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**BUILDING PROFESSIONAL DISCOURSE IN EMERGING MARKETS:  
LANGUAGE, CONTEXT AND THE CHALLENGE OF SENSEMAKING**

**Andrei Kuznetsov and Olga Kuznetsova**

*The limits of my language mean the limits of my world*

*Ludwig Wittgenstein*

**ABSTRACT**

Using ethnographic evidence from the former Soviet republics, this article examines a relatively new and mainly unobserved in the International Business (IB) literature phenomenon of communication disengagement that manifests itself in many emerging markets. We link it to the deficiencies of the local professional business discourse rooted in language limitations reflecting lack of experience with the market economy. This hampers cognitive coherence between foreign and local business entities, adding to the liability of foreignness as certain instances of professional experience fail to find adequate linguistic expression, and complicates cross-cultural adjustments causing multi-national companies (MNCs) financial losses. We contribute to the IB literature by examining cross-border semantic sensemaking through a retrospectively constructed observational study. We argue that a relative inadequacy of the national professional idiom is likely to remain a feature of business environment in post-communist economies for some time and therefore should be factored into business strategies of MNCs. Consequently, we recommend including discursive hazards in the risk evaluation of international projects.

## **INTRODUCTION: RATIONALE, CONTRIBUTION AND OBJECTIVES**

International business (IB) literature is in agreement that making their expertise and practices fit the host environment is a major concern for multinational companies (MNCs): achieving such fit is necessary to cope with a liability of foreignness broadly defined as the additional costs a firm operating in a market overseas incurs that a local firm would not incur (Bartlett & Ghoshal, 1989; Buckley & Casson, 1976; Hymer, 1976; Kindleberger, 1969; Prahalad & Doz, 1987). Liability of foreignness is a hazard that confronts MNCs in every foreign market they seek to penetrate, but the actual composition of prevailing social attitudes, normative prescriptions and other parameters that require adaptive reaction on the part of a MNC is specific to circumstances of a particular national market. Literature usually looks at costs, understood in the widest sense, based on a particular company's unfamiliarity with and lack of roots in a local environment and institutions, and costs resulting from the host country environment, such as the lack of legitimacy of foreign firms and economic nationalism (Zaheer, 1995; Kostova & Roth, 2002).

In this paper we investigate a dimension of the liability of foreignness that so far has been on the fringe of mainstream research. We look at language and professional discourse as elements of meaning construction and sensemaking in an international context. Both processes are important for mitigating the liability of foreignness as they create a foundation for actions that allow foreign firms to achieve a greater fit with the host environment, the so-called "local isomorphism" (for discussion see Zaheer, 1995). Existing research focuses on language proficiency and, in some cases, the challenge of recontextualisation of standard terms as a means of producing meaning in situated contexts (Brannen, 2004). What distinguishes our approach is that we analyse a situation in which for a foreign actor the task of sensemaking is even more fraught with difficulty and confusion because in the host country the professional discourse suffers from semantic inexactitude. The rise to prominence of emerging market economies as business destination for multinational companies makes this issue relevant and topical for IB research. Many emerging market economies, due to a central planning past, present a particular test for MNCs that, on entering a new market, often have to cope with a patently distinctive stock of knowledge

and expertise, managerial competencies, business practices and experience, all of which constitute various aspects of business professional discourse. We argue that in post-communist emerging markets local discursive provision reflects lack of experience with the market economy; this adds a new dimension to the liability of foreignness alongside cultural, institutional and other constraints.

One notable feature of the business environment in the post-communist emerging markets is the absence, following the decades of suppression of market exchange, of the universally recognised indigenous language of the market economy (Holden, Kuznetsov & Whitelock, 2008a; Holden, Kuznetsova & Fink, 2008b; Napier, 2005). Potentially, this makes it difficult from the point of view of the MNC to maintain a meaningful dialogue on managerial and business themes because there may be no established native equivalents to terms and terminology, concepts, communication tradition and other means of professional sensemaking that long since have become a part of the professional discourse in advanced market economies. Whilst sharing discourse levels the playing field within a professional domain and, according to Clausen (1968), serves to transform outsiders into members of a particular group within a society, the absence of shared discourse increases costs of business transactions by creating multiple non-cohesive perspectives, reducing certainty and increasing the need for interpreting and negotiating (Magala, 2009).

Professional discourse in business and management has been a subject of close scholarly attention, in particular within the domain of organizational studies (Grant, Keenoy & Oswick, 1998; Fox & Fox, 2004; Phillips & Oswick, 2012; Tietze, Cohen & Musson, 2003); but, according to a recent *JIBS* publication, discursive analysis is not well known in IB (Birkinshaw, Brannen & Tung, 2011). It also has been noted that “international business researchers largely ignored language or subsumed it under cultural differences, rather than investigated it in its own right” (Harzing & Pudelko, 2013: 87). Available studies generally agree that the deficit of professional discourse and of a universally adopted professional vocabulary may have a profound impact on the ability of interlocutors to convey and receive business-related information (Gunnarsson, 2009; Tietze, 2008). Furthermore, when parties to information exchange

rely on translation of terms from one language into another, a mismatch between the richness of vocabularies in the languages concerned may be a particular problem (Marschan-Piekkari, Welch & Welch, 1999; Peltokorpi & Vaara, 2012). In this situation, instead of facilitating communication and knowledge exchange language may be a source of confusion and distortion to an extent that it becomes a false descriptor of reality (Phillips & Oswick, 2012). This creates a challenge to both practitioners and scholars. The use of English as lingua franca of international transactions does not fully resolve the situation because even the spread of bilingualism among local professionals may not wholly compensate the constrained terminological capacity of a native professional language. As a result, the exchange of knowledge even in codified forms may be compromised. For multinationals this may complicate cross-cultural adjustments and lead to financial losses resulting from linguistic hazards (Economist Intelligence Unit, 2012). Conversely, if absorbed in a strategy, awareness of discursive constraints may assist with adjustment to the host business environments.

Although IB literature contains numerous examples of companies struggling to adapt to unfamiliar socio-cultural contexts, there are not many systematic investigations that take a linguistic perspective (Harzing & Pudelko, 2013; Peltokorpi & Clausen, 2011; Tietze, 2008), especially those considering the situation with professional discourse in emerging post-communist economies. Brannen (2004) was among the first to refer to the semantic dimension of the liability of foreignness. Semantics denotes a range of ideas that relate to establishing an association between the so-called signifiers, e.g., words and phrases, and what they stand for; essentially, linguistic semantics is concerned with understanding (interpreting) signifiers within particular contexts because the same signifier may have different connotations depending on circumstances. Brannen has demonstrated that the lack of what she calls semantic fit between MNCs and the local environment, i.e., relying on mistaken assumptions about the signified connotations, may be a factor making it more difficult for MNCs to mitigate the liability of foreignness. We add to the literature by examining semantic fit as a binary process that involves two sides: MNCs as IB agents and their local counterparts.

Domestic businesses and regulators, keen on attracting international investors, may see benefits in tackling existing semantic barriers by “delocalizing” signifiers through training and education based on internationally accepted (read Western) models. Post-communist countries, if one goes by the example of Russia, in their ambition to achieve quick returns on the marketization of their economies, appear to be eager to learn from Western experience and adopt Western business wisdom as is evident, *inter alia*, from the proliferation of Western-style business schools moulding new generations of managers with the help of Western expertise and overwhelming reliance on Western text-books and their domestic surrogates (Holden, 2003; Kuznetsov & Yakavenka, 2005). However, it is easy to overestimate the actual impact of these developments. As the international exposure of emerging markets is growing, setbacks associated with the shortage of professional managerial competence in these countries cause both international resonance and grave concern at home<sup>1</sup>. In this paper we focus on discursive issues that continue to hamper the creation of a shared meaning and, by extension, the sensemaking process relevant to IB. We argue that a relative inadequacy of the national professional idiom is likely to remain a feature of business environments in post-communist economies for some time and therefore should be factored into business strategies of MNCs. Additionally, we contend that in these countries the effectiveness of business education as a major influence on professional discourse is itself weakened by existing lexical deficiencies, impairing the sector’s role of a conduit of modern management know-how.

The emphasis on the post- Soviet economies does not prevent this research, in our opinion, from delivering results suitable to feed a wider debate on linguistic-related problems affecting the expansion of MNCs into other emerging markets facing similar problems (see, for example, Alon & McIntyre, 2005; Branine, 2005, 2011; Napier, 2005; Pshenichnikova, 2003; Ursic & Mulej, 2005).

The paper is structured as follows. After some reflections on methodology we proceed by reviewing a selection of studies related to discourse analysis in IB. We then draw on literature to identify some key characteristics of the discursive environment in post-communist economies that affect the development of a modern professional business discourse and hamper sensemaking. We continue by

presenting the evidence compressed into a number of illustrations and narrative displays and by discussing the potential of the local education professionals to act as facilitators in the sensemaking process. The concluding section considers the implications of this study for the operation of multinational businesses and assesses prospects for the harmonization of business discourse in established and emerging markets.

### **REFLECTIONS ON METHODOLOGY**

The scope of this article is primarily theoretical and evidential. When deciding on a methodology, we preferred the character of the problem to guide our choice instead of forcing methods onto the problem. Personal involvement in communicating with Russian-speaking managers, business people and business school faculty in some of the former Soviet republics provided the impetus for our interest in the topic of professional discourse. As bilingual academics, having been involved in various research and educational projects that stipulated frequent visits to Russia and other parts of the former Soviet Union over the last twenty years, we were in a position to observe first-hand the development of the modern business discourse in these countries from the early days of market transition to the present time (see Appendix for details). In addition to personal contacts, our experience of the Russian business discourse in its printed form was bolstered by following the Russian business press and academic journals almost on a daily basis, resulting, in summary, in two decades (1994-2013) of uninterrupted observation of the Russian business milieu. At the beginning of this period, which was marked by the first wave of privatisation and market reforms, the short supply of business terms pertinent to the market economy and ensuing confusion was very much evident. With the passage of time, as transition to a modern market economy advanced, the situation seemed to have improved mostly through an increasing reliance on Russian transliteration of English terms. Nonetheless, even a more recent experience of reading professional literature written in the Russian language and collaborating with Russian-speaking business people and

academics (see activities R5 and R6 in Appendix) has left us with a clear notion that there are still issues with the adoption of modern business terms, presenting potential implications for international business.

At a certain point we felt the need to systemize our impressions and relate them to a conceptual framework concerning business and management in cross-cultural environments. The difficulty is that discourse is not a natural object, but rather a form of social practice that in many instances, e.g., conversations, speeches, exists as experience (Fairclough, Cortese & Ardizzone, 2007; Grant, Idema & Oswick, 2009). Discourse may be fixed in writing and thus obtain a codified form, but much of it occurs only as live linguistic communication, favouring direct observation as a method of fact gathering. Having scouted the literature, we came to the conclusion that discourse as a part of “lived experience” (Witte, 2012) of the members of the business community was best suited to be investigated through an interpretive ethnographic research process. This approach has been gaining ground in IB studies (e.g., Moore, 2011; Van Maanen, 2011; Westney & Van Maanen, 2011; Witt & Redding, 2008; Yagi & Kleinberg, 2011) in response to calls for a deeper contextualization of research and the use of innovative methods in the field of IB (Tsui, 2007). Its advantage is that it is not limited to one fact gathering procedure. Instead, it encompasses a range of qualitative data generation techniques that produce accounts of research based on participants’ experiences of events and phenomena in their natural setting including, importantly, the researcher’s own experience (Botti, 1992; Wilkinson, 2012). Its objective is to connect insiders’ subjective sensemaking to social theorising (Wilkinson, 2012; Yagi & Kleinberg, 2011). Accordingly, our investigation relies on participant observation, the examination of original Russian language texts and a variety of archival materials of own research that we have collected in the course of different assignments that we had in the former Soviet Union, such as interview notes and survey results (see Appendix for examples).

## **DISCOURSE PROBLEMATIZED: ANALYTICAL FRAMEWORK**

The term “discourse” puts emphasis on the use of language as a form of social practice that involves interrelated texts, their production, dissemination, and utilisation (Fairclough et al, 2007; Grant et al, 2009). In a study by Vaara and Tienari (2008) on discursive strategies of MNCs discourses are described as linguistically mediated representations of the world. Within the domain of organisational studies this perspective on discourse, known as critical discursive analysis, has been systematically advanced in the works by Fairclough (e.g., 1992, 1993, 2005). He demonstrates (Fairclough, 1993: 136) that every discourse may be analysed at three levels: spoken or written language text, discursive practice (the production and interpretation of texts), and social practice (the situational and institutional context of the production of texts), suggesting thereby that discourse is a complex social event that may reveal itself to the participants at varied stages of completeness separated by the degree of contextualisation. Because discourses are “frames” with which people make sense of particular issues (Fairclough, 1992), a simple textual interaction not grounded in a situational and institutional setting is bound to be less productive in terms of sensemaking than a fully contextualised discourse. In a way, sensemaking may be seen as an interface between different levels of discourse: while spoken or written language text provides the words, social practice instils the words with meaning. A view on sensemaking in organisation as an interaction of explicit and implicit is not restricted to critical discursive analysis. Organisational culture theory (Fink, Dauber & Yolles, 2012; Schein, 1992) takes a similar position when it emphasises the importance of understanding certain unobservable qualities pertinent to an organisation as a form of social practice as a condition of meaningful communication. This outlook is also shared by the social semiotics perspective that extends the foreignness discipline by examining acts of recontextualization and semantic fit as language and power processes through which firm assets take on new meanings in new cultural environments (Boje, Oswick & Ford, 2004; Brannen, 2004). In this paper we build on the idea of levels of discourse and the interaction of observable and unobservable social practices and meaning to argue that in environments such as the former communist economies semantic barriers to local isomorphism are not

only caused by differences in cultural systems of signification, but also reflect the fact that professional discourses and the associated vocabulary are still going through a formative stage.

### **Language and discursive socialisation**

As far as emerging markets are concerned, literature has identified a variety of language-sensitive issues. These include the difficulties of educating managers and of managerial knowledge transfer through international training and assistance programmes (Branine, 2005; Elenkov, 1998; Michailova & Hollinshead, 2009); the cultural constraints on knowledge acquisition in emerging markets (May, Puffer & McCarthy, 2005; May, Stewart, Puffer, McCarthy & Ledgerwood, 2011); the historical roots of the shortcomings of managerial expertise and business practices in transition economies (Holden, 2003; Holden et al., 2008a, 2008b; Michailova & Jormanainen, 2011; Rodrigues, Gonzalez Duarte & de Padua Carrieri, 2012). If narrations reporting different incidences of language-related problems are rather common, analysis of their origins and lasting impact on IB, and in particular the scrutiny of professional discourse as a barrier to the absorption and development of management knowledge in emerging markets, remains a rare occurrence. Holden and co-authors probably have made the most consistent effort at such analysis from the knowledge transfer perspective (Holden, 1991, 1996; Holden & Fink 2007; Holden et al., 2008a, 2008b). They conclude that socially and historically embedded discursive barriers “do more than prevent mutual understanding; they create false trails, protract dialogue, block the establishment of cognitive ground” (Holden & Tansley, 2008: 212), costing the companies in misdirected resources through “knowledge depletion, talent waste and strategic readjustment” (*ibid*).

As regards social and economic experience, former communist economies find themselves behind established market economies in many areas, including the pool of accumulated practical and conceptual knowledge relevant to the functioning of the market. The existing lexical systems in emerging markets require reorientation to handle modern management know-how (Holden, 1996). Dismantling of central planning has not just put an end to a particular economic system; it also has made obsolete the knowledge

base and much of the professional language that was servicing this system, and created demand for new knowledge and a new professional idiom. What makes the task of renovation difficult is that the new reality is based on the rationality and values that are quite at odds with much of what was significant and meaningful throughout the preceding historical period, during which the mental models and professional ideologies of whole generations were formed.

One of the conditions that foster market responses is the availability of professional discourse with its linguistic tools, including vocabulary and conceptual terms that serve as mental foundations for new professional group ideologies that, eventually, create an institutional framework of market operation (Denzau & North, 1994). The supply of these tools, however, has been unavoidably limited as the pre-reform languages had no (or a restricted number of) terms to reflect the realities of the market economy (Holden et al., 2008a). Where professional functionality involves application of a specialised discourse of established group ideologies, the deficiency of the vocabulary operates as a barrier to what sociologists call socialisation (Clausen, 1968), i.e., the moulding of individual entities to be compatible with the group of which they want to be a part. This process is realized largely through language practices and social interactions (Ochs, 1991). In the post-communist environment the professional language of business is comparatively rootless, potentially obstructing cognitive coherence (Fischer, 1992) within the group and creating additional socialisation problems for local and foreign professionals alike. Hence:

*Proposition 1:* In the emerging economies, in the sphere of business and management the formation of professional ideologies and socialisation of foreign professionals are delayed following deficit of professional business discourse.

### **Language and professional competencies**

Professional discourse is central to the creation of professions (for detailed discussion see Gunnarsson, 2009). In our understanding of discourse we follow Alvesson & Karreman (2000), Oswick, Keenoy &

Grant (2000), Tietze (2008), Watson (1994), who relate it to the resources, tools and conventions of professional communication as well as to the use of the purpose-specific knowledge clusters that are built through the ordered integrated way of reasoning leading to the construction of the social world, such as texts and talk. Discursive resources are concepts, ideas, images or expressions that individuals or groups utilize to make sense of their situations (Weick, 1995). The absence of professional discourse hinders the development of specialized knowledge domains because the flow of relevant expertise in its explicit form is impeded. In emerging markets, in which some occupations, such as management and other business professions, are relatively new, the deficit of professional discourse becomes a particularly acute problem: it slows down the process of much needed professional competencies establishing themselves.

Language is the basic building block of discourse. Lack of equivalence in terms used by members of diverse cultures as an influence affecting the operation of MNCs has not passed unnoticed in the literature (Luo & Shenkar, 2006). For instance, Gibson and Zellmer-Bruhn (2001) show that people around the globe hold different definitions of “teamwork”. Brannen (2004) writes that the English word “bonus” in Japan is used to connote a very different understanding of the employee pay package in comparison with, for example, the United States. These instances of semantic shifts are usually linked to national culture values and cultural relativity of the association between the term and the idea it expresses. In this context, semantic differences reflect the role of national culture as a repository of accepted social rules endorsed by tradition, long-standing norms and role models that secure the continuity of features constituting a national character and other nation specific features.

The situation in post-communist countries is different. Lack of equivalence in terms reflects not so much the pressure of cultural continuity in the realm of business as a conclusive interruption of such continuity. The Soviet model, having made within its realm many western notions of business and entrepreneurship irrelevant (Jacobs, 2001; Holden et al 2008a), has been itself superseded by a model for which these notions are essential. During the ensued transition period, due to the absence or poor quality of institutional, legislative and informational support, economic agents had to rely heavily on instincts

and own ability to read the confusing signals coming from a highly disordered operational environment (Kuznetsova & Kuznetsov, 1999). This was not a helpful environment benefiting semantic unity and terminological clarity. Professional language normally evolves in an evolutionary manner as the vocabulary expands to meet the demands of evolving professions and a growing pool of expertise. The situation in the post-communist countries has not followed this pattern: demand in a new vocabulary emerged almost overnight reflecting the pressures brought about by a radical change of the economic and social models following the elimination of central planning. One of the consequences of this abrupt transformation was that professional knowledge and expertise needed to cope with the requirements of the new business condition had to be imported on an unprecedented scale (Kuznetsov & Yakavenka, 2005). As a result, the interface between foreign and local professional languages has acquired new importance. This interface, the point of interaction of different languages, may easily become a bottleneck because of the differences and disparity in experiences that feed into professional discourse. Hence, we suggest:

*Proposition 2: Inadequacy of the professional language undermines the institutionalisation of professional discourse and hinders the development of professional competences.*

### **Language and discursive segregation**

Professional discourse cannot develop in the absence of professional language; but if the latter lacks its relevant terminology most of it has to be either invented or borrowed from other languages. If a direct analogy is not available, there is a choice between “domestication” of the discourse (finding the closest match in the local language) and “foreignization” of it (retaining the original word through transliteration) (Venuti, 1995). The choice is fraught with difficulties. Domestication has the advantage of helping the end users to put the original term into a familiar context. However, this is not always desirable, because the indigenous term may bear association that distorts the original meaning. Transliteration, as an alternative, does not solve the problem either: it denies the full meaning of the term to users who do not

possess background information on its original application. In addition, transliteration opens the door to “diglossia”, a functional divide between languages that are used in parallel, with one language being used for some purposes (e.g., professional communication) and another language for others (Gunnarson, 2009). In any case, the adoption of foreign words makes it difficult for local users to grasp the depth of meaning and the context that these words convey in their native environment.

The formation of the business professional discourse in emerging markets is very much influenced by their increased international exposure and associated learning, mainly because internal drivers are inadequate as illustrated by this revealing example. In the early 1990s the World Bank sponsored a publication of the English-Russian Glossary in Banking and Finance with the intention to arm Russian academics, managers and businessmen with modern professional terminology. When the second edition was published in 2006, many translations differed from the earlier edition. In the Introduction the authors (Mirkin & Mirkin, 2006) explain numerous changes and modifications with the fact that at the time of the first edition many terms could not have been translated and explained properly not only for the lack of indigenous terminology, but also as it was not possible to ground the explanations even of some basic financial operations in domestic practice or link terminology to available examples<sup>2</sup>. It follows from this episode that it took more than a decade for the Russian financial sector to accumulate characteristics that allowed certain professional terms to acquire meaning recognizable to native speakers. Even so, many entries in the latest edition of the Glossary are transliterations accompanied by lengthy comments and explanations relying on foreign examples. Despite its shortcomings, the volume is of a historic significance: it handed a means of communication to a profession that returned to life in Russia after more than 70 years of oblivion.

This example highlights a typical situation with professional discourse in many occupations important in a market economy but redundant under central planning. The absence of a universally accepted occupational idiom initially had to be compensated through the use of what Gunnarsson (2009) calls “private discourses”. These are based on the personal experience of individuals and common sense.

Consequently, during its formative stage, one occupation may face a multiplicity of professional discourses as people attribute diverse meanings to words following dissimilarity of personal perspectives on a particular subject matter or because they deal with contested concepts.

Informed difference of opinions normally is a feature of a healthy debate. It is a different story if the multiplicity of views is rooted in misapprehension of terms caused by ignorance, lack of awareness or inexperience. This is more likely to happen if professional discourse depends heavily on “imported” expertise, as is often the case in the post-communist and emerging economies, when such multiplicity is fed by a mismatch in experiences between knowledge exporters and importers. Consequently, as pointed out by Mowery, Oxley & Silverman (1996), transferred knowledge may fail to be internalised by some recipients as their absorptive capacity suffers because, although they seem to be sharing in a professional discourse, they are not really partaking in it. The discourse-related segregation may produce extreme outcomes when knowledge is shared only within a limited target population usually associated with specific networks and is not accessible to all (Boisot & Child, 1996) with the result that the spread and engagement of knowledge become oriented towards immediate, one-off gains rather than capacity building. This may affect individual organizations as well as larger professional strata. For MNCs operating in a discursive environment that heavily relies on “imported” terminology may create an impression that sensemaking is made easier because they do not have to leave their semantic comfort zone. In fact, such impression can be quite distant from reality, as some strata of the host business community, following discursive segregation, may not be truly integrated into this environment. Hence:

*Proposition 3: Inadequacy of professional language may create discursive segregation and distort “imported” expertise to the detriment of professional sensemaking.*

***“We do not have a common denominator in our discussions...”***

Experience we had in Russia during our assignments demonstrates the validity and relevance of theoretical assumptions outlined above: discursive deficiency contributes to the liability of foreignness. Some telling evidence was collected in 2011-12 following interviews with senior managers of Russian branches of two multinational companies (R6 in Appendix). After acquisition by Western investors Russian firms experienced disruption of communications. Even those Russian managers who described their command of English as good found it challenging to ground some incoming message within the local discursive tradition, suggesting that bilingualism is not tantamount to discursive engagement. As the interview extracts indicate, they had difficulty giving unequivocal interpretation of messages coming from foreign headquarters and conveying their meaning to members of staff who did not speak English:

*“... there are far too numerous the occasions when information sent by the Head Office has not been fully understood or it was translated with different meanings...”*

*“... even for those of us who speak English, communication with foreign managers is not easy...it takes me much longer to understand the requests...”*

*“...some of our enquiries return replies that we find difficult to relate to the issues we asked about...”*

Some interviewed managers specifically highlighted the challenge of understanding the texts in which abbreviations, idioms and conventional professional expressions and *lingo* were used. More often than not Russian managers were embarrassed to ask for clarifications regarding the required actions and processes and were left to operate, as one interviewee put it, with *“assumptions based on the vague ideas”*. The dominant sentiment expressed by the managers was that the degree of mutual understanding was not at a comfortable level. Importantly, the interviews revealed that Russian managers sometimes missed vital information or could not recognize and assess its importance because they were not quite sure which of possible Russian translation of the term conveyed the intended meaning of the original message.

However, deficit of common professional discourse means that the break of communication works both ways:

*“...there were situations when I probably failed to express myself professionally in English, although my English is good... I presume that the meaning of my communication was misunderstood, as after two weeks it took them to make a decision we were given a wrong reply”.*

Another typical concern was that Russian managers did not have confidence that they were sufficiently equipped as far as terminology and jargon was concerned to participate in professional discussions with foreign colleagues on equal terms.

Similar concerns with reference to language related professional inaptitude vis-à-vis international expertise was expressed by entrepreneurs, experts and academics during a field study in Russia in 2011 that focused on managerial/business knowledge transfer (R5 in Appendix), professional international visibility and collaborations, accessibility and utilization of Western knowledge, conceptual clarity and terminological difficulties, professionalism and value of Western knowledge. Many Russian entrepreneurs and academics contacted in the course of the study were skeptical about the standard of professional discourse in the country. As one manager-owner remarked about his peers:

*“...many of us have grown into business organically; we have learned on the go, and therefore our knowledge is very much personal and personalized...Quite often, it is very difficult to agree on anything...we do not have a common denominator in our discussions. In this sense we are not professionals, although we know things...”*

When asked about the preferred sources of professional learning our informants from small and medium companies in the financial services sector, insurance, estate and construction pointed at imported knowledge in codified forms, in particular translated non-academic texts written by Western business gurus. Education abroad, international collaborations, exchanges (or any form of cross-border exposure), and professional literature both translated and original were seen as most valuable sources of professional knowledge acquisition.

## **LANGUAGE AND THE CHALLENGE OF RE-CONCEPTUALIZATION**

Shared experience is the most fundamental precondition for bridging discursive differences. As we demonstrated in this paper, for certain environments, such as post-communist, changes in perceptions on the part of host country individuals are as important as the effort on the part of MNCs to understand local conditions. Although the new generation in the post-communist countries has a much better understanding of various contexts beyond their country of origin – mostly thanks to the increased international travel and social networking – socialisation into a specialized professional discourse requires a dedicated effort. IB literature pays much attention to host country nationals (HCNs) working for MNCs as boundary spanners and conflict mediators in MNCs as they acquire dual cultural identity through interaction with expatriate colleagues and employee training and development (for discussion see Blazejewski, 2012; Vance, Vaiman & Andersen, 2009). These individuals may be useful both as a source of local knowledge and, probably even more importantly, as facilitators of a two-way knowledge and information flow, but their contribution to discursive sensemaking should not be overestimated. First, if we consider a managerial level, it is necessarily quite a small group of people. Second, HCNs are not always culturally interchangeable with the rest of the host-country population. This concern has been increasingly voiced in the literature (Caprar, 2011; Yagi & Kleinberg, 2011). As Caprar (2011: 621) concludes from his empirical study on MNC local host country employees, in some cases HCNs might not subscribe to the culture implied by the nationality indicated in their passports, and thus we should think of them as less like “HCNs”, and more like “foreign locals”. Yet, MNCs face the task of socialising with a variety of external local market elements such as competitors, vendors, customers, regulators, etc.

This leaves the educational sector in the transitional countries as a force of change that is in a position to reach the widest population of business professionals through its training programmes. Educationists usually rely heavily on Western narrative in the form of texts and other teaching materials and therefore can be expected to provide a foundation for understanding between professionals across

national borders. In reality, on its own, the use of Western materials and teaching techniques is not enough to create the density of shared experience that is sufficient to resolve the sensemaking issue. These materials, in turn, require reconceptualization and adaptation as originally they have been created for a patently different business environment. In post-communist societies this task has fallen typically on educational professionals for whom the market economy is essentially a new and unfamiliar experience. It is undeniable that academics and university tutors have influence on the formation of the professional discourse of their students. In fact, they often initiate future and practicing business people and managers into it. During field studies in Russia and Belarus we met many entrepreneurs and managers with doctoral and other postgraduate qualifications in business and economics, and some who were keen to maintain their links with academia as part-time teachers. It was quite noticeable, however, that the professional vocabulary that they employed during interviews and conversations was very much pre-capitalist, and many market-based realities were discussed with the help of the Soviet terminology infused with administrative-command lexis and embedded in analytical frameworks typical of Soviet textbooks. This experience, and the fact that the role of academics in the formation of the business discourse has not received much attention in the IB literature, has directed our attention towards this area.

### **Re-conceptualization and discursive sensemaking**

Because of disparities in systemic maturity between donor and recipient countries, certain factors of discourse, in particular of theoretical nature, remain distant from the realities of the emerging market economies. This narrows the field of collective experience necessary to achieve the level of common social awareness that supports shared meaning and shared explanation that may facilitate the absorption of imported expertise. As follows from the classical model of communication by Schramm (1961), the receiver obtains not the original ideas but their encoded image that has to be turned back into ideas through decoding. The presence of common experience is crucial because it provides a feeling for context. In its absence even the translation of a simple professional writing may become a minefield as

illustrated by a Russian version of an iconic American text on marketing by Kotler in which Porter's "value chain" has become "the chain of valuables" (Kotler, 2003).

The more specialized the message, the narrower the field of useful common experience is likely to be. Professional sub-cultures, of which business and management is one, rely increasingly on specially developed jargon to convey very particular ideas and influence the mind-set. As international knowledge transfer intensifies, semantic distortions multiply easily following the need to translate messages from one language into another, while socio-cultural diversity amplifies chances of misunderstanding. Not surprisingly, after two decades of transition towards the market economy in Russia marketing terminology, for example, is still a translator's ordeal (Holden et al., 2008b). To exacerbate the problem, even a correctly transmitted message does not yet constitute knowledge (De Long & Fahey, 2000) because knowledge relies on mental models, beliefs and perspectives that cannot be easily articulated or codified. This tacit knowledge is a product of one's social experience, education and other learning opportunities. The common field of experience, therefore, is essential both to preserve the meaning of communications and to ensure that knowledge is acquired in its totality.

This situation puts pressure on one particular link in the knowledge chain in post-communist and emerging market environments – the tutor, a person who performs a variety of demanding functions that effectively erase the demarcation line between the transfer of knowledge and creation of new knowledge (Bresman, Birkinshaw & Nobel, 1999). The attitude and dexterity of this person, however, cannot be taken for granted, in particular when the discursive boundaries of the subject are not established. The subject matter – business expertise – only adds to the pressure, being an elaborate web of interconnected concepts that are unlikely to be comprehended independently of one another or out of context. There is evidence that the providers of business education may be overwhelmed with the complexity of the task facing them, with potentially serious implications for multinationals. Thus, McKinsey&Company, a global management consulting firm, not so long ago pointed at the looming shortage of the home-grown management. They anticipated that only about 10% of the local job candidates in emerging markets

would be suitable to work in a foreign company, indicating significant impediments for IB (Farrel & Grant, 2005).

### **Discursive barriers to competence development: some evidence**

Surveys of the faculty teaching business related subjects in Belarus and Kyrgyzstan reveal various language-related issues that impinge on the ability of higher education (HE) institutions to contribute to the making of the modern professional business discourse and capture undercurrents in the re-conceptualisation process pertinent for professional discourse (B3, K1 in Appendix). The information gathered allowed to assess professional characteristics of the faculty, their international exposure, sources of professional learning and perceived barriers to professional discourse in the local and international contexts. The two surveys have brought very similar results and confirmed that teaching materials about market economy and practices had originated predominantly from the West and were subject to internal adaptations. Symptomatically, 28% of respondents in Belarus and 39% in Kyrgyzstan categorically denied the relevance of the Western theory to current domestic practices and needs and their compatibility with accepted wisdom. Further 33% and 20% respectively lent this statement some support. This feedback gives grounds for concern: if tutors teach the subjects that they do not find compatible with their vision of reality, would they be able to illustrate theory adequately and convincingly explain it? Will the message be delivered in its totality and intact? Was it that the domestic language could not adequately convey Western terminology, so that the phenomena described in Western texts could not be correctly identified?

The scepticism towards the applicability and relevance of Western business theory on the part of local tutors and students is a feature in many emerging markets (see, for example, Branine, 2011; Hollinshead, 2006; Hollinshead & Michailova, 2001; Ursic & Mulej, 2005). The important question, however, is whether such attitude is a reflection of the objective business environment in the recipient countries as recognized by the faculty or a function of subjective limitations of the tutors who simply

might not have awareness and understanding of imported concepts. The predominant majority of the surveyed declared proficiency in English and other languages, whilst a notable number of respondents reported instances of direct exposure to Western knowledge through technical aid programmes and academic exchange initiatives. This should have provided them with qualities allowing to appreciate the value of imported concepts. In reality, the awareness factor was quite weak, proving the point that in management and business the comprehension of sophisticated concepts necessarily relies upon indigenous educators becoming a part of the international community of peers through regular exposure to international scholarly and professional literature, direct contacts with foreign colleagues and enjoying the freedom of the Internet. None of this happens on any substantial scale. Not surprisingly, large numbers of respondents with the knowledge of foreign languages reported difficulties in understanding foreign business texts because of the terminological confusion and a particular style used in Western academic writing as well as lacunae in own professional education. This interviewee's statement (B3 in Appendix) is typical of what we heard many times from respondents:

*"...I was using a Russian economic dictionary to find terminology. But very often I discovered that there was no Russian equivalent to an American term".*

More than 50% of tutors in Belarus and nearly 80% in Kyrgyzstan relied entirely on translated sources, which were generally not highly rated. One interviewee was rather outspoken about the experience:

*"...translations are very often very unclear. Also the terminology is confusing which makes me refer to economic dictionaries and cross-check with other sources. I think translations are often contradictory because translators do not understand Western reality. Also, there are cases when translators have limited expertise in economics and have difficulty relating to the context".*

As much as 40% of respondents were not satisfied with translation of professional terminology, the presentation of the concepts or explanation of professional terms. Interviewees repeatedly referred to standard terms used in Western professional literature that had no direct equivalents in either Russian or

local languages. In local editions, therefore, they were either transliterated or replaced with terms that interpreters believed had the same meaning, sometimes resulting in a confusing variety of expressions<sup>3</sup>.

Importantly, academics in both countries showed little confidence in domestic academic publications as sources of knowledge about market economy. A universally shared opinion was that indigenous research has not become either authoritative and influential enough or significant in scale<sup>4</sup>. At the same time the interviews revealed a disproportionate role of the mass media as the source of professional information and learning. Other rather unconventional sources included conversations with students who had business experience.

Our evidence returns us once again to the issue highlighted in this article: the impact of the discursive factors on trans-border exchange of expertise and competences. Our findings suggest the existence of a gap between the assumed impact of modern Western research on the indigenous business discourse in transition countries based on the apparent ubiquity of foreign textbooks and teaching materials and the actual meaningful exposure of the local academics and business students to Western business discourse.

## **CONCLUSIONS**

This study examines a relatively new and mostly under-researched by the IB literature phenomenon of communication disengagement of transitional and emerging markets that results from the deficiency of the local discursive and language provision. Relying on ethnographic evidence, the article exposes some practical implications of this inadequacy as damaging for the development of businesses and managerial competence and international collaborations that rely on it. We argue that the assessment of the language-related barriers in IB should go beyond a simple evaluation of the foreign language proficiency of local managers, but should take into account all aspects of their facility to participate in professional discourse.

Mustering professional discourse requires engaging an entirety of discursive resources: concepts, ideas, images, and expressions that individuals or groups utilize to make sense of their situations. This

makes professional discourse and, by extension, a professional idiom very much a product of the business environment. Differences in environments can make efficient cross-border exchange of expert opinion and engagement between the communities of practice difficult. This situation has been particularly consequential for competence building in transition post-communist economies, in which professional discourse has been constrained not just by linguistic limitations, but also by conceptual incapacity of the language reflecting lack of experience with the market economy. What follows from this observation is that business discourse development cannot be a speedy process; that, as a result, international business in emerging markets faces a specific type of a rather persistent uncertainty that has not been properly acknowledged, assessed and strategically addressed in either literature or practice so far. We highlighted these challenges in our *Propositions 1-3* and the discussion that followed.

Although expertise mismatch is not just a feature of emerging markets, there it appears to be particularly detrimental due to a combination of factors rooted in linguistics, culture, training and ambience (Jankowicza, 2002). The apparent solution would be to intensify knowledge transfer even further. However, this should not mean just turning up the influx of expertise from the West because this in itself cannot speed up changes in language. Interaction is equally, if not more, significant because it leads to a dialog, which is central as a prerequisite for developing a professional discourse. At the moment in post-communist countries two most important groups of contributors to professional discourse – practitioners and academics – often find themselves in isolation from the international community of peers (May et.al, 2011; Vaiman & Holden, 2013). There is a need for further internationalization and opening new channels for direct communication between experts in emerging markets and the West.

Limitations of professional discourse, by adding to uncertainty, have the potential of exacerbating the factors that often make transition economies a high-risk business environment for foreign investors. It is not just the businesses that face an extra layer of uncertainty; the efficiency of technical assistance and education programmes, regulatory policies and compliance with global governance trends may suffer due to a lack of mutual comprehension. Misinterpretation of terms may seem to be a minor niggle initially,

but when entrenched within the national knowledge base, business culture and tradition this may, instead of curbing misapprehension between international partners, consolidate it and prolong the agony of transition to the fully-fledged market. In the end, as analytical philosophy argues, our access to the world is bound to language and there is no way to transcend our knowledge beyond the means provided by language (Wyssusek, 2004: 4306).

The weakness of the business and managerial professional discourse in emerging markets has multiple impacts relevant to MNCs. In terms of the business environment, it contributes to the reproduction of a disaggregated business system and a business tradition that relies on the presence of personalised expertise, the general atmosphere of low trust and dysfunctional institutions. This is evident in strong demand for state paternalism and state presence in the economy on the part of local firms (Denisova, Eller & Zhuravskaya, 2007; Kuznetsova, 2013). Other consequences include lack of professionalism and a shortage of professionals, managers specifically; the persistence of conditions under which knowledge is difficult to accumulate and share. Transition environments do benefit from the presence of international companies that provide an actual business contact; however, the absence of a developed professional discourse limits the gains. In turn, for MNCs the cost of doing business is likely to increase reflecting elevated communication risks. As MNCs are dependent on local managerial expertise, limited professional dialogue may weaken the potential benefits of internationalisation. Collected evidence throws light on the restricted ability of the domestic education sector to bridge a discursive gap that exists between managers and business people trained locally and abroad, indicating that tutors in business schools are generally ill equipped to implement their mission because in terms of the grasp of the market experience they are not different from their students. This suggests that MNCs may not expect an unflinching supply of skills and talent for certain job categories, even if there is an abundance of candidates with relevant degrees and qualifications.

Our analysis indicates that, when assessing business climate and potential risks and costs, it might be practical for multinationals to consider the professional discourse as an aspect of the host business

environment. Also, when developing local subsidiaries, MNCs should not lose sight of the impact that the situation with the professional discourse may have on cross-cultural assimilation: in a transition economy adoption of a modern professional business discourse will not only simplify relations with businesses around the world but also energise the spread of market mentality and attitude among business and management professionals, educationalists, theorists, and eventually among wider strata of population. Yet, it is plausible that, from the point of view of integrating indigenous professionals, foreign firms may make a choice that will limit their impact either by positioning themselves as enclaves or by imitating local customs (see Nishiguchi, 2001 for theory of organizational adaptation). Either way, the cultural and knowledge spillover effect is going to be hampered, thus exacerbating the assimilation problem.

Our study reveals that it may be deceptive for managers to think of language competencies of staff in terms of the formal knowledge of grammar and the vocabulary. It is the ability to relate language to reality that creates meaningful discourse. This is true as much of expatriates, trying to make sense of a foreign environment, as of host country nationals working for MNCs, seeking integration into the corporate culture of their employers. Focus on discourse as a process of meaning making puts in doubt the assumption that comprehension between interlocutors with different socio-economic backgrounds can be supported by appealing to “neutral” textual sources, e.g., the “right” lexis lifted from mainstream textbooks and professional dictionaries. In some cases, when the distance between socio-economic characteristics of the home and the host country is large, even apparent similarity in the educational background, e.g., MBA, professional qualifications, may not be enough to create full understanding (R1 in Appendix). To start communicating interacting individuals (or groups), coming from different social, cultural and historical backgrounds, need to connect in a wider range of critical attributes, some of which, such as priorities and values, are elements of discourse but not of the language *per se* (Grant et al, 2009). This suggests that it may be more appropriate to recognise language capacity building by a MNC’s outlet in an emerging economy as a multifarious time-consuming incremental process, of which formal language training is only a part.

This study inevitably has limitations pointing towards possible avenues for future research of the discourse-related aspects of the liability of foreigners specific for the business environments in emerging markets. Ethnographic methodology, which we generally followed, allows valuable insights through a narrative approach and participant observation. However, further research may benefit from incorporating more formal methods. This will make it possible to test the robustness of our propositions, but also to enrich understanding of discursive sensemaking through triangulation, combining observation and in-depth interviews with questionnaire surveys.

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## APPENDIX

Observations and data accumulated during research and educational projects in the former Soviet Union and interaction with Russian speaking managers, businessmen and academics have been an important element of the factual foundation of this study. The details of the more important of these projects are provided in the table below.

<b>Reference Code</b>	<b>Year</b>	<b>Observational locus</b>	<b>Instrument</b>	<b>Activity focus</b>	<b>Relevant experience</b>
R6	2011-12	Russia: private companies in the market research sector	Interviews (n=24) Online survey (n=84) Notes on analysis of companies documentation Case studies (n=3)	Mergers and acquisitions in business services and the market research sector	Post-merger and acquisition linguistic disengagement and disconnectedness
R5	2011	Russia: the Academy of Science of the Russian Federation, Higher Education institutions, entrepreneurs (financial services and insurance, real estate)	Interviews (n=6) Field notes Project report	Exploration of impediments to the absorption and transfer of Western business knowledge in emerging markets (partly funded by The British Academy)	Terminological deficiency in academic research and practice. The state of business professional discourse. Utilization of Western business knowledge
R4	2010	Russia: professional accreditation agency	n/a	Assessment and preparation of the glossary of professional terms for the Russian branch of a UK professional accreditation agency in the field of accounting and finance	Terminological discrepancy. Impact of terminological deficiency on the development of professional skills and competencies
K1	2004	Kyrgyzstan: International University of Kyrgyzstan;	Survey (n=46)	West-East knowledge transfer (funded by The Committee for	Assessment of the capabilities of business education to facilitate the

		Bishkek Academy of Finance and Economy		Central and Inner Asia, the Faculty of Oriental Studies, University of Cambridge, UK)	development of business discourse
R3	2003-06	Russia: medium to large industrial enterprises; Russian Managers Association	Survey ( n=129) Field notes	Emerging CSR agenda, implementation of CSR practices, transfer and absorption of international expertise (funded by The British Academy).	Linguistic/conceptual barriers to the development and absorption of the modern business practices.
B3	2002-03	Belarus: economic faculties and faculties of business and management of state universities	Survey (n=269) Interviews (n=19)	West-East knowledge transfer (partly funded by ESRC, UK).	Assessment of capabilities of business education to facilitate the development of business discourse. Barriers to professional discourse.
R2	2001-04	Russia: medium to large industrial enterprises	Survey ( n=241) Project report	Food processing and distribution in Russia from a value chain perspective (funded by the International Association for the promotion of cooperation with scientists from the independent states of the former Soviet Union - INTAS)	Linguistic/conceptual barriers to the development and absorption of the modern business practices.
WB1	1999	Russia: OECD, World Bank, NAUFOR, the Russian Stock Exchange	Field notes, normative documents, Consultation with international and local experts	Corporate Governance development, emergence of relevant institutions and practices in Russia (academic exchange)	Terminological deficiency in academic research and practice. Linguistic/conceptual barriers to the development and absorption of the modern business practices.
R1	1997-2000	Russia: small and medium industrial companies	Survey ( n=530)	Development of corporate governance (CG) system and absorption of the international CG practices (funded by INTAS)	Linguistic/conceptual barriers to the development and absorption of the modern business practices

B2	1997-2000	Belarus: Polotsk State University	Field notes Project report	Reforms of business education, West-East knowledge transfer (funded by The British Council)	Tools for developing linguistic capacity in emerging markets.
B1	1994-96	Belarus: Minsk Institute of Management	Field notes Project report	Reforms of business education, West-East knowledge transfer (funded by The British Council)	Role of business education in the development of business discourse
BRU1	1993-94	Russia, Belarus, Ukraine	Field notes	The development of foreign investment legislation (funded by the EC Technical Aid to the Commonwealth of Independent States programme)	Development of linguistic capacity for regulatory reforms in the field of FDI

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<sup>1</sup> According to Rose (2011), Western experts and investors in Russia do not have bureaucracy or corruption as their top concerns anymore; what worries them are questions about professionalism and the competence of key managers and the credibility of their business vision.

<sup>2</sup> See Holden (1996) for numerous examples of terminological problems between English and Russian, and English and Polish in the field of management.

<sup>3</sup> The situation has not changed, as a recent publication by Holden (2013) demonstrates. See also: Управление знаниями: Хрестоматия / Науч. ред. Т.Е.Андреева, Т.Ю.Гутникова СПб.: Изд-во «Высшая школа менеджмента», 2008, which is a translation of Holden, N. 2002. *Cross-cultural management: A knowledge management perspective*. London: FT/Prentice-Hall, Pearson Education.

<sup>4</sup> This claim can be verified by the analysis of the numbers of attendees and presentations from the indigenous scholars from Russia at the main professional gatherings (i.e. AoM, AIB, BAM), as well as the frequency of appearances in established academic journals.