FOREIGN LANGUAGE SKILLS: A CHALLENGE FOR THE ECONOMY

Ana Maria Costa, Ana Maria Oliveira, Fátima Susana Amante, Isabel Oliveira, José Luís Abrantes, Maria Lúcia de Jesus Pato, Odete Amaral, Susana Fidalgo, Véronique Delplancq

Polytechnic Institute of Viseu (PORTUGAL)

Abstract

Awareness of the fact that multilingualism opens doors to new markets and new business opportunities is not an original phenomenon, but the various works produced with a view to its being acknowledged are still little publicized and granted little practical use also. Showing mastery of communicative skills in several foreign languages is always valuable for the market economy, not only in terms of sales and marketing, but also in order to reach new target groups and establish lasting strategic relationships.

The purpose of this article is to provide a general overview of the studies carried out in this context, focusing in particular on aspects such as the increasingly obvious relationship between in force language practices of a diversified nature and the proper functioning of businesses. Equally important is the mastery of language skills, seen as an important driving force of cross-border cooperation, as well as the development of an emotional culture within the business world, propitious to the implementation of efficient language management strategies, which are clearly beneficial inasmuch as the market economy is concerned.

Keywords: internationalization, multilingualism, communicative competence, market economy, businesses, competitiveness, potential customers/partners.

1 INTRODUCTION

In 2003, the Commission's *Green Paper on Entrepreneurship in Europe* warned of the demand that gaps be filled, which prevent the labour market from being sufficiently flexible, namely due to the lack of incentive likely to ensure formal or informal training of its employees. One of the barriers preventing the exploration of opportunities at international level, as well as the possibility of responding more effectively to the challenges from competitors, is precisely the linguistic issue.

Within the scope of the *Strategic Framework for Multilingualism* (2005), the Commission of the European Communities in its *Address to Parliament and the Council* underlined the need for companies to have communication skills in the languages of the European Union (EU) but also in the languages of partners around the world.

A workforce with practice-oriented linguistic and intercultural skills will enable European businesses to compete effectively on the world market (...). Learning just one lingua franca is not enough. The objective of the Commission is an effectively multilingual European society: a society in which the degree of multilingualism increases at a regular pace until each citizen has practical language skills in at least two languages other than the mother tongue. (p.2)

A conclusion from the ELAN report (Hagen, Foreman-Peck, Davila-Philippon, & Nordgren, 2006) points out that the failure to sign business agreements by European companies is owed to the lack of mastery of the languages of their potential/intended customers. English is recognized as the most widely spoken language in the business world; however, businesses/enterprises are aware of the need to use other foreign languages in dialogues with partners/clients, with a positive impact in terms of competitiveness.

In addition to the aforementioned reports, many other studies and reports have been leading up to the same findings: language and intercultural skills make for the difference in a constantly changing era of globalisation, as they place new partners within reach, and allow for a consolidation of the enterprises’ image, making them more competitive.

This connection between mastery of communicative skills in various languages and its influence on the market economy is a well-defined but not yet widely publicised scientific field. In this sense with this article one intends precisely to provide a general perspective of the studies that have been carried
out on this subject, highlighting, concretely aspects such as the increasingly relevant relationship between the implementation of diverse linguistic practices and the efficient functioning of businesses, cross-border cooperation in the field of languages and the development of an emotional culture within companies, allowing for appropriate linguistic management strategies, clearly beneficial in the context of the market economy.

2 METHODOLOGY

Bearing in mind the theoretical nature of the present study, research was undertaken, allowing for thoroughgoing reading and analysis of reports and field studies. The preparation of a data base preceded the article writing activity.

3 LANGUAGE PRACTICES AND BUSINESSES

The current world economic situation forces enterprises to increasingly turn to international markets (exports, imports, investments, technical cooperation, outsourcing, among other constraints). In this context, the use of foreign languages is no longer a 'do-it-yourself', having become a necessity, since language skills create their own markets. Earlier on, in 2003, Steiner showed that almost all the big businesses with world success effectively bound foreign languages up with the various aspects of their strategies of globalisation.

Ensuring that the supply meets the demand must be a shared responsibility among language trainers and labour market professionals. In 2006, the ELAN study (Hagen et al.) found that out of 2000 respondents in 29 countries, more than 1 in 10 small and medium-sized enterprises (SMEs) lost contracts and business opportunities as a result of a lack of linguistic skills, while two out of five expressed a strong interest in getting their employees to acquire such skills. The loss of business is estimated to be between EUR 8 and 13.5 million for 37 SMEs, between EUR 16.5 million and EUR 25.3 million for 54 enterprises and more than EUR 1 million for 10 other SMEs. According to the authors, this lack of knowledge of foreign languages implied, for example, the inability to respond to requests as diverse as answering the telephone, lack of trust with regard to communicative performance, translation / interpretation errors, inability to take advantage of opportunities, as well as ignorance of other cultures. It should be noted that cultural diversity, seen at regional, national and international levels, still raises other problems such as the consequences of cultural misunderstandings. (Hagen et al., 2006).

The type of business, its origin, its economic size, the type of production concerned and the form of communication chosen are aspects that affect linguistic issues. In this sense, the expression 'language treatment' becomes more encompassing than 'language policy', since it includes all measures pertaining to situations of a linguistic nature, occurring within a firm, as part of its relations with the outside world (Currivand, & Truchot, 2010). The same authors show that, within the scope of an international strategy, a business can be faced with the legal framework of language use or language policy in that country. In this context, they cite several examples: in many countries, as in the case of France, the national language has a privileged status; therefore, the labour code demands the use of French in most situations. An enterprise may also be subject to language conflicts. Take the case of Quebec and Belgium, where it is necessary to know how to manage the question of the different languages spoken and how to decide which language to use in different contexts. A firm based in Catalonia will use Catalan, alongside with Castilian. The social dimension is also extremely important, especially when the use of languages stands as a barrier between managers and employees. Which is more important: the national language or the language of current use in that particular country? Most businesses adopt a language that places them within a global setting. Such is the case of France Télécom, which imposed Orange as its new brand after having taken control of the British enterprise. However, the funds of France Télécom are far from being international: this is called rebranding. Another case worthy of mention is PSA Peugeot Citroën - when a branch was established in Slovakia, the language issue was explicitly dealt with: Peugeot trained 3000 employees with language tools designed in France. These instruments were translated into Slovak at university and installed in technical schools. But all who were in contact with the mother headquarters had to express themselves in French and hold a degree in French. Other foreign languages play an important role - foreign companies based in Switzerland, for example, use English, German, Swiss, German Swiss, Italian and French, and each language serves a specific purpose.
It is true that the English language dominates the international market, with fluency in English being a basic requirement. Nevertheless, the variety used is a simplified version of the standard language (offshore or mid-Atlantic English). It should be noted, however, that most European SMEs acknowledge the more and more widespread use of other languages, in view of the fact that knowing local languages and customs is a fundamental asset towards the establishment of medium term business agreements. There is an increasing interest in the practice of regional languages such as Catalan (Hagen, 2011).

The Pimlico Report (European Commission, 2011), also elaborated within the European community, foresees even other advantages likely to occur when an enterprise has human resources fluent in the language of the potential customer or clients, namely:

Talking to customers in their own language leads to better communication and can prevent misunderstanding. It shows our customers and business partners that we foresee a long-term commitment to their market. Each partner is more confident in business meetings, and ‘speaking the same language’ can save time, allow for a more relaxed meeting and result in better business. (Nikwax Ltd, UK, PIMLICO Study, citado em Hagen, 2011, p 6).

The identification of professional needs and the anticipation of future needs are key issues for all stakeholders in a business (Working group "Languages for Jobs", 2011). Under this assumption, the European Commission coordinated a business platform, between 2011 and 2013, with the purpose of obtaining data for the creation of a Network, with a view to promoting language strategies for competiveness and employment (CELAN). Thus, this Network offers services and tools to help companies identify their linguistic needs and to improve their professional performance by adopting effective language strategies (COTANCE, 2011).

Several studies and reports on the business world have tried to measure the impact of foreign language skills on the turnover of companies. The LEAP project, Observatoire Économie-Langues-Formation (2009), at the University of Geneva, focuses precisely on the economic dimensions of plurilingualism: what is the impact of foreign languages on productivity? How to assess monetarily the influence of plurilingualism on the Swiss economy? This project has led to the conclusion that plurilingualism is vital for any company (not only for the most export-oriented companies). Let us focus, for example, on the purchasing sector, where the use of foreign languages allows us to find other suppliers with a more favourable product offer. Plurilingualism also allows us to measure economic decisions based on linguistic data, in order to better adjust the decisions of companies to the diversity of language parameters - we are referring to questions such as determining the ideal volume of production of goods and services according to the sales language, the ideal profile of the workers according to their linguistic performance, the relation with the purchasing power of the clients, among others (Grin, 2013).

In fact, foreign language skills can contribute significantly to a country's GDP, with multilingualism having a huge influence on economic processes (Grin, Sfreddo, & Vaillancourt, 2012). This is because knowledge of several languages multiplies the number of partners and contributes to economic prosperity (Arcand, 2013). Some challenge to multilingualism stems from the conviction that the choice of a single language is the simplest answer to communication problems. However, the use of a plurilingual repertoire seems to guarantee efficacy and equity in communication between different language groups (Lüdi, 2013).

The articulation between adaptation and standardisation in the negotiations, the mastery of a given market, the organisation of the distribution channels, the impact of the cost-benefit relationship and the personal experiences of managers are some of the factors on which the language policy of companies rely. There is often an inequality between the seller and the buyer. Companies are still more concerned with the sales sector, although a suitable language policy also includes the purchasing sector, which is an important factor in the diversification of possibilities and improvement of the economy (Lavrinc, 2009).

The investment in the language skills of their human resources significantly increases the activity and success of companies, mainly regarding exports. In fact, what distinguishes the companies achieving better results is their appropriate language management strategies, including the use of translators/interpreters and native speakers, and greater overall investment enabling their employees to acquire multilingual skills. In the world of economics and finance, we commonly hear about the gross language effect, that is, the income foregone because of language barriers, especially in the case of international trade (Gerolimich, & Vecchiato (Eds.), 2016).
4 CROSS-BORDER COOPERATION

The lack of knowledge of local languages has increasingly resulted in the loss of markets.

In its recommendations, the Business Forum for Multilingualism (European Commission, 2008) recognises that a significant proportion of European SMEs lose business every year as a direct result of the lack of foreign language skills. English retains its role as the language of world business, but other languages are the ones to make a difference, when quality is at the forefront, and to provide a competitive advantage. With global markets, the integration of multilingual and multicultural workers allows new target groups to be reached and long-term strategic relationships to be established.

The study by Lavric (2009), which focuses on 30 companies from several sectors in Germany, Austria, France and Italy, shows that linguistic issues are paramount in distribution channels. Thus, whether the company contacts the client directly or through a commercial agent working in the foreign market, or the contact is made through the company's subsidiary in that country, the customer should always be approached in his/her native language. According to this study, only two companies survive with the English only strategy; however, they have subsidiary companies abroad for local markets, with workers who speak the local languages. It is clear that the principle of linguistic adaptation (particularly when it comes to the language of the neighbour) is a success factor.

When they want to establish themselves in emerging markets, SMEs realise that using the specific language of the export market favours economic competitiveness (Bel Habib, 2011). The percentage of companies that admit to have lost export contracts because of language barriers is much higher in Sweden, 20%, compared to 4% in Denmark, 8% in Germany and 13% in France. The report from the working group Languages for jobs set up under the European strategic framework for education and training (2011) clearly shows a growing demand for communication skills in foreign languages in the labour market. The reality of companies shows how important it is for the company to have employees who are trained/fluent in several languages. In Austria, for example, companies need German, Russian, and Italian to do their business.

The success of companies is achieved through successful communication and cross-border cooperation. Intercultural misunderstandings are the main obstacles to this cooperation. Companies are fully aware of this reality, but few take the necessary steps to avoid it. Paradoxically, they expect a great deal when it comes to the language skills of their workers (Bolchover, 2012).

In the Communauté économique des Pays des Grands Lacs (East African Community), economic and commercial advantages are associated with the control of regional languages, which are strategic factors from the economic point of view. Its use allows it to operate in and beyond the Community and economic area at stake. According to Nikuze (2013), the linguistic diversity of this region has a real economic value, which requires a reconsideration as to the choice of language policies to be implemented.

In this light, having a list of employees that are fluent in, at least, two foreign languages may be advantageous for companies, as that makes the company more attractive and more competitive in terms of the market economy, as recognised by 90% of the companies participating in the aforementioned CELAN study.

As regards the languages used for the purposes of communication with potential customers, we reiterate that English is the predominant language in 50% of the contexts (Hagen, 2011), despite the fact that other languages have gained prominence, such as Spanish, French, German and even Russian, whose use in Eastern European countries reaches levels very identical to the level of English use. Thus one realizes that other languages appear as equally important in order to increase cross-border trade, because there are territories whose population is refractory to business and community use of the English language. As noted by the German Chancellor Willi Brandt: "If I am selling to you, then I will speak your language, aber wenn du mir etwas verkaufst, dann mußt du Deutsch sprechen (... but if you want to sell me something, then you must speak German)" (Hagen, 2011, p. 7). Also Austria, through its Institut für Bildungsforschung der Wirtschaft, published several reports highlighting the need, in the future, that companies have human resources with skills to communicate in the languages of neighbouring countries, in particular in Italian, Czech and Hungarian, since the knowledge of that/those language (s) will widely benefit trade undertaken by regional cross-border businesses. The report prepared by the Institut für Bildungsforschung der Wirtschaft reminds that for workers who move daily between two neighboring countries, such as Austria and Bratislava, for example, it will also be beneficial to have bilingual or plurilingual speakers in the corporate sector.
It should be noted that, in addition to the European markets, Asian and South American markets are now emerging economies, therefore, it is crucial that companies meet these potential customers' needs, using the languages they are familiar with.

5 THE HUMAN AND ORGANIZATIONAL CULTURE AND ITS EMOTIONAL CHARACTER

An international or multinational company must establish a balance between three kinds of languages: that of each country in which it operates, usually the national language of the country where the company is based, and the English language. The language functions in these languages is highly variable and depends on economic, social, political, ideological factors. A business policy that includes how to practice multilingualism strategy involves a balance between the language(s) of the host country, the language(s) of origin and the English language. Will language help standardize procedures in the company if all actors use the same language? Or will it have the opposite effect, according to the hierarchical level? (Curiqvand, & Truchot, 2010).

Based on ten ethnographic case studies, Duchene and Heller (2012) highlight the evolution of the language-identity relationship: in the past it meant national rights and citizenship, nowadays, it is seen as a source of benefits. If both language and identity focus to promote self-awareness, communication skills and emotional language, a sustainable program, with great scalability and with social impact, will be implemented.

The need to acquire diversified language skills is attributed, in particular, to the fact that speaking the language of the other shows respect and consideration towards the interlocutor. When Mark Zuckerberg, who created Facebook, spoke only in Mandarin to a group of students from Tsinghua University in Beijing, his attitude was very welcome by people in general (Gerolimich, & Vecchiato (eds.), 2016). Studies in cognitive electrophysiology (Zani, & Proverbio (eds.), 2003) show that the brain ‘absorbs’ the mother tongue while it stores visual, acoustic and emotional knowledge. This means that the use of the native language triggers associations which were excluded from the use of second or foreign languages – in fact, the mother tongue is what we use to think, dream and describe our emotions. Therefore, as people feel more comfortable if they can communicate in their native language, if we speak the language of the other, this allows people to establish contacts with greater ease. Consequently, emotions, both positive and negative, are a factor to consider when choosing a language management strategy.

In summary, it was found that multilingualism, even with some imperfections, brings many benefits to the effective functioning of companies. In fact, as companies present at the round table witnessed, instead of limiting the range of languages to just a single working language, knowing the others’ language allows people to better understand the culture of the country they want to work with, create links and promote confidence. By doing this, people manage to obtain more benefits at different levels: better communication within the team creates more effectiveness, access to new markets, but also a reduction in the risk of accidents (Gerolimich, & Vecchiato, (eds.), 2016).

When a company decides to comply to good practices, ethical ones, it must promote a series of actions and languages therefrom arising, considering both its leaders, as well as the business culture and its staff. The character of people is composed of values, virtues and skills. These aspects allow leaders to inspire their teams and to make them loyal. These characteristics also allow managers to be able to make decisions that respect the decision-making process but, at the same time, that make sense for all involved (Palha, 2016). The emotional culture promotes itself through actions that include collaboration, generosity and mutual assistance between teams, instead of competition, sarcastic language and rejection of difference. If the company focuses on promoting a good team spirit, working with people with different characteristics, self-knowledge, communication skills and emotional language, it will be implementing a program with social impact, replicable and sustainable in time, with great scalability.

6 CONCLUSIONS

It is unanimous, among the authors mentioned above, that multilingual practices correlate positively with the economic potential of a country, as they are, from this point of view, an important source of economic prosperity, and may even contribute to change the GDP. In fact, to ensure efficiency and fairness in terms of communicative processes, a multicultural awareness is required. Furthermore, success is, increasingly, related with the need to know the regional languages, and the languages of
customers and of cross-border partners. Although the use of a single language could possibly be foreseen as the simplest answer in the context of a multilingual world, this would neglect the emotional aspects inherent to languages, with the risk of incidental loss of many markets around the world.

In addition to the above arguments, companies that follow appropriate language policies distinguish themselves from the others and increase their competitive potential. In other words, it is always advantageous to address the customers in their native language promoting confidence and ensuring access to new markets, and to profitability.

In summary, the facts and considerations discussed in this paper apply both to large and to SMEs. However, given that SMEs are responsible for 50% of the employment rates in the European Union, it is assumed that if a larger number of SMEs had export success, the impact on the European economy would be significant, which would increase the level of productivity of national economies, as Steiner proposes in his SMEs go global: "It is obvious that languages have become increasingly significant for industry & business during the last decades since entering the new market has always to do with languages" (2003). For the above reasons, the adoption of, at least, one foreign language by enterprises is an important driving force of economic, social and cultural development.

REFERENCES


