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Language management

–in multinational companies

by

Sigrid Louise Gundersen

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The lack of foreign language competencies among Norwegian businesses is worrying. I believe that a strategic approach to handling language related issues in companies, like the language management model depicted in this paper, could be a step in the right direction to create a multilingual business environment',

Director General for the Norwegian Association of Local and Regional Authorities (KS) and former Director for Labour Policy in the Confederation of Norwegian Enterprise (NHO),

Sigrun Vågeng

'The knowledge of other languages besides the mother tongue is increasingly important in a more and more globalised world. It is of vital importance that solid language skills are seen as a strategic and increasingly valuable resource to build business competitiveness. I hope this paper will be read in many boardrooms since fluency in languages and culture knowledge can be a very competitive and differential force in an increasingly globalised economy',

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

Lars-Kåre Legernes

'In my 2007 report Fremmedspråk i Norsk Næringsliv - engelsk er ikke nok! I argue that Norwegian businesses need to take their staffs' proficiency in English and other foreign languages far more seriously. It was therefore with great pleasure I received a copy of Sigrid Louise Gundersen's Master's thesis on the importance of foreign language skills as a competitive advantage in business, "Language management – in multinational companies", from the Norwegian School of Economics and Business Administration',

Associate Professor, University of Oslo,

Dr. Glenn Ole Hellekjær

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I thank Glenn Ole Hellekjær for the survey report that inspired my work.

Many thanks also to CILT, The National Centre for Languages (UK), not only for having issued some of the most important references used in this paper, but also for giving me inspiration with their vision of 'a society in which everyone recognises the value of languages and intercultural relationships and is able to use more than one language'.

A special thanks to my former fellow student both in Norway and Belgium, Antoine Philippart, for his many comments, motivation and invaluable support.

- Finally, I would like to express my gratitude to my family for their understanding, support and endless love through the duration of my studies.

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Foreword

Strategic language management is an area of business that has not yet obtained legitimacy like other areas within the field of management research. My contribution to the area may be modest with this thesis, but I believe that existing knowledge is illuminated in a new and hopefully revealing way. I discuss, for example, how companies may get inspiration from how issues on multilingualism are being managed in the EU.

Through the work with the distribution of the Language Management survey, I talked with many people who did not recognize the importance of language related issues. Unfortunately, not all of them took the time to respond to my survey, but they helped me understand that attitudes need to be changed before the benefits of language management can be fully exploited in multinational business. It should be noted that the Language Management survey was held in subsidiary offices of firms that have their head offices in Norway and that the results might have been different if the survey was undertaken in Norway and not in Belgium. However, as previous pan-European surveys are extensively used throughout this thesis, I believe that the picture that is given is a realistic one.

Frequently used abbreviations

BCC: British Chambers of Commerce

CILT: The National Centre for Languages –the UK Government’s recognised centre of expertise on languages.

COM*: Communication from the European Commission

EFL: English as a Foreign Language

ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise (Survey commissioned by the European Commission and conducted by CILT, 2006).

ELP: The European Language Portfolio

FIN*: Foreign Languages in Norwegian Business: English is not enough! (Survey report, Hellekjær, 2007)

LM: Language Management

**My abbreviation*

Section 1: Introduction

Language, if not the most important hurdle in cross-cultural communication, is probably the most obvious impediment to efficient international business communication (Victor, 1992). The main objective of this thesis is to discuss the importance of language competencies in multinational companies (MNCs) and how such competencies are being managed. An examination of previous research and theories will help assessing the significance of language skills in MNCs and why such competencies might be considered as an important element of a company's business strategy, conformingly to the discourse in 'Language: The forgotten factor in multinational management' (Marschan et al., 1997).

It is argued previous surveys and research that competency gaps with regards to languages lead to ineffectiveness in companies and that lacking communication skills thus have a negative effect on company profits (Hellekjær, 2007 and CILT, 2006). I will discuss whether language skills are sufficiently prioritized in international business. I will further present the concept of language management and examine how active language management can be perceived as a source of competitive advantage. This topic will be approached in light of the survey, to look at whether language competencies are considered to be a source of competitive advantage by language responsive firms. Another focal point is how globalization of business increases the need for language management and the role played by cultural diversity. The question whether the companies have policies and practises supporting their perception of language assets will also be addressed. Throughout the paper, EU language policies will be presented and discussed with the aim of getting a better understanding of Norway's position in Europe as a whole and as a non-member of the EU.

As language management is a relatively new area within management research, three sections of this thesis are devoted to discuss what underlies the concept. These are the background section (2), the section on EU multilingual policies (3) and the section on strategic language management (4). The importance of language in business will be discussed and a model for analysis and the Language Management Model will be outlined based on this discussion. The subsequent section (5) is devoted to methodology for the

survey. Thereafter follows a chapter on the context of the survey (6), followed by the findings' section (7). Here, the empirical findings are presented within the framework of the Language Management model, and in comparison with existing research. The discussion and conclusions are to be found in section 8, followed by subsequent parts for limitation, references and appendices.

1.1 What is strategic language management?

Language Management is defined as 'the extent to which the company is able to satisfy its language needs through prudent deployment of a variety of language management tools including for example language training and expatriation' (Feely and Winslow, 2005 in CILT, 2006:13).

1.1.1 The Language Management Model

All employees carry with them 'cultural baggage' from their ethnic, cultural and linguistic origins. A multinational company encompasses competencies related to this diversity. The question is thus whether or not the managers are aware of the value that such competencies represent and whether they have strategies for leveraging them.

Language management is a new domain within the fields of international strategy and management. However, the interest around the topic seems to be increasing among researchers. There are several reasons for the enhanced recognition of the value of language in business. For example, language can often be seen as the verbalization of culture, and thus to a person's way of thinking. Even though language skills in themselves are not an intrinsic goal for international business, they constitute an indispensable tool for communication and also a key to fundamental understanding of other people's ways of thinking and expressing themselves. Without a common language, two parties will at best have huge difficulties in doing business together. The use of intermediaries can enable foreign business partners to close deals, but the risks are many. For what is the role of the intermediary? Is the interpreter a local? Does he or she transmit the whole truth about the deal to both of the two parties? What about his or her awareness about the way of doing

business with the foreign company's national culture? The chances are gloomy for closing a good deal without being able to understand the other party. I will argue in this paper that language skills are of considerable value in multinational business, and even more so if recognized by managers and approached strategically.

The linguistic diversity in an MNC varies greatly, as do the *need* for language skills. In some MNCs, international activities are limited to a few departments, but for others, all departments are dependent on frequent contact with foreign subsidiaries, partners or suppliers. For a language management strategy to be viable, language screening is essential. By screening and mapping out the language skills of the employees, and by making a data base with the results, the employer will be able, at all times, to locate where and how to access current employees' language competencies. By screening and assessing the language requirements of stakeholders like clients and suppliers, the company can get an overview of which languages are the most important and whether or not a stakeholder's language requirement is important to meet. By comparing the internal assessment with the external requirements, the language competency gap can be elaborated. Consequently, the gap can be bridged by introducing strategic language management. Some examples are the hiring of people competent in languages important to the operations (selective recruitment) and the introduction of long-term language training schemes.

The model below illustrates the composition of and the prerequisites for language management. Each of the variables will be actively used in the discussion throughout the paper, to provide evidence for the importance of language management and to discuss potential effects on the company's competitive advantage.

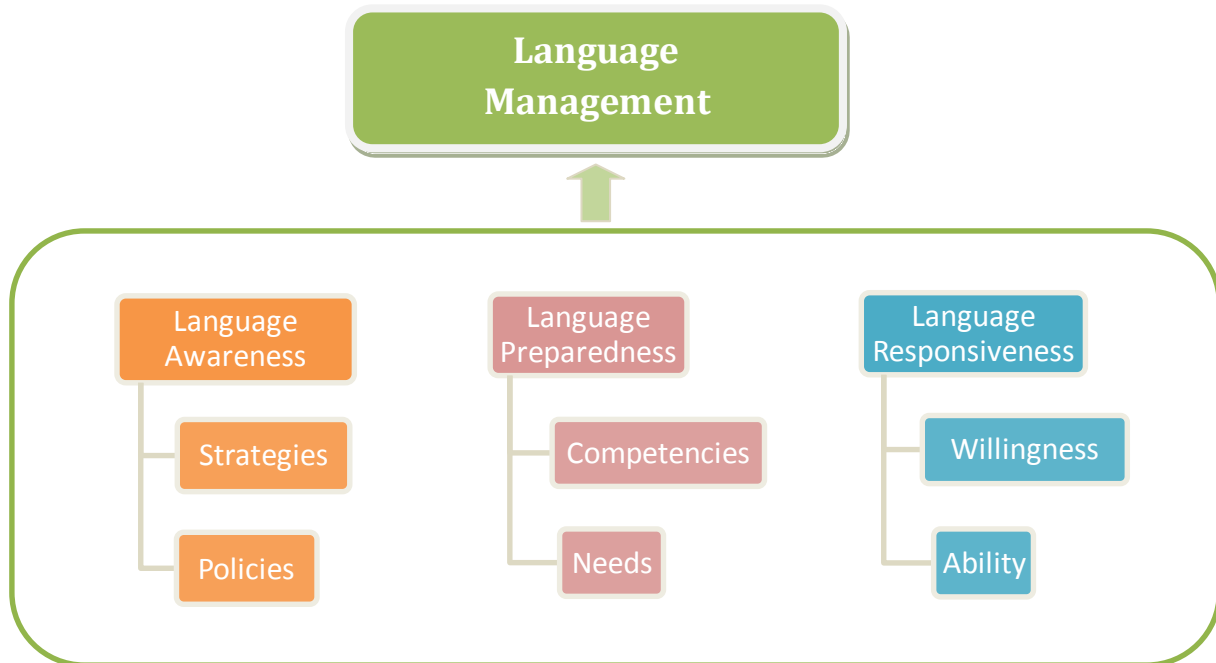


Figure 1: The Language Management Model

In short; to ensure proper and well-functioning language management, the requirements of willingness, ability, competencies, need, strategies and policies to respond to stakeholders' language needs should be fulfilled.

Language Management (LM) is, as already mentioned, 'the extent to which the company is able to satisfy its language needs through cautious deployment of a variety of language management tools including for example language training and expatriation' (Feely and Winslow, 2005).¹ While Feely and Winslow (2005) discuss LM as a fourth factor in line with language responsiveness, preparedness and awareness, my understanding and usage of the term is somewhat different. I see language management not only as the collection of practical tools for dealing with language issues, but also as the overarching notion embracing the three other factors, as shown in the model above.

As seen from the model, language management is determined by three major factors: language responsiveness, language preparedness and language awareness. These factors are described and analyzed in the Talking Sense survey report (Feely and Winslow, 2005). *Language Responsiveness* is the willingness and ability of the company to accommodate to the language needs of their international partners.

Language Preparedness is the level of language competence possessed by the company expressed against current and anticipated needs.

¹ Complete list to be found in appendix I.

Language Awareness is the extent to which language issues are embedded into the strategies and policies of the company. The assumption is that a language aware company would explicitly question the availability of adequate language skills, conduct periodic assessments of language skills against needs, and maintain an inventory of in-house language skills.

Indirectly, these factors are also being explored in the ELAN and FiN surveys. These two survey reports will play a central role in the discussion. 'Foreign Languages in Norwegian Business: English is not enough!' (Hellekjær, 2007) will hereafter be referred to as FiN and 'ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise' (CILT, 2006) will be referred to as ELAN. Together with more theoretical articles, previous empirical research from these surveys will serve to give a nuanced picture of language management and the current language situation in European and Norwegian business. The survey of Norwegian companies in Belgium will contribute to further illuminate the situation of language management in Norwegian companies abroad. Belgium, with its interesting language situation and as host for the major EU-institutions, will be the country of study. The questionnaire will be inspired by the above-mentioned surveys, enabling the comparison of the new results with previous ones. The survey will be explained in detail in the methodology chapter (section 5).

The model has not been developed to ensure an extensive explanation of the nature and the implications of language management, but is intended to raise important questions for reflection among managers of multinational companies.

1.2 Why is strategic language management important?

A common feature of several surveys on language skills in business is the companies' lack of *the really good command of languages* that is essential in negotiations with foreign language cultures (Lie and Skjoldmo, 1982). Despite this acknowledgment it seems like languages are not prioritized in business, and that other qualifications are being focussed on in recruitment processes and/ or that language skills are taken for granted (Hellekjær, 1991). An ideal situation would be so that a MNC could operate in all the languages represented by its stakeholders, near and far. However, such a solution might seem difficult to implement.

Yet, the multilingual strategy of the European Union proves that it is not impossible. I will return to this in section 3.

Focussing on the usage of languages in Norwegian MNCs, an analysis of potential competency gaps will be elaborated. Consequently, the paper will shed light on factors explaining why multinational Norwegian companies and organizations could benefit from bridging such language gaps (ELAN, 2006). The three main motivation factors could be the wish to increase internal and external effectiveness in communication, to enhance competitiveness through securing an additional competitive advantage, and to participate in the European trend of multilingualism.

Overall, this thesis is aimed at responding the following research question: ***To which extent do Norwegian multinational companies acknowledge and apply language management?***

More precisely, I will study *to which extent* the companies are aware of, respond to and are prepared for language-related issues in their operations, and whether they apply practical language management tools like expatriation, language training or selective recruitment. A survey to be responded by Norwegian companies in Belgium was initiated with the goal of collecting adequate data to enable an assessment of the current situation. Based on the findings and on previous research, recommendations will be provided to suggest potentially successful approaches to language issues in Norwegian MNCs in the future.

A discussion of language and its inherent value will be discussed at later points of this thesis. The statements in *italic*, in the box below, will then be touched upon.

Why are languages so important?

(From the book 'English-only Europe?' by Robert Phillipson, 2003)

1. Languages are the storehouses of human experience.
2. Identification with a language is central to human culture.
4. Laws, agreements and negotiation depend on linguistic precision.
5. Many concepts mean something different in different cultures and languages.
6. *Most people are better at formulating their thoughts in their mother tongue.*
7. Native speakers have clear advantages over non-native speakers.
8. *The idea that English is a neutral language is false.*
9. *Translation and interpretation are vital but can only be partially successful.*
10. The knowledge society needs to build on multilingual diversity.
11. Education, public and private affairs can operate well in more than one language.
12. Most people worldwide function in more than one language.
13. *Language rights are important because language correlates with power.*
14. Globalisation and technology can serve to promote or eliminate languages.

1.3 How can strategic language management contribute to a competitive advantage?

A company's choice of language affects all aspects of business communication. To the degree that management in a foreign subsidiary can use the primary language of its workforce, its effectiveness in training and motivating that workforce may enhance competitive advantage. According to Victor (1992), the use of the host country's language establishes respect and a degree of trust never fully available to the businessperson unable to speak the language.

Research commissioned by the British Chambers of Commerce (BCC) in 2004 proved that the lack of language skills entails considerable economic loss to the MNCs. The research depicted different attitudes and behaviour patterns of exporters in relation to trading in foreign markets. In a four-scale typology ranging from ‘opportunists’ (at the reactive end of the scale of foreign language usage) to ‘enablers’ (leaders in good practice concerning languages) the survey found that opportunists’ sales are declining by an average of £90 000 a year per exporter, whereas enablers’ exports are increasing by an average of £250 000 a year per exporter. The study also found that there is a direct correlation between the success of the business and the value placed by the company on language skills (BCC, 2004). In the figure below, the Language Management model is extended to illustrate the effect of language management on competitive advantage.

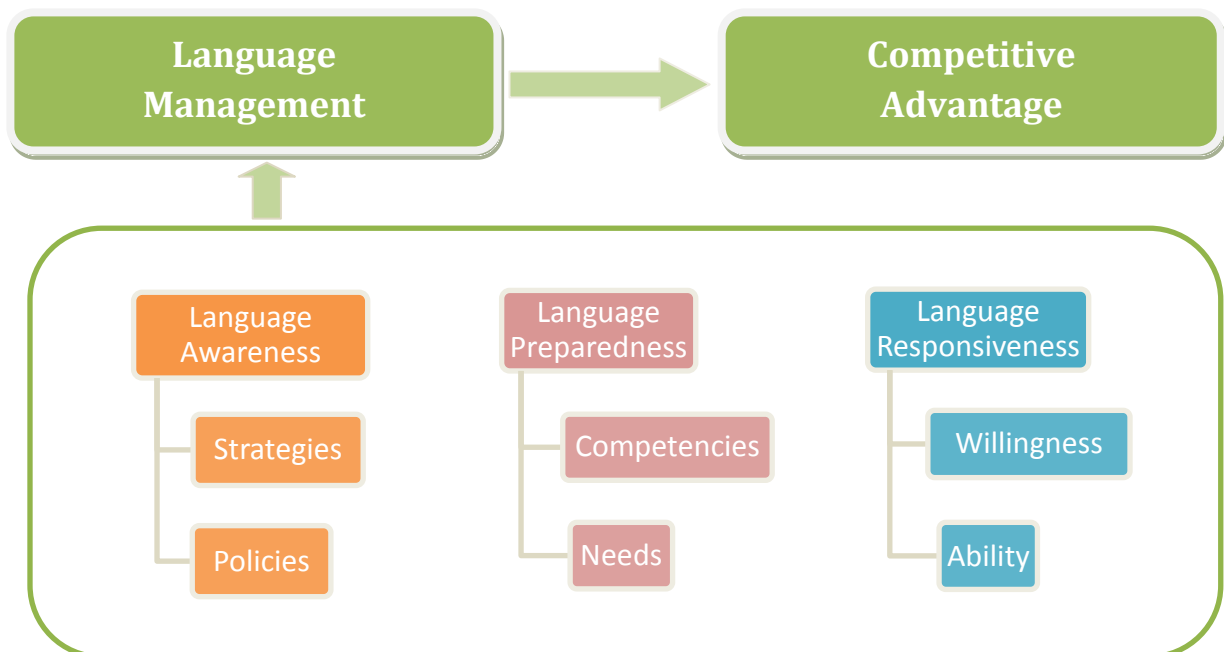


Figure 2: The extended Language Management Model

1.4 The Language gap in Norwegian Business –the current situation

During the past few decades there have been dramatic social, political and economic changes in Europe which have led to a substantial increase in the number of cross-border mergers, acquisitions, and other forms of strategic alliances. According to Charles (2007) this trend has been particularly strong in Scandinavia. In September, 2007, the CEO of NHO (Confederation of Norwegian Enterprises), Sigrun Vågeng, said that she was seriously concerned about the lacking language competencies in Norwegian Business, to the Norwegian newspaper Aftenposten (25.09.2007). In the same article, that was titled 'Bad language is bad business' it is stated that Norwegian companies lose contracts, sales and get wrong deliveries due to insufficient foreign language skills, also in English. Glenn Ole Hellekjær [the author of the FiN survey, 2007] argues that 'Norwegians think they are much better in English than they actually are'. The FiN report shows that English is still by far the most applied language in export- and import-related business in Norway. English is being used by 95 percent of the companies –to a much larger extent than the market shares of Norway's foreign trade to English-speaking countries would suggest. English is also used as a language substitute when the use of other languages would be more natural and probably more profitable.

In 1982, the Norwegian survey 'The Need for Foreign Language Competencies in Business' was carried out. The authors, Lie and Skjoldmo, argue that the Norwegian companies surveyed were lacking employees with satisfactory competencies in foreign languages, for the execution of tasks which demand for both weak and strong levels of language skills. The fact that companies attempted to solve this problem by hiring personnel from the different language areas in question shows the weak belief in finding Norwegian staff with the wanted language competencies. In 1982, the companies had many employees speaking English, but not at the level necessary to accomplish the advanced tasks, ranging from sales to negotiations (FiN, 2007).

During the 80s and 90s, awareness increased about the fact that communication is not all about language, but also the ability to communicate across borders (FiN, 2007:12). This was clearly stated in the first survey studying this relationship, Hellum and Dypedahl (1998), and

later in ELAN (2005). In the latter, it was found that Norwegian and Swedish companies are standing out when it comes to culturally bound problems in communication. An example is that 42 per cent of the Norwegian respondents inform that they have experienced problems due to cultural issues, while the European average was showing 18 per cent (FiN, 2007:12). The companies mention that they have, for both English and foreign languages, been experiencing everything from wrong deliveries to lost sales and contracts, to social isolation at courses and conferences due to insufficient language skills. The FiN report underlines that the companies are also aware of the fact that cultural problems may have contributed to these situations. It may be hard to separate problems due to lacking language skills and problems caused by cultural difficulties. That is why this paper includes the discussion of the links between culture and language.

Section 2: Background

Section 2.1 provides the background for the Language Management concept and various language issues. Language is discussed in terms of its role in MNCs and what actually is meant by language. The interrelatedness between language and culture is further discussed in the light of how language can be a culture bearer. It will also be shown that cultural adaptability can help to decrease uncertainty, and thus have a beneficial effect on the bottom line. Section 2.1 finishes off with a discussion about the role of English as the global lingua franca. In section 2.2 follows the discussion on the increasing importance of languages in business as a result of globalization, and about how the multinational company is a multilingual organization by definition.

2.1 The importance of language

2.1.1 The fundamental role of language in business encounters

Perhaps no other element of international business is so often noted as a barrier to effective communication than differences in language. Language is neither the only nor even the most important communication impediment in cross-cultural encounters. Nevertheless, it remains the most obvious hurdle that international business communicators are likely to face. The reason for language being such a significant obstacle in international as well as domestic cross-cultural business is, according to Victor (1992), because it is so fundamental. Without a shared language, direct communication is at best filtered through a third party and at worst altogether impossible. If, in the contemporary knowledge-based economy, corporations strive to create a culture of learning and knowledge within their organizations, then they need to recognize the fact that the essential skills of language form the basis of organizational human capital (Dhir and Goke-Pariola, 2002).

Scholars like Lie and Skjoldmo (1982) argue that languages *per se* have low status, in spite of their crucial role in business. It seems like companies recruit based on other criteria than language competencies. The result of this is that the lack of such competencies is becoming a problem in companies (Lie and Skjoldmo 1982:28 in FiN, 2007:12). The Nuffield Inquiry

Report (2000), 'Languages: the next generation', identified a worrying tendency that large proportions of British companies recognized no need for skills in other languages than English, because they believed that 'English is enough!'. The Nuffield Foundation demonstrated that this belief was false, and even more so in the future where the world dominance of English was likely to be challenged as the basis of economic power shifted within the global economy (ELAN, 2005).

2.1.2 What is language?

According to Allen (2005 in Charles, 2007: 267) 'we use language to produce and reproduce knowledge as we enact various roles within various contexts'. To better understand what is meant by language policies and strategies, it is useful to establish what exactly is meant by language. It might seem obvious, yet the truth is that even though language is an experience that is common to all human beings, it is difficult to find a concise definition of language (Dhir and Goke-Pariola, 2002).

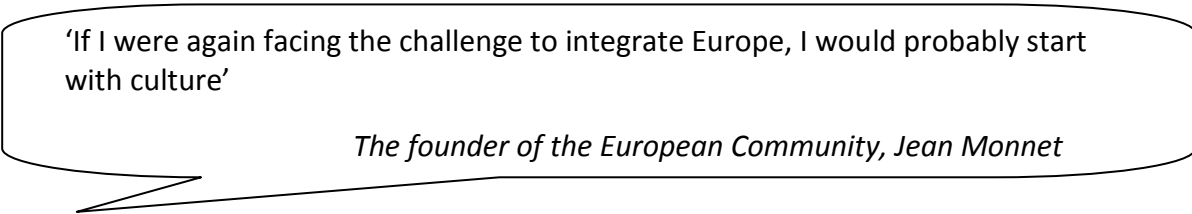
According to Dhir (2005:366), 'language is the essential human skill that allows us not only to acquire, but also to transmit, knowledge from one generation to the other'. It saves succeeding generations from having to relearn what their ancestors already learned from experience, since the knowledge accumulated is codified both directly and indirectly in the language. The process of learning any one language is also a process of acquiring the culture that is embodied by that language. This is especially true in case of the first acquisition of a foreign language.

Language is not an abstract construction like in the dictionary, but something 'arising out of work, needs, tears, joys, affections, tastes, of long generations of humanity' (Fromkin et al, 1999 in Dhir and Goke-Pariola, 2002). According to Dhir and Goke-Pariola's (2002) definition, language is in this paper considered 'the principal means by which an organization acquires and communicates its culture to members within the society in which it operates'. Language not only communicates information, but also facilitates the creation of value through the exchange of ideas within the context of this culture. In the corporate context, the language of an organization may be viewed as the storehouse of that organization's knowledge. As

such, a language is not a value in itself, but rather, it creates value in its use or exchange. Every language acquires an exchange value, which is determined by its demand. Like money, it is an asset, and when in use, a capital. Consequently, language has economic value (Coulmas, 1992 in Dhir and Goke-Pariola, 2002).

2.1.3 Language as a culture bearer

Culture pervades and radiates meanings into every aspect of the enterprise. Culture patterns the whole field of business relationships (Trompenaars, 1994). Culture is the context in which things happen and out of context even legal matters lack significance according to Trompenaars. Because different groups of people have developed in different geographic regions, they have also formed different sets of logical assumptions. Trompenaars' definition of culture is 'the way in which a group of people solves problems'. Groups of people organize themselves in such a way that they increase the effectiveness of their problem-solving processes.



'If I were again facing the challenge to integrate Europe, I would probably start with culture'

The founder of the European Community, Jean Monnet

The essence of culture is not what is visible on the surface. It is the shared ways in which groups of people understand and interpret the world (Trompenaars, 1994). As an explicit feature of culture, language can help you to understand the culture to which it belongs. Explicit cultural traits reflect the deeper layers of culture, the norms and values of an individual group. Culture has always been expressed through language, and modern concepts of national identity are often centred on people's mother tongues (Lovelock, 1994). Language, intimately intertwined as it is with culture, shapes the thinking processes of those

who speak it fluently. Awareness of the way in which this phenomenon occurs is the first step in understanding how linguistic differences influence business communication according to Victor (1992). To the extent that one language can more accurately describe one notion than another, that language influences the way in which its speakers communicate what they know. This phenomenon is called *linguistic determinism*. It is the assertion that one's view of reality stems largely from the language one uses. This notion is important for understanding the role of language in cross-cultural business communication. Language reflects the cultural assumptions and associations of those who speak it (Victor, 1992).

To the extent that language is closely linked to culture, the use of one language tends to admit entry into a specific society. The language itself is a window through which the businessperson can participate in the culture and gain the trust of its members. Victor (1992) claims that you can *buy* in your own language anywhere in the world, but that it is better to use the language of the locals if you want to sell something. According to Victor (1992) it is possible to be effective in the international arena without knowing even one foreign language. However, the cultural sensitivity that usually accompanies the acquisition of a foreign language is much more difficult to attain without such training and, as a result, the monolingual businessperson is frequently at disadvantage to his or her bilingual or multilingual counterparts. Still, the monolingual businessperson who is aware of the way in which language influences culture can even have an advantage over the bilingual businessperson who has somehow never learned this lesson.

While not able to go into detail in this thesis, it is still worth mentioning that the interrelatedness of culture and language might lead to conflict. If a manager or an employee speaks a foreign language fluently, it is likely that the native speaker attributes cultural knowledge to the person who speaks this language as a foreign language. This is exemplified by Trompenaars (1994:160) 'If a Venezuelan or Japanese speaks perfect English, his American boss might believe that person to be task-oriented rather than family-oriented'.

2.1.4 Uncertainty reduction through cultural adaptability

Ward et al. (2001) have shown that the major task facing individuals in an acculturation process is the reduction of uncertainty which includes the ability to predict and explain their own behaviour and that of others during interactions. Consequently, the role of cognitive variables such as knowledge of the host culture, attitudes towards hosts and hosts' attitudes towards sojourners, cultural similarity, cultural identity and language competence are important factors in the reduction of uncertainty and intercultural adaptation (Ward et al., 2001: 39). Further, they present the importance of a set of competencies required for successful living abroad. The analysis produced a three factor model of intercultural effectiveness: 1) the ability to manage psychological stress 2) the ability to communicate effectively 3) the ability to establish interpersonal relationships.

Cultural adaptability refers to the mental and psychological ability to move from one situation and/ or country to another. The ability to adjust one's behaviour is a critical requirement for becoming an efficient cross-cultural communicator. Not everyone can do this because it for many people may put their own identity into question. In some ways, cultural adaptation is similar to acting. The difference, however, is that the global manager, unlike the actor, lives and works among real people and not other actors and is able to identify with the prevailing values of other cultures. This means that his task is even more complicated than that of an actor (GLOBE, House et al., 2004).

Acculturation according to Ward et al. (2001) refers to a dynamic process of changes that occur as a result of sustained first hand contact between individuals of different cultural origins. Even though such changes and experiences may be perceived as stimulating, challenging or confusing, individuals are seldom equipped, at least in the beginning, to cope effectively with a broad variety of demanding situations and new and unfamiliar patterns of social interactions. This state may entail stress or reveal social skills deficits. Characteristics of both the person and the situation may prove to be important (or 'micro level characteristics' in the words of Ward et al., 2001). This may include factors such as language competence, personality, cultural identity and acculturation strategies on the one hand, and

friendship networks, cultural distance, intergroup relations, or social support on the other hand (Ward et al., 2001: 43).

2.1.5 English lingua franca (ELF)

A global marketplace suggests a need for skills in a multiplicity of languages. However, the process of internationalisation has given rise to a rapid increase in the use of English by companies (Truchot, 2002). Twenty-five percent of the world's population speaks English, and it's the official language of more than 50 countries (Desai, 2008). As seamless communication and shared understanding are fundamental strategic imperatives for success in the new economy, English has been adopted as the common language of business. The notion 'English Lingua Franca' is defined by Barbara Seidlhofer (2005: 339) to be 'a way of referring to communication in English between speakers with different first languages'. According to Seidlhofer, approximately three out of every four users of English in the world, have it as their second language.

Victor (1992) mentions several explanatory factors for English becoming the lingua franca of business. Firstly, 8 of the world's leading trading nations either speak English or did so in the colonial period (Australia, Canada, UK, India, Malaysia, New Zealand, South Africa, USA). Further, English is the international language of air traffic and it is the most popular second language taught in Europe, the Middle East, Africa, Japan and China. In addition, the language of many key industries is dominated by English.

As companies internationalize and enter global markets, operational issues affected by language inevitably come forth. In response to transcultural challenges of intra-organizational communication that arise from coordination of a multinational workforce, companies often adopt a policy of linguistic assimilation (standardization) by imposing a common language to be used throughout the organization. In certain cases, a vocabulary unique to the organization evolves (Dhir and Goke-Pariola, 2002). In the corporate world, the adoption of one common language has many advantages from the perspective of international management (Marschan-Piekkari et al., 1999, Dhir and Goke-Pariola, 2002). An advantage of having a common language is that it facilitates formal reporting between units

across national boundaries, and minimizes the potential for miscommunication. It may also ease access to corporate documents, while enhancing informal communication and flow of information between subsidiaries. It further fosters a sense of belonging to a globally dispersed corporate family. According to Ferner et al. (1995), a sense of belonging is an important element in soft control mechanisms that cultivate an identifiable corporate culture. Additionally, the ability to speak a language may be associated with a person's self-image (Elson, 1987, Dhir and Goke-Pariola, 2002).

There are as many fluent ESL (English as second language)-speakers as there are native English speakers, about 400 million according to Desai (2008). Still, vocabulary and grammar alone is not enough. Familiarity with cultural features and professional etiquette of the countries where business is being conducted is crucial to ensure effective interaction (Desai, 2008). Native speakers' norms tend to operate as a point of reference. The fact that more international business is actually done in English between non-native speakers than between native speakers introduces the transition from English lingua franca (ELF) to Business English Lingua Franca (BELF) (Charles, 2007).

Presentation, negotiation, empathy, problem solving — all depend on language and cultural proficiency (Desai, 2008). The role of English is unquestionably important. But two questions can be posed: 1) are the English skills acquired by non-native speakers sufficient for effective business communication? and 2) is English sufficient in dealing with a multilingual business environment? I will return to these questions in the conclusion section.

Regardless of its unquestioned importance, English ought not to be considered the only language of world business. The choice of languages used, particularly in intra-corporate communication, is a delicate and complex issue requiring more management attention than what is frequently given (Marschan et al., 1997). Language and language skills tend to be viewed as a challenge for the individual. However as employees' languages crucially affect inter- and intra-organizational communication, language is also a managerial issue that should not be ignored (Charles, 2007). English might be used for initial market entry, but in longer-term business partnerships depended upon relationship building and relationship-management, cultural and linguistic knowledge of the target country are essential (Feely and Winslow, 2005).

The English-speaking cultures' reliance on English to conduct world business still seems undeniable, but according to the Nuffield report (2000) and the survey commissioned by the British Chambers of Commerce (2004) the trend of realizing the importance of foreign language competencies is increasing.

2.2 Globalization and the increasing importance of languages in business

One of the consequences of the globalization of the economy is that employees are operating in a multicultural environment. Language skills are, evidentially, of utmost importance to enable communication between speakers of different mother tongues. The figure below shows how the globalization of the world economy contributes to enforce the competitive advantage that can be derived from strategic language management.

2.2.1 Increasing momentum for language management

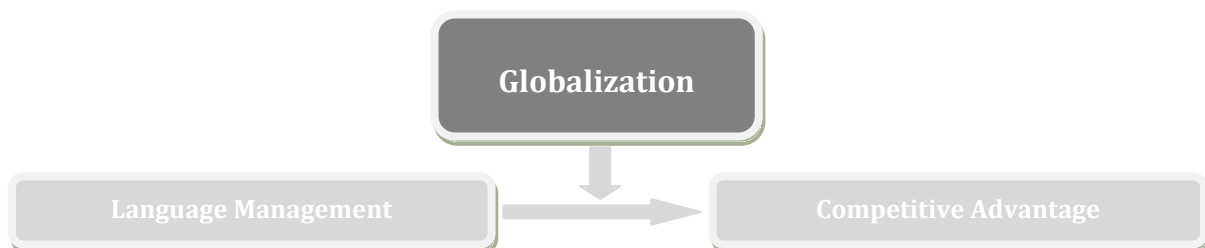


Figure 3: Globalization's influence on the potential benefits of LM

According to Dhir (2002), three distinct trends are evolving that characterize the challenges facing corporate managers in managing language as a corporate asset. These are the evolution of the knowledge economy, the globalization of business and economy, and the increasing diversity of the workforce. The globalization of business entails increased numbers of cross-border projects, and employee mobility. As companies are sourcing highly skilled workers from every nation worldwide (Desai, 2008), the diversity of the work force is increasing. Language affects the ability of multinational organizations to function in the

global market (Dhir and Goke-Pariola, 2002). As language and communication dynamics are perceived to be the driving force in global business, what is needed now is a sharing of language facility. Only language can enable individuals and companies and countries to communicate (Charles, 2007).

Globalization can be defined as ‘the worldwide movement toward economic, financial, trade and communications integration’ (businessdictionary.com, 15.03.2009). Held’s definition of globalization (1999) goes somewhat more in detail saying it is ‘the process which embodies a transformation in the spatial organization of social relations and transactions –assessed in terms of their extensity, intensity, velocity and impact –generating transcontinental or inter-regional flows and networks of activity’ (Infed.org, 14.03.2009). No matter which definition we use, globalization implies opening out beyond local and national boundaries towards an interdependent world with free transfer of capital, goods and services across frontiers. Naturally, this has an effect on the need for appropriate communication channels and language skills.

2.2.2 The multinational company as a multilingual organization

Gooderham and Nordhaug (2003) define a multinational corporation as a firm with actively managed substantial foreign direct investment and that has long-term commitment to operating internationally.

The multinational organization that operates in diverse locations and cultures is constantly facing the challenge of deriving synergy effects from a set of activities performed by individuals who speak different languages. Companies that have a realistic and insightful view of the role of language in their operations see it as being at the very core of international business (Charles, 2007). Still, the diversity of cultures represented and languages spoken by the personnel may offer opportunities to the corporation not available to its competitors (Dhir and Goke-Pariola, 2002). It is important to note, however, that the MNC influences cultural behaviour in that the corporate culture may act as a buffer to other cultures (Victor, 1992).

Charles (2007) tried to find out what individual employees perceive their everyday communication to be like, and their attitudes towards language issues. The findings showed distinct conclusions on the importance of language and culture in the MNC. Firstly, informal, oral communication deserves to be considered of paramount importance in MNCs. Actually, informal communication is essential for networking and creating good relationships between employees, which, in turn, contribute to knowledge sharing and the accumulation of social capital within the company. Secondly, language is a power-wielding instrument in organizations. Language training could improve the ability to operate in the official corporate language and gives access to information. Further, language affects the perceptions of oneself and others. If people, on a daily basis, face situations where they feel deprived of their ability to communicate or to express themselves adequately they are likely to feel frustrated and will struggle to maintain dignity.

Embracing the host country's way of doing things demands a high level of language fluency and biculturalism (Scheider and Barsoux, 2003: 198). In the Talking Sense survey, Feely and Winslow (2005) argue that best practice multinationals can lead the way in illustrating how clear strategic planning and business-led investment in skills development play a crucial part in improving business effectiveness and competitive edge. Talking Sense demonstrates that this principle also holds for language skills. Knowledge about communication patterns and learning how to use a language in different situations can prevent a number of cross-cultural problems. Such problems arise because sojourners or immigrants have difficulties managing everyday social encounters. Adaptation, therefore, comes in the form of learning the culture-specific skills that are required to negotiate in the new cultural environment. Language and culture competencies are included in these culture-specific skills, together with length of residence and the quantity and quality of contact with local residents (Ward et al., 2001: 37).

Another aspect to keep in mind is that language not only unites people and organizations, but may also divide them (Charles, 2007). The constraint of introducing a standard language may, according to Dhir and Goke-Pariola (2002), deny the company's access to critical resources unique to the members' own training and experiences. That implies that language policies are a means to exploit the potential of individuals.

Summary section 2

Language is an essential skill that is an important tool for acquiring and transmitting knowledge and ideas. In the knowledge-based economy, language skills thus represent a fundamental source of human capital. Nevertheless, language skills possess low status as companies tend to focus on other competencies than language skills in the recruitment process. The reason why the MNC should rethink such policies is that the multilingual business person normally has an advantage over the monolingual business person due to higher cultural sensitivity gained through the language learning process.

The contemporary global marketplace suggests a multilingual business environment. There are a number of distinct rewards from putting effort into language management; improved informal communication, improved relationships, accumulation of social capital and enhanced information access. It seems like there is a trend of realizing the importance of foreign language competencies. However, English prevails as the lingua franca in business. The fact of having a common company language is in this paper argued to be a less favourable solution than a multilingual strategy, but there are advantages of a common language that should not be ignored.

MNCs that want to introduce a language management strategy ought to look at best practice multinationals that can lead the way in illustrating how clear strategic planning and investment in skills development play a crucial part in improving effectiveness and competitiveness.

Section 3: EU multilingual policies

The objective of this section is to show how the EU approaches language related issues in policies and strategies. The European Union is a community embracing a number of mother tongues and the authorities prioritize multilingualism in all levels of operation. The idea is that MNCs can learn from this approach and profit from following the development in the area of multilingualism in the EU.

The effort put into language management within the European Union was formalized by the introduction of a Commissioner of Multilingualism in 2006. Leonard Orban is the Romanian representative in the European Commission who occupies this position since its introduction. The language policies of the EU have a strong focus on the reinforcement of multilingualism as a source of competitive advantage for the EU as a whole (europa.eu). In the following, important documents and communications from major EU institutions and specialist groups will be outlined.

3.1 Language policies and costs

The European Union annually spends some €1.1 billion on translation and interpretation – around one percent of the EU budget (euobserver.com, 25.02.2008). This pays for 2,500 staff members, or 10 % of the Commission's entire workforce. In the European Commission, French, German and English are procedural languages, meaning that all internal documents as well as EU legislation must be issued in them, while the 20 other EU languages have 'official' status, meaning EU legislation appears in these languages (euobserver.com, 25.02.2008).

In a Brussels debate in February, 2008, Juhani Lonroth, the Director General for the commission's translation department - the world's biggest public language service, stated that 'the principle of granting each citizen the right to communicate with Brussels in their own language should not be altered, no matter the number of member states in the future'. He continued saying that '...Language and power are very closely related -throughout the history totalitarian regimes have not been keen on teaching their populations other

languages than that of the ruling layers, for instance' (euobserver.com, 25.02.2008). In other words, Lonroth's utterance implies that the fact of choosing to use English as a substitute language goes on the detriment of all other languages.

3.2 Education & Training 2010

Communication from the European Commission 2003 (COM, 2003)

At the Lisbon European Council in March 2000, it was acknowledged by the Heads of State and Government that *'the European Union is confronted with a quantum shift resulting from globalisation and the challenges of a new knowledge-driven economy'* (COM, 2003:3). A major strategic goal for 2010 was set for the EU *'to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'* (COM, 2003:3). It was underlined that this would require not only a radical transformation of the European economy, but also a challenging programme for the modernisation of social welfare and education systems. This was the first time the European Council acknowledged to this extent the role played by education and training systems in the economic and social strategy and the future of the Union. Language and multilingualism were important areas of attention.

One of the main contributions of the Lisbon Strategy was to speed up the Union's transition to a knowledge-driven economy and society. This strategy is based on a large range of coherent and complementary actions (e.g. reform of the markets for goods, services and capital, adapting employment and labour market policies, reshaping social security systems), which seek to improve the economic and social performance of the Union and guarantee sustainable development (COM, 2003).

It is underlined in COM, 2003 that education and training policies are central to the creation and transmission of knowledge and that such policies are a determining factor in each society's potential for innovation. Knowledge, in form of language skills, amongst others, is thus *'central to the new dynamic situation, complementing and acting in synergy with other areas of Community action, including employment, research and innovation, enterprise policy, the information society, economic policy and the internal market'* (COM, 2003: 5). It

is further stated that 'the knowledge society generates new needs in terms of social cohesion, active citizenship and personal fulfilment, and the answer to this lays solely in education and training' (COM, 2003: 5).

3.3 Multilingualism: an asset for Europe and a shared commitment

Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions (COM, 2008)

The EU now has 500 million citizens, 27 Member States, 3 alphabets and 23 EU official languages, some of which are spoken worldwide. Some 60 other languages are also part of the EU heritage and are spoken in specific regions or by specific groups (COM, 2008: 4).

The current challenge, as seen from the point of view of the EU administration, is to minimise the obstacles that EU citizens and companies encounter and to empower them to take advantage of the opportunities presented by multilingualism. It is also to show that languages can work as an asset for the benefit of the European society as a whole. In the introduction of the communication 'Multilingualism: an asset for Europe and a shared commitment', it is stated that 'the harmonious co-existence of many languages in Europe is a powerful symbol of the European Union's aspiration to be united in diversity, one of the cornerstones of the European project' (COM, 2008: 3). It is further stated that 'Languages define personal identities, but are also part of a shared inheritance' and that 'they can serve as a bridge to other people and open access to other countries and cultures, promoting mutual understanding' (COM, 2008: 3). The EU multilingualism policies are aimed at enhancing the life quality for citizens in the Union and are not directly compatible with the business world. However, competence building in the society ultimately will have positive effects for business.

The European Commission (COM, 2008: 5) state that while 'increased linguistic diversity is a source of benefit and richness, without adequate policies, it presents challenges'. Monolingualism is said to prevent EU citizens and companies from fully exploiting the opportunities offered by the single market, and possibly blunt their competitive edge abroad. It can also be an obstacle to effective cross-border administrative cooperation between Member States in the EU and the efficient working of local services. Multilingual

people are a precious asset because they act as the glue between different cultures (COM, 2008: 6).

OBJECTIVES

The communication concentrates 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 employment and business opportunities' (COM,2008: 5). The main objective is to raise awareness of the value and opportunities of the EU's linguistic diversity and encourage the removal of barriers to intercultural dialogue. A key instrument in this respect is the Barcelona objective –communication in mother tongue plus two languages. It is reported that more effort is needed towards achieving this objective for all citizens.

'Linguistic diversity is a challenge for Europe, but, in our view, a rewarding challenge'

Amin Maalouf, Group of Intellectuals for Intercultural Dialogue (COM, 2008: 3)

The communication also outlines the potential of untapped linguistic resources in our society in terms of different mother tongues and other languages spoken etc. This inclusive approach is aimed at widening the scope of multilingualism to social cohesion and prosperity, to foster successful companies and competitive business and trade, amongst others.

'...foreign language skills, as well as helping to foster mutual understanding between peoples, are a prerequisite for a mobile workforce and contribute to the competitiveness of the European Union economy'.

Council Conclusions on multilingualism from the 2868th Education, Youth and Culture Council meeting Brussels, 22.05.2008

In the current context of increased mobility and migration, mastering the national language(s) is fundamental to integrating successfully and playing an active role in society – both for individuals and businesses (COM, 2008: 6). In the case of multinational firms, the language competencies held by the employees, are most likely extensive. By mapping out the existing language- and intercultural skills, the firm can match these with the current business needs. Such mapping enables the MNC to tap into ‘hidden’ resources of the staff, and to tailor language teaching to actual needs. Thus, language mapping² reduces the risk of overspending resources on the building of language skills, by drawing more strategically on existing competencies. Resources can then be used directly to fulfil the needs of the firm.

Languages can be a competitive advantage for EU business. Multilingual companies prove how linguistic diversity and investing in language and intercultural skills can be turned into a real asset for prosperity and a benefit for all. Some European languages are widely spoken around the world and can be valuable communication tools for business. The Business Forum for Multilingualism made recommendations to boost competitiveness and improve employability through better management of linguistic diversity. The Forum pointed out that emerging markets such as Brazil, Russia, India and China are increasingly important for EU companies and adequate language skills are needed to compete there (COM, 2008: 8).

LANGUAGES AND COMPETITIVENESS

Although English has a leading role as the business language of the world, it is other languages that will provide EU companies with a competitive edge and allow them to conquer new markets. Better language skills are an asset across all activities, not only for sales and marketing. All companies interact with different categories of service providers and upstream suppliers. However, in many cases, businesses ... lack the know-how and the resources to incorporate languages into their business plans. Multicultural workforces need adequate training in the language of their company, but companies need to go further, and find creative ways of using the language resources that exist, but are often hidden, in their multicultural workforces.

As the Business Forum stated, companies and business associations could usefully develop strategies to improve language skills for different functions. Such language management

² An example of a tool for language mapping is The European Language Portfolio that will be presented in section 3.4

strategies would also have a positive impact on the 'language industry' providing translation and interpretation services and multilingual technology. It would also be in their interest to invest in language training and, together with national, regional and local authorities, set up private-public partnerships providing assistance for the business community, in particular SMEs, to fund language courses and develop other methods of improving language strategies (COM, 2008: 8).

Languages and employability

Command of several foreign languages gives a competitive advantage. According to the Business Forum, companies are increasingly looking for skills in a number of languages to conduct business in the EU and abroad. Those mastering more languages can choose among a wider range of job offers, including jobs abroad: lack of language skills is reported as the primary barrier to working abroad. The Forum also state that 'There is empirical evidence that skill in several languages fosters creativity and innovation. Multilingual people are aware that problems can be tackled in different ways according to different linguistic and cultural backgrounds and can use this ability to find new solutions' (COM, 2008: 8).

Studying or working abroad is said to be one of the most effective ways of learning other languages and making contact with other cultures. Erasmus students ranked the improvement of language skills as the foremost benefit of their period abroad (COM, 2008:8). Experience from abroad, through student exchanges and/ or work assignments and the like, should be considered an important part of the selective recruitment process.

Lifelong learning

So far, it is mainly students in general education who have benefited from progress towards the 'mother tongue plus two' objective, while very limited language provision, if any, is offered in vocational education. Given the smaller number of young people entering education and the goal to reach all citizens, increased focus is now needed on updating adults' competencies throughout their lives. The following points are from COM, 2008.

The Commission:

- *will use EU programmes to support teaching of more languages through lifelong learning, teacher and student mobility, language teacher training, school*

partnerships, and research and development of innovative methods adapted to different target groups.

- *will draw up an inventory of best practice in language learning and teaching in the field of multilingualism and make it available to the Member States*

The Member States are invited to:

- *provide genuine opportunities for all to master the national language(s) and two other languages*
- *make a wider range of languages available to learners to allow individual choice and match local needs in the languages that can be learned*
- *enhance the training of all teachers and others involved in language teaching*
- *promote mobility among language teachers to enhance their language and intercultural skills*

MULTILINGUALISM FOR PROSPERITY

'The challenge (...) is to root multilingualism in all strategies aimed at developing human capital.'

By 2010, all education systems in the EU are to ensure that their pupils have by the end of their secondary education the knowledge and competences they need to prepare them for their role as a future European citizen. This entails amongst other things stepping up language teaching at all levels and strengthening the European dimension in the training of teachers and in the primary and secondary curriculum (COM, 2003:15). While the EU is supporting the up-building of multilingualism in the general society within the member states (COM, 2008:12), non-EU member countries like Norway are dependent on their own national strategies. The national governments manage the education system that establishes the foundation for getting a multilingual population. Non-EU-member governments may of course launch similar multilingualism policies similar to those of the EU –after all, linguistic diversity is not unique to the European Union. However, altering

governmental policies is a time-consuming process, and politician's opinions are often differing and the attention granted to multilingualism might not be significant. Multinational companies that recognize the importance of language skills cannot afford to wait for a potential lift of competencies in the school system. Further, the language level obtained during junior- or senior high school is often not sufficient for professional use in business activities. With respect for diversity and by promoting language skills in the communication with other countries, business as well as society can enhance their foreign relations.

3.4 The European Language Portfolio (ELP) for mapping language skills

The Council of Europe's European Language Portfolio (www.coe.int, 08.08. 2009) is a means of recording language skills and intercultural experiences without the need for formal assessment. The ELP records non-academic experience like overseas customer contact etc. Although it is a European document, it is not designed for European languages exclusively. It can be used to record skills in any language, wherever one may have learnt it. The ELP also helps the individual to reflect on the ways in which languages can be learnt and what he or she might want to achieve in the future.

Various versions of the ELP have been developed across Europe, tailored to the needs of different nationalities, age groups or types of learner. Each validated model follows common principles and guidelines, however, to ensure that a person's record of skills is recognized internationally. Employers can use the ELP as a reference document, to identify what language skills they need their employees to develop, or when recruiting new staff members.

Why use the ELP?

Many people have language skills which are not reflected in the qualifications or certificates they have gained simply because they have not been assessed or learned in formal education. The ELP helps to complete the picture. It recognizes and values what one can do in another language, and records all ones language skills and experiences with other cultures. It can also serve as a plan for the future, depicting strengths, weaknesses, and

progress charts. The ELP consists of three parts: 1) The Language Passport –a summary of skills, experiences and achievements in languages, 2) The Language Bibliography –formal and informal language training and 3) The Dossier -evidence of your language skills (course certificates, qualifications, witness statements and examples of work produced in another language).

3.5 The International Conference on business, languages and intercultural skills

-Debriefing of conference hosted by Commissioner Leonard Orban and the Portuguese Presidency of the European Union (September, 2007).

The Business Forum for multilingualism was set up in 2007 to explore how language skills can have an impact on trade and jobs in the European Union. In the document ‘Debriefing on Business conference’ issued by the EC Directorate-General for Education and Culture in the aftermath of a conference on multilingualism policies, the key messages uttered the importance and urgency of multilingualism in business. *All points below are copied from the original document.*

Main points:

- We live in a global market and in a global society. Languages are a transversal force in the society. Especially as we have learnt that we need to put culture more in the heart of the economy, languages become fundamentally important (...)
- Business is done much more effectively if you speak the language of your customer.

The recommendations from the key note speakers during the business conference were to:

- Value the language skills of your workforce: set language clubs and other ways of getting feedback to make the most of linguistic and cultural diversity.
- Raise awareness of the key importance of language skills: set language skills firmly among basic skills.
- Rely on existing language resources to meet language needs in day-to-day life services (...)
- Invest in local platforms, where business, education providers and local authorities can meet and make clear their learning needs and how to meet them (...)

- Tackle the motivation side. Language learning has to be fun and language learning has to make sense.
- Invest in student mobility: European students going abroad, in Europe and outside Europe bring back precious knowledge of the other languages and cultures.
- The focus on language learning needs to be switched towards multilingual communication skills and be combined with intercultural skills.

Recommendations and main ideas regarding languages and regional development:

- Multilingualism is one out of a whole set of basic skills. It must not be tackled separately, but in an integrated way.
- The challenge for the regions is to bridge the gap between short term language needs of companies and the relatively long time span to provide such expertise. Set-up platforms with all stakeholders concerned where the mid and long term needs are clearly defined and agreement is reached on a clear division of tasks and responsibilities (...)
- Use the potential of border regions for local and regional cooperation of administrations and of joint ventures between companies. In a number of cases this can be an alternative solution to outsourcing in other regions of the world.
- To get reflection and action started at regional and local level, figures of lost business opportunities of figures related to successful projects in this field can do the job.

Below, I list some of the main points and recommendations from the panel regarding the supply and demand of language skills available in companies across Europe and issues that might represent barriers to growth:

- Languages are relevant for both internal communication associated with the work processes and for external relations associated primarily with marketing.
- The integration of language policy has to be accompanied by awareness that it involves highly specific forms of training associated with the specific needs of each company. It is conceivable that different roles within the company will require different form of language skills. In this respect it involves far more than language learning. Communicational and intercultural competences are highly important.

- Where language policy is developed it must be part of general company policy and should not be conceived of as an addition. That is, learning language skills should go hand in hand with learning about the company, its work processes and its internal organisation.

Recommendations regarding the promotion of international business communication in companies based on the ELAN study and best practice organizations:

- Business should be encouraged through incentives to support development of worker training and student education through work experience abroad, links with higher education and business to business exchanges.
- To improve the overall level of language training in business, it was felt that a formal qualification and training structure needs to be introduced into the business environment.
- Professionalizing the language teaching profession with regards to languages in business would give the overall topic increased kudos [status, Ed.] and attention by higher levels of management.
- It is not language learning in business that should be stressed, but the need to improve international business communication – thus, reflecting the business goals and thinking of business people. This would include the development of intercultural sensitivities and skills. A Common European Framework for intercultural skills was aired as a possible idea to determine and encourage the development of intercultural competence.

It might thus be advisable for Norwegian MNCs to closely follow the development of multilingual policies and support structures for business within the EU for competitive and developmental reasons.

Summary section 3

The EU is aiming for a position as the most competitive and dynamic knowledge based economy in the world by 2010. The Lisbon treaty established multilingualism as one important area of attention and investment. Languages promote mutual understanding and it provides the creation of competence and human capital –elements that are very important both for the European Community and for the business sector. However, the complexity and costs of introduction of a language management strategy should not be

ignored. The EC argue that it is a challenge to harvest the benefits of linguistic diversity unless adequate policies exist.

An example of EU multilingual policies in practice is the fact that 23 languages have official status for use in the EU institutions, but that there are only three procedural languages. The system is flexible and it allows for a relatively cost efficient use of multiple languages, even though EU's expenses on translation and interpretation services have been subject to criticism.

As the EU is talking about the potential of untapped linguistic resources in society, the MNC can exploit the untapped skills in the organization by doing language mapping. The European Language Portfolio is a tool that the MNC can use for the mapping of language skills. Using the ELP as a reference document, one can identify what language skills the company need their employees to improve and detect language skills important when recruiting new staff members.

The Business Forum on Multilingualism stated that business is done much more effectively if you speak the language of your customer. The integration of a language policy has to be accompanied by awareness that it involves the specific needs of each company.

Section 4: Business planning and language management

When the word strategic is added to the notion of Language Management, it implies making the language management scheme an integrated part of long-term business planning (Cf. Talking Sense, 2005). The discussion in this section treats the topic of how language management should be approached strategically to yield optimal results, as well as the effects of such an approach.

4.1 Strategic language management

Language policies are not new in the business world. The ability to speak the language of a target economic market has always been a plus, although not a requirement in many organizations. But now, more than ever, businesses have to deal with the issues of language policies within the context of international economies (Dhir and Goke-Pariola, 2002).

The linguists study the use of language for the creation of community value, for example, through reduced crime, violence, poverty and improved trade, education, health, nutrition, sanitation, etc. In contrast, according to Dhir and Goke-Pariola (2002), the corporate planner seeks to use language to create economic value, by the efficient and effective knowledge management for gaining competitive advantage through intellectual capital. This is done by creating situations in which language would facilitate efficiency and result in synergistic interactions among individuals.

Some scholars argue that the organization generally chooses, from among alternative languages, the particular working language which offers the most efficient economic means of knowledge creation and management within the context of the strategic environment in which they exist and operate (Marschan-Piekkari et al, 1999, Dhir and Goke-Pariola, 2002). I believe, however, that the companies in lack of awareness of the value of language management often end up with the 'easy' solution of one dominate language –most often English.

Language problems arise from the increasing number of cross-border mergers and acquisitions. This trend is likely to continue, particularly in the area of human resource management. Dhir and Goke-Pariola (2002) analyse multinational language planning in large corporations and the development of language policies. They identify how managing cultural diversity and linguistic complexity can be turned into a critical asset for large companies in the global knowledge-based economy.

Andersen & Rasmussen (2004), in their case study on how Danish firms with subsidiaries in France solve their language problems, show that horizontal communication depends almost always on a network of personal relationships, which are language-dependent (ELAN, 2005). This informal information flow is the basis for an effective horizontal communication, but the issue of language skills is ignored in almost all literature on informal communication, as Marschan et al. (1997) point out. The authors identify how large firms which have no language strategy tend to 'muddle through' and fail to deal with day-to-day problems of how to communicate.

There is no doubt that global corporations will benefit from a healthy investment in English language training. Chief learning officers should ask themselves these key questions: 1) how frequently, for what purpose and in what language will the employees communicate with one another, suppliers and customers? and 2) if employees cannot communicate effectively with global customers, suppliers, partners or other employees, how will that impact operational effectiveness? A global workforce-development plan that builds upon the answers to these questions will produce tangible, bottom-line benefits to company performance and position the organization for success in the global economy. In other words, strategic language management can contribute positively to a company's competitive advantages (Marschan et al., 1997).

4.2 Effects of Language Management

4.2.1 Language skills and competitive advantage

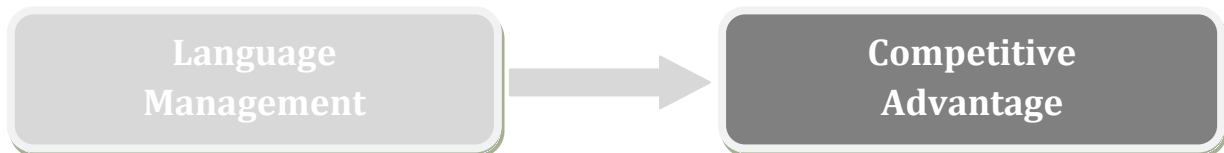


Figure 4: Competitive advantages through Language Management

To the degree that management in a foreign subsidiary can use the primary language of its workforce, its effectiveness in training and motivating that workforce may enhance competitive advantage. According to Victor (1992), the use of the host country's language establishes respect and a degree of trust never fully available to the businessperson unable to speak the language. The adoption of a language policy that would specify what language would be used in what context within a corporation may provide greater strategic advantage (Dhir and Goke-Pariola, 2002), in that it implies an increased level of efficiency in communication and greater response to business partners' language needs.

Language facility and how free people feel to speak up or interrupt greatly affect people's participation (Scheider and Barsoux, 2003). This has effects on individual performance and consequently on the company's performance. A Korn/Ferry International survey of international recruiters found that nine out of ten executive recruiters believe that the ability to speak another language is 'critical to success' in Europe, Asia-Pacific and Latin America. They believe that executives who are multilingual (who speak more than two languages fluently) have 'significant competitive advantage' (ELAN, 2006:14).

The British Chambers of Commerce language survey (BCC, 2004) explicitly looked at the impact of language skills on export performance. The survey found there was a direct correlation between the value an individual export manager placed on language skills within their business and the annual turnover of the company. Bilinguals have been found to have higher levels of divergent thinking and cognitive flexibility (Cox and Blake, 1991). Learning

across cultures implies learning to be open to self-awareness and to be willing to analyze one's own cultural baggage through continuous learning (Scheider and Barsoux, 2003).

The use of language may represent the most visible yet the least understood influence on our world-view (Schneider and Barsoux, 2003). It is through language that we formulate thoughts and that we experience the world and others. It therefore influences both our relationship with the environment and our relationship with other people. Language is a reflection of our experience, but it also shapes what we experience.

Victor (1992) mentions four major problems affecting business occurring when crossing linguistic lines. First, language shapes the reality of its speaker. Certain phrases and turns of thought depend on the many associations linked to a specific language and to the culture intertwined with it. As a result, the subtle nuances of a language are often lost in translation, even when the speaker of the second language is fluent. Second, the use of a language may carry social implications of belonging to a common group that for many cultures establishes the trust necessary for long-term business relationships. This trust is often delayed or never available to businesspeople who do not speak the language and who are viewed with suspicion as outsiders. Third, the degree of fluency among speakers of any foreign language varies, even among the best of translators and interpreters. But unless the speaker of the second language makes frequent grammatical errors, any lack of comprehension on his or her part may go unrecognized. It is easy, therefore, for native speakers to assume erroneously that anyone speaking their language fully understands the conversation. Finally, cultural attachment to variants or dialects of a language often communicates messages of which the person who learns the language as a second tongue is unaware. Even though the words exchanged are understandable to the two parties, the underlying socio-linguistic implications conveyed by the accent used or the choice of words may communicate unintended messages.

Summary section 4

One of the reasons why business managers until recently have been reluctant to acknowledge language to the extent that they introduce a language management strategy,

is probably partially because of the costs related to such an investment. By creating situations in which language would facilitate efficiency and result in synergistic interactions among individuals, the business manager may use language to create economic value, by the efficient and effective knowledge management for gaining competitive advantage through intellectual capital. I have argued in this paper that language management is important both for internal and external communication. In the discussion, it has been shown that horizontal communication depends almost always on a network of personal relationships, which are language-dependent. It has also been shown that large firms which have no structured approach to language issues tend to 'muddle through' and fail to deal with day-to-day problems of how to communicate.

Section 5: Methodology

This section describes the methodology behind the survey that was undertaken to assess the awareness, preparedness and responsiveness among Norwegian multinational companies present in Belgium. The four parts of the section are devoted to 1) the aim and structure of the survey, 2) the context of the research 3) the country of study and 4) the survey questions.

5.1 The survey

More than giving an extensive overview of the language situation in Norwegian companies present in Belgium, the aim of undertaking the survey was to study the answers of company representatives in the light of the two former in-depth surveys of ELAN and FiN. The survey was based on a questionnaire partly composed by questions borrowed from the ELAN and FiN surveys. The fact of using some of the questions will enhance the validity of the answers in that they are comparable to and compatible with existing research. New questions regarding operations in Belgium and the influence of EU multilingual policies on companies' own language policies were added. The survey was developed in It's learning 3.3 and sent to the supervisor for approval before being piloted on a fellow CEMS student. After amendments and restructuring, it was sent out to the respondents.

The questions were formulated using simple wording and aiming to be specific and clear. Efforts were put into not making assumptions while making the questions, and to avoid biased answers (Taylor-Powell, 1998, Saunders et al., 2007). The questionnaire includes both close-ended questions with either one or multiple response options (for quantitative results), as well as open-ended questions allowing the respondents to express their thoughts and comments regarding the close-ended questions (to obtain qualitative data).

A target list of Norwegian companies in Belgium/ BeNeLux to be surveyed was prepared. The lists of Norwegian incumbents in Belgium were found on the websites of the Royal Norwegian Embassy to Belgium www.norvege.be and the Mission of Norway to the EU www.eu-norge.org. The lists were used as the point of departure. Each of the companies

was verified by the Internet to decide whether they would meet the requirement of being a multinational company. A criterion for the sample selection was that the companies selected have a wide experience of international activity. This limits the range of possible respondents quite extensively, leaving out several minor companies in favour of 29 major incumbents like StatoilHydro, Norske Skog or Orkla.³ Effort was put into making the sample as reliable as possible by contacting all the companies that met the selection criteria.

The electronic survey was active from 8 December 2008 to 22 January 2009, and was replied by 16 persons in total. The respondent persons were assured anonymity and confidentiality. They were not asked to give their names, but to answer personal questions regarding their position in the company as well as their academic and professional backgrounds, as this might be correlated with the extent to which they support language management and have experienced challenges in this area of study.

The data were automatically processed in It's learning 3.3. In two of the returned questionnaires only one question had been answered. These questionnaires were eliminated in order to get a more valid data set for analysis, leaving 14 questionnaires for analysis. The analysis is based on a sample of 7 companies, the majority having their headquarters based in Norway.

Contact procedures with companies followed three stages. An initial phone call was done to detect a person with decision making power on HR related matters in the company, either in the HR department or in general management. 10 of the 29 companies contacted were positive to the survey, and named an e-mail address for further correspondence. An e-mail with the link to the questionnaire 'Survey on language management in multinational companies' was sent to the person that agreed upon responding to the survey or to forward it to a person/ persons in a relevant position (s). In some cases, the respondents were not having important decision power in the area of language management, but they were in a situation where the use of languages plays an important part in their daily working life. One respondent is for example taking part in the international trainee program at StatoilHydro pursuing an international assignment in Brussels.

³ Complete list of the 29 companies to be found in appendix II.

After introducing the project and the objectives of my master's thesis during the initial phone call, the companies were asked whether they had a strategic view on the use of languages. Among the final respondents there are both companies replying yes and no to this question. Some of the companies, the shipping companies in particular, were hostile towards the survey and one person said that 'we have better things to do in our company', and refused to name an e-mail address to which the link to questionnaire could be sent to be responded or to be redistributed.

5.2 The questions

The survey questions were categorized into eight groups, all described below.

In part I several questions on the industry, company and the respondents' background were introduced to enable a more nuanced analysis of the collected survey data. The communication patterns were assessed in part II. A matrix question about the nature (e-mail, telephoning etc.) and frequency of contact was included, as well as questions on the importance of English and other foreign language skills, and the languages being used in the communication with headquarters and/ or other subsidiaries of the company. Part III was devoted to the *status quo* regarding existing language skills in the company. The majority of questions in this part were borrowed from the ELAN survey and concerned topics like recruitment of staff with language skills, missed opportunities as a result of lacking language competencies, the employment of translators and language training. The role of languages in the firm was addressed in part IV. Questions were borrowed from FiN and ELAN, but were adapted to the case of Norwegian firms in Belgium and the relevant languages for business. Central questions included the importance the company gives to language skills as a contributor to the success of the firm and how often and by which means the employee make use of English. The questions in Part V were similar to those in part IV, but concerned the role of intercultural skills. A central question was the open-ended question on why the respondent thought the company had experienced problems with foreign customers due to cultural differences. Part VI contained questions on language strategies; whether the company has a formal language strategy, whether a record of language skills is being kept, whether the respondent thinks there is a need for improved language competencies in the

future, and to which extent they think enhanced language skills would contribute to improved performance in different areas.

Three questions on future business objectives and the role of language skills when entering foreign markets were posed in part VII, followed by the final part VIII on the impact of EU multilingualism policies on the companies' own approach to language. The respondents were asked whether they were familiar with EUs policies on multilingualism and whether they thought it is important to take account for EUs policies in general. The survey was concluded with two final question opening up for additional comments on language management and on the survey in general.

The survey outline can be found in appendix III.

5.3 Country of study: Belgium

Belgium appeared to be a particularly interesting country of choice when it comes to analyzing companies' strategies towards language management. Despite its size, Belgium gathers three distinctive cultures: the French-speaking, the Flemish-speaking and the German-speaking communities. As a consequence, the country counts as many official languages. Referring to the political frame of Belgium, Brussels is a bilingual (French-Flemish) region, although populated by a high majority (about 70%) of French speakers.

The importance of Brussels on the international political and economic scene, as the place of most European institutions as well as the North Atlantic Treaty Organization (NATO), make it an appropriate location for many MNCs and other international organizations to have their headquarters. Also, many other companies have major representative offices in the Belgian capital. As a result, the English language is widely spread and often a requirement to work in Brussels, in addition to the two major local languages: French and Flemish.

One might think that these specificities would favour and incite the development of language capabilities for Belgian citizens and workers. In reality this is not the case and large cultural differences emerge. In fact, according to different studies, Flanders (Flemish Region) appears to be more multilingual than Wallonia (French Region). While 59% and 53% of

Flemish people master the French and English languages respectively, only 19% and 17% of Walloons declare their knowledge of Flemish and English (Ginsburgh and Weber, 2006). These differences might be attributed to the application of different strategies in terms of education by the respective governments (education being managed separately by the different communities' authorities due to the Federal political system).

Section 6: Context of the research

In the following, three major research reports regarding foreign language skills in international business will be presented. The first, '*ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise*' uses Europe as a point of departure, but includes Norway. The second report '*Foreign Languages in Norwegian Business –English is not enough!*' (FiN) is aiming at giving directions to Norwegian companies in particular. Thirdly, the UK research study of language skills management in major companies '*Talking Sense*' will be introduced. Parts of the results from these surveys are included throughout the remainder of this paper.

6.1 ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise

ELAN gives us the most comprehensive survey of the use of, and need for, languages and cultural knowledge ever carried out. The survey was commissioned by the Directorate General for Education and Culture of the European Commission in December 2005. The survey was undertaken by CILT, the UK National Centre for Languages, in collaboration with InterAct International and an international team of researchers. Its objective was to provide the Commission and decision-makers in Member States with practical information and analysis of the use of language skills by SMEs as well as MNCs and the impact on business performance (ELAN, 2006: 4).

ELAN combined a telephonic survey with up to 100 respondents from each of the 29 selected European countries, including Norway. The respondents were questioned on approaches to the use of language skills, intercultural competence, awareness of language strategies, loss of business owing to lack of language skills, future exporting intentions and projected requirements for further language skills. The total number of respondents was 2000, all from exporting SMEs. This was supplemented by in-depth studies of 30 major multinational companies, and with interviews of five key persons from each of the 29 participating countries. For each country, a review of the findings by five 'influencers' drawn

from that country's business, educational and political institutions, allowing a distillation of recommendations for action at local, regional, national and European level is presented.

In the 2006 ELAN survey, it was found that Norwegians' dependency on English is greater than that of other European countries. This reflects most likely the changes in the Norwegian school system the last decades. In 1976, it was mandatory to study two foreign languages (including English). After the school reforms of Reform 94 and LK06, the situation changed, and English is now at best a mandatory subject for graduating from high school. Simultaneously, almost all the respondents to ELAN agree on 'language skills from high school appear to be inadequate in all languages', from 1973 to ELAN 2006 (FiN, 2007).

In ELAN it is stated that investment in language skills represents one of the fixed costs of exporting to certain countries.

The ELAN study focuses on the relationship between language skills and the economy and seeks to address questions like in the following:

- What is the economic impact of language and cultural barriers to trade?
- To what extent does the availability or non-availability of personnel skilled in different languages, and their level of linguistic competence, affect trade and mobility?
- What is the relative value of English compared with other languages which are useful in a business context?
- How can one measure the economic benefits of linguistic competence to trading companies and to the country's economy as a whole?
- What are the facilitating and/or inhibiting factors for companies of all sizes in trading across, and outside, Europe?
- Which communication strategies are the most effective?
- What measures would facilitate better communication and support the mobility of labour, goods and services both within Europe and to a wider world?
- What are the longer term economic implications of taking no action?

These questions are also central in the survey conducted in relation to this report and will be presented in the following chapter.

6.2 Foreign languages in Norwegian Business –English is not enough

The survey behind the report 'Foreign languages in Norwegian Business: English is not enough' (FiN, 2007) was undertaken in December, 2005. The first strategy plan for foreign languages in Norway, 'Languages open doors' initiated the research project aimed at identifying and explaining the use and need of foreign language competencies in Norwegian business. FiN is a needs assessment aimed at giving directions to Norwegian companies for introducing measures on strategic language management. The most important measure is, according to the author, that the companies and their organizations clearly state that they need employees with qualitatively better language English skills, and more employees mastering foreign languages. In higher education it is important that the educational institutions become aware of the fact that they are educating students who are going to operate in an increasingly international business- and community life, and that many current students will have English as their working language. The survey shows that this is particularly important in the educational institutions in higher education that are staffing companies within the exporting- and importing- sectors, like engineering and economics.

A main point Hellekjær is pointing at in FiN is that Norwegians are not as fluent in English as they believe they are. This survey proves that many supposedly well-educated employees in the export- and import businesses frequently face problems due to their insufficient English skills. The major findings in FiN prove that languages have low status in business. However, language skills are essential for successful business operations. It seems as if the businesses hire people after other criteria than language capabilities. The natural consequences are lacking language competencies in Norwegian companies (Lie and Skjoldmo, 1982: 28). The companies use the languages that the employees master, regardless of the language area they are selling to.

6.3 Talking sense –focus on multinationals

The British Learning and Skills Council recognized the importance of language skills in developing the UK workforce. The Council commissioned the report 'Talking sense' from CILT in 2005, as they thought there were lessons to be learned from good practice among

multinationals, whether in the UK or elsewhere in Europe. The research focuses on six best-practice companies⁴ that lead the way by demonstrating the benefits that accumulate when language skills are an integral element in business planning. Best practice multinationals can lead the way in illustrating how clear strategic planning and business-led investment in skills development play a crucial part in improving business effectiveness and competitive edge. The Talking Sense report demonstrates that this principle also holds in respect of language skills.

Employees are working in an international environment. Talking Sense prove by empirical evidence that language skills add value for the employability of the individual, and for the competitiveness of the company. Conformingly to the argumentation in the Talking Sense survey report (Feely and Winslow, 2005), this thesis discusses why language competencies are an essential and necessary part of strategic business planning and personal education portfolios and not just a 'luxury'.

⁴ AstraZeneca, the BMW Group, Deutsche Bank, Eversheds, Gazeley Properties and GlaxoSmithKline

Section 7: Findings

The following section includes the findings of the Language Management survey and a comparison with previous research results; mostly from the ELAN, Talking Sense and FiN surveys. The findings that provide the basis for the discussion that follows in section 8. My contribution with the survey is thus to underline points from previous surveys all while having a Norwegian perspective, to detect the different areas that deserve more attention from business managers.

7.1 Survey results and comparison

Number of respondents: 14

Total number of contacted companies (population sample): 28

Number of companies represented by respondents: 7

Company response rate: 25%

Total number of individuals contacted: 35

Individual response rate: 40%

The objective of the survey was not to undertake an extensive analysis of the totality of Belgian companies in Belgium. Rather, the goal was to select a sample from the bundle of Norwegian MNCs' offices in Belgium to enable a comparison with existing research. Even though my sample was relatively small, several answers to my questions were similar to those in ELAN and FiN in terms of percentages. I believe this increases the validity of my data set.

As the basis for the ELAN survey on multinational companies was the Talking Sense survey (Feely and Winslow, 2005) on which the language management model is built, it is useful to see my results in the light of the ELAN findings.

Part I: Background information -industry, company and respondents

The respondents of the survey represented the following seven companies: Orkla Brands, StatoilHydro, Laerdal Benelux, Norske Skog Logistics NV, the Brussels Office SA, Telenor and Hydro Energy SA. The majority of the companies are large incumbents in the sectors of food products, oil and gas, medical training products, printing paper, policy consulting and telecommunications, respectively. Major operations in Belgium were lobbying, financial services/ internal banking, sales and marketing. Only three of the companies surveyed have less than a total of 33000 employees globally, while the Belgium offices have between 1 and 100 employees. The respondents had been employed by their companies between one and 17 years, currently holding positions as senior advisors, managing directors, consultants in addition to one corporate trainee and one junior analyst. Their academic backgrounds were varied and the sample represented both engineers, economists, social scientists, and a government official. The nationalities of the respondents were Norwegian (5), Dutch (4), Belgian (2), Danish (1), French (1) and British (1).

Part II: Language responsiveness

Language Responsiveness: The willingness and ability of the company to accommodate to the language needs of their international partners.

In this part, respondents were asked which languages they used in internal and external communication. The majority of the companies use English in such communication.

Q 14: How do you communicate with your Belgian acquaintances and contacts in other foreign countries?

Personal contact with business partners may on the one hand be very important for the companies, and on the other hand demanding for the participants in that such meetings may imply everything from informal conversations to advanced international negotiations (FiN, 2007: 17).

Of the total number of respondents to the LM survey 81 (88)⁵ percent were communicating by e-mail on a daily basis, 50 (50) percent by phone on a daily basis, 19 (9) percent by face-to-face encounters, 6 (11) percent by fax and 6 (7) percent by external agents. None of the respondents communicate by letters on a daily basis, but 19 (15, the sum of daily and weekly percentages) percent do so weekly.

Q 15: How important is it that the employees can communicate in English in the activities mentioned below?

The following percentages of respondents mean that English is very important for communication through; e-mailing 94%, telephoning 94%, face-to-face contact 88%, fax 63%, letters 69% and external agents 75%. This shows how important English language skills are in business, and supports the argument of Hellekjær (FiN, 2007: 20) that ‘exercising trading activities without using English is only exceptionally possible’. The findings also underline the need for both general and differentiated English skills, as Hellekjær points out.

Q16: How important is it that the employees can execute these tasks and communicate in other foreign languages than English?

The percentages of respondents rating foreign languages as very important were considerably lower than in the case of English (Cf. Table 1 on the next page). It might be useful, however, to add the rates for ‘very important’ and ‘important’, increasing the perceived importance substantially. For comparison, 19 percent thought it was very important that employees can communicate by e-mail in other foreign languages, and an additional 25 percent thought it was important. This makes 44 percent in total, while the answer to the importance of English in communicating by e-mail was 94 percent. In the case of telephoning, about 40 percent thought it is very important or important to be able

⁵ The results from FiN (2007) are referred to in brackets.

to communicate in other foreign languages than English, in comparison with 94 percent for English.

	Very important	Important	Useful	Not so important	Not answered
E-mail	19%	25%	38%	13%	6%
Telephoning	31%	38%	19%	6%	6%
Personal contact (face-to-face)	31%	38%	19%	0%	13%
Fax	13%	25%	19%	38%	6%
Letters	19%	25%	13%	38%	6%
External agents	19%	19%	19%	38%	6%

Table 1: The importance of foreign languages other than English

Q 19: Which languages are being used in the communication with the headquarters and other subsidiaries?

From Table 2 on the following page, it can be seen that 75% of all communication with the headquarters and other subsidiaries in the respondents' respective companies is being done in English. Another 19% was using English frequently. 25% and 31%, respectively, answered that all or much of such communication was being done in Norwegian. French, Dutch and other languages were used frequently in 6% of the companies, while more than 55 % answered that those languages were seldom being used. In FiN it is reported that English is being used in more than 85 % of the communication with owners or subsidiaries which is to a much larger extent than ownership location would suggest.

Similarly to the FiN survey, my findings imply that the Norwegian language is a considerable communication tool in Norwegian business abroad. It proves the importance of good communicative skills in one's own mother tongue, as for native Norwegians, and suggests that the language of the country of ownership might be good to learn for non-Norwegians.

	All communication	Frequently	Sometimes	Seldom	Not answered
English	75%	19%	0%	0%	6%
Norwegian/ other Scandinavian languages	25%	31%	19%	6%	19%
French	0%	6%	6%	63%	25%
Dutch	0%	6%	13%	56%	25%
Other	0%	6.3%	13%	56%	25%

Table 2: Language use in communication with headquarters and other subsidiaries

Q 31: How often do you speak English in the following situations?

All the respondents report that they daily speak English on the phone. During meetings they all use English daily or weekly. In negotiations, socializing, promotions and interpreting, they all use English daily, weekly or once in a while. Thus, English is frequently being used in all business situations.

Part III: Language awareness

Language Awareness: The extent to which language issues are embedded into the strategies and policies of the company.

The assumption is that a language aware company would explicitly question the availability of adequate language skills, conduct periodic assessments of language skills against needs, and maintain an inventory of in-house language skills. Questions in this part were asked to examine whether the companies had embedded their approach to language skills into their strategic business planning.

Q 29: Are foreign language competencies a prerequisite for the success of your firm?

All the respondents answered positively to this question, implying a high degree of language awareness. According to the FiN study there has been a development from 1973 until today, where the use of foreign languages other than English in business has been decreasing as a consequence of the weakening status of languages in the Norwegian school system (FiN, 2007: 28).

Q 39: Do you think your company will need to acquire additional expertise in foreign languages in the next 3 years?

86% respond positively to this question. 7% were negative and 7% did not answer.

In the ELAN survey (2006: 35), 42% of the total sample expected to see their demand for additional expertise in languages increase over three years, while the percentage in FiN was 63% for exporting companies. The FiN survey (2007: 27) shows that it was a pronounced need for improved English skills (50% of respondents). Nevertheless, what is surprising is the great need for knowledge in other foreign languages like German (35%), French (25%) and Spanish (22%), implying that it is found unsatisfactory to use English in the contact with those language areas. Russian- and Chinese skills are also seen as important, and can mean that the use of English is perceived to be problematic in new and growing markets.

Q 40: Do you think an increase of competences in languages among the employees would lead to some of the following consequences?

There is a major tendency among the respondents to think that increased competencies in foreign languages would have a positive effect on the business performance. My results signify a major need to increase language competencies to get more foreign clients and customers, and to enlarge networks. The FiN answers signify that there is a significant lack of the language skills important for network building and information gathering. Table 3 below shows the results.

Area	My survey	The FiN survey ⁶
More foreign clients/ customers	71%	44%
Increased returns	36%	37%
Enlarged network	77%	87%
Better information flow	64%	84%
Increased employee mobility	43%	40%

Table 3: Potential consequences of increased language competencies

According to the FiN survey (2007: 28) these numbers reflect the problems the respondents report to have experienced in the communication with foreign business contacts. The answers suggest that there is a general lack of the language competencies that are important to build relationships, networks and to collect information. This holds not only for English, but also for other foreign languages.

The most deviating areas between the two surveys were ‘more foreign clients/ customers’ and ‘better information flow’. In my survey 71% of the respondents meant that increased language competencies would result in more foreign clients and customers, while the results for FiN showed 44%. This might be a sign of the small size of my sample, or it might imply that Norwegian companies in Belgium experience more language-related problems in the meeting with foreign clients and customers. The FiN survey shows that 84% of its respondents meant that one result of increased language competencies would be better information flow. In contrast, my results show a percentage of 64%. The way I interpret this, is that my respondents experience more external, rather than internal, communication problems.

According to ELAN (2006: 50), switching more resources into foreign languages for a firm could require a reduction of investment in domestic marketing.

⁶ Here, I have used the FiN numbers for export companies exclusively, and added the numbers for English and other foreign languages to improve comparability.

Q 41: Does your company have plans to begin trading in any new foreign countries?

More than 70% of the respondents reported that their companies had international expansion plans, and 29% reported the contrary. The countries of interest were Italy, Denmark, Bosnia, Macedonia, Ukraine, Spain, China, Germany and Asia in general. Expansion to several of these countries will further add to the complexity of language challenges in the company.

It is argued in the ELAN survey (2007: 20) that ‘the linguistic barriers facing some companies are likely to increase rather than diminish as trade expands to more markets’. ELAN shows that 47% of their sample had plans to begin trading in new foreign countries –implying a massive expansion of foreign trade within Europe. Particularly Eastern European countries and new member states in the EU reported expansive internationalization strategies.

Q43: Is your decision of investing abroad based on knowledge of the relevant language/culture?

The respondents were quite negative when answering this open-ended question, stating that existing knowledge was not a decision criterion. There were, however, three exceptions. One respondent explained that such decisions were being taken based on experience and another respondent described the importance of culture- and language skills in combination with extensive market research and risk assessments. A third respondent claimed that ‘understanding the culture of our counterparts is essential as part of our sales is based on a client relationship’.

In the case of ELAN (2006: 20), 10% of the firms selected their target market due to their language and culture competencies. However, some countries tend to recognize the economic value of using languages to expand trade, e.g. Norway, Iceland and Hungary. Anglophone countries are low in this measure of awareness as they largely use English for most of their trading.

Part IV: Language preparedness

Language Preparedness: The level of language competence possessed by the company expressed against current and anticipated needs.

The respondents were asked to comment on problems they have encountered that may be explained by language skill deficiencies. They were also asked about the needs of increased language competencies in their companies and to which extent they believe that language skills represent a prerequisite for the success of the firm.

Q 17: How important are the following languages for your company's activities?

	Very important	Important	Useful	Not so important	Not answered
English	94%	0%	0%	0%	6%
French	31%	31%	31%	0%	6%
Dutch	38%	19%	25%	13%	6%
Norwegian/ other Scandinavian languages	38%	19%	31%	6%	6%
German	38%	25%	31%	0%	6%
Spanish	0%	19%	19%	56%	6%
Russian	13%	19%	6%	56%	6%
Chinese	6%	6%	19%	63%	6%
Other languages	0%	19%	25%	50%	6%

Table 4: Importance of languages for company activities

English is perceived to be the clearly most important language by a percentage of 94%. There is a large gap to the position of the second most important languages, shared by Dutch, Norwegian, German and French. It is striking to see that English is rated as 63% and 56% more important than the local languages French and Dutch, respectively.

The above numbers correspond well with the results in the FiN survey (2007: 20) where 95% of the respondents report English as their most important language. However, the rates for

other foreign languages are lower. FiN reports further the importance of German to be 17%, Norwegian and other Scandinavian languages 16%, French 8%, Spanish 12%, Russian 8% and other languages 20%.

Q18: In which countries are your company present and how important are the activities in these countries?

	Very important	Important	Somewhat important	Not present	Not answered
BeNeLux	56%	25%	6%	0%	13%
Norway/ Scandinavia	81%	0%	6%	6%	6%
UK	63%	12%	0%	6%	19%
France	56%	19%	0%	6%	19%
Germany	69%	13%	0%	0%	19%
Spain	25%	31%	6%	13%	25%
China	6%	38%	19%	19%	19%
Russia	38%	25%	13%	13%	13%
Other countries	38%	19%	13%	6%	25%

Table 5: Importance of foreign business locations

The respondents were asked questions about their companies' global presence, the importance of each of the countries, and the importance of different languages. The results show that the respondents systematically put more importance to the countries than to the respective languages. The table on the following page shows the results. *It should be stressed that the answers are subjective for each respondent and might not represent the real situation in each company. Another point of discussion might be the grouping of BeNeLux countries, as Dutch is not an official language in Luxembourg. However, being such a small nation state, I assume that the answer will give a valuable result for comparison. For the case of Spanish and French other language areas than the European continent are not included. This might imply that 'other' countries include areas using the listed languages.*

Country/ area	V.imp	Imp	Sum	Language GAP	Language	V.imp	Imp	Sum
BeNeLux	56%	25%	81%	-24%	Dutch (NB!French)	38%	19%	57%
France	56%	19%	75%	-13%	French	31%	31%	62%
UK	63%	12%	75%	+19%	English	94%	0%	94%
Norway/ Scandinavia	81%	0%	81%	-24%	Norwegian/ Scandinavian	38%	19%	57%
Germany	69%	13%	82%	-19%	German	38%	25%	63%
Spain	25%	31%	56%	-37%	Spanish	0%	19%	19%
Russia	38%	25%	63%	-31%	Russian	13%	19%	32%
China	6%	38%	44%	-32%	Chinese	6%	6%	12%
Other countries	38%	19%	57%	-38%	Other languages	0%	19%	19%

Table 6: The Language Gap

As we can see from the table above, France is perceived to be 13% more important than the French language. As French is also an official language in Belgium and Luxemburg, it is likely that the importance of French-speaking areas is higher than that for France or BeNeLux alone. However, the percentage for France alone already shows a language gap. The BeNeLux countries are perceived to be 24% more important than the Dutch language. The number should be corrected for the importance of the different language areas in BeNeLux, as Dutch is not the language of either Wallonia or Luxemburg, but it gives an indication. The importance of the Spanish, Chinese and Russian languages is perceived to be 38, 31 and 31% less than for Spain, China and Russia, respectively.

Seen in the light of English, with the perceived importance of 94%, 19 percent *more* than the importance put to the UK as a trading partners, might be interpreted in two ways. Firstly, it might be because of countries other than the UK, like the US and India, also are native English nations, thus entailing a greater importance of English. Secondly, it might be a sign of English being used as the substitute language in business, alternatively that the trading is being done by intermediaries or agents (FiN, 2007), for the other language areas examined

above. In FiN (2007), Hellekjær found that many Norwegian companies found it unsatisfactory to use English as a compensatory language, both in new and existing markets.

These results indicate that there are language deficits, or language gaps, in the business environment for Norwegian-owned multinational companies. Competencies in Spanish, Chinese and Russian are languages that seem to be worth investing in for the companies surveyed.

These findings are in line with the findings in FiN. Hellekjær (FiN, 2007) points out that the Norwegian language holds a surprisingly strong position in both import and export businesses, especially as a means of communication with foreign subsidiaries. French and Spanish are world languages like English, but the FiN survey shows that the use of these languages is not conform to their global expansion. It seems as if there is a clear need for increased competencies, particularly in export businesses.

Q24: Do you ever adapt your website for foreign markets?

Half of the respondents replied that their respective company websites were adapted to foreign markets. However, after checking the websites of the companies in question, this seems to be somewhat misleading. The companies that the respondents represent have their websites available in at least Norwegian and English, except for Norske Skog whose website is entirely in English. This might imply a measuring error, as the respondents did not give the true answer. According to ELAN (2006: 32), 'one of the most self-evident steps for an international trader is to develop a website in another language to enter a new market'. On average, 62% of the firms in the European ELAN sample produced websites in other languages for the purpose of export, while the percentage for Norway was 92%. This is 42% more than my results, and might be so due to my limited sample of respondents.

Q 21: Have you ever missed an opportunity of winning a contract due to lack of foreign language skills?

93% of the respondents claim that they did not lose opportunities of winning a contract due to the lack of foreign language skills. Nevertheless, 7% report that they *did* lose contracts on this basis.

Employees might be unwilling or unable to specify which contracts that have been lost due to the lack of language skills and the size of such contracts. For these reasons, it is difficult to assess whether these results represent a real picture of the situation. As pointed out in ELAN (2006) respondents may over-estimate lost contracts to explain away general shortcomings, or they may under-estimate because of lacking awareness of lost opportunities.

The ELAN survey (2006: 17) reports that a significant amount of business is being lost of European firms as a result of lacking language skills. It is important to note, however, that the ELAN survey reports that the majority of companies are unable or unwilling to give values of lost contracts, so that the answers only can be used qualitatively. As the results give an indication of the magnitude of lost contracts, they are included in the discussion in this paper. 11% of the respondents had lost an actual or potential contract as a direct result of the lack of language skills (Norway included). The actual total loss incurred by 11% of the companies reporting loss amounted to between €8 100 015 and €13 500 004, even though the majority of lost contracts were worth less than €100 000. Another 3 percent (54 companies) had experienced losses worth between € 16, 5 million and € 25, 3 million. Ten companies (0,5%) had suffered losses worth more than € 1 million. Among the 10 companies that reported that the lost contract was worth over €1 million were four Scandinavian companies (Finland, Iceland, Denmark and Sweden).

If one considers small-sized subsidiaries or foreign offices of MNCs as SMEs, the SME results in ELAN are an interesting study. It is thus likely that the accumulation of lost contracts in subsidiaries or foreign offices lead to large economic losses where language policies are not streamlined throughout the company. A respondent in my survey who reported a lost contract due to a lack of language skills was a StatoilHydro employee. Even though the mother company, StatoilHydro, has an overall language strategy, there is always a challenge to monitor its execution in local offices worldwide. The level of foreign language skills may vary, as is it also the case for cross-cultural awareness.

Q 28: Have you ever experienced problems in the contact with Belgian- or other foreign acquaintances based on the lack of skills in one or more of the following languages?

The answer to this question is worth some extra attention. Even though the majority of the sample demonstrates a high degree of language awareness and few lost contracts, it seems like the respondents experience trouble when using a foreign language. Note that we have native speakers of the languages mentioned in the sample that might decrease the percentage.

English	14%
French	43%
Dutch	29%
Other	21%
Not answered	36%

Table 7: Problems experienced due to lack of language skills

The total number of respondents is employed by Norwegian companies located in Belgium where the official languages are French, Dutch (and German). Nevertheless, perceived problems regarding those languages were reported to be 43 and 29% respectively. I interpret this as an urgent need for increased competencies in the local languages. The fact that 15% also report problems due to insufficient English skills is rather disquieting, since English is being used as a substitute language. It is also important to think about the language skills of the opposite party. A high percentage of the respondents did not answer this question. Approximately 55% of the respondents in the FiN survey (2007: 26) report that they have insulted, or though they might have insulted, a client or business partner due to the lack of English. In the case of other foreign languages, FiN shows that 40% of the sample had experienced problems or insecurity. These results suggest that language in business deserve increased attention.

The clearest indication of general language problems in FiN (2007) is to be found in the category 'did not manage to lead a conversation in English', where 22% of the respondents within this presumptively well-educated group replied that they did not manage to have a conversation in social circumstances. An equal number of people express the feeling of

insecurity in such a situation. In total, these two groups count for 40 % of the respondents. The fact that conversation in English in social circumstances is perceived as problematic for so many, demonstrate that the problems with the English competencies among Norwegians are fundamental.

Many respondents have also experienced problems with communication in English in professional settings. It is shown that about 55 % of the respondents either have offended, or wonder whether they might have offended, a customer or business partner due to poor English (FiN, 2007). Several respondents have also experienced wrong deliveries, lost negotiations or contracts or that they have avoided the exploration of new markets due to insufficient English skills. The bad experiences of the companies explain why it cannot be taken for granted that employees in exporting firms have sufficiently good English competencies.

Q39: Do you think your company will need to acquire additional expertise in foreign languages in the next 3 years?

A massive majority of the respondents, 86%, claimed that they think that their company need additional language expertise in the near future. This percentage is considerably higher than the results in ELAN (2006: 35), 42%. The countries in the ELAN survey that seemed the most eager to improve their language skills were nations from Eastern Europe like Romania, Bulgaria and Hungary, as well as Italy and Spain. Companies of Norwegian origin experience an increased demand for knowledge of the country and culture.

The FiN survey reports that 43% of the sample replied 'yes' to this question. The languages in which these Norwegian companies need increased competencies in were English, German, French, Spanish, Russian and Chinese. As stated in the report, this result implies that many firms do not find it satisfactory to use English in the contact with areas where the inhabitants are not native English speakers. The perception of Russian and Chinese being important can be understood by the inadequacy of using English in new and growing markets. The respondents report that improved language skills in English, and even more so for other foreign languages, would lead to more foreign customers and increased profit, increased mobility among employees, and to larger personal networks and improved information flows.

In ELAN (2006: 43), it was found that the perceived need for enhanced language skills was 50% for head offices, but larger for subsidiaries (60%). In the Talking Sense survey, the respective percentages were higher (75% and 80%), but showed a similar difference. My survey results may thus report a higher need for increased language skills than if the sample was located in the Norwegian head office.

Culture⁷

‘Language is the most clearly recognizable part of culture’

(Hofstede, 2001: 21)

‘Language is the principal means by which an organization acquires and communicates its culture to members within the society in which it operates’

(Dhir and Goke-Pariola, 2002: 340)

It is argued by Dhir and Goke-Pariola (2002) that language not only communicates information, but also facilitates the creation of value through the exchange of ideas within the context of its culture. This is why I think it is crucial to contrast the results of language related questions to those regarding culture.

Q33: Has your company ever experienced difficulties with foreign customers due to cultural differences?

An alarming 86% of the respondents reported that they had experienced difficulties with foreign customers due to cultural differences, while only 7% reported on lost opportunities due to the lack of foreign language skills. Merely 14% stated that they had *not* experienced such problems. When asked about the reasons why problems due to cultural differences occurred, the explanations were many (see the following question).

⁷ ‘Culture is the collective programming of the mind that distinguishes the members of one group or category of people from another’ (Hofstede, 2001: 10)

The ELAN findings (2006: 22) show that 18% of the firms in the sample had experienced difficulties with foreign customers due to cultural differences. Firms in Scandinavian countries appear to have experienced more than average difficulty with cultural barriers: those in Norway (42%), Sweden (37%), Finland (30%) and also Romania (29%) score highly on this question. Companies in established member states like Belgium and Austria also record problems (28-29%), as well as Hungary (22%) and Greece (23%). The position of Scandinavians amongst those appearing to experience more cultural barriers has several potential explanations. It may for example be explained by their geographic isolation. Experience of international trading for many SMEs in these countries may in the past have been more limited to the Nordic nations. Alternatively, it may simply be a question of higher awareness levels amongst Scandinavians, who are recognized as more consensus-driven in their relations with others.

Q34: If you answered yes to the question above, can you explain why you think these problems occurred?

One respondent had experienced problems due to *'difficulties in understanding Russian and Indian Business culture and procedures –often because Scandinavians are too pushy in achieving the desired result'*. Further explanations included different customs and ethical values/standards, leading to different expectations and miscommunication.

Some of the respondents linked the cultural problems directly to intercultural communication skills, in that the cultural value of language learning in societies might be varying, like in Wallonia and Flanders in Belgium. One respondent, who is Dutch and holds a position as a managing director, commented on the poor English skills in Wallonia and that *'even the high degree people (like doctors) speak very little English'*.

Some other explanations included:

'With Spanish potential clients, more for stylistic reasons than mastery of English in itself, the Mediterranean love for flowery prose came across as being all talk and no focus, while our more to-the-point Germanified English presumptively made us come across as crude and crass and not interested in developing the social ties needed for cooperation.', Senior Advisor (Norwegian)

'Reasons of misunderstandings with clients on the Balkan have especially been with regards to logistics, practicalities and determining responsibility for follow-up etc.', Consultant (Norwegian)

'Lack of preparation together with the expectation that there are little cultural differences in what can be seen a 'standard European' culture is a source of misunderstanding', Key Account manager (French)

'Although you might be cultural aware, it occasionally is a challenge to meet cultural demands from customers - especially if the demand is far off relative to Norwegian culture (our internal reference)', Key Account Manager (Dutch).

'Different meeting culture - Germans do not accept any delay for starting a meeting while in Latin countries this is almost normal. Being too direct or confronting may be another source of misunderstandings as the Dutch and Anglo-Saxon cultures are much more direct than the Belgian and French cultures. You must really take this into account', Key Account Manager (Dutch)

'Russian partners and clients put more importance on personal and social relations than we are used to in Norway. If there was a 'good tone' between the two parties, it was always easier to get the commercial plans to work out. In the opposite case, this would prove to be much more difficult. Language skills make it much easier to get such personal good contact. At the same time, the knowledge among Russians about European business, as well as the level of English language skills, was poor just after the fall of the Soviet Union, so Russian language competencies gave a flying start in the work', Consultant (Norwegian).

Q35: Have you ever missed an opportunity of winning a contract due to lack of cultural competence in any particular country?

Among the respondents, 21% had experienced missing a contract due to insufficient cultural competencies. In the ELAN survey, the average was only 4%. Curiously, however, as the number varies greatly across borders, the percentages for Nordic firms were considerably higher. Of Swedish, Finnish and Icelandic firms 12%, 10% and 9%, respectively, reported on such problems.

The most frequently reported reasons for lost contracts in ELAN were problems related to *understanding better the mindset* (in China, France), *negotiating* (in France, Spain, Czech Republic, China, Turkey) and *correspondence* (in China).

Q 36: Do you think your company will need to acquire additional expertise in country-cultures in the next 3 years?

The majority (79%) of the respondents state that their company need more culture-related expertise. The results in FiN (2007: 27) show that 51 % of the exporting firms either agree or strongly agree to the statement that it is of major importance that the employees get increased knowledge on foreign cultures and societies. The interpretation of this may imply that the companies are aware of the need for mastering the communication across cultural differences when they sell their goods and services. The importing companies' slightly different answer, perceiving cultural as a slightly less significant problem, might from this perspective be understandable since they are buyers, with the power this implies.

Part V: Language management strategies

Language Management: The extent to which the company is able to satisfy its language needs through prudent deployment of a variety of language management tools including for example language training and expatriation

Language skills are often indispensable for acquiring information about opportunities in other markets (ELAN 2006: 51). Consequently, insufficient investment in language skills could entail loss of profitable opportunities for a firm. It is argued in the ELAN survey that 'investment in language skills is an instance of the fixed costs of exporting to certain markets'. In ELAN (2006: 24), the most effective performers amongst export SMEs were shown to have a *language- or communication strategy* in place with which to handle their language issues.

Q37: In order to deal with customers in Belgium or in other foreign countries, does your company have a formal language strategy?

43% of the respondents reported that their companies have a formal language strategy, and 57% did not.

In the total European sample of the ELAN survey, 48% of the firms acknowledge having a formal language strategy. This percentage proved to be quite stable in the majority of countries, but countries such as Portugal (93%) and the UK (3%) and Ireland (1%) deviate from the norm. It is stated that 'there is clearly either an issue of complacency based on the lack of implementation of language strategies in Anglophone countries (UK and Ireland), and strong users of English, such as Iceland, or simply a belief amongst companies in these countries that English is adequate for all trading purposes, which diminishes the recognition of languages as a means to increase trade worldwide' (ELAN, 2006: 24). Further, it is said that 'the importance given to language strategies, which is shown later in the ELAN report to be a critical variable necessary to enhance trading performance, is more noticeable in established, though non-Anglophone, seafaring nations, Portugal, Greece (68%) and Cyprus (64%), as well as more recent applicants or entrants to the EU, such as Bulgaria and Romania. Indeed, over 60% of export companies in new or recent member states seem better informed in this regard and have a strategy, i.e. companies in Hungary, Estonia, Bulgaria and Romania'.

Q 38: Do you keep a record of staff language skills?

An impressive 71% of the respondents report that their company keep a record of existing language skills for their employees. However, it is important to mention that several of the respondents are hired by one large company, StatoilHydro. 21% report that no such language report is being kept, and 7% did not answer this question.

In the ELAN survey (2006: 34), on average 57% of the firms in the total sample keep a record of their staff's language skills. The authors mention, however, that such reporting is mandatory in some countries (e.g. Bulgaria, France and Hungary) and thus increases the average. They also mention that countries like the Netherlands and Denmark are less likely to keep records of their staff's language skills. FiN (2007: 28) points to previous research

where it has been found that Norwegian companies are rather unconscious about the employees' language competencies. On the one hand, managers often take the employees' language skills for granted, especially in English. On the other hand, they might be forced to consider other variables than language skills when hiring for example an engineer or an economist, as the companies almost without exception demand foreign language competencies in addition to other education. Since languages are not significantly prioritized in most programmes for professional studies, it means that in most cases, the available language skills are the employee's knowledge obtained in high school. However, both FiN and ELAN show that most companies from 1973 until today are unsatisfied with such a knowledge level, reflecting the subjects offered in school.

Q22: Have the language competencies of your staff ever influenced your company's choice of export markets?

21% of the respondents in my survey replied 'yes' to this question (89% 'no'). Compared to the findings in ELAN, this percentage is quite high. ELAN (2006: 25) reports that '13% of the total sample of firms claim that the language competence of their staff has influenced the company's choice of export market'. Nevertheless, this varies considerably between firms in each country, ranging from as high as nearly 30% (Romania) to zero (the Netherlands and Luxembourg). The higher levels of influence tend to be with the newer members, Latvia, Lithuania, Czech Republic and Hungary, while Spain and Portugal also record levels of high influence.

Q23: Have you ever employed native speakers full time in your company who support trade in Belgium or other foreign trade?

An impressive 86% of the respondents report that native speakers have been hired due to language needs. In contrast, merely 22% of the firms in the ELAN sample reported that native speakers were hired to support foreign trade. It is argued in ELAN that even the 22% 'demonstrates a recognition on the part of European companies that employing native speakers is an important part of an international communication strategy' (ELAN, 2006: 28). Thus, in the case of my results, the recognition of this language management tool is highly recognized. In ELAN, 80% of respondents answered that it was common practice to place emphasis on language skills when recruiting new staff, selecting for promotion and fixing

remuneration packages. Companies in Germany, Hungary, Austria, Latvia and Norway appear more alert to the linguistic advantages of employing native speakers.

Q25: Have you ever employed external translators/ interpreters in Belgium or for other foreign trade?

The employment of external translators and interpreters may indicate how dependent a firm is on external providers of language support (ELAN, 2006: 31). Among my respondents, 64% replied 'yes' to this question (19% more than the average ELAN results of 45% for SMEs and 16% less than the ELAN results for MNCs). ELAN reports a percentage for Norway of 56%, not too different from my results. The tendency for Norwegian companies to hire external language specialists thus seems to be high. This can be interpreted in different ways. Either, Norwegians are more aware of the need of translators and interpreters, or employees in Norwegian MNCs do not have sufficient language skills to communicate with business contacts.

Q27: Have you ever offered language training to your staff?

93% of the respondents to my survey responded that language training was offered in their company. This shows that the Norwegian companies represented are acting upon their awareness of the importance of language skills. According to the respondents in ELAN, 86% of the large companies arranged language training. This is a considerably larger proportion than the levels returned by SMEs (49% offering training) and reflects the relatively weaker resource base of the SME compared to MNCs.

Q30: Do you agree with the following statements?

We expect that all new employees can understand and speak English.	100%
We expect that all new employees can communicate in a second foreign language in addition to English	50%

Table 7: Language training

All the respondents expect that all new employees can understand and speak English. It is also a clear tendency to take skills in other foreign languages for granted. In the ELAN survey, 94% of large companies indicated that they engaged in what is known as selective

recruitment, i.e. seeking to appoint employees who have the necessary linguistic and operational skills to meet a specified business need (ELAN, 2006: 47). In ELAN, selective recruitment is described as a 'quick-fix' approach, and that large companies with subsidiaries abroad frequently employ capacity building through work placements or expatriation. Further, 80% of the ELAN respondents answered that it was an established policy or common practice to place emphasis on language skills when recruiting new staff, selecting for promotion and fixing remuneration packages.

In ELAN (2006) it was found that 50% of companies were undertaking language skills audits either on a formal or on a less formal ad hoc basis and that 50% of respondents were not aware of such practices. ELAN (2006: 45) reports that the current 'common approach is the adoption of an agreed language for legal and contractual matters (e.g. annual reports) whilst at the operational level increasingly flat management structures and the encouragement of informal networking between employees themselves conspire to encourage multilingualism and to place the monoglot employee in a multi-national company increasingly at a disadvantage'. ELAN found that 'a minimum of 50% of the large companies clearly had a fully-fledged language strategy, embedded in a range of high level policy areas. It was argued, however, that the percentage of language awareness was considerably higher as the companies showed that language skills played an important role in HR policies.

Part VI: EU language policy awareness

"Language skills will be important in achieving European policy goals, particularly against a background of increasing global competition"

A new framework strategy for multilingualism
European Commission, 2005

Q44: Do you have knowledge of the EUs multilingual- strategy and policies?

Of the total sample, 21% had knowledge of the EUs multilingual strategy and policies, while 79% did not have such knowledge.

Q45: To which extent does EUs multilingual strategy influence the position of languages in your company?

None of the respondents reported that EU's multilingual strategy influences the position of languages in the company considerably. 14% reported that the strategy was influential to a certain extent, while 86% never heard about it.

Q46: As a Norwegian company – how important is it to account for policies and regulations in the EU system?

86% of the respondents reported that they mean that it is very important or important to account for policies and regulations in the EU system. The remaining 14% thought it was somewhat important. The high importance of EU policies and regulations for Norwegian companies abroad seems plausible in that Norway's most important trading partner is the EU (www.ssb.no, 20.08.2009) and that the respondents are working for Norwegian companies placed in the EU-member state of Belgium. In contrast, the low awareness of the EU's multilingual strategies is surprisingly high. This may be explained by the status of languages –being 'a dish on the side' (Trompenaars, 1994). Languages are not seen as an integrated part in business, alongside with core activities.

Q47: Do you think it is important to follow EUs strategy of making language competencies a competitive advantage?

The respondents seem to recognize the importance and potential gain from enhanced language competencies. 74% think it is important to follow EU's strategy of making language competencies a competitive advantage. 27% do not think so.

Q48: Do you have additional comments about language management in your company

- (...) *French is useful for interacting with EU institutions and 'on the ground' in and around Brussels, while cultural, but not necessarily linguistic, skills are hugely important in our work in the Balkans.*
- *During my time in Telenor the Russian classes for the employees who worked towards North-West Russia was granted a certain attention, but there was also a recognition of the limited possibilities to learn 'an exotic language' with after-hour classes only. The goal was to show the Russians that several employees wanted to master various greetings and some daily language, rather than being able to negotiate in Russian. Due to the Russians' poor English skills (at the time), interpreters were employed when delegations met.*
- *Locals combined with Norwegians are key factor for success.*
- *Depending on the market where we are operating additional languages are the key to successful execution of one's duties. In some areas being a native speaker is necessary.*

One respondent explained that most of his/ her answers were given for a specific legal entity and did not reflect the company overall.

Another respondent specified that he/ she did not know about EU's multilingual policies, but that they 'might very well be important'.

Section 8: Analysis and conclusions –Language is the key

In section 8.1 the empirical findings in the previous chapter are discussed. The interrelations between the different parts of the Language Management model will be detected and presented. Part 8.2 is devoted to the conclusion and includes concluding remarks regarding both the theoretical parts 2, 3, 4 and 5, as well as for the empirical findings. The conclusion summary gives a brief overview of the main findings.

8.1 Discussion of the findings

8.1.1 RESPONSIVENESS

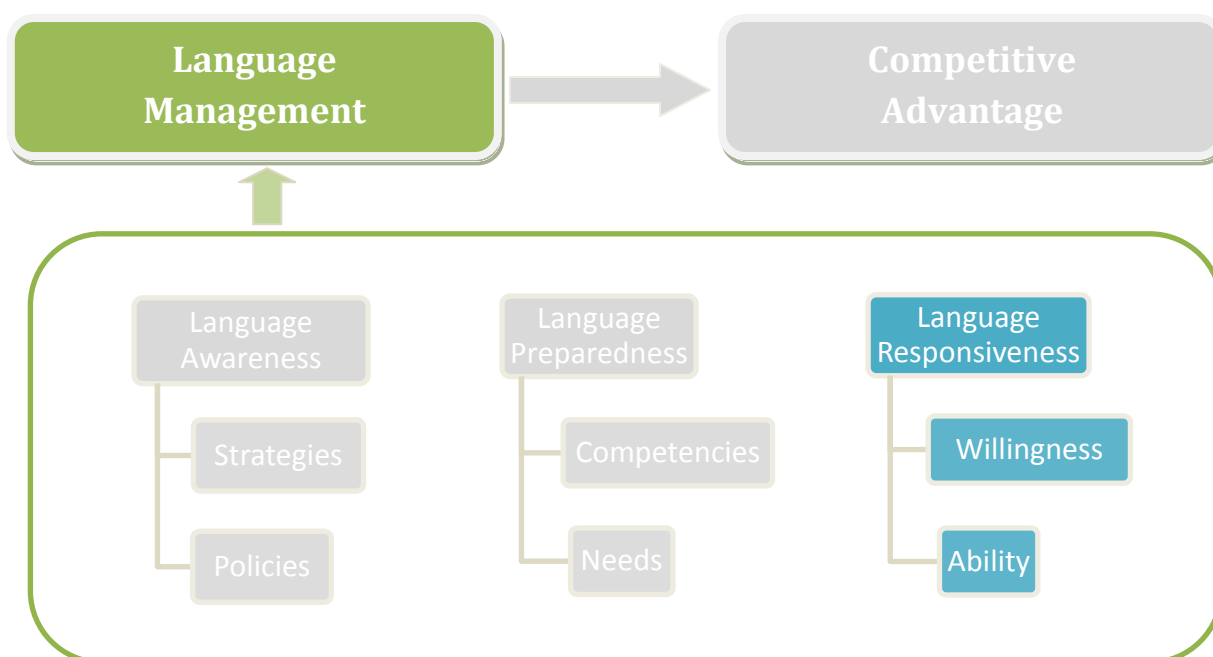


Table 8: Language Responsiveness

Not unexpectedly, the perceived importance of English skills greatly exceeds the perceived need for other foreign language skills. However, the difference is suspiciously large. While 94 % thought it was very important to be able to communicate by e-mail in English, only 19 % thought the same was the case for other foreign languages, even though their company

is operating in a large number of countries. This means that English is seen to be 75% more important than all other foreign languages in total. While it might be understandable that English has such an important role to play in business, it is puzzling that other foreign languages seem to be so little valued. The companies surveyed were all contacted through their offices in Belgium, most often situated in Brussels. As mentioned earlier, 80% of the Brussels community are francophone. Even though many international companies trade with other similar enterprises, it is reasonable to believe that the increased use of French, amongst other EU languages, could be favourable for companies operating in Belgium.

English is frequently being used in all kinds of business situations. All the respondents report that they daily speak English on the phone, and 94% think that the ability to communicate in English by e-mail and telephone is very important. This shows how important English language skills are in business, and supports the argument of Hellekjær (FiN 2007: 20) that 'exercising trading activities without using English is only exceptionally possible'. The findings also underline the need for both general and differentiated English skills, as Hellekjær points out. *For comparison, 19 percent thought it was very important that employees can communicate by e-mail in other foreign languages (non-specified), and an additional 25 percent thought it was important. This makes 44 percent in total, while the answer to the importance for English in communicating by e-mail was 94 percent.*

75 percent of the respondents inform that they use English in the communication with the headquarters and other subsidiaries, while 25 percent use Norwegian for those purposes. Similarly to the FiN survey, my findings imply that the Norwegian language is a considerable communication tool in Norwegian business abroad. It proves the importance of good communicative skills in one's own mother tongue, as for native Norwegians, and suggests that the language of the country of ownership might be good to learn for non-Norwegians. Even though English is clearly the most applied business language, the FiN survey (2007: 27) shows that there is a pronounced need for improved English skills (50% of respondents though so). Nevertheless, what is surprising is the great need for knowledge in other foreign languages like German (35%), French (25%) and Spanish (22%), implying that it is found unsatisfactory to use English in the contact with those language areas. Russian- and Chinese skills are also seen as important, and can mean that the use of English is perceived to be problematic in new and growing markets.

8.1.2 AWARENESS

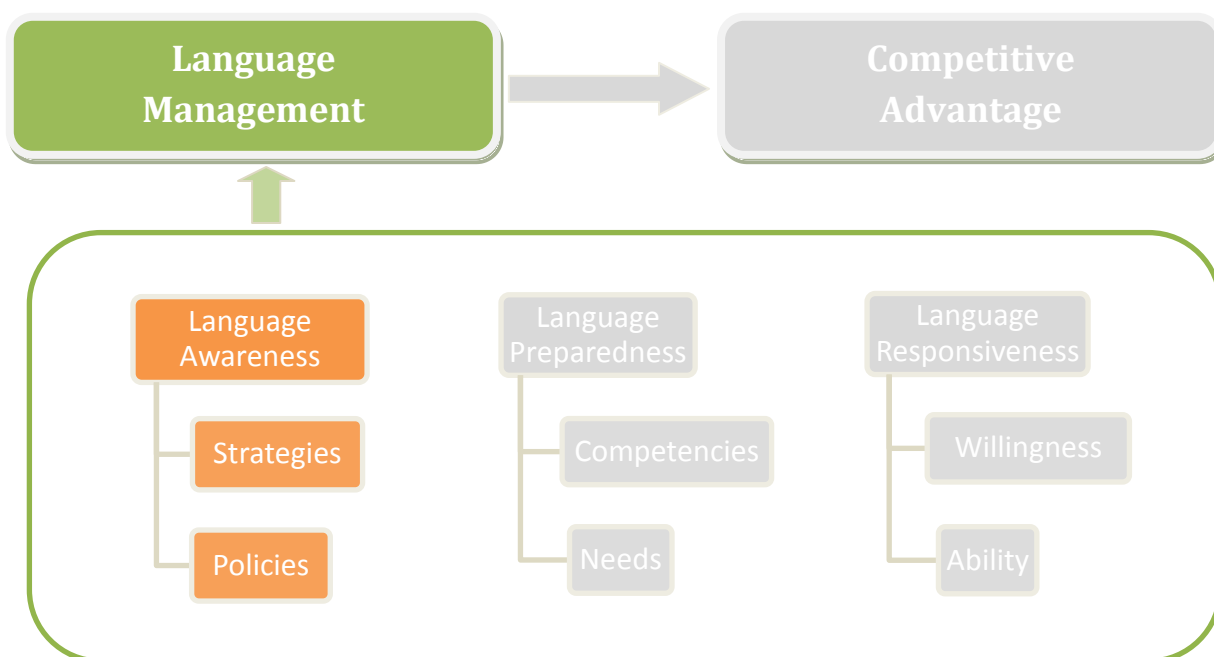


Table 9: Language Awareness

All the respondents were showing a high degree of language awareness by acknowledging that foreign language competencies are a prerequisite for their respective firms. The fact that the majority (86%) of the respondents think that their companies will need to acquire expertise in foreign languages in the next three years further support a high degree of language awareness. The percentage was 44% higher than that of the ELAN survey. Possible explanations for this difference may be difficulties due to the complex language situation in Belgium, the companies' vast expansion plans (70% of the respondents reported on such plans), dissatisfaction of using English as a substitute for other languages or merely measuring error. I would like to believe that the three former are the most viable explanatory factors.

In general, the perceived need for enhanced language competencies is great. A high percentage of the respondents think that by increasing such skills, the business performance will be positively influenced. Question 40 embraced all foreign languages, and did not distinguish between English and other foreign languages. Even though the respondents (with the exception of the Briton) and their colleagues are frequent users of English as a second language, it does not necessarily mean that they are fluent speakers. Their level of

English most likely varies, as do also the consequent communication problems. It is likely to believe that the potential benefits of enhanced English skills also are considerable.

8.1.3 PREPAREDNESS

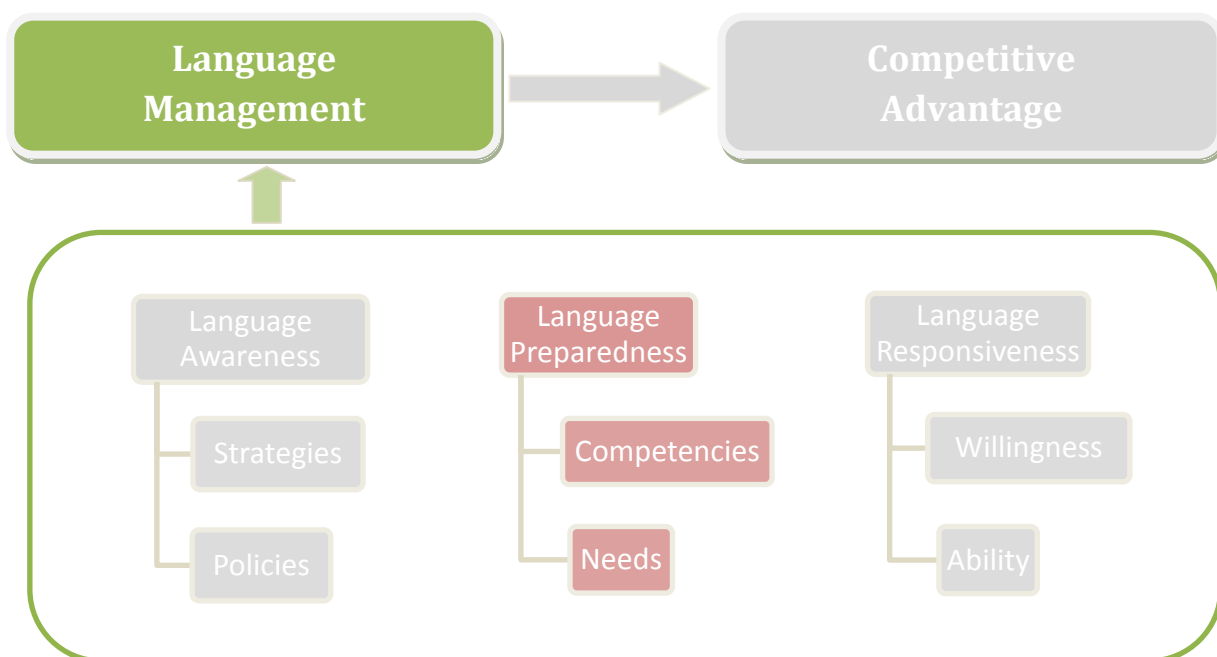


Table 10: Language Preparedness

As mentioned before, the results show that the respondents systematically put more importance to the countries for their activities than to the respective languages in those countries (cf. table in the Findings section, under Language Preparedness). Since the BeNeLux area includes four official languages (Dutch, French, German and Luxemburgish), it is difficult to distinguish what degree of importance is given to these four languages relative to the importance of the geographical area. For France, however, the picture is clearer. 75% of the respondents rated France as a very important or important for company activities, while 62% thought the French language is very important or important. This implies a difference, or language gap, of -13%. In the case of the UK, 75% of the respondents reported that it was an important country for their companies' business activities. Curiously, however, 94% thought English was a very important language. Thus, in the case of UK/ English, the language gap is +19%.

For all other foreign languages than English, we have a language deficit which means that the language gap is negative (the country is seen to be more important than employees' ability to communicate in the local language). For Norway & Scandinavia/ Norwegian & Scandinavian it is -24%, for Germany/ German it is -19%, for Spain/ Spanish it is -37%, China/ Chinese-32%, Russia/ Russian -31% and other countries/ other languages -38%. It seems that linguistic problems are, if not ignored, not being granted enough attention from business people. This is an alarming tendency, as the economic interaction between Europe and BRIC (Brazil, Russia, India, China) countries, amongst others, is increasing. The value of EU 27 import from China tripled between 2001 and 2008 (epp.eurostat.ec, 03.08.2009). The language gap increases for languages that traditionally not have been commonly taught in Norway (Spanish, Chinese, Russian and other languages). Interestingly, these are languages whose speakers traditionally are known for not having extensive foreign language skills (Trompenaars, 1994). This means that a substitute language, most likely English, or a third-party interpreter is being used. When communication is being done in a language in which the parties feel insecure speaking, the chances for miscommunication are many, especially since we are talking about culturally distant cultures like the Chinese and Russian ones.

The language deficits, or negative language gaps, imply that there is a lack of language preparedness. In other words, there is a need for increased language competencies. Like argued in the FIN survey, the knowledge of French and Spanish are not conforming to their global expansion. I find it particularly interesting to observe that the French language (remember that 80% of the population in Brussels are francophone) is regarded so much less important than English.

When third-party interpreters are being used, the information transferred from across the table will at best be approximately translated. If the interpreter has insufficient linguistic- or cultural skills, the translation may be even wrong, and decisions are consequently made on faltering ground. There are also cultural differences in the use of interpreters. In group-oriented cultures (Trompenaars, 1994 and Hofstede, 2001), where importance is put on relationships, the interpreter is usually included in the business delegation and has the job of interpreting not only what is being said, but also what is meant 'between the lines' as well as cultural features of the opposing party. In the case of the more distant and task-

oriented Western business culture, the interpreter is most likely to translate the words and be viewed as an external person to the business delegation.

In the ELAN survey (2006), when the respondents were asked to comment on the adequacy of the language skills in their company, 60% of respondents believed that there were skills deficiencies related to staff in subsidiaries. In the Talking Sense survey (2005), in France, 80 percent were unhappy with the language skills. Such numbers show that the importance of language issues in business is increasingly being recognized. All of the respondents mean that language competencies are a prerequisite for their firms and 86% think that their company will need to acquire additional expertise in foreign languages in the near future. The respondents thought that the positive effects of increased language competencies were many; 77% thought it would materialize in an enlarged network, 71% thought it would lead to more foreign clients/ customers and 64% though it would lead to better information flow in the organization. The respondents represent more employees than managers. It is likely that employees that are working in a challenging multilingual environment acknowledge the need for a language strategy and will embrace it. With 'on the ground' awareness and responsiveness, it might be easier for managers to make strategic language management schemes work. With other words, the employees may be fully aware of the need for increased language competencies, and be highly willing to respond to business partners' or colleagues' language needs, all while not having sufficient skills to do anything about it. In such an environment, the stage is set for learning. It would be the managers' responsibility that language learning and other language management measures are relevant to operation and to further strengthen the status of languages in the organization by acknowledging its importance in both daily operations and in major contract dealing negotiations.

Many business contracts are being lost due to insufficient language- and culture skills. This has been underlined both in the ELAN and FiN surveys and further in my study. According to the article 'Language: the forgotten factor in management' (Marschan et al., 1997) managers might not be able see direct economic returns on investments in language skills. However, when measured in terms of lost contracts, the picture becomes clearer. Even though 'only' 7% of the respondents report on lost contracts, there is most likely important hidden cases of contract lost on this basis. We should not ignore that this percentage tripled when the respondents were to report on lost contracts related to weak cultural skills. Even

though few of the respondents reported on lost contracts, many of them experienced problems in the contact with Belgian- or other foreign acquaintances based on the lack of language skills. 43% and 29% of the respondents have experienced problems with French and Dutch, respectively, a worrying percentage for companies operating in Belgium. Despite its wide-dispersed use, also as a substitute for other languages, English also seem to be a source of communication problems (14%). In the FiN survey, 50% of the respondents pronounced the need for increased English skills.

Language skills and misunderstandings might just be two factors of losing a contract, but the language requirements when dealing with contracts are specific and demanding. As we have seen, English is frequently being used as a substitute language, and millions of EFL-speakers are doing fine in everyday business encounters. For that reason, it might be even harder to distinguish whether *language skills* is the determinant factor of miscommunication problems.

8.1.4 CULTURE

The highest degree of language related difficulties was in the case of French (43%). In contrast, 86% of the respondents have experience culture related difficulties. The difficulties were said to be many, and more severe if the cultural distance was large (compared to the Norwegian culture). Cultural understanding obtained through language learning should not be underestimated. However, as one of the Dutch respondents put it 'although you might be culturally aware, it occasionally is a challenge to meet cultural demands from customers - especially if the demand is far off relative to Norwegian culture (our internal reference)'. As already mentioned, 21% of the respondents had experienced missing a contract due to insufficient cultural competence. In the ELAN survey, the average percentage was only 4%. Curiously, however, as the number varies greatly across borders, the percentages for Nordic firms were considerably higher. Of Swedish, Finnish and Icelandic firms 12%, 10% and 9%, respectively, reported such problems. Is it random that there were no Norwegian firms among these? Why do Nordic companies seem to be less culturally 'literate' than other European countries? It is not the aim of this thesis to find the answers, but it is surely an

interesting question. Acknowledging their difficulties, 79% the respondents admit that their companies' need additional expertise in country-cultures in the near future.

8.1.5 LANGUAGE MANAGEMENT STRATEGIES

The majority of the firms (57%) were reported to have no formal language strategy in order to deal with customers in Belgium or in other foreign countries, while 43% were said to have such a strategy. It should be noted, however, that several of the respondents may not possess knowledge about all existing policies and strategies within the company as they do not hold a managerial position. Nevertheless, the percentage is quite similar to that of the ELAN survey (48%). What is puzzling, however, is the fact that 71% of the respondents inform that their companies do keep a record of language skills –which is an important feature of a language strategy. Thus, even though only 43% informed about the presence of a formal language strategy it demonstrates awareness of the importance of language skills and it shows a basis for responsiveness to respond to business partners' language needs. However, if the language record is not being used strategically to build language competencies where they are needed and is merely used as a 'window-dressing' management tool, the fact of allocating resources to mapping out language competencies and deficiencies might be of little use.

According to the ELAN (2006: 28) study Norway figures among the countries that appear to be more alert to the linguistic advantages of employing native speakers. This seems to be underlined by my results, showing that 86% report that native speakers have been hired due to language needs to support trade in Belgium or other foreign trade. In comparison, the ELAN showed a percentage of 22%. External translators and interpreters are also frequently hired by the represented companies (64%). For Norway, the ELAN survey reports a percentage of 56%, 8% lower than my findings. This difference may be due to the complex language situation in Belgium, and may also be a sign of insufficient internal competencies in languages.

The clearly most used language management tool is language training (94%). Norwegian companies do not merely *think* about languages, they do something to improve the

situation. However, the quality and depth of the language training is crucial. The respondent, who wrote about doing business in Russia, informed about the 'limited possibilities to learn 'an exotic language' with after-hour classes only'. He further stated that the effect of even minor language skills could be great. The Norwegian showed their commitment and interest in Russia by memorizing some phrases in Russian. This in turn created goodwill from the Russians. It should be noted that it is not always a viable option to expect employees to be able to communicate in all languages that are relevant for a company's business activities. Sometimes when sending a delegation on negotiations abroad, for instance, the solution of using a language professional together with giving pre-departure cultural briefings might be just as useful if there are constraints on time and resources. What is most important is to be aware of the possibilities and apply the most appropriate language management tool to each situation. Some language needs may require long-term commitment and learning, e.g. if the company is planning an important venture in a new foreign location. By ensuring that the major language needs are strategically being built internally, language professionals can either be hired full time or for more short term projects, where specific interpreting or translating skills are required, e.g. simultaneous conference interpretation or translation of judicial documents.

When it comes to selective recruitment, all the respondents state that it is expected that all new employees can understand and speak English. 50% expect also this ability in other foreign languages. If we compare this to the answers to the question regarding experienced problems due to insufficient language skills, there seems to be a certain disparity. The need for language skills is a good reason for applying selective recruitment based on language skills. Selective recruitment is a good way to enhance insufficient language skills without major investment, and may help to decrease the percentage of experienced language problem in the company. However, it raises a new question; is it realistic to expect that all new hires are fluent in English or in other foreign languages? Is selective recruitment an 'easy way out'? Or rather, are all those who claim having knowledge in certain languages able to communicate at the business level? Selective recruitment can be a powerful tool, but it might be advisable to carefully assess the claimed language- and communication skills. After all, we have seen that even experienced MNC employees have problems communicating in English even though it is the company language they use every day. In

ELAN, it is argued that selective recruitment is a 'quick-fix' approach. It should therefore be carefully used in combination with other language management tools.

The questions regarding HR policies in my survey give, like it was formulated in the ELAN survey (2006), 'a good indication of a company's depth of commitment to successful international communication and the issue of language and intercultural skills'. The respondents' answers show that even though their companies recognize the language issues, they seek to fix them mostly by hiring external language professionals or by doing selective recruitment.

8.1.6 EU LANGUAGE POLICY AWARENESS

The knowledge of the EU's multilingual strategy and policies was surprisingly low at 21% since 86% of the respondents inform that it is important to account for policies and regulations in the EU system. It is likely that a multilingual strategy is not considered an important part of the company's core business, and for that reason is not granted much attention. Of the 21% who were aware of the EU multilingual strategy, 14% reported that the strategy was influential for the role of languages in their respective companies.

Even though the awareness of the EU multilingual strategy was scarce, 74% think it is important to follow EU's strategy of making language competencies a competitive advantage. It seems to me that Norwegian companies that are present in Belgium might favourably follow the development in areas other than what is considered as core business. I think that if Norwegian businesses are not conscious about what is happening on the EU business arena, they might start lagging behind firms that benefit from the EU's focus on materializing the favourable contributions of extensive language and communication skills. If a company is facing two suppliers, where one is able to deal in the buyer company's language, it may be the concluding factor if many of the other variables are equal. In my opinion, the relationship-building force of foreign language skills should not be underestimated, especially when dealing with relationship- or group oriented cultures like you find in countries like Japan, China or Russia.

8.2 Conclusions

The objective behind this thesis was to answer the following research question;

To which extent do Norwegian multinational companies acknowledge⁸ and apply language management?

I have attempted to answer this question by discussing the importance of language skills in international business, the need for accelerated learning of culture- and language skills in the multilingual business world, and by the case study on Norwegian MNCs in Belgium. The input from and comparison with previous research and surveys - ELAN, FiN and Talking Sense in particular- have played a crucial role in answering the research question, as my survey was relatively limited in terms of respondents and geographic area.

To structure this final chapter, I will make use of the four initial questions asked in the introduction, before I proceed to concluding remarks regarding the Language Management Model.

8.2.1 What is strategic Language Management?

LM is the way a company satisfies its language needs by the usage of various management tools. Strategic language management means that the language management scheme becomes an integrated part of long-term business planning. It can be seen from the Language Management Model that LM is dependent on language awareness, preparedness and responsiveness. These variables that represent the ability to recognize the need for competencies in multiple languages in business communication, the willingness to do something about it and the capability of doing so, are necessary to build a viable language strategy and well-functioning LM tools. Throughout the paper, various examples of LM tools

⁸ By the word 'acknowledge', I mean the extent to which the companies' employees and managers are aware of, prepared for and responsive towards language-related questions, according to the Language Management Model.

have been presented, for example language mapping, language training, selective recruitment and the hiring of native speakers as well as external language professionals.

8.2.2 Why is strategic Language Management important?

As a result of globalization and the evolution of the knowledge economy, the need for language skills is increasing constantly. Language skills are of utmost importance to enable communication between speakers of different mother tongues, whether communication is internal or external. There is a gap between the need for language skills in business and the current situation of language competencies possessed by company staff. This is a language gap that needs to be bridged. One of the reasons why there seems to be a lack of language competencies in business is the low status language skills possess. As companies tend to focus on other competencies than language skills in the recruitment process, the low status prevails. Another explanation for lacking language skills is the ignorance of the need for competencies in other languages than English. An important finding of Hellekjær in FiN (2008) was that Norwegians are not as fluent in English as they like to believe. Thus, employers should learn not to take English skills for granted when hiring new staff. The enhancement of English skills is also an important part of a viable language management strategy.

It has been shown that large firms which have no structured approach to language issues tend to fail to deal with day-to-day problems of how to communicate. Another reason why strategic language management is important, is the opportunity to draw on the hidden resources within the company or to better exploit existing skills, and to detect and develop skills that do *not* yet exist (language mapping). Only when the needs assessment has been done, can investments be placed into language skills in an efficient way.

Even though the contemporary global marketplace suggests a multilingual business environment, English prevails as the lingua franca in business. There are various explanations for why English has gotten this role as a substitute language. Being the most popular second language taught in major parts of the world is probably one of the most important reasons. Even though most of the arguments presented in this thesis oppose the

introduction of one single company language, some advantages deserve to be mentioned. The fact of having a common company language both facilitates formal reporting and eases the access to corporate information. It also may enhance the sense of belonging among the employees. However, one should keep in mind that the introduction of one standard language may create many informal networks of people having other mother tongues, and that people often express themselves better in their mother tongues. More than taking the focus away from the usage and the importance of enhancing the knowledge in English, focus should also be put on the increased use of other languages, also non-European languages. One should also bear in mind that the choice of language may create or deter goodwill among business partners.

The trend of realizing the importance of foreign language competencies (increased awareness) is promising. However, awareness is not enough. In my opinion, most MNCs today have a long way to go to get prepared and responsive towards language issues and to get a viable language management strategy.

8.2.3 Can strategic Language Management contribute to competitive advantage?

Language is an important tool for acquiring and transmitting knowledge and ideas. In the knowledge-based economy, language skills thus represent a fundamental source of human capital. Language can actually be seen as the storehouse of an organization's knowledge. An important lesson for business managers is that language has economic value since it is an asset, like money, and a capital when in use. One of the reasons why business managers until recently have been reluctant to acknowledge language to the extent that they introduce a language management strategy, is in my opinion related to the question of costs of such an investment. What I have tried to show throughout this thesis, however, is that language skills may yield benefits to the 'bottom line'. In fact, the British Chambers of Commerce (2004) proved that there is a direct correlation between the success of the business and the value placed on language skills by managers. By creating situations in which language would facilitate efficiency in communication and result in synergistic

interactions among individuals, the business manager may use language to create economic value as well as competitive advantage by increasing intellectual capital through effective knowledge management. The efficient managing of cultural diversity and linguistic complexity can be turned into a critical asset for large companies in the global knowledge-based economy.

It is challenging to obtain synergy effects from the performance of individuals speaking different languages. However, as shown in the discussion above, there are a number of distinct rewards of putting effort into language management; improved informal communication, improved relationships internally, accumulation of social capital and enhanced information access. It has also been proved that multilingual individuals possess a higher degree of creativity and capacity to detect new and innovative solutions to problems.

The learning process of a language prepares the language learner for dealing with another culture and thus contributes to the accumulation of social capital. Consequently, the multilingual business person normally has an advantage over the monolingual business person due to higher cultural sensitivity. Cultural acculturation may reduce uncertainty in that knowledge of the host culture makes the behaviour of the people in that culture more predictable. It may also represent admission to entry into the host culture in that communication in a local language can help to establish trust.

MNCs that want to introduce a language management strategy ought to look at best practice multinationals that can lead the way in illustrating how clear strategic planning and business-led investment in skills development play a crucial part in improving business effectiveness and competitive edge.

8.2.4 The interdependencies in the LM model

Application of the Language Management Model on the current situation among Norwegian MNCs in Belgium

The fact that all the respondents were showing a high degree of language awareness by acknowledging that foreign language competencies are a prerequisite for their respective

firms shows the staff's *responsiveness* in terms of willingness to accommodate for foreign language needs. This combination of awareness and responsiveness is further emphasized by the belief among the respondents that their companies will need to acquire expertise in foreign languages in the next three years. Possible explanations for this awareness-responsiveness may be difficulties due to the complex language situation in Belgium and due to lacking *preparedness* in terms of competencies. The language deficits, or negative language gaps, imply that there is a lack of language preparedness. In other words, there is a need for increased language competencies. In my opinion, the companies have a job to do to try to improve the status and place of language skills in business.

In general, the perceived need for enhanced language competencies is great. A high percentage of the respondents think that by increasing such skills, the business performance will be positively influenced. The Language Model below has been adjusted to the situation as perceived by the respondents. Language responsiveness is only in place in terms of willingness but not ability. Language preparedness is not fulfilled because of the lack of sufficient language competencies. However, the needs are being recognized. There seem to be some policies on language issues within the companies represented, but these do not seem to be strategically approached in an integrated way. Thus, the current situation among Norwegian MNCs in Belgium does not prove complete language awareness. When it comes to language awareness, it is useful to think about it in two different ways. The word *awareness* means that one is conscious, mindful or alert about something (thesaurus.reference.com, 03.09. 2009). However, in the context of the model it has a wider meaning. As depicted in Talking Sense, language awareness consists of strategies and policies. In other words, the language awareness is operationalized through formal agreements in the model.

The majority of the respondents report that their respective companies keep a record of language skills for employees (Cf. language mapping). Almost all companies train their staff in languages, and many companies hire native speakers and external translators. Some of the respondents also inform about other language management policies like selective recruitment. Nevertheless, this seems not to be enough. According to the model, I explain the persisting problems with the inconsistency of the language management strategy. That

means that the measures are not integrated in an overall strategic language management plan, and there is a need for improved awareness, preparedness and responsiveness.

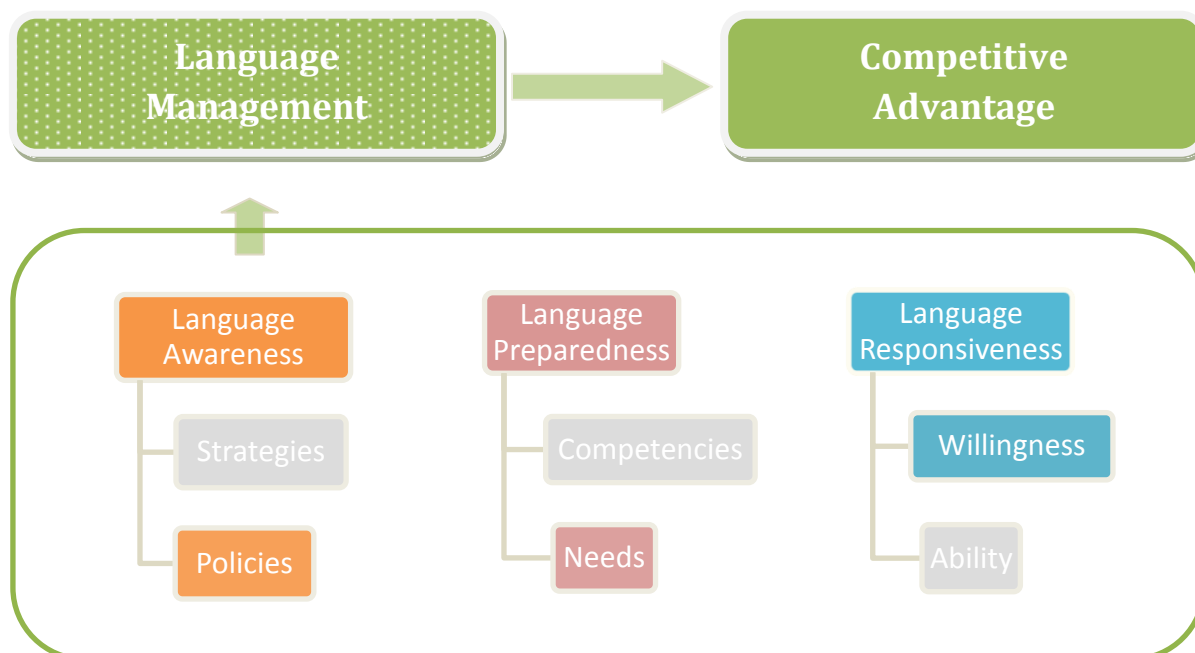


Table 11: The current language situation in Norwegian business

All the prerequisites for Language Management are not fulfilled in contemporary Norwegian multinational businesses in Belgium. There are clear opportunities for improvement in all aspects mentioned in the model, even though some companies, more than others, have started to realize the importance of language skills in multinational business. Without the ability to respond to business partners' language needs due to insufficient competencies and a lacking overall strategy, language management will most likely not yield optimal benefits and competitive advantage through streamlined internal and external communication and exchange of information and knowledge.

There are understandable reasons for English holding a prominent role in business, even in Belgium. However, in multilingual Belgium it is puzzling that other foreign languages seem to be so little valued. It is reasonable to believe that the increased use of the official languages in Belgium French, Dutch and German, together with other EU languages, would be favourable for companies operating in this country.

The value of language skills in business

It surely is no easy task to put a fixed value on language skills. However, having studied major surveys and previous research, and by doing my own case study, I think I can rightly conclude this thesis by saying that there is a need for increased language skills in business and that this can be managed well by applying strategic language management. Efficient language management, as I see it, is as previously discussed a factor of three variables; awareness, preparedness and responsiveness. If a company experiences lacking language responsiveness –the willingness to respond to business partners' language needs, can increased investment in language skills be a viable option for business development. Throughout this paper, Norwegian businesses have been shown to be highly aware of language related questions. However, it seems like this awareness is not being exploited and operationalized. More effort should be put into mapping language skills of employees to match the language needs in the company, and training should be tailored both to the individual and to the work tasks ahead. With such a language strategy, the company can direct their internal investments where they are needed. If the employees are well aware of the value and benefits of language competencies in their daily working lives, and if the employer is ready to acknowledge and reward such skills, I think that the motivation for learning and maintaining language skills will increase in the business world. A dynamic and successful language strategy ensures that language management comprises all these factors in an interactive manner by the use of tools like selective recruitment to employ people who already speak foreign languages and/or are willing to learn, tailored learning schemes to match existing and long-term language needs in the firm and careful selection of interpreters, to mention but a few.

The lesson from EU multilingual policies

The reason for most of the Norwegian multinationals to have an office in Belgium is to follow EU policy development relevant to their industry. However, the overall ignorance of the EU multilingual policies is striking, taking into account that practically all of the respondents to my survey acknowledged the importance of language skills. They also reported on problems related to insufficient skills, answered unanimously that enhanced language skills are needed in their company and that such skills would have positive effects

in many areas of their business operations. I think it could be advantageous for Norwegian companies to keep an eye on the development in the EU when it comes to multilingualism, and to study the part on language skills in the Lisbon Strategy more closely. If Norwegian businesses are not conscious about what is happening in the EU business arena, they might start lagging behind firms from the European Community.

Multinational companies can learn from the EU. Languages have played a crucial role in the European community since its establishment. As a natural consequence of the enlargements of the EU, the linguistic diversity is increasing. The European Commission Directorate-General for Multilingualism was established in 2007, and separated the field of multilingualism from the portfolio of the Directorate-General for Education. With the Lisbon treaty, the aim is to make the EU the most competitive and dynamic knowledge based economy in the world by 2010, partially due to increased investments and focus on multilingualism.

8.3 Conclusion summary

Languages play a crucial role in the multinational business environment. Whether an employee speaks in English as a foreign language, or in other languages, there is a risk of linguistic and cultural misunderstanding.

Language management tools like those mentioned in the Talking Sense survey (Feely and Winslow, 2004) may be important parts of a company's extensive language strategy. However, the interrelatedness between the variables in the Language Management Model should not be overlooked. For example, if the employees are not aware of the need for enhancing language skills, the potential of language management tools introduced by the managers will most likely not be fully exploited. Even though both employees and managers are aware of the linguistic needs, they might be short on responsiveness –the willingness to do anything about it. Despite the fact that the organization proves both language awareness and responsiveness, the capability of improving the situation might not be in place. In my opinion, this is the ideal starting point for introducing language management tools. The comprehensive language strategy of the company should include measures pointed at all

the four parts of the Language Management Model. By taking such a strategic approach, and by including questions related to linguistic abilities both in long- and short term business planning, I think the potential of gaining a communication-related competitive advantage is ready to be tapped. It seems as if language- and culture learning investments have until now been regarded as 'a dish on the side'. I believe that the multinational and globalized business community have set the stage for a more multilingual approach to communication, where foreign language investments through strategic language management deserve a place in 'the main dish'. Similar to what was uttered by Amin Maalouf, member of the Group of Intellectuals for Intercultural Dialogue, with regards to the situation within the EU; I believe that linguistic diversity is a challenge for the MNC, but a rewarding one.

The 'start-up-costs' of a language strategy might be considerable, taking into account expenses for making a record of language skills, training, recruitment of language professionals and the like. Some managers might think 'what is the use if all other companies stick to English anyways?' Such attitudes must be addressed and changed. The introduction of a language management strategy enables a company not only to benefit externally by improving communication abilities with business partners and suppliers, it also enables the company to harvest benefits from the improvement of internal communication –both formally and informally. This paper has not been able to show and prove *all* the potential benefits due to the introduction of a language management strategy, but that was not the goal. The aim behind my work was to address the role of language skills in multinational business communication. Even though such skills are obviously important and necessary, the effort put into it seems to me to be unsatisfactory. Language skills may not be the underlying reason for doing business, but it provides a means for business to be done. Without common words and understanding, all other parts of business communication are of no value. Language and identity walk hand in hand and by trying to learn more about other people's identity and by doing an effort to learn other languages, I think all individuals will benefit. A group of open-minded individuals, who are eager to learn and who embrace diversity, have the potential to create a business environment of innovation and respect where knowledge is power and language is the key.

Implications for business managers

- The importance of language skills should be recognized and language management should be integrated in the overall business strategy.
- When hiring new employees, it should not be taken for granted that they have sufficient language skills, neither in English nor in other foreign languages.
- The quality and depth of language teaching should be carefully monitored and tailored to existing or future business needs.
- A flexible and economically sound language management strategy could be implemented by building up competencies internally to fulfil long-term language needs and by responding to temporary requirements through the hiring of external language professionals.

Limitations

Throughout this paper, I have been focussing on what should or could to be done in the area of language management within multinational companies. There might be a possibility of a certain bias, as I have not investigated all measures that have been undertaken. I acknowledge that there might be numerous ways of approaching language issues in business. I have chosen to analyze the existing situation in line with the Language Management Model that has been derived from the Talking Sense survey. This approach thus colours the final paper to a large extent.

My focus in this thesis has not been on mapping out all forms of language management among Norwegian companies operating abroad. For a more in depth understanding of the situation of language companies in Norwegian business, an overview of such language strategies would have helped to get a more thorough understanding of the topic. This would be an interesting topic of future research. Rather than putting efforts into getting such an overview, my objective was to 'take the temperature' among staff in Belgian branches of Norwegian multinationals for language issues in the multilingual environment in Belgium.

In general, the introduction of a language management strategy aiming for a multilingual work force is not free from drawbacks. A businessperson knowing a foreign language without having the knowledge of the cultural behaviour of a group can be damaging. Thus, errors in behaviour that might be excused in a foreigner would no longer be acceptable in the businessperson who speaks the language.

As an EFL user I recognize that I have shortcomings while expressing myself in English. Nevertheless, I hope that I have been able to convey my ideas in a clear and understandable manner.

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APPENDICES

Appendix I: Language Management Tools

(Feely and Winslow, 2005)

- 1** Language training: The use of company-funded training programmes to improve the language skills of employees.
- 2** In-house departments: The maintenance by the company of a team of language professionals who provide translation and interpreting services.
- 3** External providers: The contract employment of external language specialists to provide translation and interpreting services on call.
- 4** Selective recruitment: The recruitment of language skilled personnel to fill identified gaps in the language skills possessed by the company.
- 5** Acculturation: The training of both international and domestic managers to understand and respond sympathetically to the cultural differences they encounter. This may or may not include some basic language training.
- 6** Expatriation: The transfer of headquarters personnel to work in the subsidiaries (in another country) to serve as a communications interface between the two.
- 7** Inpatriation: The transfer of subsidiary personnel to work at head office to serve as a communications interface between the two.
- 8** Language buddies: The establishment of a formal scheme whereby language skilled personnel within the organisation have an obligation to assist their colleagues even though they may be in different departments.
- 9** Machine translation: The use of computer-based systems to translate text, and sometimes voice, from one language to another.

Appendix II: Survey Sample

1. Hydro Corporate EU Office
2. Orkla Brands
3. StatoilHydro EU Affairs Office
4. Laerdal Benelux
5. Brusselkontoret AS
6. Norske Skog Logistics
7. Hydro Energy SA
8. Telenor
9. Dalseide Shipping Services
10. Det Norske Veritas Belgium
11. DNV Classification NV
12. Fjord Seafood
13. Hydro Agri
14. Hydro Aluminium Raeren SA
15. SAS
16. Telenor Representative Office
17. TraceTracker Innovation ASA
18. Dynea NV
19. Norske Skog Transaction Service Centre
20. Statoil Coordination Center NV
21. Yara
22. Simrad BV
23. Radisson SAS Hotel Resorts
24. Stolt Seafarm
25. Tomra Systems
26. Wallenius Wilhelmsen
27. Star Shipping Belgium
28. DFDS Tor Line NV
29. DFDS Lys-Line

Appendix III: Survey outline

-The survey on language management in Norwegian companies in Belgium

Part I: Background information -industry, company and respondents

Q 1: What is the name of your company?

Q 2: What are the main products/ services?

Q 3: How old is your company?

Q 4: Is your company a subsidiary of another company?

Q 5: In which country lays the ownership of your country?

Q 6: Which position are you currently holding in the company?

Q 7: For how many years have you been hired by your current employer?

Q 8: What is your professional background?

Q 9: What is your nationality?

Q 10: What is the number of employees on a global scale?

Q 11: What is the number of employees in the Belgian branch?

Q 12: What are the major activities in the Belgian branch?

Q 13: What is the percentage of your company's sales abroad of goods or services as a proportion of global sales?

Part II: Language responsiveness/ communication patterns

Q 14: How do you communicate with your Belgian acquaintances and contacts in other foreign countries?

Q 15: How important is it that the employees can communicate in English in the activities mentioned below?

Q 16: How important is it that the employees can execute these tasks and communicate in other foreign languages than English?

Q 19: Which languages are being used in the communication with the headquarters and other subsidiaries?

Q 31: How often do you speak English in the following situations?

Part III: Language awareness/existing language skills in the company –capacity and needs

Q 29: Are foreign language competencies a prerequisite for the success of your firm?

Q 39: Do you think your company will need to acquire additional expertise in foreign languages in the next 3 years?

Q 40: Do you think an increase of competences in languages among the employees would lead to some of the following consequences?

Q 41: Does your company have plans to begin trading in any new foreign countries?

Q43: Is your decision of investing abroad based on knowledge of the relevant language/culture?

Part IV: Language preparedness

Q 17: How important are the following languages for your company's activities?

Q18: In which countries is your company present and how important are the activities in these countries?

Q24: Do you ever adapt your website for foreign markets?

Q 21: Have you ever missed an opportunity of winning a contract due to lack of foreign language skills?

Q 28: Have you ever experienced problems in the contact with Belgian- or other foreign acquaintances based on the lack of skills in one or more of the following languages?

Q39: Do you think your company will need to acquire additional expertise in foreign languages in the next 3 years?

Culture

Q33: Has your company ever experienced difficulties with foreign customers due to cultural differences?

Q34: If you answered yes to the question above, can you explain why you think these problems occurred?

Q35: Have you ever missed an opportunity of winning a contract due to lack of cultural competence in any particular country?

Q 36: Do you think your company will need to acquire additional expertise in country-cultures in the next 3 years?

Part V: Language management strategies

Q37: In order to deal with customers in Belgium or in other foreign countries, does your company have a formal language strategy?

Q 38: Do you keep a record of staff language skills?

Q22: Have the language competencies of your staff ever influenced your company's choice of export markets?

Q23: Have you ever employed native speakers full time in your company who support trade in Belgium or other foreign trade?

Q25: Have you ever employed external translators/ interpreters in Belgium or for other foreign trade?

Q27: Have you ever offered language training to your staff?

Q30: Do you agree with the following statements? (Selective recruitment)

Part IV: EU language policy awareness

Q44: Do you have knowledge of the EUs multilingual- strategy and policies?

Q45: To which extent does EUs multilingual strategy influence the position of languages in your company?

Q46: As a Norwegian company – how important is it to account for policies and regulations in the EU system?

Q47: Do you think it is important to follow EUs strategy of making language competencies a competitive advantage?

General

Q48: Do you have additional comments about language management in your company?