

Factor mobility, efficiency and language discrimination: analysis of four company scenarios in Catalonia

by Amado Alarcón

Abstract

This article presents the results of a case study of companies in Catalonia (Spain, European Union) in which we analyse the problems of efficiency and distribution of resources based on ethno-linguistic criteria. The academic literature, especially that carried out from Quebec, has analysed language demands in the workplace in bilingual contexts indicating that these latter are found to be conditioned by: 1) the language in the consumer markets 2) the language of the technologies used in the work, and 3) the language of the company owners. What we have here, however, is a more complex situation than the bilingual, given the linguistic heterogeneity of the European Union. This complexity increases with the mobility of factors otherwise in place (Economic and Monetary Union) and can be seen in the growing linguistic diversity of companies. In fact, as we shall see in the body of the article, factor mobility places the owners, workers and customers from different language communities in the same physical or virtual space in which to coordinate their activity.

Summary

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2. Linguistic regimes
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1. Introduction: Languages and factor mobility¹

Monetary and Economic Union involves the lifting of barriers to free circulation of factors and increases the amount of language contact among Europeans. The focus of interest, from the economic point of view, lies in the (removal of) cultural and linguistic barriers between companies which limit the mobility of the work factor in attaining a market of factors in Europe which really acts as an efficient mechanism of assignation. The search for efficiently cannot realistically adopt the solutions of other great markets like that of the United States where the dominant position of English over the ethnic minorities frequently leads to the imposition of the so-called "English-only work rules" as a mechanism for company coordination (Dicker, 1998). What is more, the problem of language diversity as an obstacle to efficient assignation increases with the centralisation of the management of knowledge and information and, therefore, the linguistic intensity of the productive process (Harris, 1998). Also, although economic efficiency is a central problem, we should not play down the problem of equity between groups speaking different languages. Our approach then has been to look at questions of linguistic justice as a result of the way processes of globalisation generate winners and losers out of different linguistic groups. From this point of view, the problem is not the disappearance of minority languages but rather the position in which members of each linguistic group (each language and its speakers) find themselves as a result of the incipient new world order.

Basing ourselves on these considerations, the following objectives were selected: 1) Analyse the linguistic criteria applied in selection and promotion in companies, in accordance with position of such companies vis-à-vis the flow of factors internationally (the national origin of the capital, the international distribution of the consumer markets and ethno-linguistic origin of employees) and the linguistic intensity of the production processes; and 2) Look at the effects of the expansion of the markets on strategies and linguistic outcomes. Notice that Catalonia itself is an example of relative failure in the public regulation of linguistic exchanges in companies (Solé and Alarcón, 2001; Alarcón, in press).

¹ We present here the principal results of a study financed by the Institut d'Estudis Catalans carried out in 2002-04 and directed by Carlota Solé, in collaboration with Albert Terrones and Luis Garzón.

We consider that the linguistic groups inserted in the productive structure are not a homogenous or monolithic whole that reacts to structural changes, irrespective of the different positions of each agent in the social structure and in the international economy. Thus, the main hypothesis guiding our investigation is that the language choices available to individuals depend on their position in the company, and on the corporate options of the company's organisational structure and position in the structure of international competition.

To test our main hypothesis by means of empirical observation we have opted for qualitative strategies. Specifically, in-depth interviews (20) and the setting-up of discussion groups (10) consisting of employees in the sectors which we considered to be especially affected by the socio-economic situation resulting from globalisation and economic and monetary union. We proceeded to analyse the relationship between 3 groups: Spanish-born, foreign-born EU and non-EU in employment in industrial scenarios unequally affected by economic and monetary union. In terms of specific scenarios, we selected the following: 1) Ethnocentric German multinational car industry corporations; 2) Geocentric multinational corporations of Anglo-Saxon origin in the Information Technology and Communications sectors; 3) A cluster of Catalan-capital companies and, 4) Small-and medium-sized social and healthcare companies in coastal Spain.

2. Linguistic regimes

Ethnocentric companies

The first scenario analysed is that of global corporations, also known as ethnocentric corporations, where there is a high degree of international cooperation in production, and a low degree of independence at the level of the branch companies. The market of potential customers are seen as a whole, where an effort is made to maximise scale economy and there are no products designed specifically for individual states within the market, but rather for segments of population which are seen as global. The label ethnocentric derives from the fact that the management is based on strictly one nation's set of criteria, that is, the country of origin of the corporation. Identity is mediated through the values, language and higher management of the same national derivation, found in the mother company and at the higher levels of the different branches of the corporation. In the companies studied (in the car industry) the nationality and language in question is German. It is in this language that major decisions are taken and transmitted to the management of the different branches. It is an asymmetrical regime in which general company policy is planned from the centre, from whence the implementation of the different branches is monitored. The company's decision-taking is thus controlled by the mother company and a group of managers of the same nationality.

These are companies where there is worldwide coordination which is articulated by means of a high degree of mobility among management within the internal labour market. This is a vertically organised model of worker mobility from the centre in Germany, outward to the branches in other countries, and from those countries to the centre. These internal labour markets create an elite with a high degree of knowledge of the different centres of production. Admittance to managerial levels of the company is only achieved by non-nationals (non-Germans in this case) after working for considerable periods of time at the headquarters in the mother country. In this way, they become fluent in German, and above all cultivate links or bonds of confidence with other members of the managerial class at headquarters. These companies are typified by a sharp division between international planning and local implementation. In our sample, these are companies where production involves low linguistic intensity. More specifically, the production centres in Catalonia which we analysed are engaged essentially in assembling automobile components, although admittedly their role at R+D level is steadily increasing. The language used by employees in these centres is Spanish, and to a lesser extent Catalan --that is, the languages of the immediate environment. Foreign languages are not required of new recruits, nor for promotion among blue-collar workers. It should be noted that managers in charge of manpower resources, and above all of collective bargaining, are also Spanish nationals and constitute a link between blue collar workers and the German management.

To sum up, the language of these firms takes on a value as a manifestation of power and identity. The corporate language (German) erects a barrier to professional advancement for native-born managers (Spaniards and Catalans), and the local languages (Spanish and Catalan) have very little to do with the global planning and strategic coordination of the corporation. Thus, the local languages (Spanish and Catalan) are the languages of the shop floor and industrial relations, while German is the language of planning, of management, and of the staff. This means that in these cases, the value of the languages in the company does not depend on the markets that the company is directed at, or the social milieu which the company is installed in, or either the linguistic intensity of the productive process or the product. It depends, essentially, on the origin of the capital.

Geocentric companies

In the second scenario, we find companies known as transnationals or geocentric companies where there is similarly a high degree of international coordination on production, but where there is a greater degree of independence observable across branch companies, and greater orientation towards satisfying the demand among local markets. The origin of capital becomes blurred as the corporation expands internationally, and a greater number of international managers are recruited. The heads of the branch companies enjoy greater autonomy and decision-taking is more horizontal, tending to be carried out among branch managers. Management by process is emphasised as well as the increased need for communication between the management of the different branches. The corporation that best fits this model, in our opinion, is a leading IT and communications company which manages the data bases of the company's customers and offers after-sales services to both internal and external customers using the new information and communication technologies. From its headquarters in Barcelona (Catalonia, Spain) a comprehensive service is offered to customers. The objective here is to provide these services in the customer's own language, limiting this objective to the main languages of the countries in which the company operates (homogenisation on a state-market basis). This fact means that the headquarters staff is highly capitalised, linguistically speaking.

Recruitment of co-nationals of the individual markets where the company operates is emphasised here. Thus, among employees we find Brazilians, French people, Swedes, and so on. For instance, the headquarters in Barcelona consistently seeks foreign employees with a high degree of knowledge of the markets where the company has customers. In its recruiting, the company exploits the symbolic capital of the city in the aftermath of the 1992 Olympic Games, and its Mediterranean character. There are many young Europeans who want to travel to Barcelona attracted by cultural and / or leisure interests, and employment in a company such as this provides a means of financing a prolonged stay in the city. It should be noted that the company finds employment conditions, and salary levels in particular, that are more satisfactory than the equivalent in central or northern Europe. In contrast to other international localities that have similarly low salary levels, this city has good infrastructure as well as trained international workforces.

It is the consumer markets that this company concentrates upon which gives added value to knowledge of languages within the company. Language as capital is very evident to company employees, and the languages of the States that are markets (hereafter, Market States or MS) are particularly valued. In fact, English emerges as the language of international coordination of the company and is widely shared and used by staff thanks to the horizontal structure of the company. In fact this language is an essential requirement for all employees. Note that the type of employee that these companies demand are those who have vital experience in the MS. It is not just a case of knowing the language in question, but of being familiar with the characteristics of the market that they will be responsible for within the organisation. Thus they are not simply seeking human capital, but looking for social capital acquired in other countries --that is, knowledge of the customs and norms, formal and informal, of the interaction within each of the given markets.

Industrial cluster companies

Turning now to the furniture cluster in Montsià (a quasi-rural county in the south of Catalonia), what we find here are a group of specialised small and medium-sized companies which are complementary and labour-intensive. They are notable for their high degree of cooperation, such that seen as a whole they complement one another in the overall production process. Furthermore, they are linked among themselves and with local institutions owing to ties of family and friendship which increase confidence in the local cooperative process. The product is typically of medium to low quality, aimed at the domestic

market. Competitiveness has been achieved, from the sixties and seventies onward, simply by employing cheap labour. Initially, the source of such labour was internal immigration from other parts of the Spanish state. As result, the blue-collar workers were mainly Spanish speaking, while the managers and other white-collar workers remained Catalan-speaking as always. With the ceasing of internal migration, and the increased demand for furniture toward the end of the nineties, linked to the boom in house-buying in Spain, the furniture companies began to look for new sources of labour and above all to recruit Romanians. At the present time, this nationality makes up ten percent of all workers and approximately fifteen percent of the inhabitants of the municipalities in the country.

In this instance, unlike the ones we looked at above, the foreign workers are in an inferior position in the employment structure. These blue-collar workers simply carry out simple instructions given by Spanish / Catalan bosses and supervisors. Communications relations are absolutely asymmetrical, and as one member of a discussion group put it: "We never open our mouths when we're at work". As the employers see it, knowledge of the language is not necessary to be able to do this unskilled work, and inability to speak either Spanish or Catalan is no reason for not taking a worker on. The important thing, in the words of one employer, is that "they should be hardworkers." There is a perception in this respect that these workers from former socialist republics are docile and hardworking. In none of the companies in question had any of the Rumanians risen above the level of manual worker. In these companies, the managers carry out a variety of functions including selling. It is notable that none of them know any foreign language and in the rare instances where they have attempted to penetrate foreign markets they placed the sales effort in the hands of outsiders. The location of this industry in a basically rural area, some 200 kilometres (125 miles) from Barcelona, and the fact that production has always been very largely for the domestic market, has meant that this cluster has remained apart from the main international channels of production and distribution. Even with the arrival of workers with a greater linguistic repertoire, as in the case of the Rumanian workers, the local management's international connections have not increased. But the fact is that their competitiveness at the present time is predicated on the use of an international (Romanian) workforce who accept poor conditions of work and pay.

The value of the different languages is not established at the base of production or productive process. Catalan and Spanish take on value for the Romanian workers for their capacity to integrate them into the local community. The native-born speakers on the other hand have not adapted to the new situation of access to open markets in Europe. Catalan continues to be the language of power and prestige in the community, and is a necessary requirement when seeking advancement; it is the only language used by the managers and company owners.

Small and medium-sized health and social care companies

We analysed a sample of small and medium health and social care companies located along the coast of Catalonia especially affected by foreign residents. Progressively, as a result of the surge and flow of tourists and holiday makers and their tendency to settle along the coast, the customers using these small concerns have become international. The increase in linguistic complexity is not the outcome of any process of internationalisation, but rather of the international nature of the people who seek their services. This internationalisation poses something of a challenge to these companies, run as they are by natives. In the first place because the patient-healthcare patient relationship is very intensive linguistically speaking. Secondly, because the foreign patients are totally heterogeneous (they may be British, German, Belgian..., and more recently, Eastern European). Thirdly, because these professionals (doctors and nurses and others --for example those employed in geriatric institutions) have a linguistic / language repertoire which is largely limited to Catalan and Spanish. In point of fact, the medical profession in Spain is heavily influenced by the massive presence of the Spanish National Health Service, where foreign languages are not asked for, but where Catalan is a distinct advantage. When training, little or no thought is given to the increasingly heterogeneous future of Spain's coastal areas, or the way that this might effect day-to-day practice.

We detected three strategies with respect to the linguistic complexity of the local markets. The first involves companies of local origin which concentrate on the native-born patients. The second strategy is to recruit staff who have qualifications in one or more of the languages of the foreign patients. In such cases, auxiliaries and orderlies have in particular been sought who can mediate between doctor and patient. The third strategy which is beginning to emerge is where companies are owned by foreigners specialising in patients from their respective countries and basically employing foreign doctors as well as some Spanish nationals as auxiliaries. In such cases, the owners tend to be the doctors themselves. Here, then, the fact that the language of the patients is spoken becomes of prime importance, generating confidence. In fact, these customers actually prefer medical staff of their own nationality. In this way, the local or Spanish professionals are seeing their prospects progressively undermined by their lack of languages, and by foreign competition.

3. Conclusions: Two linguistic outcomes

In synthesis, we have looked at two linguistic results that are in themselves quite different: 1) Reinforcement of linguistic divisions as a means of segmenting resources (Ethnocentric multinational companies, and the Catalan industrial cluster furniture firms), and, 2) Strategies orientated to increasing and enhancing corporate efficiency and effectiveness, assuming the costs of external transactions to reach a linguistically heterogeneous market (Geocentric multinationals in transition, and social and health care companies) as well as reducing the internal transaction costs by means of “de-ethnification” of the corporate language (discontinuation of an ethnic or insider language for the company).

The reinforcement of linguistic divisions inside the company in the case of strategy 1) can be explained by the fact that the language in question is a vital counter in the hierarchic rationalisation of the company and in power relations, shaping the paths of promotion within the company. The language policy serves to limit access to tangible and intangible assets, such as higher management positions and within-company social recognition. This is what is known as a process of *social closure* based on linguistic and ethnic criteria. As a result, there are two clearly defined linguistic groups in the company, those involved in planning –the dominant linguistic group– and those involved in execution (implementation) –the linguistically *dominated* group.

In the cases, we have looked at the corporate language is that which carries out the functions of prestige and identity within the corporation. That is to say German (in the ethnocentric company), and Catalan (in the industrial cluster). In terms of benefits, the strategy permits the creation of certain shared values and norms among the managers, a fact which increases confidence and cohesion in this group. The disadvantages include, above all, the conflicts between Spanish nationality managers in the branches and the German nationality managers at head quarters. Also, this increases mistrust between the management, Spanish nationality blue-collar workers, and the German elite of the capital. Furthermore, this situation is aggravated at the present time in Spain by continual threats and warnings that production will be switched lock stock and barrel to the East of Europe. We have defined this scenario as a zero-sum game where the function of utility is derived from control. The assets to be distributed are limited and fixed. It should be noted that the reinforcement of language barriers is something which is especially feasible in companies run on Henry Ford's principles since, here, productive efficiency does not depend on linguistic factors but rather on a high degree of specialisation and separation between groups or types of workers.

In strategy 2, which we have defined as an assuming of transaction costs, language is a key variable in the productive process. By means of their chosen language policy they hope to enhance relations with customers and achieve efficiency in internal management. Linguistic capital in its varying forms is highly valued when appointing new staff. Trilingual personnel are especially sought after: the languages spoken where the branch is located (Catalan and / or Spanish, to some extent devalued by their lowered value in global markets; the languages of contact with the market), English (as the language of the company's technical and horizontal coordination), and, above all, any one of the languages of the foreign MS with marketing value. In the small and medium-sized companies in the social and health care business, the language of coordination and of the international customers tend to coincide as a result of the ethno- linguistic segmentation of the companies in this market, as we have

seen. What we have here is not a symbolic or emblematic gesture aimed at reaffirming control of the market, but rather the maximization of communicative efficiency with the patients or customers. The result is comparable to a game with

The overcoming of the linguistic barriers means an increase in the market value which can benefit the different actors simultaneously. Workers receive a reward for their linguistic capital and the companies are able to have access to the global reorganisation of their services and to a linguistically plural market. Discrimination is effected via the process of staff selection rather than promotion, which fosters and promotes cohesion within the company.

Lastly, we have seen how analysis of the varying dynamics involved in the different corporate coordination scenarios clearly leads to different linguistic regimes that are evident in the mechanisms of selection and promotion of staff. These linguistic regimes are the result of differing forms of organising production and differing positions taken with respect to the mobility of factors. Such mobility does not necessarily lead to linguistic homogeneity, but rather to diversification fraught with inequality. The selection and promotion of personnel will, if it is based on linguistic factors, imply forms of occupational stratification differentially affecting different language groups. This poses serious problems for those social strata which have not succeeded in investing in the most valued linguistic resources.

4. Bibliography

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Amado Alarcón

University Rovira i Virgili
<amaa@fcee.urv.es>