefit tradeoffs, which is realistic in business contexts (and especially in resource-constrained SMEs) where actors are often willing to make psychological compromises to get a job done. Compared to recontextualization theory, social exchange theory is pragmatic and solution-focused, thus complementing the strong focus of recontextualization theory-based studies on misunderstandings and misinterpretations in interaction and communication, which are sometimes decisive, but most of the time temporary and possible to solve. It can also be argued that social exchange is a precondition for recontextualization. Finally, social identity theory may be argued to overemphasize social belonging and group affiliation, but its orientation towards individual feelings and sentiments can be incorporated into SET.

3. Methodology

We follow an explorative qualitative method focusing on the arguments and activities underpinning and enacting language selection in small international firms, "why" and "how" questions being appropriate for investigation with qualitative research designs (Eisenhardt, 1989; Yin, 2006). To increase data validity, we took a longitudinal approach to data collection, extending it to cover a period of approximately 3 years. This provided us with access to additional reflections on and justifications for specific choices and events, and enabled follow-up of these as necessary. A rich content base of interview data brought us "close to the informants' experience" (Gioia et al., 2013, p. 19), thus enabling a deeper understanding to emerge from evolving themes.

As case companies, we selected international small firms based in Finland that were actively involved in international business with more than three other countries and depended on foreign language(s) for their business communication. We were granted access to 22 such firms, of which 12 were English-only (using only English at the firm level), and 10 were multilingual, using multiple languages (including English) at the

firm level. We interviewed a total of 26 decision-makers from both types of firms (14 from English-only firms and 12 from multilingual firms) (see Table 1). All 26 individuals participated in three rounds of interviews. To obtain an in-depth, holistic understanding of the phenomena under study, we selected companies from a range of industries including software, food and beverage, fashion and design, and biotech, and to some extent triangulated primary data with secondary data sources.

In qualitative studies, the context is very important when both selecting case companies, analyzing and interpreting data, understanding variation in research findings, and drawing practical implications (Rousseau & Fried, 2001; Johns, 2006; Poulis et al., 2013). We argue that Finland provides an ideal context to explore firm-level language choice in international small firms in terms of both linguistic setup and prevalence and importance of SMEs. The Finnish Language Act (423/2003) protects the rights of speakers to use the Finnish and Swedish languages in public official contexts. Thus, Finland is officially bilingual but neither of its official languages is English, ensuring that English-only was not a default choice for our respondents. The first language of circa 94.6% of the population is Finnish, which is only spoken in Finland and is considered very difficult to learn. The country's other official language is Swedish, which is the first language of 5.2% of the population and is closely related to the other major Nordic languages (Norwegian and Danish). Studies in Swedish are mandatory for all school pupils. However, private businesses have the freedom to use appropriate language(s) in their business communications (FINLEX, 2003) and 45.3% of the population is also able to communicate fluently in English (Statistics Finland, 2022). The Finnish economy is open and export-oriented (OECD/Statistics Finland, 2021), and SMEs are exceptionally well represented among businesses, forming 99.7% of total business entities and accounting for 65.2% of employment and 59.6% of value added nationally (FactSheet, 2022). Finnish SME manager/owners' language skills have been found to play an important role in overcoming language barriers and improving interactions and understanding with foreign counterparts to achieve firm success (Kontinen & Ojala, 2010; Turunen & Nummela, 2017).

Our respondents were key firm decision-makers who engaged regularly in communication across linguistic boundaries. Respondents had rich insights into the challenges and opportunities associated with language diversity and had the responsibility and power to decide on their firms' language selection. They were either owner-managers, in charge of overall operations, or heads of different functional areas such as marketing or project management. They were chosen to represent different mother tongues in proportions roughly representative of the Finnish population overall: 21 of them were native Finnish speakers, three were bilingual (Finnish/Swedish), one was bilingual (Finnish/Russian), and one was of foreign extraction and did not speak either of the national languages. It should be noted that all respondents were non-native speakers of English.

3.1. Data collection

Our main data collection method is semi-structured interviews, as regularly used in inductive research (Cooper & Schindler, 2008) following interpretive traditions (Hughes & Sharrock, 1997). An interview guide with open-ended questions provided a standardized base for the data collection together with sufficient flexibility to explore new aspects of firm language choice emerging from each new interview. The lead author conducted the 26 interviews face-to-face, online, or via mobile phone according to interviewees' preferences (see Table 2). The data collection took place over three years and was organized into three rounds of interviews. In the second and third data collection rounds, many interviewees preferred to be interviewed by mobile phone due to the Covid-19 pandemic. All interviews were recorded and detailed field notes were taken during and after the interviews (see Table 2).

The interview guide covered three main areas of investigation. In the first round of interviews, which was carried out in the first year of data

Table 1
Summary of sample firms.

Pseudonym	Industry	Language choice at firm level	Active markets (largest to smallest by turnover)	Number of employees	Non-Finnish employees and their preferred languages
FINFIRM-1	Biotech	Multilingual	Germany, France, Spain, Sweden, UK	Total: 4 (2 local + 2 intl.)	1 (Swedish) + 1 (German)
FINFIRM-2	Biotech	Multilingual	Germany France, Sweden	Total: 5 (3 local + 2 intl.)	1 (Estonian) + 1 (French)
FINFIRM-3	Biotech	English-only	Germany, Poland, Sweden	Total: 3 (2 local + 1 intl.)	1 (Swedish)
FINFIRM-4	Fashion & design	English-only	Sweden, Italy, China	Total: 13 (9 local + 4 intl.)	1 (Swedish) + 1 (Estonian) + 1 (Russian) + 1 (French)
FINFIRM-5	Fashion & clothing	Multilingual	France, Belgium, Russia, Sweden, Estonia	Total: 4 (2 local + 2 intl.)	1 (Polish) + 1 (Russian)
FINFIRM-6	Fashion & clothing	English-only	China, Russia	Total: 10 (8 local + 2 intl.)	1 (Estonian) + 1 (Russian)
FINFIRM-7	Food & beverage	Multilingual	Russia, Sweden, Estonia, Italy, Spain	Total: 3 (2 local + 1 intl.)	1 (Russian)
FINFIRM-8	Food & beverage	Multilingual	Sweden, Russia, China, Japan, Estonia, Latvia	Total: 17 (13 local + 4 intl.)	1 (Swedish) + 2 (Russian) + 1 (Estonian)
FINFIRM-9	Food & beverage	Multilingual	Russia, China, Norway, Sweden	Total: 5 (3 local + 2 intl.)	1 (Chinese) + 1 (Russian)
FINFIRM-10	Food & beverage	English-only	Sweden, Germany	Total: 4 (3 local + 1 intl.)	1 (German)
FINFIRM-11	Food & beverage	English-only	Sweden, Russia, Estonia, Italy, Spain, UK	Total: 4 (3 local + 1 intl.)	1 (Swedish)
FINFIRM-12	Music & sound	English-only	Denmark, Estonia, Russia, Sweden	Total: 3 (2 local + 1 intl.)	1 (Russian)
FINFIRM-13	Glass engineering	English-only	Sweden, Estonia, Russia	Total: 11 (9 local + 2 intl.)	1 (Swedish) + 1 (Estonian)
FINFIRM-14	Software (telefilm)	English-only	Sweden, Denmark	Total: 6 (4 local + 2 intl.)	1 (Swedish) + 1 (Indian)
FINFIRM-15	Software (games)	Multilingual	China, France, Belgium, Spain	Total: 7 (4 local + 3 intl.)	1 (Chinese) + 1 (Indian) + 1 (Swedish)
FINFIRM-16	Software (games)	English-only	Germany, England, France	Total: 4 (2 local + 2 intl.)	1 (Turkish) + 1 (Russian)
FINFIRM-17	Software (games)	English-only	Sweden, Belgium, Spain, France	Total: 10 (7 local + 3 intl.)	1 (German) + 1 (Swedish) + 1 (Polish)
FINFIRM-18	Software (games)	English-only	Germany, France, Spain, Netherlands, UK, USA	Total: 6 (3 local + 3 intl.)	1 (English) + 1 (Swedish) + 1 (German)
FINFIRM-19	Software (games)	Multilingual	Sweden, Russia, Estonia, China, Japan	Total: 4 (1 local + 3 intl.)	1 (Swedish) + 1 (Russian) + 1 (German)
FINFIRM-20	Software (games)	Multilingual	Norway, Denmark, France, China	Total: 3 (1 local + 2 intl.)	1 (Swedish) + 1 (Italian)
FINFIRM-21	Software (games)	English-only	Spain, Italy, Norway	Total: 5 (3 local + 2 intl.)	1 (Russian) + 1 (Swedish)
FINFIRM-22	Software (games)	Multilingual	Russia, Sweden, Denmark	Total: 7 (4 local + 3 intl.)	1 (Albanian) + 1 (Indian) + 1 (Estonian)

collection, we first collected general information on the respondents including their job responsibilities and foreign language skills. The second part of this data collection round focused on the choice and use of particular language(s), and the reasons for such choices. Sample questions included: “Which languages do you use most at the firm level and for which purposes?”, and “How do you decide on the choice between English-only and multilingualism?” The first round of interviews clearly showed that decision-makers experienced a dilemma in choosing between these alternative approaches to language. Therefore, the second and third interview rounds, which took place in the second and third years respectively, focused on the respondents’ evaluation of alternative language choices. In particular, these later stages of data collection were intended to explore the consistency of judgments on the advantages and disadvantages of alternative language choices and subsequent decisions. The respondents were encouraged to tell their stories by articulating situations where they had experienced language choice dilemmas and what they had done to deal with such dilemmas. Based on careful processing of the takeaways from each interview, the lead author adjusted the interview guide for the next interview to optimize its fit with the respondent’s experience while staying aligned with the core interview questions. In all cases, the intervals between interviews were scheduled to allow the lead author to develop a good understanding of the phenomenon and conduct an initial analysis of respondents’ reactions to the

questions and their sensitivity to any particular aspects before the next interview.

While interviews were the main source of data, we also drew upon observations and secondary data sources to develop an understanding of the sample firms’ language practices and to support the interview data. For practical reasons these supporting methods could not be extended to all events and activities that influenced decision-makers’ choices between English-only and multi-language. Still, the lead author visited 13 firms and observed their office environment including official internal notices or bulletin boards, alongside a range of other pictures, posters, and banners displayed as part of firm-level communication. The observations also included attending three sample firms’ marketing campaign events at which their brochures, posters, banners, and presentations were displayed, which also helped understand their firm-level language preferences and practices. In addition, the lead author attended seminars organized by two sample firms. As to secondary data, the websites and Facebook posts of all 22 firms were visited several times to follow up on the development of firm-level language choice and usage over time. From all these events, field notes were taken on the same day, focusing on implications that supplemented the interview data.

Secondary data sources:

Websites and Facebook pages of all sample firms.

Table 2
Summary of primary and secondary data collection.

Interviewees	Interview round	Duration	Interview type	Interviewees' preferred language (s)	Other primary data sources
FINFIRM-1 CEO	Round 1 (Mar 2018) + Round 2 (Apr 2019) + Round 3 (Dec 2020)	55 min + 45 min + 35 min	Face-to-face + Face-to-face + Mobile	Finnish, Swedish, English	
FINFIRM-1 CCO	Round 1 (Apr 2018) + Round 2 (Apr 2019) + Round 3 (Nov 2020)	50 min + 35 min + 30 min	Face-to-face + Face-to-face + Mobile	Finnish, English	
FINFIRM-1 Executive Partner	Round 1 (Mar 2018) Round 2 (Feb 2019) + Round 3 (Nov 2020)	60 min + 35 min + 40 min	Face-to-face + Mobile + Face-to-face	Finnish, Swedish, German, English	
FINFIRM-2 CEO	Round 1 (Feb 2018) + Round 2 (May 2019) + Round 3 (Nov 2020)	55 min + 40 min + 35 min	Face-to-face + Mobile + Mobile	Finnish, Swedish, French, English	
FINFIRM-3 CEO & founder	Round 1 (May 2018) + Round 2 (Mar 2019) + Round 3 (Nov 2020)	50 min + 35 min + 45 min	Face-to-face + Face-to-face + Mobile	Finnish, Swedish, English	
FINFIRM-4 CEO	Round 1 (Feb 2018) + Round 2 (May 2019) + Round 3 (Nov 2020)	60 min + 40 min + 25 min	Face-to-face + Mobile + Mobile	Finnish, Swedish, French, English	Observation: Office environment
FINFIRM-4 Supply-chain Manager	Round 1 (Feb 2018) Round 2 (Apr 2019) + Round 3 (Dec 2020)	50 min + 50 min + 37 min	Face-to-face + Face-to-face + Mobile	Finnish, Swedish, English	Observation: Office environment
FINFIRM-5 CEO & co-founder	Round 1 (Aug 2018) + Round 2 (Feb 2019) + Round 3 (Nov 2020)	52 min + 37 min + 30 min	Face-to-face + Face-to-face + Mobile	Finnish, Swedish, French, English	Observation: Office environment
FINFIRM-6 CEO	Round 1 (Aug 2018) + Round 2 (Apr 2019) + Round 3 (Oct 2020)	60 min + 35 min + 30 min	Face-to-face + Mobile + Mobile	Finnish, Swedish, Estonian, English	
FINFIRM-7 CEO & founder	Round 1 (Apr 2018) + Round 2 (May 2019) + Round 3 (Dec 2020)	57 min + 40 min + 20 min	Skype + Skype + Mobile	Finnish, Swedish, Russian, English	Observation: Office environment
FINFIRM-8 CEO	Round 1 (Apr 2018) + Round 2 (Feb 2019) + Round 3 (Dec 2020)	50 min + 35 min + 50 min	Face-to-face + Mobile + Face-to-face	Finnish, Swedish, Estonian, English	Observation: Office environment
FINFIRM-9 CEO & co-founder	Round 1 (May 2018) + Round 2 (Apr 2019) + Round 3 (Nov 2020)	45 min + 35 min + 30 min	Skype + Skype + Mobile	Finnish, Swedish, Russian, English	Observation: Office environment
FINFIRM-10 CEO & co-founder	Round 1 (Feb 2018) + Round 2 (Apr 2019) + Round 3 (Dec 2020)	52 min + 35 min + 30 min	Face-to-face + Mobile + Mobile	Finnish, Swedish, English	
FINFIRM-11 CEO & co-founder	Round 1 (Jul 2018) + Round 2 (Aug 2019) + Round 3 (Oct 2020)	55 min + 40 min + 35 min	Face-to-face + Mobile + Mobile	Finnish, Swedish, English	
FINFIRM-12 CEO & founder	Round 1 (Mar 2018) + Round 2 (Apr 2019) + Round 3 (Sep 2020) + Round 3 (Dec 2020)	60 min + 30 min + 40 min	Face-to-face + Mobile + Mobile	Finnish, Swedish, English	Observation: Office environment
FINFIRM-13 CEO	Round 1 (Apr 2018) + Round 2 (May 2019) + Round 3 (Dec 2020)	55 min + 45 min + 35 min	Face-to-face + Face-to-face + Mobile	Finnish, Russian, English	Observation: Office environment
FINFIRM-14 CEO & co-founder	Round 1 (Mar 2018) + Round 2 (Aug 2019) + Round 3 (Nov 2020)	50 min + 30 min + 30 min	Face-to-face + Mobile + Mobile	Finnish, Swedish, English	Observation: Office environment
FINFIRM-15 CEO & founder	Round 1 (Feb 2018) + Round 2 (Apr 2019) + Round 3 (Jul 2020)	55 min + 30 min + 35 min	Face-to-face + Face-to-face + Mobile	Finnish, English	Observation: Office environment
FINFIRM-16 CEO & co-founder	Round 1 (Mar 2018) + Round 2 (Apr 2019) + Round 3 (Jun 2020)	60 min + 25 min + 30 min	Face-to-face + Mobile + Mobile	Finnish, English, French	Observation: Office environment
FINFIRM-17 CEO	Round 1 (May 2018) + Round 2 (Apr 2019) + Round 3 (Dec 2020)	55 min + 45 min + 30 min	Face-to-face + Face-to-face + Mobile	English, Slovenian	Observation: Office environment
FINFIRM-17 Administrative Manager	Round 1 (Mar 2018) + Round 2 (Apr 2019) + Round 3 (Nov 2020)	50 min + 35 min + 30 min	Face-to-face + Mobile + Mobile	Finnish, English, Swedish	Observation: Office environment
FINFIRM-18 Executive Partner	Round 1 (May 2018) + Round 2 (Apr 2019) + Round 3 (Jun 2020)	45 min + 35 min + 40 min	Face-to-face + Mobile + Mobile	Finnish, English, Swedish	Observation: marketing campaign
FINFIRM-19 Executive Partner	Round 1 (Apr 2018) + Round 2 (Apr 2019) + Round 3 (Dec 2020)	50 min + 40 min + 30 min	Face-to-face + Face-to-face + Mobile	Finnish, English, French	Observation: marketing campaign
FINFIRM-20 Executive Partner	Round 1 (Mar 2018) + Round 2 (Apr 2019) + Round 3 (Apr 2020)	60 min + 30 min + 35 min	Face-to-face + Mobile + Mobile	Finnish, English, Swedish	Observation: marketing campaign
FINFIRM-21 Executive Partner	Round 1 (Mar 2018) + Round 2 (Apr 2019) + Round 3 (Nov 2020)	55 min + 30 min + 40 min	Face-to-face + Mobile + Mobile	Finnish, English, German	Observation: seminar
FINFIRM-22 Project Manager	Round 1 (May 2018) + Round 2 (Apr 2019) + Round 3 (Aug 2020)	50 min + 35 min + 45 min	Face-to-face + Mobile + Mobile	Finnish, English, Swedish	Observation: seminar

3.2. Data analysis

All collected data were manually stored in MS Word and MS Excel. The NVivo 10 qualitative software package was used as a supplement to search for and code central themes during inductive data analysis (Miles & Huberman, 1994). The data coding and category development were validated through iterative cross-checking between interview transcripts, audio recordings, field notes, and additional feedback from participants. The interviews were analyzed in their original source

language (English) to avoid meaning distortion during translation.

The coding approach was based on an adapted version of Corbin and Strauss' (2008) grounded theory. First, the transcripts were read thoroughly to get an overview of the most salient themes in the interview data and to develop an in-depth understanding of the sampled decision-makers' activities. In issues where there were obvious links between the data and existing theoretical constructs (e.g., components of social exchange theory), the code generation process was informed by the literature. Beyond this, the codes were developed inductively by

multiple thorough readings of the data followed by attaching open and in-vivo codes to interview excerpts that were particularly illustrative of interviewees' viewpoints. Thus, we did not follow an a priori coding structure with predefined codes and categories imposed on the data but remained open to findings emerging inductively from the interviews and other available sources, such as the field notes and secondary data described above.

This process was deemed to have reached closure when a final round of reading the transcripts yielded no additional codes. We then proceeded to the selective coding stage, grouping the codes identified in the previous step into subgroups and broader categories based on shared properties as identified and documented during the coding process. Finally, we inductively identified and verified any causal linkages between these subgroups and categories. Through this process, the interviews were analyzed both individually and across all companies in order to identify why and how language selection occurred.

As illustrated in Fig. 1, our data analysis identified three types of initiatives by decision-makers pertaining to firm-level language choices:

(1) goal-setting for firm-level language choices, (2) evaluation of firm-level language choices, and (3) firm-level language selection. These emerged both in English-only firms and in multilingual ones, but with different dynamics and resulting in different types of actions.

4. Findings

This section discusses in greater detail the three types of decision-maker initiatives regarding firm-level language choices that our analysis has identified.

4.1. Setting goals for firm-level language choices.

To compare options and decide on firm-level language choices, it was necessary for both English-only and multilingual firms to determine a basis for evaluating the available alternatives. We found that decision-makers in our sample, whether they had opted for English-only or for multilingualism, motivated their language choices specifically in terms

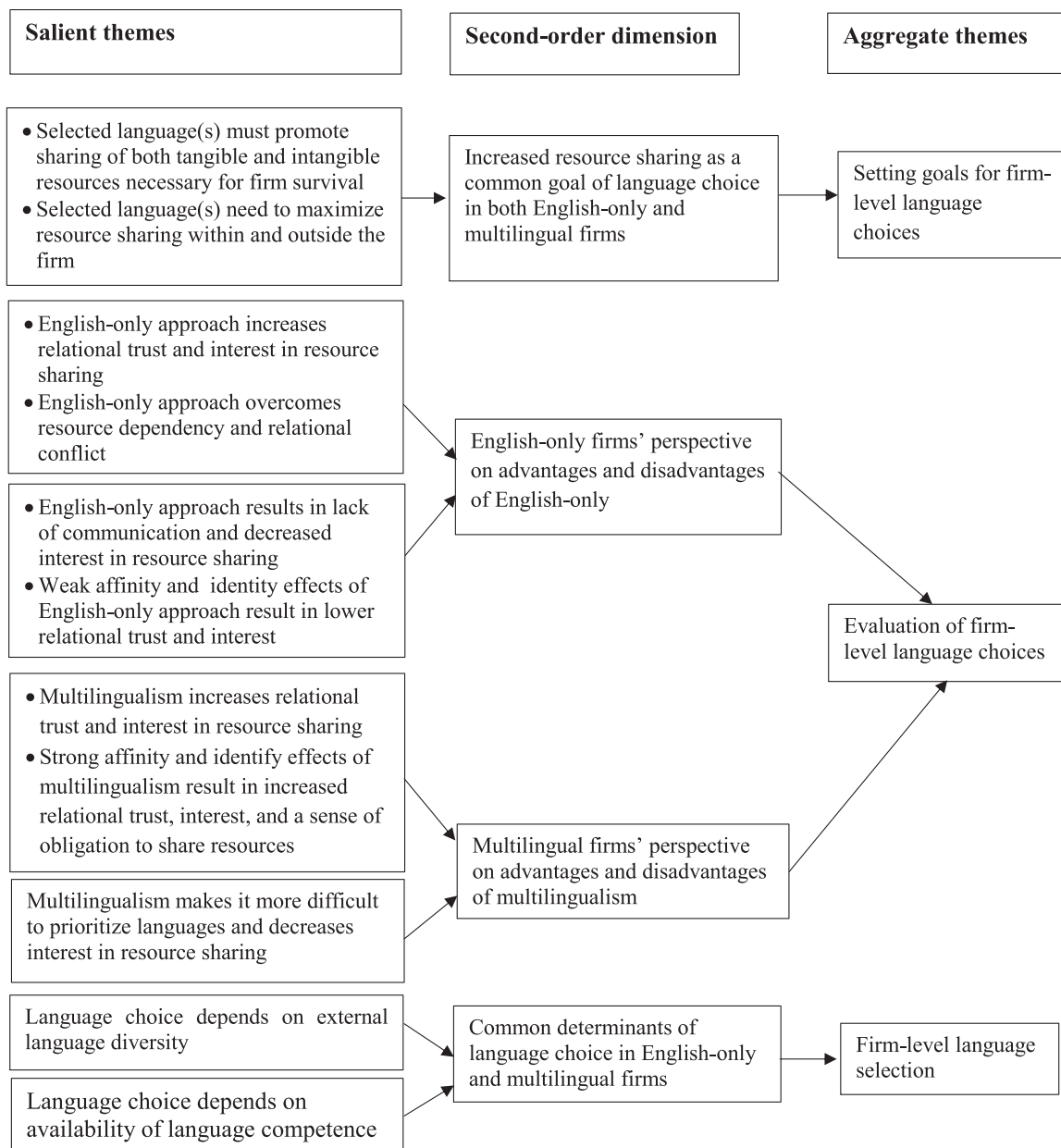


Fig. 1. : Data structure.

of increased resource sharing. We also noted that when decision-makers needed to decide on their firm-level language(s), they did not simply pit English against other languages. Multilingualism entails using two or more languages, but in all the sampled multilingual firms, one of these was English. Thus, the focus was instead on the need to include additional language(s) or on questioning the effectiveness of English-only.

4.1.1. The common goal of language choice: increased resource sharing

A key goal for firm-level language decisions in both English-only and multilingual firms was increased resource sharing. Websites and Facebook pages displayed the language preferences of each sample firm but only implicitly shed light on this goal. In the interview data, however, decision-makers explained clearly that their primary intention was to promote external resource sharing and thereby overcome resource limitations to enable firm survival in the short and long term. By resource sharing, they meant the exchange of both tangible and intangible resources—from equipment, tools, and R&D laboratories to expert advice, technical support ideas, information, and knowledge. This sharing took place between organizational members in inter-organizational relationships. The resource-sharing purpose underpinning language choice was also evident in decision-makers' intentions when they selected a language or languages to let external actors know about the firm, its products, and services. Here the purpose was not necessarily direct and explicit; for example, the primary purpose of product packaging or promotional activities might have been to increase sales. Still, alongside, firms aimed to build relationships with actual or potential clients to secure future flows of feedback or knowledge. As one decision-maker stated:

"Before using a language, we think twice. ...When we send our product to Germany, France, or Sweden, we translate the packaging. We know the customers like to see their languages (.) it increases sales, but we also want to see that our customers know about products, about our company. It's good to get their views, ideas, or experience." (CEO, FINFIRM-2, Feb 2018).

In both English-only and multilingual firms, determining the appropriate language(s) for resource sharing with external actors was considered carefully. Decision-makers emphasized the need to approach language purposefully in terms of both ongoing and planned resource sharing activities. One respondent explained:

"We use multiple languages in our website and social media... we always keep an eye on the big ongoing projects and the key players in our industry (...) Collaboration is important to survive in this industry (...) ...we have the experience. We organize events together, share materials, equipment. sometimes we help each other [other firms] for technical support to solve software-related issues in programming language. (...) Our language choice always has a reason." (Executive Partner, FINFIRM-20, March 2018).

4.2. Evaluation of firm-level language choices

Once they had determined increased resource sharing as the main purpose of their firm-level language choice, both English-only and multilingual firms evaluated their choices against the extent to which they helped fulfill this purpose. Both choices were seen to have positive as well as negative implications for resource sharing. Decision-makers' perceptions varied according to their knowledge and experience of language use in external communication, with some clear differences between the two types of firms. In English-only firms, decision-makers were more focused on the benefits of English-language status than on social affinity and identity based on the use of a specific language. By contrast, decision-makers in multilingual firms emphasized the social affinity and identity benefits of using multiple languages and the subsequent positive impact on communication and social relationship building. These considerations are presented in detail below, first from the perspective of English-only firms and then from the multilingual firms' perspective.

4.2.1. English-only firms' perspective:

4.2.1.1. Advantages of English-language status: relational trust and interest in resource sharing.

English was considered to have high *lingua franca* status in global business communications. Decision-makers acknowledged that the prestige of English as a widely accepted language of global business was the key reason for choosing it as a firm-level language. Using English in firm-level communication provided broad social access to external actors, with the underlying intention of instigating further individual-level communication. English-only firms showcased their preference for English and could solicit spontaneous communication from a wide range of actors irrespective of their native languages. It was felt that engaging in such communication would help build individual-level relationships in which trust could then begin to form, making it gradually easier for the firms to ask counterparts for resources when needed, and to respond to these counterparts by providing resources possibly asked for in return.

In external communication, English-only policies on websites, product packaging, marketing activities, etc. were considered helpful to build and maintain relational trust with a broad external network, as illustrated in the following statement:

English is good for networking with lots of international clients, it's a common business language. (...) ...we can better explain our product features [in our catalog], and anyone can understand. (...) Our partners [from other European countries] accept English. I think it is easy to contact, build good relations and trust. (...) we value the relationship (...) we share programming code." (CEO, FINFIRM-17, May 2018).

The use of English only in firm-level communication could also be found in observational data, where it helped elicit interest in knowledge sharing between inter-organizational actors irrespective of these actors' native language(s). For example,

Before the seminar started, participants were talking to each other. (.) they were in three groups speaking in Swedish, Chinese, and German. Their language could be heard and identified clearly from a short distance. (.) ...it was understood from the organizer that the seminar was organized to share knowledge and explore the possibility of inter-firm collaboration. The banner, posters, booklets, powerpoint presentations—everything was in English. When the seminar started, everything became English only. The organizers presented their goals, product, present and potential challenges, and need for project collaboration. Organizing the firm's newsletters, brochures, and seminar booklets were handed to the participants. (...) Finally, two German participants explicitly expressed their interest in collaborating on the new project. They invited the firm organizing the seminar to visit their laboratory in Germany and agreed to share their laboratory and technical support. (Observation: Marketing campaign of FINFIRM-1, on May 16, 2019 at 11:00).

4.2.1.2. Advantages of weak affinity and identity of English-only: overcoming resource dependency and relational conflict.

In English-only firms, decision-makers found that the use of a single language led to weak affinity compared to local languages, particularly in the European context, where English was regarded as a 'global but foreign' language. Despite its *lingua franca* prestige, decision-makers in English-only firms found that other, local languages clearly provided a stronger base for close interpersonal relationships in foreign markets. Thus decision-makers were aware of the role that various native language(s) played in forming bonds between native speakers and creating 'language-based subgroups' (Hinds et al., 2014; Kulkarni, 2015). However, they felt that English-only approaches could help avoid potential lock-in in such situations, giving firms opportunities to search for and find a broader range of partners with whom to build relationships and exchange resources. For English-only firms, this was an important strategy to overcome resource dependency on external parties. As one respondent pointed out:

"We know the language fascination in Europe, how people get to each

other based on native language. if we are selective with other languages, we may end up collaborating with only a few firms, and lose others. Technology and market demand are changing. We have to search for opportunities, find new firms (...) share research tools, equipment, expert skills. Our website gives the indication that we are open. We want to collaborate with any firm we think is best. We don't want to stick to any group." (CEO, FINFIRM-10, Apr 2019).

Decision-makers in English-only firms were also concerned about the social identity effect of firm-level language choices and their consequences for resource sharing. Like for language affinity, English was perceived to trigger social identification to a lesser degree than other regional and local languages. English-only firms regarded this as beneficial because it projected their impartial position in relation to any other language. Decision-makers were specifically aware of possible negative impressions caused by using certain local or regional languages which could suggest favoritism and tarnish relationships with existing or potential external actors, or even induce conflicts with them. Their efforts to avoid such conflict are exemplified in the following statement:

"There are a few people who know English but don't want to speak with you. This is because they want to speak their language: they have a very strong identity. Managing those people is not an easy job. If one is satisfied, another is not. In that case, English is better, to be on the safe side. We have German, Polish, and Swedish project partners... share collected samples, SOP, and database. We don't want any conflict. I think our English contract and project proposal makes it very clear." (CEO & Founder, FINFIRM-3, Mar 2019).

4.2.1.3. Disadvantages of English-language status: lack of communication and lower interest in resource sharing. For some companies, using English-only and disregarding other prominent regional languages like French and German had resulted in missed opportunities for collaboration and resource sharing with external actors. When they had made attempts to reach out, the target partners did often not respond, and if they did, their lack of interest made it difficult to build a relationship that would allow resource sharing opportunities to materialize. As one decision-maker described his experience from a trade fair:

"There were general public, maybe potential clients. Our presentation was perfect, and the model and samples were also impressive, at least compared to others. [Still] we saw people mostly gathering in other firms' exhibitions. they [the other firms] cleverly had French, Swedish, and even Italian versions of their posters and catalogs." (CEO, FINFIRM-4, Apr 2019).

4.2.1.4. Disadvantages of weak affinity and identity effects of English-only: low relational trust and low interest in resource sharing. The weak social affinity and identity that resulted from only using English decreased other actors' relational trust and interest in resource sharing and made it difficult for English-only firms to bridge the "relational gap" with external actors who had affinity for other languages than English. These firms failed to appeal to some non-native English actors and associate with them based on their preferred language(s). Such lack of linguistic association was perceived as a barrier to building relational trust for resource sharing, as in this example:

"It is natural that people have special feelings and connection with others from their own native languages. You can be one of their own if you speak their languages. We can see the same feelings in our clients from China and Russia. I think our English-only sometimes cannot address that issue. We get few reviews from China and Russia... if we think about suggestions, and ideas for improvement. It is also a reason for the difficulty of making project partnerships with them. Because of language boundary, there is a split of relationship...it is difficult to gain each others' trust." (CEO, FINFIRM-6, Oct 2020).

English-only firms also recognized that their approach to language could not leverage language identity effects to benefit resource sharing. They were unable to connect adequately with people seeking recognition of strong non-English native language identities. External actors

with such strong identities were felt to lack interest in resource sharing with English-only firms. This was reflected in the following statement:

"It could be a good idea to use Spanish in our project proposal, or in our marketing campaign (...) I think they [the Spanish] would get [appreciate] the honor. I can realize their show-off... attitude, and pride in their language. If you can accept that identity, and show your respect for their language, they will be willing to cooperate with you. I agree, we missed a few project collaboration opportunities [for resource sharing]." (Executive Partner, FINFIRM-21, Nov 2020).

However, some such challenges had been addressed through informal relationships and individual-level communications to counterbalance the negative influence on internal resource sharing. As one of the respondents mentioned:

We are very informal, we are friendly. We have to be like this [for increased resource sharing]. On a few occasions, to motivate them, I discuss the issue personally. We manage it anyway." (CEO, FINFIRM-17, Nov 2020).

4.2.2. Multilingual firms' perspective:

4.2.2.1. Advantages of multilingualism: relational trust and interest in resource sharing. The status of English as a lingua franca was acknowledged in multilingual firms, where decision-makers chose combinations of languages like German or French, and English. These decision-makers were keen to realize the benefits of social acceptance resulting from a balance between English and other dominant languages. Decision-makers found multilingualism useful to communicate and build relationships with external actors who had specific language preferences. The use of multiple languages helped their firms to communicate effectively and build trust and interest in resource sharing. For example, one decision-maker stated that,

"...it [English] is the international language, but we have to agree on other [common] languages (...) We have suppliers from many countries. We continuously need to exchange chemical materials, engineering, IT equipment... We use six languages on our website and also use translation [from one language to another] in tenders, orders. it's important to keep communication clear. As the relationships continue, we can trust each other. It is beneficial. (...) I can say that our suppliers are more willing to cooperate." (CEO, FINFIRM-8, Apr 2018).

Observational data also indicated that the use of an external actor's preferred language in firm-level communication attracted the target actor's attention and increased their interest in resource sharing. For example, the first author observed the following situation in which using multiple languages increased external parties' interest to engage in knowledge sharing with the focal firm:

The exhibition stall was small, but it had a banner with three languages: English, Swedish, Russian. Two young men walked up to the stall and asked something in Russian language. The lady in the stall couldn't understand and asked the visitors if they could speak English. Then one of the visitors was saying (in English) that when they saw the Russian language on the banner, they decided to come in to see the product and related information. The visitors were not fluent English speakers. Though the lady couldn't speak Russian well, she handed the visitors two brochures of their product promotion printed in Russian. The visitors started reading the brochures seriously. They spent 20 min at the stall and shared their ideas about the programming language. (Observation: Marketing campaign of FINFIRM-19, on May 14, 2019 at 14:25).

4.2.2.2. Affinity and identity effects of multilingualism on relational trust, interest, and the felt obligation to engage in resource sharing. The use of additional language(s) in firm-level communication benefited multilingual firms by creating opportunities for external resource sharing. Multilingual firms strategically leveraged their communication partners' affection and affinity for native and preferred language(s) to increase relational trust and interest in resource sharing. These firms

clearly used the native language(s) of external actors as steppingstones to draw their attention and make a language-based association with them. This association allowed interpersonal relationships to develop, increasing relational trust and interest in resource sharing as a result. This is exemplified in the following statement: .

“I guess all have a special soft corner for their native languages and are most comfortable working with someone similar [language speakers] (...) Using Chinese [language] in one of our e-posters is the best example. We designed an e-poster, for promotion in China. Two Chinese programmers contacted us and showed interest in working with us. Within a very short time, we developed good relationships and began to trust each other. We collaborated and finished two projects successfully.” (CEO & Founder FINFIRM-15, Apr 2019)

A similar pattern was identified in terms of how multilingual firms attempted to leverage language identity to increase resource sharing. By acknowledging the importance of language for communication partners with strong language identities and aligning firm-level language choices accordingly, multilingual firms were able to leverage language to build relationships. Decision-makers realized that using the preferred language of such communication partners could motivate them to develop trust, interest, and a sense of obligation to engage in resource sharing. The following examples depict decision-makers' realization of and responses to such situations:

“Using English [alongside] other languages is great if you can do it. You can get along with English (...) but when you deal with those people who see language as their identity, English is not enough. We have dealers in Russia and Sweden. When we deliver our products to them, we always add notes and instructions with the packages in their languages. This way we attract their interest and build trust. Our priority [on language] motivates them to cooperate [in return]... exchange samples, designs, technological support.” (Project Manager, FINFIRM-22, Aug 2020)

4.2.2.3. . Disadvantages of multilingual status: difficulties in prioritizing languages and decreased interest in resource sharing. Multilingual approaches sometimes resulted in negative resource sharing implications for firms due to difficulties in prioritizing and ordering the languages to be used at the firm level. Decision-makers found that communication partners' interest to get involved in resource sharing with the firm decreased when the partners' preferred language was placed after other languages in product catalogs and descriptions. For example, one interviewee explained,

“ (...) arranging [in sequential order] those [multiple] languages are sometimes difficult...we cannot put all local language on the top. Some clients may not like to see their languages at the bottom [in product catalogs/ descriptions]. I can feel that. (...) Some [clients] seem less interested in [knowledge sharing]. Once one Russian client asked me why we didn't put German language at first place [before other languages] in product catalogues if we know its high status and acceptance in the European market.” (CEO, FINFIRM-8, Dec 2020)

Interpreted in terms of social exchange theory, the choice between English-only and multilingualism can be summarized in terms of minimizing the costs of resource sharing versus maximizing the potential benefits that it could bring to the firm. Decision makers in English-only firms argued that *“we can manage to fulfill our purposes [resource and knowledge sharing] with English-only, we don't need to use other languages”* (CEO & Co-Founder, FINFIRM-16, Mar 2018). By contrast, multilingual firms considered that *“... [multilingualism] can serve some language issues [achieve affinity and identity] that English-only cannot. These are more important for us.”* (CEO, FINFIRM-8, Dec 2020).

4.3. Firm-level language selection

In sum, English-only was preferred by decision-makers who perceived and experienced that the global acceptance of English as a lingua franca was sufficient to enable resource sharing, whereas multilingualism was chosen when it achieved the same goal by enabling social association, recognition, and acceptance. However, firms' actual language choices were not only based on a comparison of these alternatives but were also strongly shaped by two important boundary conditions: (1) external language diversity, and (2) the availability of language competencies. We now proceed to a more detailed discussion of these.

4.3.1. Common determinants of language choice in English-only and multilingual firms: external language diversity

Irrespective of their views on the links between language choice and achieving the firm's purposes, a major concern for decision-makers in both English-only and multilingual firms was to choose an appropriate firm-level language or languages to deal with external language diversity. Concerns with external language diversity were fundamentally related to how decision-makers evaluated the importance of external actors and their language preferences or demands. If external actors had specific language preferences that were pertinent for business purposes, decision-makers carefully considered how to accommodate those preferences in language choice decisions, as exemplified in the following statement describing reasons for shifting from English-only to multilingualism:

“Initially our website language was in English only. As we began to export our product to Europe and Asia, we were getting customers, and dealers from those countries. To make our company and product information more understandable to them, we began to include Swedish, Russian, Estonian, Chinese, and Japanese in product packaging.” (Executive Partner, FINFIRM-19, Dec 2020)

4.3.2. Common determinants of language choice in English-only and multilingual firms: availability of language competencies

Another important factor for both English-only and multilingual firms in choosing a particular firm-level language (or languages) was the availability of language competence. Decision-makers indicated that they had carefully assessed the language competencies possessed and needed by the firm before choosing either English-only or multilingualism. For both types of firms, having timely access to adequate and appropriate language competence was one of the major concerns in deciding on a firm-level language. Decision-makers explained that they postponed a new decision until they were confident of such competence being available, either internally or outside the firm. When assessing this, the language competencies of decision-makers themselves, business partners, employees, and their available external networks were considered, as shown in the following statement:

“We were thinking about [starting to use] Chinese language [at firm level communication]. But we don't have anyone [internally] who can speak Chinese. It will take time to train someone [through language training], and we cannot afford to hire a Chinese speaker right now. We think we can manage our present Chinese clients in English.” (CEO, FINFIRM-6, Oct 2020)

Firms' external networks were also found to be very useful sources of necessary language competence. Relevant language competence available in decision-makers' and their colleagues' external network influenced language choices of both English-only and multilingual firms by helping overcome internal competence deficits. Our data contain several examples of how access to linguistic competence via the firm's external network was considered when making language choices, as in this case:

“...one of our colleagues had a German friend. I requested [the colleague] to speak with her if she could translate our newsletter into German. She

agreed (...) then we posted it on our website and printed it on paper. If we couldn't get her help, we might go with English-only." (CEO, FINFIRM-2, Nov 2020)

5. Discussion: overcoming the firm-level language choice dilemma in international small firms

Taken together, our findings indicate that international small firm decision-makers' choice between English-only and multilingualism is guided by efforts to attain and maintain mutual trust and interest in resource sharing considered essential for firm survival. However, external language diversity and the availability of language competencies set strict bounds for these efforts. Elaborating on this overall conclusion, we make the following observations as we synthesize our findings with extant literature.

Language choices can be seen as social exchange processes. Our analysis suggests that international small firms' language choices can usefully be viewed as part of efforts to engage in social exchange processes with various external actors to improve resource sharing. Both English-only and multilingual firms evaluated their language choices in terms of social acceptability to the firm's relationship partners, who in turn had diverse linguistic preferences, forcing the firms to evaluate and select specific languages. Knowing and using a partner's preferred language was considered beneficial for effective communication, which in turn was believed to increase social affinity, mutual understanding, relational trust, and interest in resource sharing—all of which are necessary for effective social exchange (Homans, 1958; Blau, 1964). The choice between English-only or multilingualism was also influenced by the strong language identity of some external partners which facilitated or hindered resource sharing in inter-organizational relationships. Thus, it seems that acknowledging and recognizing the exchange partner's language identity is likely to increase interest and engagement in the communication process, build trust, and foster resource sharing (Bordia & Bordia, 2015). These considerations suggest acute awareness among decision-makers that signaling linguistic community membership and showing respect for language-based identities can increase relational trust, mutual interest, and a sense of obligation in the context of inter-organizational relationships involving international small firms.

The role of context in achieving language choice goals. From our data analysis, it is evident that the context plays a key role in achieving the goals of firm-level language choice decisions. In our empirical study, country-level linguistic context pushes internationally active small firms to acquire the language competencies needed to deal with external communication partners. One of the preconditions for making language choice decisions is the availability of required language competence. In line with the general observation that small firm owners and employees leverage and transform existing resources such as personal competence, experience, and personal networks to overcome resource limitations (Cai et al., 2017), we find that the language competence of both owners, employees and their external networks is used to deal with external language diversity. Accumulating internal language competence by hiring or by training existing human resources is time-consuming and expensive, whereas existing organizational members' skills and personal networks offer a convenient way to address the language demands of external actors. This aligns with earlier observations that SME managers/owners in the Finnish context purposefully utilize their language skills to overcome language barriers and improve interpersonal interaction and communication (Kontinen & Ojala, 2010; Turunen & Nummela, 2017).

The SME context also helps counterbalance the negative influences of low language affinity and identity on resource sharing. Based on our data, informal work relationships and a lack of bureaucracy can help small English-only firms to counterbalance negative sentiments related to language affinity and identity. English-only strategies were argued to lower social affinity among non-native English speaking communication

partners, making them less interested in engaging to share resources, and discouraged resource sharing by those who strongly identified with another language than English. In both cases, however, firm decision-makers' informal personal relationships could still help achieve resource sharing.

External language diversity and flexibility in decision-making. External language diversity requires international small firms to be flexible in their firm-level language choices. Our sample firms show considerable adaptability in choosing between English-only and multilingualism in response to fluctuations in external language diversity. Firms may shift from English-only to multilingualism if there is external pressure to do so. Thus, the approach to language is characterized by flexibility so as to address the preferences of external actors and overcome difficulties related to communication and resource sharing. This can be interpreted so that SMEs are under less pressure than larger firms to conform to isomorphic environmental pressures favoring English as "the language of global business". Thus, SMEs may be closer than MNEs to the ideal posited by Luo and Shenkar (2006) that international firms' language choice should be the outcome of balancing local responsiveness and global integration. The attitude of being flexible and open to reevaluating language choices in response to language preferences of foreign customers, suppliers or other partners, appears to be beneficial for the survival of international small firms.

Furthermore, international small firms increasingly use social media platforms and other electronic media for firm-level communication. Facebook and proprietary websites are the two most common channels through which our sample firms share information about their products or services and carry out marketing and promotional activities aimed at their external actors. Our empirical study does not enable us to claim that electronic media are more impactful than print media such as posters, banners and booklets, but extant research has identified positive outcomes of using electronic media in business communication (Caputo et al., 2022). However, with respect to using firm-level language(s) on social media platforms, a recent study (Wahid et al., 2023) indicates that language does influence social media engagement, but the effects vary across different types of content. Thus, more research is needed on how language facilitates or impedes different types of resource sharing between SMEs and external partners on social media.

In sum, when evaluating the advantages and disadvantages of firm-level language choices, decision-makers in both English-only and multilingual firms pay special attention to how language status, affinity and identity affect resource sharing. Table 3 summarizes these considerations.

5.1. Contributions to research on firm-level language in international business

Previous research on language choices in IB has heavily focused on internal linguistic diversity in large MNEs (e.g., Marschan-Piekkari et al., 1999; Piekkari & Tietze, 2012; see Tenzer et al., 2017 for a review). By identifying why and how internationally active small firms choose between English-only or multilingualism, our study helps fill an important research gap on how smaller firms deal with firm-level language choices. What is more, by exploring differences in how English-only and multilingual firms evaluate language choices, our analysis helps understand why and in which situations certain languages come to be used at firm level in international firms.

What is more, we advance a new perspective – social exchange – to help understand the goals that SME decision-makers pursue with their firm-level language choices, specifically as regards resource sharing. It has long been argued that language is intimately linked to the sharing of resources, particularly knowledge (e.g. Barner-Rasmussen & Björkman, 2007; Mäkelä et al., 2012), but social exchange theory has been overlooked in previous language-sensitive IB research. Our study shows that it can help clarify the role of language in resource exchange, including the exchange of knowledge. It also helps understand how international

Table 3

Advantages and disadvantages of using English-only and multilingualism at the firm level.

	English-only	Multilingualism
Language status	<p><i>High lingua franca status effect</i></p> <p>Advantages:</p> <p>Widespread acceptance of English as a lingua franca can foster communication, build relational trust with diverse external parties, and induce their interest in sharing resources.</p> <p>Disadvantages:</p> <p>Lingua franca status of English can be turned into an obstacle when the use of English-only results in a lack of communication and interest in resource sharing with non-English preferred communication partners.</p>	<p><i>High multilingual status effect</i></p> <p>Advantages:</p> <p>Social acceptance other languages used alongside English can contribute to building relational trust with both English and non-English preferred communication partners and their interest in resource sharing.</p> <p>Disadvantages:</p> <p>Leveraging multilingual status involves difficulties in managing the hierarchy of language(s) to be used, which may decrease some communication partners' interest in resource sharing.</p>
Language affinity	<p><i>Weak language affinity effect</i></p> <p>Advantages:</p> <p>Using only English can benefit from the weak English language affinity of non-English speaking actors to avoid potential lock-in situations and dependency on too few partners for resources.</p> <p>Disadvantages:</p> <p>Using only English when affinity to that language is weak can hinder communication and decrease the relational trust required for resource sharing.</p>	<p><i>Strong language affinity effect</i></p> <p>Advantages:</p> <p>Using a multilingual approach to leverage the strong language affinity of communication partners with a particular language preference can develop trust and increase interest in resource sharing.</p>
Language identity	<p><i>Weak language identity effect</i></p> <p>Advantages:</p> <p>A weak identification with English among non-English speaking partners can be useful in English-only communication to overcome relational conflicts and enhance resource sharing.</p> <p>Disadvantages:</p> <p>When identification with English is weak, communication in English only can result in a lack of interest in resource sharing.</p>	<p><i>Strong language identity effect</i></p> <p>Advantages:</p> <p>A multilingual approach can leverage the strong language identity of communication partners to build relational trust, and increase interest and felt obligation to engage in resource sharing.</p>

small firms map and prioritize relevant counterparts' language preferences, and how they assess the impact of language choice on relationship building and resource sharing. Furthermore, this study contributes to social exchange theory by shedding additional light on how capability may be linked with social exchange activities. Blau (1964) argued that actors in a social exchange should have such a capability to influence their counterparts and get the most benefit out of the exchange. The findings of this study extend this argument by suggesting that the capability to select and use appropriate language(s) enables an actor in a social exchange to address counterparts' language preferences, affinity, and identity, through which exchange relationships are built and maintained to achieve desired exchange outcomes.

Finally, our analysis highlights the important role of flexibility in firm-level language choices, induced by limited language competence and a high degree of external language diversity. This finding adds to research on strategies to cope with language diversity (CILT, 2006, 2011; Piekkari et al., 2014). Our findings suggest that even if international SMEs are otherwise similar and also have language choice goals in common, they may still choose differently between English-only or multilingualism due to differences in how they evaluate language status,

language affinity and identity.

5.2. Managerial implications

Our findings have implications for the managers of international SMEs when deciding on firm-level language(s). A thorough evaluation of available language choices is important to achieve desired resource sharing goals in inter-organizational relationships. Therefore, SME managers must identify the degree and extent of external language diversity and the linguistic competencies available to them. Even in the presence of external demand for English-only or multilingualism, a language choice cannot be made if there is a lack of competence. In case of a mismatch between external actors' preferred language(s) and firms' available language competencies, SME managers must either consider alternative language choices or postpone the choice decision until the firm has acquired the required competencies. These implications are summarized in Fig. 2.

5.3. Limitations and suggestions for future research

Prior research has identified the pros and cons of both approaches to language studied here – English-only and multilingualism (Neeley, 2013). Our study is the first to compare the advantages and disadvantages of those approaches from the perspective of small international firms engaged in inter-organizational relationships. However, much more remains to be done in terms of how firms, especially SMEs, assess and compare language choices and make decisions about language. This especially concerns internal communication, as firms need to address internal language diversity to achieve internal resource sharing. Extant literature based on empirical research in MNEs tells us that language influences subgroup formation (e.g., Hinds et al., 2014; Tenzer et al., 2021) and relational distance at the interpersonal level (Marchan-Piekkari et al., 1999), but it remains unclear how these dynamics pan out in smaller firms, given their often-acute resource constraints and usually stronger anchoring in particular locales and cultural contexts. Against this background, we advocate an extensive international research program on language in internationally active small firms.

As our study has shown, firm-level language choice decisions depends to a great extent on social and cultural context. All of our sample firms were based in Finland, an officially bilingual country with a home country language spoken only locally, a regional lingua franca in the form of Swedish/Scandinavian, and relatively high levels of skills in English among the population in general. Prior findings on MNE data (Barner-Rasmussen & Aarnio, 2011) suggest that these circumstances may influence language use even in firms that have formally adopted English as their corporate language. Thus, future research should be carried out in other country contexts, and ideally, rigorous comparative studies should be undertaken to examine cross-contextual differences in language choices and their determinants, e.g., focusing on how SMEs based in English-speaking countries overcome the dilemma of doing business in non-English-speaking countries (see e.g., Wilmot, 2017). It is also important to explore the perceptions and actions of native English-speaking decision-makers in firm-level language choices. The decision-makers that we interviewed were all non-native English speakers, who may think differently about language choice than native English-speakers.

Future research could also explore microlevel communication dynamics related to how messages are understood by internal and external actors, their reactions or feedback, and how this recursively shapes language choice. This would shed light on the scope and cost of misunderstandings, possible conflicts, and differences in language choice heuristics between decision-makers and their communication partners. Future studies could also use other theoretical lenses such as institutional theory or contingency theory to examine how structures, rules, norms, and routines guide decision-making on language issues, or how to build flexibility into firm-level language choices and actions. The

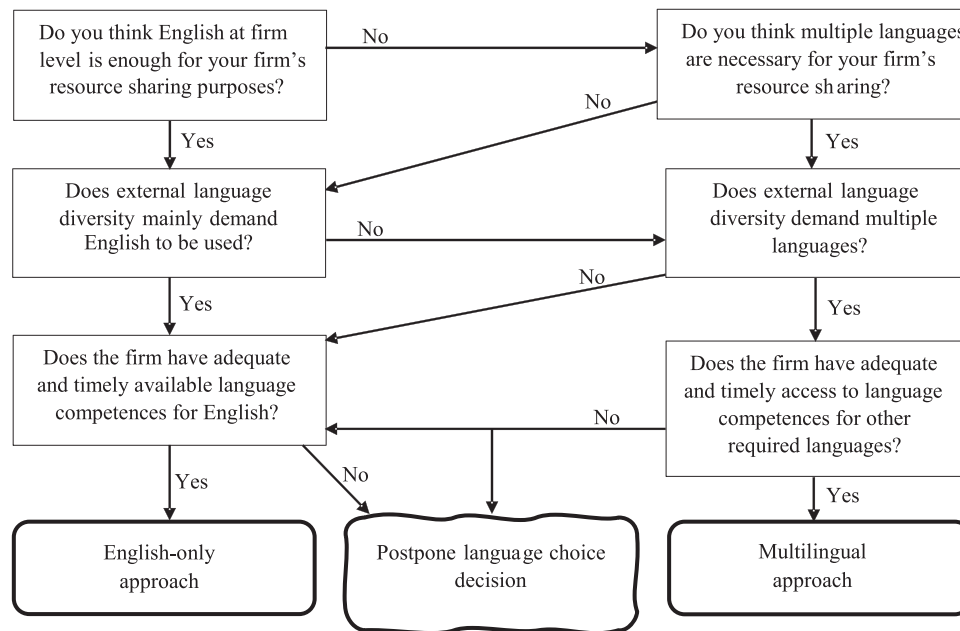


Fig. 2. : Managerial implication: Overcoming language choice dilemma.

interplay between language identity and trust should be explored to understand how their relationship influences social exchange. It would also be interesting to explore how, in the SME context, language identity relates to the formation of trust and subsequently to external and internal resource exchange (Bordia & Bordia, 2015). Similarly, future research could investigate the relationship between language capability and trust in social exchange relationships since capability can influence social exchange in other forms (e.g., power, as argued by Blau, 1964).

Acknowledging the significance of social media platforms and other relevant communication technology, future research should also examine how these media influence SME language selection. More specifically, researchers could focus on how SME decision-makers evaluate social media and other electronic media and choose the language(s) to be used in those media. Comparative work to explore the possible differentiated effects of language use could also be attractive, since different contents in the same media can result in differentiated outcomes (Caputo et al., 2022). In the SME context, comparisons between electronic and printed media would also be interesting.

Data availability

The data that has been used is confidential.

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