

# FOREIGN LANGUAGES IN A BUSINESS CONTEXT

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## Abstract

*Nowadays, especially small and medium – sized enterprises (SMEs) are aware of the fact that insufficient knowledge of foreign languages can have a negative impact on their efficiency to trade as well as to engage in cross-border and global activities. On the one hand, English is a lingua franca of the global trade, but, on the other hand, enterprises also tend to use other world languages or regional and minority languages for their business prospects. In order to be more competitive internationally, SMEs invest into language management strategies which help them cope with the lack of language skills. There are a lot of projects and surveys conducted by the institutions of the European Union focused on the link between language and the economy. The main aim of the survey was to find out what the students of the Slovak University of Agriculture in Nitra think about the importance of foreign languages in a business context.*

**Keywords:** *business context, language management strategies, questionnaire, regional and minority languages, world languages*

**JEL classification:** *J24, M53*

## 1 Introduction

Active knowledge of foreign languages is crucial not only for individuals but also for enterprises because those ones operating in the international environment very often face problems which are directly connected with the lack of language skills. Mainly small and medium-sized enterprises (SMEs) are familiar with the fact that poor command of foreign languages, e.g. inaccurate translation of

business deals, can lead to financial losses. According to the ELAN study (European Commission, 2006, p. 5), “The survey of SMEs found that a significant amount of business is being lost as a result of lack of language skills. Across the sample of 2000 businesses, 11% of respondents (195 SMEs) had lost a contract as a result of lack of language skills. [...] 37 businesses had lost actual contracts which together were valued at between € 8 million and € 13.5 million. A further 54 businesses had lost potential contracts worth in total between € 16.5 million and € 25.3 million. At least 10 businesses had lost contracts worth over € 1 million.” Therefore, enterprises should pay more attention to language skills of their employees and support them not to learn only English but also other world languages as well as regional and minority languages because the staff’s language competence can often influence the choice of future markets. Thus, with good language skills, multilingual companies can expand their business to international markets and become more competitive.

Nowadays, English is considered to be a lingua franca in the international business world. The results of the ELAN study (European Commission, 2006) confirm this fact. The participants of the survey (SMEs) “indicated that they viewed English as a key language for gaining access to export markets and frequent reference was made to its use as a lingua franca. [...]” (European Commission, 2006, p. 6). As for large companies, English “appeared to be more extensively used as an intermediary language than was the case with SMEs, possibly reflecting its use as an intermediary language in many multinationals” (European Commission, 2006, p. 7). Also the findings of the PIMLICO case studies (European Commission, 2011a, p. 16) indicate that English “is, and continues to be, the dominant language of global trade.”

But on the other hand, the same studies and surveys (European Commission, 2006 and European Commission, 2011a) revealed the importance of other languages which are commonly used for different markets. For example, the PIMLICO study (European Commission, 2011a) highlights the fact that other languages are often used for business communication because there are many markets where English does not suffice, e.g. Latin America where some Spanish is required. Regional languages are more often used for everyday business communication as well, for example Catalan, Welsh and Basque. The findings of the ELAN study (European Commission, 2006) also point out that apart from English, other languages are employed by companies especially when they want to establish long-term business partnerships with new clients, for example Russian is used in Eastern Europe as a lingua franca, French is used to trade with enterprises from some areas of Africa and Spanish is used in Latin America.

Also other studies and projects emphasize the importance of including other world languages, and regional and minority languages in SMEs strategies with the aim of achieving successful results across borders, e.g. The Network to Promote Linguistic Diversity2020 [NPLD2020] (2015), The Network to Promote Linguistic Diversity.eu [NPLD.eu] (n.d.) or European Communities (2008). Knowledge of different foreign languages is, for enterprises, crucial because “in large parts of Europe English is already considered more as a basic skill than a foreign language [... and therefore] the need to maintain the advantages by moving beyond English will be felt more acutely” (European Communities, 2008, p. 8). Thus, good multilingual communication helps SMEs open up opportunities that can make them more competitive internationally, and all languages including “lingua francas, state languages, regional, minority and migrant languages [...] can also boost the local, national or international economies” (NPLD2020, 2015).

The above mentioned NPLD2020 project (NPLD2020, 2015) was designed to promote the necessity to communicate in several languages in SMEs’ day to day business and to help them integrate “regional and minority languages in [their] strategies in order to achieve successful results” (p.3). The project was aimed at SMEs because “micro, small and medium-sized enterprises are socially and economically important in Europe [and] [...] they represent 99% of an estimated 19.3 million enterprises in the EU and provide around 65 million jobs representing two-thirds of all employment” (World Bank statistics, n.d. cited in NPLD2020, 2015, p.9). And therefore, if SMEs want to be successful in establishing a good relationship with their cross border clients or suppliers, the active use of customer’s language can be critical in many specific situations, e.g.:

- undertaking market research, or advertising and launching publicity campaigns abroad;
- managing and training multilingual workforces at home or abroad;
- providing customer care abroad;
- handling local documentation;
- showing respect for cultural differences;
- demonstrating a long- term commitment to a foreign market;
- establishing a positive rapport and sense of trust with company’s major clients, etc. (European Union, 2011, p.5; NPLD2020, 2015, pp.11-12).

In order to promote linguistic diversity in Europe, a lot of issues have to be taken into account at company level, at national level, at regional level and at European level as well, e.g.:

- Businesses should use a wide range of language strategies and revise recruitment policies (more emphasis on individual language competence of employees);
- Governments should include language training into lifelong learning programmes and provide appropriate recognition for language skills in language certificates;
- Regional and local authorities should support cooperation between local business communities and universities and other training institutions which can help enterprises improve their language strategies;
- European institutions should emphasize the importance of languages for competitiveness and gather information about different community programmes which support languages for business as well as information about good examples of projects (European Communities, 2008).

As for businesses, they should implement language management strategies into their day to day practices to be more competitive globally. According to the results of case studies undertaken by the European Commission (2011b), the best multilingual business strategies used by SMEs, global companies and pan-European companies can be divided into three main categories: (1) *staff and strategic issues* – recruiting multilingual staff; hiring local staff; multilingual business meetings and corporate languages; etc.; (2) *language management and learning* – use of language resources; corporate language training and learning; assistance from external companies with translation and interpretation; etc. and (3) *ICT and multilingual communication* – multilingual internet and intranet websites; integration of multilingual online devices; etc. Similar language management strategies were also identified by NPLD2020 (2015): native-speaker recruitment; language training; cultural training; high-quality interpretation and translation; use of local agents; use of linguistic audits; link with local universities; multilingual internet website; multilingual intranet devices; e-commerce involving multilingual operations; translation of promotional, sales and other technical material; etc. In short, multilingual business practices take place at different levels in organizations and are closely related to specific activities of individual corporate departments. On the one hand, companies should invest into appropriate language management strategies in order to become more competitive, e.g. they can organize language training for their staff, but on the other hand, they also have to motivate their employees to learn foreign languages. There are several methods how employees can be motivated, e.g.:

- language training for staff within the premises of companies paid by companies;

- bonuses for active knowledge of three foreign languages;
- cooperation on international projects;
- staff mobility;
- organizing language courses during working hours;
- organizing educational courses;
- providing employees with money for buying study materials; etc. (Schöne, 2013).

As mentioned above, language management strategies of companies should be supported by businesses themselves, but also by governments, regional and local authorities, and by European institutions. There are several examples of projects aimed at improvement of language skills of employees. One of them is the project “*Jasne- Alles Klar!*” (01.2014 - 03.2016) whose main participants were the companies operating in automobile industry, their suppliers and companies dealing with logistics and transportation. Firstly, the requirements of selected companies were gathered in order to identify their language needs (e.g. which situations the companies use the language in; what the companies take into account when assessing language skills and if the companies support language training of their employees). Secondly, profiles of language competences for heads of financial and other departments, main constructors, engine drivers and long distance drivers were identified and finally, learning modules in German, Polish, Czech and Slovak were designed (Programm für lebenslanges Lernen, n.d.). The findings of the questionnaire, which was also distributed to target companies, revealed that in the region Poland – Germany – the Czech Republic – Austria – Slovakia, German is used together with English in everyday business communication. It is also surprising that in Germany, employees with language skills in Polish are demanded. But on the other hand, only a few German companies reported their need for Czech and Slovak (Schöne, 2013).

In November 2017, a survey was conducted by the authors of the article. Its main aim was to find out how the students of the Slovak University of Agriculture in Nitra (SUA in Nitra) perceive the necessity of active knowledge of foreign languages in a business context. The survey was undertaken in order to complement the findings of the survey on language skills needs of Slovak small, medium-sized and large enterprises (Holúbeková & Fördösová, 2017).

## 2 Data and methods

The main tool used for collecting information about the students’ opinion on the use of foreign languages in a business context was an anonymous questionnaire.

The questionnaire was sent online to 60 students of the Slovak University of Agriculture in Nitra, who, at the time of the survey – November 2017, studied Russian at the Department of Languages. 42 students (60% of the total sample) completed its 14 close-ended questions. Questions 1-7 were aimed at respondents' background and Questions 8-14 were focused on determining the students' opinion on the use of foreign languages in a business context. We were interested in the following pieces of information:

- if students think that knowledge of foreign languages is crucial for enterprises because of their overall performance and better competitiveness in the global market;
- if they think that English is a lingua franca in the world of international trade;
- if they think that it is necessary for enterprises to use not only English but also other world languages to become more successful internationally;
- if they think that it is necessary to use regional and minority languages in day to day business communication especially when communicating with foreign clients and suppliers;
- which language strategies should be used by enterprises in order to become more competitive in the international market;
- if they agree with the claim that active knowledge of foreign languages can prevent enterprises from financial losses;
- which types of motivation should be used by enterprises to encourage their staff to learn a foreign language/foreign languages.

The obtained data were further statistically processed.

### **3 Results and discussion**

The respondents of the questionnaire were 42 students of the Slovak University of Agriculture in Nitra. Within Question 1, they had to mark which secondary school they attended. The results are as follows:

- a) Grammar School – 32.6%;
- b) Business Academy – 18.6%;
- c) Secondary Technical School – 11.6%;
- d) Secondary School of Electrical Engineering – 9.3%;
- e) Hotel Academy – 7%;
- f) Secondary School of Civil Engineering – 7%;
- g) Others – 13.9%.

Across the sample of 42 respondents, at the time of the survey – November 2017, 83.2% of them were the students of the Bachelor's Degree programmes

and 16.7% of them were the students of the Master's Degree programmes at the University.

Question 3 was aimed at finding out which faculty of the SUA in Nitra the respondents studied at. The following results were recorded:

- a) Technical Faculty – 57.1%;
- b) Faculty of Economics and Management – 23.8%;
- c) Faculty of European Studies and Regional Development – 7.1%;
- d) Faculty of Biotechnology and Food Sciences – 7.1%;
- e) Faculty of Agrobiology and Food Resources – 4.8%;
- f) Faculty of Horticulture and Landscape Engineering – 0%.

It is worth reporting that 64.3% of the respondents had been studying Russian for 1-2 years, 16.7% for 5-6 years, 11.9% for 3-4 years and 7.1% for more than 7 years.

Apart from the Russian language, the respondents claimed that they can also speak the following languages:

- a) English – 92.9%;
- b) German – 28.6%;
- c) French – 4.8%;
- d) Spanish – 4.8%;
- e) Italian – 2.4%;
- f) Chinese – 2.4%;
- g) Others – 7.1%.

The responses to Question 6 show that in the future, the respondents would like to work for the following sectors of economy (written according to students' preferences):

- a) Tertiary sector – 34.8%;
- b) Secondary sector – 28.3%;
- c) Quaternary sector – 26.1%;
- d) Primary sector – 10.9%.

As for the size of the enterprise, the respondents would like to work for a small enterprise (42.6% of our respondents), a medium-sized enterprise (25.5% of our respondents) and a large enterprise (25.5% of our respondents).

All the respondents think that active knowledge of foreign languages is crucial for companies because of their overall performance and better competitiveness in the global market.

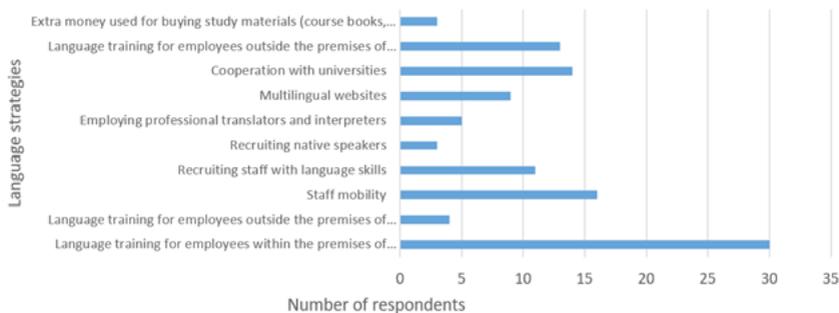
On average 81% of the respondents in the sample believe that English is a lingua franca in the world of the international trade but 16.7% of them disagree with

the statement that English is the main language used in the international market and only 2.4% of our respondents do not know.

On the other hand, a significant percentage of respondents, 73.8% of the total sample, admit that for companies, it is necessary to use other world languages in order to be successful on the international scene. Active use of other world languages in foreign markets is not important for 11.9% of the students and 14.3% of the respondents do not know if other world languages are significantly important for doing business internationally.

As for regional and minority languages, 48.8% of the respondents claim that the ability to speak them can be a sign of companies' willingness to trade directly in another country and knowing the language spoken there can be the first step in opening up a new, and very often unknown, market. But 32.6% of the students have not answered the question and 18.6% of them do not realize the advantage of speaking regional and minority languages when trading with foreign markets.

**Figure 1 Language strategies**



Source: Own processing, 2018.

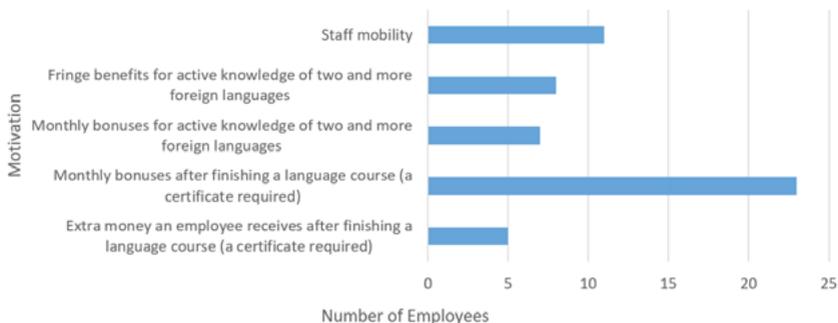
Figure 1 shows that main language strategies which should, according to the respondents, be used by companies in order to become more competitive in the international market are (written in the order of importance):

- a) Language training for employees within the premises of companies (paid by companies) – 71.4%;
- b) Staff mobility – 38.1%;
- c) Cooperation with universities – 33.3%;
- d) Language training for employees outside the premises of companies (language courses organized by language schools and paid by companies) – 31%;
- e) Recruiting staff with language skills – 26.2%;
- f) Multilingual websites – 21.4%;
- g) Employing professional translators and interpreters – 11.9%;

- h) Language training for employees outside the premises of companies (paid by employees) – 9.5%;
- i) Recruiting native speakers – 7.1%;
- j) Extra money used for buying study materials (course books, dictionaries, on-line courses, etc.) – 7.1%.

The large majority of our respondents (71.4% across the sample) agree that active knowledge of foreign languages can prevent companies from financial losses. Only a small percentage of those questioned (4.8%) believe that the lack of language skills cannot influence companies' financial situation and 23.8% of the respondents do not know if companies' losses and the lack of language skills are really interconnected.

Figure 2 **Motivation**



Source: Own processing, 2018.

Figure 2 shows that, according to the respondents, the following types of motivation should be used to encourage staff to learn a foreign language (written in the order of importance):

- a) Monthly bonuses after finishing a language course (a certificate required) – 42.6%;
- b) Staff mobility – 20.4% of respondents;
- c) Fringe benefits for active knowledge of two and more foreign languages – 14.8%;
- d) Monthly bonuses for active knowledge of two and more foreign languages – 13%;
- e) Extra money an employee receives after finishing a language course (a certificate required) – 9.3%.

### 3 Conclusion

To sum it up, languages play an important role in everyday business activities of companies. Knowledge of foreign languages can lead to their successful performance in international markets and increased competitiveness because multilingual companies have a comparative advantage when selling their products and services abroad. Apart from English, which is still a lingua franca of global trade, other world languages (German, Spanish, Russian, etc.) and regional and minority languages (e.g. Basque, Catalan or Welsh) are used by companies when communicating with suppliers, customers or foreign subsidiaries. In order to increase their multilingualism, enterprises try to include different language management strategies into their business practices, e.g. language training for employees, hiring staff with language skills, hiring native speakers, multilingual internet and intranet websites, cooperation with universities, etc.

A survey was conducted by the authors of the article in order to find out how the students of the Slovak University of Agriculture in Nitra are familiar with the issue of languages in the business environment. From the results gathered in the survey, it can be concluded that all the respondents think that knowledge of foreign languages is important for companies in today's global world. According to the findings of the ELAN study (European Commission, 2006) and the PIMLICO case studies (European Commission, 2001a), English is considered to be a lingua franca in the business environment. But on the other hand, their results confirm the fact that active knowledge of other world languages, regional and minority languages is similarly crucial for companies' successful performance abroad. Also participants of our survey (81% of our respondents) believe that English is still a lingua franca of international trade but, at the same time, they are aware of the necessity to employ language skills in other world languages (73.8% of our respondents) and regional and minority languages (48.8% of our respondents) into everyday business life.

Our findings also show that following language management strategies should be employed by enterprises in order to improve their multilingual business practices: language training for employees within the premises of companies paid by companies (71.4% of our respondents); staff mobility (38.1% of our respondents); cooperation with universities (33.3% of our respondents); language courses for employees organized by language schools outside the premises and paid by companies (31% of our respondents); recruiting staff with language skills (26.2% of our respondents), etc. The results of the studies undertaken by the European Commission (2011b) and NPLD2020 (2015) also put emphasis on the fact that

using different language management strategies can help companies achieve better access to foreign markets.

On the other hand, enterprises should use different ways of motivating their employees to make them learn foreign languages (Schöne, 2013). The main ones, according to the participants of our survey, are: monthly bonuses after finishing a language course (42.6% of our respondents); staff mobility (20.4% of our respondents); fringe benefits for active knowledge of two and more foreign languages (14.8% of our respondents); monthly bonuses for active knowledge of two and more foreign languages (13% of our respondents) or extra money an employee receives after finishing a language course (9.3% of our respondents).

To conclude, according to surveys and studies mentioned in the article as well as according to the participants of our survey, multilingual competence of enterprises (and especially SMEs) is important for them because those companies which invest into appropriate language management strategies are more likely to perform properly in the international market. Therefore, a further survey investigating the relationship between language management skills and performance of (Slovak) SMEs in the international market is needed and will be conducted by the authors of the article in the future.

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