

## MULTICULTURAL CORPORATE COMMUNICATION AT THE EUROPEAN CENTRAL BANK

*Cristina SBÎRNECIU<sup>1</sup>*  
*Irina Antoaneta TĂNĂSESCU<sup>2</sup>*  
*Irina Olimpia SUSANU<sup>3</sup>*

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### ABSTRACT

*Due to the dynamics of the economy and a continuously expanding globalization in all market sectors, the corporate tasks are increasingly carried out by employees coming from a variety of cultures and languages. To be able to approach the new reality, the employees have to broaden their skills and expand their knowledge in multiple domains. In addition to their expertise, they have to get familiar also with successful corporate strategies (e.g. how to cope with internal communication strategy or how to build partnerships in a multicultural environment), as communication has become an increasingly important aspect of any business. This paper surveys this ever-growing literature on central bank communication and acknowledges the successful implementation of the European Central Bank's communication strategy, as well as its challenges, following targeted face to face interviews with 10 employees that are coming from different backgrounds, nationalities, are of different ages, gender, and are having different roles in different divisions.*

**KEYWORDS:** *communication, corporate, employees, multicultural*

**JEL CLASSIFICATION:** *M5*

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### 1. INTRODUCTION

One of the European Union main characteristics is that it is multilingual, though in a fundamentally different meaning, both quantitative and qualitative, compared to any other international or supranational organization, such as United Nations, European Council and NATO. In the context of a European Union which is continuously expanding, "multilingualism" transcends the definition of the word: the concept of multilingualism stands out as one of the most prominent symbols of the European historical, political and cultural diversity and has gradually implied, in addition to its inherent symbolic dimension, the mandatory nature of the legal imperative and the significance of a political necessity (Wagner et. al, 2002).

To be successful, individuals who work in a multicultural business environment should understand the impact of their communication actions, which is directly related to the strategy of the organization. In addition to being responsible for developing their communication strategies, they should actively participate to improve the communication framework. The organization of the corporate communication processes needs to be monitored and developed constantly in order to support corporate goals (Grigorescu et. al., 2013).

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<sup>1</sup> BCE Frankfurt am Main, cristina.sbirneciu@gmail.com

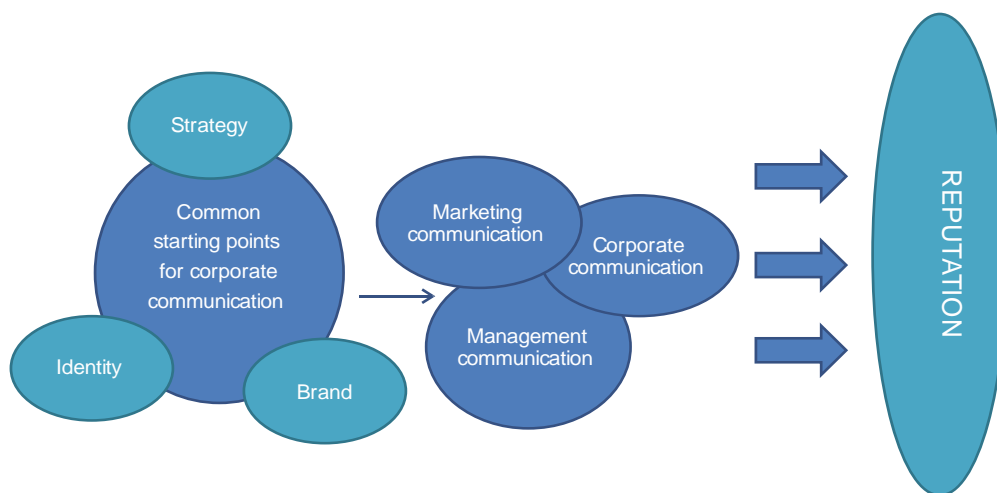
<sup>2</sup> University "Valahia" Targoviste, dtanasescu2212@yahoo.fr

<sup>3</sup> University "Dunarea de Jos" of Galati, irina.susanu@ugal.ro

Developing an integrated communication system will help all organization to implement across the corporate communication a structure that should assist implementation of strategic objectives, build the brand and reputation, and therefore create economic value. According to Van Riel and Fombrun (2007) common corporate communication helps organizations to build their own distinctive image, a strong brand and eventually an attractive reputation (fig. 1).

Van Riel and Fombrun observed that the guidelines providing the basis of an organization and the implementation of a successful corporate communication are:

- a) corporate identity (namely what a company is, what an organization represents and what they want to become);
- b) corporate image (namely what a company "shows" to their public, a set of features attached by people in their minds);
- c) corporate strategy (namely the systematic plan of the global competitive position, the company goals and the manner in which they have to be met);
- d) corporate brand (distinctive and value creativity, images, perceptions and even comprehensive understanding systems to which the public associate the entire company).



**Figure 1. Common Corporate Communication**

Source: Van Riel and Fombrun (2007)

The corporate communication function in itself is divided by Van Riel and Fombrun into three theoretically-defined domains:

Management communication – refers to the strategic level of corporate communication, coordinated by management and other key persons oriented toward building a favorable reputation for the organization. Management communication includes functions such as planning, organization, coordination and control, and its task is to ensure that all company levels have a common vision and understanding of the company objectives.

Marketing communication – is important in supporting sales of products, services and brands and includes functions such as product advertising, direct correspondence, personal sales and sponsoring activities.

Organizational communication – has a long-term perspective on building reputation and comprises functions such as public relations, public events, and relations with investors, communication environment, corporate advertising and employees' communications as well as communication with employees.

Argenti and Forman perceive corporate communication as a *function*, which may be centralized or dispersed into company units, similarly to traditional functions such as marketing or accounting. On the other hand, corporate communication refers to the processes that a company uses to convey all messages to their diverse audience (Argenti & Forman, 2002).

## 2. RESEARCH METHODOLOGY

We considered that the face to face interviews were the best way to collect opinions and experiences from people who work in a multicultural organization as large as the European Central Bank.

The selection criterion for all respondents was their different background, nationality, different education, different age and a different work experience. Otherwise stated, the emphasis is laid on the differences and on how communication is perceived and conducted from such different points of view. Some respondents were trained in the field of communication (professional training or expertise) and communication plays a significant role in their job descriptions. Other respondents have technical training and expertise in IT, and although their jobs are not primarily focused on communication, they were frequently involved in various communication activities in multicultural environments.

The feedback was collected using a qualitative approach, by interviews conducted face to face, which lasted 20 to 30 minutes each, between March and May 2017. The data was analyzed taking in consideration the three areas of multicultural communication mentioned above, not only individually but also organizationally.

The language used during the interviews was English, except one case where we used the respondent's native language, i.e. Romanian language. We used English language as to ensure accuracy of the qualitative data collected.

The interviews were semi-structured, based on the respondents' experiences and opinions in relation to corporate communication in a multicultural environment. The research was conducted starting from the following questions:

- What sort of communication tasks had the respondents faced during their work experience?
- What types of success strategies the respondents applied and what support measures had they used to overcome corporate communication challenges in a multicultural environment?
- How the respondents developed or improved their corporate communication strategy and organizational knowledge?
- How would the respondents develop or improve the education in order to provide realistic knowledge and resources for the graduates, to meet the high expectations and overcome the challenges given by the communication in a multicultural environment?

The respondents were invited to share their experiences freely so that we could gather a variety of stories on success strategies in connection with multicultural corporate communication. In their story telling, respondents were encouraged to adopt an analytical standpoint for the situation described. In addition, they were asked how they would use their learning experiences to improve their approach, both from their personal point of view and in terms of overall corporate communication strategy perspective.

## 3. DATA, INFORMATION ANALYSIS AND ITS INTERPRETATION

All respondents related to their communication experiences and results in a very similar manner. Nevertheless, for the respondents with more experience in marketing and communication, who have a better understanding of the organization, it was easier to correlate the mission with the communication strategy.

In terms of the respondents' experience in relation to various activities of multicultural corporate communication, they consider themselves successful. This is either due to their elevated linguistic abilities, either due to their broad personal and cultural abilities.

The personal skills represented the area where some challenges emerged and the need for development was highlighted. The points in question were related to the terminology of English

language (business, IT), especially in the cases where the respondents had no previous interaction with the European "jargon". Some respondents reported that upon starting work for the European Central Bank, they needed a period to adapt to the European organizational style.

The applicability of language education in school did not prepare all respondents for the business terminology; nevertheless they all have reported and recognized the extensive support and resources available in the communication sector to enhance their communication skills and align with the standards easily. A concrete example in this respect are the printed and electronic resources to which employees have access in their activity at the European Central Bank, namely: brochures, dictionaries, reporting guides, templates for documents and model patterns. In particular fields like IT, Finance, Statistics, etc. where specific terminology is used, it is crucial to have such resources available in order to maintain a high level of quality and not to lose the essence when non-specialists access the information.

The respondents were relatively familiar with the types of both human and electronic communication networks available and they know that they can use them to approach any communication challenge.

One key to success in business communication reported by the interviewees may be related to good quality support handbooks and procedures, to which employees may resort at all times, having the capacity to react rapidly and creatively when the need to communicate in a multicultural environment (Tanasescu et. al., 2015). The respondents had a very clear understanding of how important good services are for the ECB's reputation.

The managers' experience stated that the linguistic and cultural competences of individuals grow and develop in the best way throughout international exchange of experience; and these skills may be further shared within local teams. Many organizations recommend exchanges with foreign employees or training courses which bring together representatives of the workforce from different countries. The European Central Bank also uses this process to improve abilities by temporary exchange programmes which involve employees and the National Central Banks. Such events were seen as efficient methods to acquire multicultural knowledge both for individual employees and the organization in general.

Moreover, it was highlighted the importance of understanding the internal communication strategy and the mission of the organization by each employee, in order to establish a relation between communication, organization's objectives and its reputation. Internal communication is organised so that a common identity may be communicated and a global strategic vision may be set, in order to ensure that key messages are delivered to target audience(s) in an effective manner. In addition, the need for external communication is typically enhanced also because of the international context, exemplified in the following comment: "As such activities often require a desire to become aware of the local conditions, one may not manage them from a single location. Even though centralization of some communication operations is recommendable, the active cooperation networks with local and international partners are also necessary. So, in general, organizations have to face a situation when both internal and external communication processes have to be organized and coordinated much better than before in order to build and maintain a favorable reputation at international level. I believe that there has to be a balance between standard operations modes and solutions adapted to local needs".

As briefly established in the section above, the corporate reputation encompasses corporate identity (what the company is), organization image (the manner in which the company comes before their public) and corporate brand (what distinguishes the organization as a whole from their competitors). Therefore, *corporate reputation* represents the total sum of what the organization is, what it actually does and how their actions are assessed.

Building a reputation refers to a systematically management of the way in which the identity of an organization, their image and actions are perceived by different groups of people, such as investors, associates, employees, etc.

According to the data gathered based on the interviews, this concept is well understood by the respondents with more experience and corporate *know-how*:

"As a result of the internationalization, the executives understand significantly better what corporate communication can do how it can support the organization objectives and solve some issues. We can say that the international market and the mass-media have concretely shown the dramatic consequences that may occur when communication is not pro-active and you are not visibly open, at the right time."

Everyone brought up the necessity to lay a special emphasis on crisis communication and the social corporate responsibility in relations with the press in multicultural settings. It was highlighted and acknowledged that the communication must be planned and applied efficiently, in order to maintain a good reputation of any organization and to preserve any repercussions.

Although the strategic role of corporate communication is well understood by everyone nowadays, the current corporate communication processes and practices are not an easy task, if they truly are efficient and offer a good support to the brand strategy or reputation.

In the European Central Bank, English is used as common language for all conferences. Nevertheless, the official documents are translated into all European languages so as to avoid all and any "loss" of information.

Successful multicultural communication strategy is closely related to the application of strategic objectives, building of internal and international relations and eventually management of corporate reputation.

"Lack of an excellent internal communication, which goes beyond frontiers and cultures, entails a difficulty in conveying a message to external parties concerned, in a consistent and efficient manner. Since each employee is internationally a potential brand ambassador, excellent internal communication is vital" (Appelbaum & Belmuth, 2007).

In terms of *internal communication* in a multicultural environment such as ECB, the study stated that the English language plays a central role. Nevertheless, a mere linguistic command of English language with no personal abilities to adapt culturally is insufficient. To guarantee a successful internal communication in a multicultural environment each employee has to have a sound understanding of how internal communication works and of the impact it may have on internal activity processes.

Some challenges regarding multicultural corporate communication were debated in relation to *team work*, in all its forms. Communication challenges are sometimes met in complex and advanced forms of cooperation, such as team management, project management and material documentation management.

Respondents pinpointed the need to improve communication between teams. Yet it is difficult to conduct in this study a minute research of multicultural aspects like attitudes towards the concept of time, interaction models and conceptions of hierarchy, quality requirements, non-verbal communication, cultural taboos and so on.

The respondents state that they frequently use the expertise and cultural knowledge of the colleagues working in the communication team. Sometimes team members share their responsibilities so that each may concentrate on a specific cultural area and the information is disseminated back to the team.

The respondents reported that they regularly use the expertise and the support of their communication team members and other colleagues, in order to overcome potential challenges as indicated in the following example:

"I am a technical expert and I find it difficult to generate content that everybody can understand, using a proper and common English language. The documents that I write have to be checked by somebody who is familiar with the concept of the internal communication and who can translate technical language into *human* language. The communication team is frequently needed for

specialized communication in English and is approached when there is a sudden need to produce or reinterpret texts.”

#### 4. RESEARCH CONCLUSIONS

As anticipated in the premises of the research, the data collected after the interviews have confirmed the fact that employees who work in multicultural business environments need:

- Linguistic competences (mandatory sound competences of English language and competences in other European languages);
- Cultural awareness and sensitivity (often acquired through training and experience);
- Compliance in line with flexibility and adaptability triggered by the multicultural environment;
- Ability to *see* the corporate image and the organization’s reputation as a whole.

We have also anticipated that individual *know how* on multicultural corporate communication and organization strategy is an essential condition for the employees involved in business nowadays.

Comparing the data gathered after the evaluations, although the hypotheses have been confirmed by the respondents, there were also two new concepts sketched:

-The first point highlights the fact that although an individual can establish excellent relations and inter-personal networks by means of linguistic knowledge, he or she may fail in communication; however it was not so visibly highlighted in the preliminary hypotheses.

- The second point underlined that people who possess relatively limited linguistic and cultural abilities may however cope with corporate objectives by efficient use of different support networks in communication and management, emphasized by the fact that information sharing and team work represent an important skill in successful multicultural communication.

The theoretical and practical data obtained through this paper and the case study have brought to light that there is an intense force required in the organizations towards the communication functions and processes. The global expansion forces companies utilize new types of corporate and organizational knowledge, to adapt to social, economic and technological evolution. Employees need to acquire hybrid skills, by combining intern-personal ones with technical skills, financial, operational skills as well as other types of skills.

To be successful communicators in different cultures, in English or, if required, in other foreign languages, organizations have to examine carefully (and to reconsider frequently) how multicultural corporate communication is performed, namely by: processes, responsibilities, channels, internal support systems, team work, project management, service outsourcing, purchase of specialized services, quality control and others.

Our information confirms that employees who work for organizations with different management cultures on a regular basis demonstrate that working in multicultural teams is a usual practice at present and that employees recurrently interact with their colleagues and customers of different nationalities. In multicultural environments, employees need to grow abilities which help them to switch rapidly from one culture to another and to manage overlapping processes in collaboration with several persons coming from different cultures. In order to highlight the multitude of cultural sub-layers at work and the imperative idea of working on several things at the same time, with people of different cultures, we have taken over the term *multicultural* and used it for *intercultural*, which is so frequently encountered in literature.

Communication in all organizations will remain the “central nervous system” which deserves further investigation, in the light of new technologies available, globalization and the new type of target audience.

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