

ЕЗИКОВИТЕ КОМПЕТЕНЦИИ – ВАЖЕН ЕЛЕМЕНТ В УПРАВЛЕНИЕТО
НА БИЗНЕСА

LANGUAGE COMPETENCES – AN IMPORTANT ELEMENT IN THE
BUSINESS MANAGEMENT

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Abstract: *For long time now the requirement discipline is not the most important in the selection of staff. Firms are looking for staff with good organizational skills to be professional in terms of what they do. We need excellent knowledge and skills in working with electronic devices, which are part of everyday. It takes skill to handle the speech habits in the field of protocol and label broad general knowledge, good physical training, competence in relation to security measures that must be taken to control the manager and his family. And not enough is the communication in the mother tongue – there are indispensable serious linguistic knowledge of grammar and vocabulary. But such knowledge can be acquired only on the basis of good quality and mastery of the mother tongue. Knowledge of languages and knowledge of the culture of the country whose language is been learned can turn out to be very competitive and decisive force in the increasingly globalized economy.*

Key words: *language competence, manager, staff, language skills*

High technologies create comfort and require involvement of people with skills to handle these technologies. For long time ago now the requirement *discipline* is not the most important in the selection of staff. Firms are looking for staff with good organizational skills to be professional in terms of what they do. Excellent knowledge and skills are needed in working with electronic devices, which are part of the everyday life of the manager - computer, laptop, tablet, phone, camera. From the personnel it is needed to be able to quickly provide the necessary information, to be able to analyze and evaluate, to take timely or offer an adequate solution. For more than three decades we have been living in a time of high aspirations, the high speeds of excellent achievements. As the leadership positions, as well as the ordinary employees, are under an increasing pressure and suffer

from a shortage of time. Both sides more clearly understand the need for support staff - well trained, who professionally and responsibly to take some of the workload and personal commitments of the manager. Shots with professionalism and with good language skills in the labor market are not easily available.

Personal assistants for company directors, executives, representatives of foreign companies in the country have been more often searched. The demand for governesses with competence and foreign languages, for personal drivers for various categories of users of this service also continues. The demand far exceeds the supply. Many are the candidates for these positions, but usually it is extremely difficult to find a suitable person for the advertised position even with the necessary professional training, as well as candidates with good personality, which has the decisive role. It takes skill to handle the speech habits in the field of protocol and label, broad general knowledge, good physical training, competence in relation to security measures that must be taken to control also the manager`s family. And not enough is the communication in the mother tongue – there are indispensable serious linguistic knowledge of grammar and vocabulary. But such knowledge can be acquired only on the basis of good quality and mastery of the mother tongue. According to the Norwegian Lars-Carr Legernes, "Knowledge of languages other than their mother tongue becomes more important in an increasingly globalized world. This is vital, as solid language skills are regarded as strategic and more valuable resource for competitiveness in business. Knowledge of languages and knowledge of the culture of the country whose language is being learned, can turn out to be very competitive and decisive force in the increasingly globalized economy."¹.

The language, if not the most important obstacle in intercultural communication, is perhaps the most obvious obstacle to effective international business communication². For this it is necessary to discuss the importance of language skills in multinational companies (MNCs) and the way in which these competencies are managed. It is necessary a review of earlier studies and theories to be conducted that would help to assess the importance of language skills in the MNC and why such skills can be

¹ Lars-Kåre Legernes, Managing Director of Oslo Chamber of Commerce and the only Norwegian representative in Commissioner Leonard Orban's Business Forum for Multilingualism

² Victor, D., International Business Communication, Harper- Collins Publishers Inc, 1992

considered as an important element of business strategy, confirming the discourse of language - a forgotten but extremely important factor in the management of multinational companies³. An earlier research and studies show that lack of competence in the language can lead to inefficiencies in the business of the firms and thus the missing communication skills would have a negative impact on corporate profits⁴. Is it an enough priority the importance of language skills in international business and is a management concept of language needed to enable additional language to be perceived as a source of competitive advantage. This is precisely the idea of this report, to realize whether language skills are considered a source of competitive advantage in the activities of the companies. Another perspective is to examine how globalization affects businesses influence the need to manage the language and its role in the cultural diversity. An important question is whether the companies develop policies and practices in support of their perceived linguistic assets. For this purpose there are presented and discussed in the EU policies with respect to the need for language skills. The language has been discussed in terms of its role in MNCs and it is important to realize what is actually meant by the concept of language. It is necessary to highlight the relationship between language and culture in terms of how language can be a carrier of culture. It needs to prove that cultural adaptability can help to reduce uncertainty and thus have a beneficial effect on the lowest level in the business hierarchy. Not to be missed also the role of the English as the global *lingua franca*.

The importance of languages in business is increasing, due to globalization, and therefore a multinational company by definition can be considered a multilingual organization.

One consequence of the globalization of the economy is that employees have to work in a multicultural environment. Language skills, obviously, are essential to enable communication between speakers of different mother tongues. In the international business surely there is not any other element that is often defined as a "barrier to effective communication," as the differences in language are. The language is not always the only obstacle in communication, as well as a major obstacle to international cultural and business meetings. Although this is an important

³ Marschan, R., D. Welch, L. Welch, Language: The forgotten factor in multinational management, *European Management Journal*, vol. 15/ 5, 1997, pp. 591-598

⁴ Hellekjær, G. O., The Use of and Need for Foreign Language Skills in 24 Norwegian Export Firms: A Survey *Språk og Språkundervisning* (1), 1991, pp. 21 - 44

and necessary element in international business communication. The language is a serious obstacle in domestic and international business in various cultures because it is "fundamental."⁵ According to Victor, without a common language in the best case the direct communication is being filtered and in the worst - does not take place at all.

The choice of a company on the use of the language in its activity affects all the aspects of business communication. If at its` management a foreign subsidiary uses to the highest extent the main language of their workforce – the staff, his effectiveness in training and motivation can increase the competitive advantage of the company. Using the language of the host country "means respect and largely trust that will never be available to the businessman or business partner who does not speak any language."⁶.

According to one study, which involved a large number of companies performing various types of business, /around 2000/, connected with the question of whether a company capabilities would lose the possibility of signing an export contract due to lack of language skills, the results show that a significant part of the business has been lost as a result of lack of language skills of staff.

From the sample mentioned above only 11% of the respondents have lost actual or potential export contracts as a direct result of lack of language skills. At least 10% lost 1 million euro. The losses registered also more than ¼ of the Turkish export companies, followed by Romania - 25% and 4 companies from the Scandinavian countries - Finland, Iceland, Sweden, Denmark, where at least 1 in 5 companies have stated actual or potential losses. Further research indicates that there is a significant number of companies in which over 11% of respondents said they actually lost actual or potential contracts in countries such as Norway, Spain, Czech Republic, France, Netherlands. Together, they make up a total potential loss to the economy of the European Union. The actual size of total losses among the 11% of the respondents who missed contracts potentially or actually amounted to between 8, 100, 015 and 13, 500, 004 euro. Only the potential losses are between 16 44,026 and 25, 300,010 euro. (see Table 1).

⁵ Victor, D., *International Business Communication*, Harper-Collins Publishers Inc, 1992

⁶ Victor, D., *International Business Communication*, Harper-Collins Publishers Inc, 1992

Table1. Actual and potential losses due to lack of language skills

| Actual/Potential | Estimated losses | n | % |
|-------------------------|-------------------------|----------|----------|
| Actual | More than 1 million € | 4 | 4 |
| Actual | 0.5 - 1-million € | 2 | 2 |
| Actual | 100 000 - 0.5 million € | 11 | 12 |
| Actual | less than 100 000 € | 4 | 22 |
| Potential | over 1 million € | 10 | 11 |
| Potential | 0.5 - 1-million € | 5 | 5 |
| Potential | 100 000 - 0.5 mln € | 16 | 8 |
| Potential | less than 100 000 € | 23 | 25 |
| Total | | 91 | 100 |

Source: SNF Report No. 21/09, Language management-in multinational companies by Sigrid Louise Gundersen, 18.3.1.

Table 2. 10 language situations that companies blamed for the unrealized export contracts

| Language situations | % |
|----------------------------|----------|
| English in Negotiations | 11 |
| German in Correspondence | 11 |
| English in Correspondence | 8 |
| French in Negotiations | 8 |
| French in Correspondence | 7 |
| German in Negotiations | 5 |
| French in Exhibitions | 3 |
| Italian in Negotiations | 3 |
| Russian in Negotiations | 3 |
| Chinese in Negotiations | 3 |
| Other Language-Situation | 38 |

Source: SNF Report No. 21/09, Language management-in multinational companies by Sigrid Louise Gundersen, p. 18

The Table below (Table 2) shows the most common foreign language situations in which the twelve subgroups of the total sample of SMEs declared missed opportunities to contract for export. Lack of English language skills to negotiate (11%) is the most common situation referred to

by the companies as a cause of lost export contracts, followed by German correspondence (11%), English for correspondence (8%) and French in negotiations (8%).

The study participants were interviewed also about the specific reasons, according to them, which led to actual and potential losses. The main reasons highlighted the lack of language skills of the staff, followed by a lack of for further action and a lack of trust. Then follow the difficulties associated with communicating with agents and corporate distributors. In some companies the lack of general knowledge of the staff is also presented as the main reason (see Table 3).

Table 3. The reason given by companies that have actual/or estimated losses due to lack of language skills

| Reasons | n | % |
|--|----------|----------|
| Lack of staff speaking languages | 117 | 63 |
| untracked quotes | 19 | 10 |
| Lack of confidence | 15 | 8 |
| Phone/problems with the technique | 8 | 4 |
| Problems with agents/distributors | 8 | 4 |
| Errors in translation/interpreting | 7 | 4 |
| Inability to take advantage of the opportunities | 5 | 3 |
| Exhibitions/fairs | 4 | 2 |
| Lack of interest in culture and general culture | 2 | 1 |
| Total | 185 | 100 |

Source: <http://ec.europa.eu/languages/policy/strategic-framework>

Besides compiled statistics there have been collected many examples of good practice, showing the evaluation of language skills and their application in various sectors of industry and EU member states.

Studies related to the dynamic development of the small businesses suggest that, in general, SMEs are less productive than the large companies. Research also shows, though, that SMEs engaged in export are more productive than those who do not export and that there is often a hidden bonus for exporting companies through exposure to the increased technical know-how, the understanding of the market and the cost or effective savings.

Given that SMEs represent more than fifty per cent of the employment in the European Union, it turns out that if a larger number of

small and medium-sized enterprises make a successful export, and if those currently exported expand their markets, this would have a significant impact on the European economy, and there would be significant additional benefits. Here is the crucial role of languages because 'Languages make it possible to obtain better information about the business environment and new ideas into production, raw materials, marketing and sales channels.'⁷ Investing in language skills is one of the fixed costs of its exports to certain countries.

In his book 'English-only Europe?', R. Phillipson formulates 10 statements on the need for knowledge of languages and answers the question "Why are so important the languages?"⁸.

1. Languages are the storehouses of human experience.
2. Identification with a language is central to human culture.
3. Laws, agreements and negotiations depend on the linguistic accuracy in the translation.
4. Many terms mean something different in different cultures and languages.
5. Most people are better at expressing their thoughts in their mother tongue.
6. Native speakers or bearers of a language have obvious advantages over non-native speakers.
7. The idea that English is a neutral language is false.
8. Translation and interpretation are vital, but can be partially successful.
9. In the knowledge the society must be built on multilingual diversity.
10. Education, public and private matters can be achieved better with the use of more than one language.
11. Most people in the world work with more than one language.
12. Language rights are important because knowledge language means strength.
13. Globalization and technology may promote or eliminate the use of certain languages.

Numerous studies show that English is seen as the main language for gaining access to export markets and its continuing use it a lingua franca.

⁷ <http://ec.europa.eu/languages/policy/strategic-framework>

⁸ Phillipson, R., *English-only Europe?*, Routledge, London, 2003

Given the analyzes carried out as a result of comments from individual respondents from different companies in the EU, the picture turns out to be much more complicated than the fact that English has established itself as a world language. Remarkable was the sharp reaction against the Russian language in the countries from the former Soviet bloc at the end of last century, which yet did not lead to its rejection. Along with German and Polish, Russian language continues to be widely used in Eastern Europe as a lingua franca. French is used to trade with partners in different regions of Africa, like the Spanish in Latin America. Individual respondents argue that English is necessary for initial entry into the market, but, as regards the long-term partnership in business, depending on relationship building and good governance the cultural and linguistic knowledge of the target concerning state business are essential⁹.

Actually evident is the widespread use of the English language and it is not just for the English speaking world. The mission of the activities related to language skills should be concentrated on people, "their ability to use several languages, their opportunity to access culture and participate as active citizens, to benefit from better communication, inclusiveness and wider job opportunities and business."¹⁰ To raise the awareness on the assessment and possibilities for linguistic diversity in EU business and to promote removal of barriers to intercultural dialogue is the main goal, which was highlighted at the Conference in Barcelona - communication and fluency in mother tongue plus two languages. To achieve this goal the efforts of all citizens are required. On the conference there was also underlined the potential of still untapped linguistic resources in our society regarding different mother tongues and other languages spoken – a needed inclusive approach aimed at widening the scope of multilingualism in order to social cohesion and prosperity, to promote the successful development of companies for a competitive business and trade.

"The linguistic diversity is a challenge for Europe, but, in our opinion, deserving thanks and praise task," concludes Amin Maalouf from the group of intellectuals for intercultural dialogue¹¹. In the conclusions of the Council meeting in Brussels, it is said that "foreign language skills, not only helping to foster mutual understanding between peoples, but are a prerequisite for a

⁹ Feely, A.J., Winslow, D., Talking Sense - A research study of language skills, management in major companies, CILT, National Centre for Languages (UK), 2005

¹⁰ Gundersen, Sigrid Louise, SNF Report N21/09, COM, 2008:5

¹¹ Amin Maalouf, member of The Group of Intellectuals for Intercultural Dialogue, COM, 2008:3

mobile workforce and contribute to the competitiveness of companies in the European Union economy."¹².

Good language skills are an asset not only in sales, contracting, marketing. They are necessary in all commercial activities. All companies, realizing export communicate with different suppliers of services and raw materials. Each working force, i.e. staff must become multicultural and needs an appropriate language training in their company, which would help the company to go far in their development well, providing it a competitive advantage. The language resources are available, but often remains hidden among the staff and ways must be found of using it.¹³ Investment in language training are of the interest of each company, which with the help of national, regional and local government bodies may provide assistance for better business - environment by funding language courses or by the use of appropriate methods to improve language skills.

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¹² Education, Youth and Culture Council Conclusions on Multilingualism, Brussels 22.05.2008, SNF Reprt N^o 21/09, p. 26

¹³ Gundersen, Sigrid Louise COM, SNF Report N21/09, 2008:8

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