

# Innovation of Management Systems in Multinational Enterprises in A Multilingual and Cultural Environment

Yixin Zhang

Department of School of foreign languages, Jiangsu University of Technology, Changzhou, Jiangsu, 213001, China

\* Corresponding Author Email: yixinzhang0421@outlook.com

**Abstract.** Multinational enterprises continue to develop in the tide of globalization, but they still face many challenges. This is despite the fact that multiculturalism is seen as an important part of business. Promoting diversity, inclusion and equality among employees has become a core corporate value, but language differences are still a key challenge that hinders effective collaboration among cross-cultural teams. Language barriers can easily lead to information transmission errors, insufficient participation in meetings, and inability to publish innovative opinions. Moreover, the cultural value conflicts in different countries will still lead to communication barriers, decreased team cohesion and internal cliclization, which seriously affect cooperation efficiency. There are steps companies can take to address these issues: they can use language intermediaries, including outsourcing professional translation services (such as Lionbridge). Scientific allocation of human resources is very important. Optimizing organizational structure through "localization" strategy, such as the "333" regional talent structure model adopted by Goodway, can enhance the ability of team coordination and market response; Establishing an incentive mechanism and training system to improve employees' ability to integrate language and culture can not only improve communication efficiency, but also stimulate innovation and enhance employees' sense of belonging, and ultimately transform "communication barriers" into "synergy advantages." This research is to explore the current situation of multilingual cultures in multinational enterprises and put forward suggestions for solving the problems.

**Keywords:** Multinational enterprises; multilingual environment; foreign employees; personnel management.

## 1. Introduction

In recent years, with the further development of economic globalization, it has brought new management challenges. The traditional monocultural enterprise system is increasingly weak in the wave of globalization. In order to drive business growth, acquire diversified perspectives and innovation ability, and avoid fixed thinking with different cultures, enterprises gradually begin to explore the role of language culture in management. Many companies focus on internationalization and introduce international talents, and advanced international talents play an important role in the company.

The basic competencies that international business professionals should possess in a multilingual and multicultural environment are mainly reflected in the following four aspects. First, it is necessary to have a solid theoretical foundation of international business and master solid theoretical knowledge. Second, they should be proficient in one or more foreign languages and be able to use them to carry out international business activities. Thirdly, it is necessary to master the basic theories and methods of cross-cultural management, gain an in-depth understanding of the cultures of major countries, and acquire the ability to coordinate cultural differences in international management activities. Fourthly, in international business activities, it is necessary to fully understand various customs and habits, trade rules, relevant domestic laws and regulations, and also have excellent language expression ability, business communication ability, cross-cultural communication ability and negotiation ability [1].

However, due to the transnational and cross-cultural characteristics of multinational companies, it has become normal for the company's internal staff to come from different countries. It is difficult for employees in different language regions to communicate, forming communication barriers. It is difficult for employees who do not speak the language to express their opinions, which hurts their enthusiasm. Members of each nationality are also different in terms of ideology and culture. Western employees put more emphasis on individualism, while employees in Eastern countries care more about the overall opinion of the team. In addition, employees from different countries are more likely to form national groups due to their sense of national identity and dignity in the enterprise. In this context, how to ensure the accuracy and fluency of the company's internal information, promote the in-depth cooperation of employees, and turn "communication barriers" into "synergy advantages" has become a focus issue.

Based on the background of globalization, this study explores the adaptation of a multilingual cultural environment. To seek to build a more compatible and open enterprise structure, the company can consider both localization and global resource integration, to improve the ability of the enterprise to serve global customers, efficiently integrate global resources, promote the further development of international companies, and stand out in the global competition. To become a sustainable global enterprise.

## **2. Problems Faced By Multinational Enterprises**

### **2.1. The Language Problem Has Not Been Fully Solved**

Contemporary MNCS (MultiNational Company) are committed to promoting diversity, inclusion and equality among employees (and their identities) as part of their corporate values [2]. Identity and language have been central topics in instant messaging research in the context of MNCS. However, how to ensure the accuracy and fluency of internal information, promote the in-depth cooperation between employees with different languages and cultures, and turn "communication barriers" into "synergy advantages" are still the focus issues in multinational enterprises. Although researchers attach the attribute of "internationalization" to mobile professionals and transnational knowledge workers such as MNE managers and expatriates, the role of language in the construction of cosmopolitan identities has not been explicitly addressed [3].

In multinational enterprises, the dispatched employees and the employees of overseas branches come from different regions, and there are also some employees from other countries in multinational enterprises. When information is transmitted across teams and levels, it can be miscommunicated. For example, Hon Hai Precision Industry's engineering team in India often misunderstood information transmission due to the difference in pronunciation between Chinese and Indian English, which affected project collaboration efficiency [4].

When a company operates, it requires a lot of repetition, explanation and confirmation, and language barriers can lead to inefficiency. In a meeting, if English is used as the language, people who do not know English or are not native English speakers may be silent due to the language barrier, so that they cannot put forward their own ideas and opinions, or even misunderstand the instructions, and the meeting will be only for English employees to speak. This is contrary to the advantages of multinational companies in utilizing the wisdom of people from different cultures and acquiring diversified perspectives and innovative capabilities. There is a strong sense of frustration among expatriates or employees in overseas branches if they cannot overcome the language difficulties. This affects the willingness of employees to work and leads to brain drain. An employee is excellent at his job, but because of the language barrier, he cannot clearly express his strengths or contributions in interviews and debriefing reports. It leads to a disadvantage in performance appraisal and promotion, which is not conducive to equity within the company.

## **2.2. Different Languages Lead to Different Thoughts**

In the operation of multinational companies, employees come from different backgrounds, which leads to differences in employees' behaviors. Western employees are more individualistic and tend to put forward their own opinions. They strive for dominance in order to signal their individual competence. However, employees in eastern countries are more concerned about the overall opinions of the team and avoid damaging the harmony of the team by personal propositions, so as to maintain a benign relationship among members. The difference in values between Eastern and Western employees increases team conflicts, weakens team cohesion and trust, and affects the smooth progress of the project. Language differences in different countries also exacerbate the occurrence of this contradiction. The language and culture of different countries are different, and even people with different cultural backgrounds may have different understandings of the same language. Especially in the case that one party uses a non-native language, it may not understand the culture of the other party's language, resulting in imprecise expression and deviation in understanding, which will lead to contradictions. For example, when expressing rejection, in Western culture, most people simply say "no" or "I'm afraid I can't do it". While in Eastern cultures, employees are more likely to reply with "I need to think about it" and "it may be difficult". Managers may make the mistake of giving jobs to unwilling employees because they do not understand different cultures. In terms of daily communication, the typical response of Western employees to praise is "thank you," while in Chinese culture, the response to praise from others is more self-effacing words such as "that's nothing" than "thank you". As a result, when Western employees praise Chinese employees, they will think that the other side is ungrateful, resulting in contradictions. In the case that both parties only know their own language, the language barrier between employees completely hinders direct communication and cooperation between employees, resulting in the internal division of the organization, the formation of a "small group" delimited by their mother tongue, and low team cohesion, resulting in low work efficiency.

## **3. Countermeasures of Multinational Enterprises**

### **3.1. Establish Language Mediation**

Language mastery is a long-term process, which is difficult to achieve in the short term. Enterprises can recruit professionals within the enterprise or outsource them for translation. However, this measure relies too much on translation agencies, which will lead to excessive workload for translation talents and increase expenses. With the rapid development of science and technology, AI translation, simultaneous interpretation and auxiliary translation tools continue to develop, which can also ensure the language communication between employees.

Outsourcing companies such as Lionbridge provide translation and localization solutions that help global companies meet their clients' language and technical requirements for a wide range of content delivery (including software, websites and marketing materials, products and documentation, multimedia, and e-learning and training). Workday, Inc., an enterprise software provider, selected Lionbridge for translation, enabling the enterprise to successfully implement a large human resource information system [5]. In the case of insufficient strength of the enterprise itself, outsourcing is a quick and efficient method.

Localization is not a simple process that requires time, effort, and a lot of expertise. Compared with traditional outsourcing, AI translation can reduce labor pressure and costs. AI translation can make localization easier and less time-consuming. To help foreign workers adapt to the production and management environment of Korean shipbuilding companies, HD Korea Shipbuilding Marine has developed customized artificial intelligence translation technology and applied it to shipbuilding sites. HD Korea Shipbuilding Marine collected 13,000 field and national standard shipbuilding terms, as well as 4,200 operation instruction sentence patterns used during ship construction, and fed them into a large language model (LLM) for training. Finally, the "AI Agent" service was developed. "AI

Agent" consists of three parts: chat software, chat robot server and translation module. After entering the conversation content in the chat software, the operator can send the information to the translation module through the chat robot server, and the information will be automatically translated and displayed in the chat software. In addition, HD Hyundai Samho also realizes the automatic translation of the contents of the chat window by linking with the company's office chat APP "TeamUP". Moreover, it is displayed in the language set by the workers, thus improving the convenience of users [6].

### **3.2. Scientific Allocation of Human Resources and "Localization"**

In the process of implementing localization management strategies, multinational companies should control the management and selection costs of cross-border human resources, effectively avoid the resistance of local culture to them, so as to accelerate the development of multinational companies. MNCS needs to strengthen cooperation with local governments, provide certain economic and material resources for local enterprises, help local people to find jobs, and finally establish a long-term development mechanism to share the fruits of cooperation with local communities [7]. Stopford and well proposed the "stage model" of international organizational structure. In the late 1960s, they conducted a survey on 187 of the largest multinational enterprises in the United States and found that with the deepening of enterprises' participation in the international market, their organizational structure would change regularly. Based on this, they proposed the "stage model". Based on the proportion of overseas sales and the degree of product diversification, the "stage model" describes the evolution of the organizational structure of multinational enterprises in different stages of internationalization. According to the researcher, in the early stage of overseas expansion, when overseas sales and product diversification are low, firms manage their international business by setting up international divisions. With the improvement of internationalization level, when a single international division cannot support the increasing overseas sales and multinational operations, enterprises need to adjust their organizational structure: if the enterprise only aims to increase the proportion of overseas sales without increasing product diversification, it adopts the global geographical division structure. If an enterprise is accompanied by a higher degree of product diversification in the process of overseas expansion, it adopts the global product division structure. Later, when firms operating abroad reach a certain stage of development with high foreign sales and product diversification, they may adopt a global matrix structure. Finally, they note that global matrix organizations can well coordinate global product and regional integration [8]. Zhang Dianjun, human resources director of Goodway, pointed out that how to allocate human resources properly is an important issue when considering the company's overseas strategy. In the European market, the company mainly employs local European employees. To further enhance the effectiveness of the whole team, Goodway sends tough and diligent Chinese employees while local employees are responsible for "knocking on the door of customers". Goodway adopts a different talent strategy for each region. For example, differentiated human resource allocation patterns will be used when selecting top positions in each region. In Europe, Goodway uses a 333 structure, meaning one third of local employees, one third of Chinese local employees and one third of expatriate employees. This means that enterprises make a balanced allocation among local employees, Chinese employees and dispatched employees, which helps to take into account both local adaptability and corporate culture continuation. In Southeast Asia, Goodway established a "saturated attack, redundant layout" model to quickly trial and error in the market. In South America, Africa and elsewhere, the proportion of expatriates is increasing. In addition, to ensure that more foreign employees can work overseas at ease, Hao Wei also pays attention to talent selection, training, overseas incentives and security [9].

### **3.3. Establish Incentive Mechanism to Improve the Quality of Employees**

The enterprise arranges professionals to provide language training for its employees, encouraging them to learn each other's languages and cultures. At the same time, it establishes a complete incentive system to promote the mutual collision of different cultures, and for each culture to learn from each other's strengths and weaknesses, generating new sparks.

The establishment of intercultural training and communication mechanism Intercultural training is an important means for multinational enterprises to improve the intercultural ability of employees. When new employees are onboarding, the company provides special cross-cultural orientation courses, covering the introduction of the main cultural environment in the company's global business layout, basic cross-cultural communication skills and ways to deal with culture shock [10]. Only in this way employees can adapt to the cross-cultural and cross-language barriers in multinational enterprises. Toyota provides one to two years of training expatriations for overseas subsidiaries, overseas graduate schools (including MBA), domestic branches, etc., to gain an in-depth understanding of practices and culture and improve language skills [11]. Training and improving incentive mechanism are the most direct ways to improve the quality of employees. When employees from different countries communicate in a common language, meetings, emails, and organizational cooperation are much more efficient. Language is the carrier of culture. When employees truly master a language, they can better integrate into the culture of the language, master their own language and culture, and open up the way of thinking of employees, which is more conducive to the innovation and development of enterprises. In addition, taking free and high-quality language training as the company's welfare to improve employees' own quality is conducive to both the enterprise and employees. Companies that invest in the personal growth of their employees can significantly increase their loyalty and satisfaction. If the enterprise does not conduct internal language training, it can also encourage employees to conduct language learning independently and provide cost support. The company gives skill allowances and bonuses to employees who pass the language test at certain levels, and makes language ability a necessary condition for promotion, transforming "choice" into "must".

#### 4. Conclusion

In the wave of globalization, multinational enterprises are faced with obstacles caused by language and cultural differences in the process of global operation. If multinational enterprises want to further develop and stand out in the global competition, it is an inevitable requirement to promote employees to adapt to the multilingual environment. Enterprises should start from various aspects to promote cultural integration, actively promote the cultural understanding among employees and between employees and local people, and improve the internal management mechanism of enterprises. Only in this way can "communication barriers" be turned into "synergy advantages. "

#### References

- [1] Chen Wei, Yang Bai, "Research on the Competency Positioning of International Business Talents in a Multilingual Cultural Context", *Industry and Technology Forum*, 2015, 14, 10, 124-125.
- [2] Kelly, N. Implementing inclusive policies across a global organization. *Harvard Business Review*, 2021 March 02.
- [3] Päivi Karhunen, Anne Kankaanranta, Tiina Räisänen. Towards a Richer Understanding of Language and Identity in the MNC: Constructing Cosmopolitan Identities Through 'English'. *Management International Review*. 2023. 507–530.
- [4] Taiwan Electrical and Electronic Manufacturers' Association Chen Jianjun. Hon Hai Successfully Enters India, but Obstacles Surface? Chinese Employees Complain: Indian Workers love to take leave and even walk very Slowly. 2023. 12. 5 2025. 9. 20 <https://www.teema.org.tw/industry-information-detail.aspx?inford=44524>
- [5] Lionbridge Official Website. Case Study: Translation Services Facilitate Workday's Global Deployment. 2024. 2. 29 2025. 9. 20 <https://www.lionbridge.com/zh-hans/case-study/translations-for-global-workday-rollout/>
- [6] International Ship Network. Foreign workers Don't understand the language? This shipbuilding giant launches Customized Translation Technology. 2024. 7. 14 2025. 9. 20 <https://wap.eworldship.com/index.php/eworldship/news/article?id=204554>
- [7] Cai Junyan, Yang Xilin. The Impact of Cultural Differences on the Management of Multinational Enterprises and Countermeasures for Cross-Cultural Management. *Modernization of shopping malls*. 2022 (01).
- [8] Stopford J M, Wells LT., *Managing the Multinational Enterprise*, New York: Basic Books. 1972.
- [9] Yang Li, Editor: Gai Hongda. Talent Layout is Influencing the Pace of Chinese Enterprises' Overseas Expansion: Observations on the ToB Industry. *Timedia*. 2024.

- [10] Xiao Cui. Cross-Cultural Conflict and Multinational Corporations: Exploring Effective Employee Management and Strategic Organizational Adaptation. Forum on Research and Innovation Management. 2024. 2. 12.
- [11] Toyota Motor Corporation. Sustainability Data Book. 2023. 93.