



Talking sense

A research study of language skills management in major companies

Executive summary

Background

The Nuffield report, *Languages: the next generation*, published in 2000, found that large sections of British business recognised no need for skills in other languages because they believed that: 'English is enough!'. Nuffield demonstrated that this concept was false, both then and even more so in a future where the world dominance of English was likely to be challenged as the bases of economic power shifted within the global economy.

This study was commissioned by the Learning and Skills Council as part of its support for implementation of the Government's national strategy for languages, set out in the publication *Languages for all: Languages for life* (2002).

The study

The research comprised two parallel and inter-related exercises, one telephone survey of major multinational companies involving approximately 50 respondents¹ in each of the UK, France and Germany, and one series of interviews with senior personnel in six UK-based companies identified as examples of best practice.

The best practice companies identified are:

- AstraZeneca
- The BMW Group
- Deutsche Bank
- Eversheds
- Gazeley Properties (wholly owned subsidiary of Walmart)
- GlaxoSmithKline

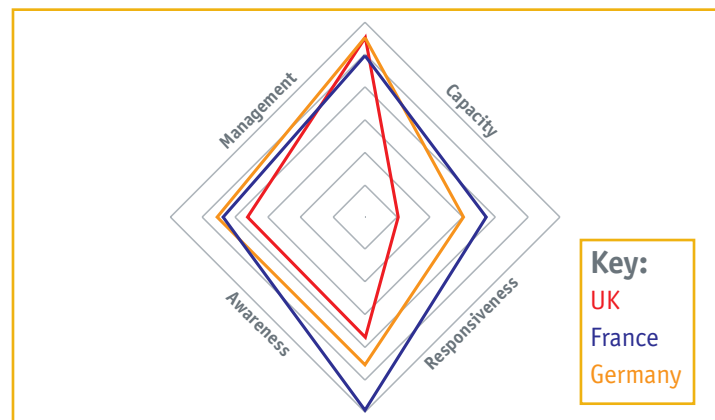
These six case studies were drawn together², cross-referenced to the findings of the telephone survey, and used as the basis for a series of recommendations that could improve companies' access to language skills and support both the enhancement of business competitiveness in the UK and the future employability of individuals from the UK.

Findings

Focusing on their policy, strategies and tactics in dealing with language issues, UK multinational companies were compared with their French and German competitors in four categories: capacity, responsiveness, awareness and management³. Figure i (top right) charts the results of the comparison. The single point on the chart where UK companies achieve scores equal to those of the French and German respondents is in respect of language capacity. UK companies believe that they are as well prepared as their French and German counterparts to meet the challenges of international communication. However, UK companies achieve low scores in language awareness, language management and, especially, in language responsiveness.

UK companies believe they are 'prepared', because their 'responsiveness' to their clients or suppliers is based predominantly on the assumption that this response will be in English.

Figure i Top Level Country Comparison



The study revealed that:

- Demand for language skills among UK companies exists, but is still largely latent.
- Based on evidence from the comparative survey, UK companies are not as willing as their continental competitors to trade in their client's language.
- The comparative survey underlined the fact that economic factors foster a climate in the UK in which companies operate short-term in respect of skills capacity-building generally. The unpredictable nature of changing international markets and, therefore, changing need for different languages is an exacerbated aspect of that generic issue.
- 75% of UK companies, along with 75% of French and German companies, recognise a need to improve their capacity in one or more languages to support future business development strategies.
- UK companies seem less well placed than their continental competitors to make effective use of the languages of emerging economies (e.g. Arabic, Chinese, Spanish).
- Company awareness of the importance of the principle of building capacity to trade in language(s) other than their own appears better established on the continent than in the UK. While companies in continental Europe might traditionally build capacity in English, the principle is understood and acted on, suggesting that the opportunity could readily be seized to build capacity in other languages as needed. The principle would not seem to be widely established yet in the UK.
- UK companies seem to prefer to meet their language skills needs through recruitment rather than training. This means that UK major company HR departments are looking for potential employees with language skills as part of their portfolio. The evidence from this survey suggests that they are not finding them among the majority of recruits indigenous to the UK.
- It is not clear whether UK companies pay a premium for language skills or not. This study suggests not; other surveys have found some evidence for salary premiums for recruits

¹Listed at Annex 2. ²See Annex 4. ³See Chapter 3 of the main report for a full explanation of the categories.

Talking sense: A research study of language skills management in major companies

with the additional benefit of languages on offer.

- A recruit with language skills in their portfolio is clearly valued over one without.
- UK labour market entrants at whatever level, but particularly at graduate/postgraduate level, without additional language skills appear to be at a disadvantage.
- The UK would appear to be increasingly under-represented in the elite labour market (e.g. graduate fast-track programmes).
- Major companies that have seen a diverse and varied language-skilled population as a factor in locating in the UK are looking now to ensure succession planning for language skills to cater for routine staff turnover. Comments from respondents to this study suggest that there is concern about the continued availability of those skills in the UK.

Conclusions

Extracting the key points from the findings, the following conclusions emerge:

- Language skills offer competitive edge for a company.
- Many UK multinationals are not capitalising on the benefits of managing language skills effectively and are likely to be losing potential business as a consequence. UK companies would appear to have less capacity in this area than their French or German counterparts.
- By contrast, a number of UK-based multinationals have well-developed language management policy and strategies, demonstrating that there is best practice in the UK which might be replicated.
- Language skills offer enhanced recruitment and career prospects for the individual.
- Recruits or employees without language skills in addition to their mother tongue are likely to be at a disadvantage at initial selection and for career progression in a multinational company. UK graduates would seem to have fewer language skills to offer than their overseas counterparts. The UK may consequently be increasingly under-represented in the elite international workforce.

The comparative survey further points to a shift in the profile of languages regarded as important for trading and businesses. Arabic, Chinese and Spanish are increasing in importance. This should be a matter for concern given the identified current uncompetitiveness of the UK in these languages.

The six 'best practice' companies show that it is both possible and rewarding to respond strategically to the communication needs of international partners. These companies are not alone, but they appear to be in a minority. Many of the recommendations which follow draw on insights gained from discussions with these companies and are directed towards expanding the base of good practice in language skills management in UK business.

Examples from the best practice identified

The clearest example of 'policy to practice' in effective management of language skills was found in the international law firm Eversheds. Here the company vision, 'To be a great place to work and the most client-centred international law firm', is split into three areas of responsibility with the international dimension falling to the company chairman. Eversheds operates a company policy on language training, a growing commitment to training in intercultural skills, and an acknowledgement that building the business outside the UK depends on their staff having not only knowledge of local legal systems, but also linguistic and cultural affinity with their client. This policy has an impact on recruitment, company structure and the selection of overseas partners or acquisitions.

Some years ago, the then Chief Executive of the airline SAS coined the phrase – a thousand points of light – to illustrate that all employees need to be involved in and committed to, delivering customer satisfaction. That principle underlies our approach.

(Chairman, Eversheds)

The firm has reviewed its approach to language training and has initiated an overall policy which enables every Eversheds office to offer language training on site for those with agreed business need. Where numbers permit, others who wish to improve their language skills, may join these training groups.

The BMW Group human resources policy stresses internationalism as one requirement for a successful management cadre and as a desirable characteristic at associate level. Language and intercultural skills feature in the list of attributes for managers. Reflecting this policy, the Hams Hall Plant has its own formal statement on language skills. The five-year development plan for the plant includes reference to levels of skill in German to be achieved by specified workforce groups. The plant's own strategic aim of positioning itself as a key player in the BMW structure is reflected in an energetic application of international placements.

In both of these cases, and for all the other company employees interviewed for this study, there is no doubt that career progression is significantly enhanced by the ability to communicate effectively in whatever language is appropriate to the participants at the time.

The French graduate recruitment team speak French all the time in the office. Since their English manager also speaks French, this is not an issue.

(Head of Graduate Recruitment, Deutsche Bank)

All respondents also stressed the importance of intercultural skills. Eversheds has engaged a consultant to provide intercultural awareness workshops at regional meetings of senior staff. Languages and intercultural skills are the two subjects which are shown on the company's training matrix as being of potential value to all levels of staff.

Understanding another's culture is good, but what really counts is understanding that others will rarely see us as we see ourselves.

(Chairman, Eversheds)

All respondents confirmed that language skills fall firmly into the category of 'added value skills', opening doors of opportunity for employees and employer alike. All respondents agreed that, all other factors being equal, they would be likely to prefer a job applicant with language skills to one without, as:

- personnel with language skills are more readily trained in other languages;
- they tend to be more internationally minded; and
- they fit more easily into the multilingual community, which is increasingly the nature of the workforce for global businesses.

Recommendations

On the basis of the conclusions, the report's authors were encouraged to make a series of recommendations. Two target outcomes against which the success of the Government's National Languages Strategy will be measured are:

- Businesses should be involved in supporting language learning and championing the importance of language skills;
- Businesses should be able to recruit employees with a wider range of language skills to better meet their business needs.

(*Languages for all: Languages for life*, DfES, 2002, p44)

It is in this context that the following recommendations are made.

Figure ii Recommendations as a consequence of the Talking Sense exercise

	Recommendation	Proposed action	Partners involved (CILT to lead on, broker or evaluate each strand)
1	Devise means to draw demand for languages skills out into the open, e.g. integrating into business and employer surveys questions on languages which will elicit useful responses.	<ul style="list-style-type: none"> Undertake further research into 'language trends' in order to communicate to UK business and educational institutions the profile, pace and scale of the language challenges likely over the coming years. 	SfBN, DfES, UKTI, LSC
2	Undertake a study of the perceptions of international clients, as opposed to the companies that serve them, to evaluate the extent to which the language attitudes of UK companies are damaging the national economic interest.	<ul style="list-style-type: none"> As stated. 	CBI, UKTI, IoD, BCC, LSC, SfBN
3	Encourage and make possible the cultivation of language skills as part of every UK student's skills portfolio, regardless of their age or main programme of learning.	<ul style="list-style-type: none"> Promote and support facilities for students to maintain and improve language skills not forming the main focus of their 14-16, FE or HE study programme. 	14-16 secondary sector, FE sector, HE sector, DfES, LSC, HEFCE, Vice-Chancellors
4	Harness the willingness of exemplar companies through 'champion' schemes.	<ul style="list-style-type: none"> Encourage adoption of peer group 'champions' for languages. Foster business mentoring schemes on a languages theme. 	Investors in People, UKTI, RDA's, SfBN, BCC
5	Encourage those companies not yet in this category through incentives operated by the Skills Alliance partners (e.g. National Employer Training Programme, etc).	<ul style="list-style-type: none"> Earmark Workforce Development and National Employer Training funds for the development of international and language skills in exporting businesses. Recognise language skills in the entitlement at Level 2 for the National Employer Training programme. 	LSC, DfES
6	Support companies willing in principle to explore more effective use of language skills through toolkits, sign posting, brokerage and schemes such as 'Linguists into Industry'.	<ul style="list-style-type: none"> Develop a 'how to' guide for effective management of international communication. Create an on-line and interactive advice and toolkit addressing multinationals while also, where appropriate, signposting to existing language management support (the National Language Standards, professional service and recruitment searches, FAQs, etc). Consolidate 'regional brokerage portals', signposting employers to quality provision of advice, and sources of skills, training and services. Develop for multinationals a version of the current Export Communication Review Scheme. Build and actively disseminate a full set of case studies illustrating good practice in each of the techniques of language management. Build on existing regional and national language networks. Formalise collaboration with local representation of UKTI, with Regional Skills Partnerships, National Employer Training Programme, and provider consortia. Offer language and intercultural skills training for major account managers in UKTI and Regional Development Agencies. 	SfBN, CBI, BCC, IoD, UKTI, Providers, Regional Language Networks, RDAs, Regional Skills Partnerships, LSC
7	Recognise those companies that are making effective use of language skills through a 'language model' integrated into Investors in People, or similar.	<ul style="list-style-type: none"> Institute a form of accreditation as a lever or development tool to promote a strategic approach to international communication. 	Investors in People

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	Recommendation	Proposed action	Partners involved (CILT to lead on, broker or evaluate each strand)
8	Undertake further research in the UK and among competitor countries into issues of comparative success in language management for business effectiveness, paying attention to factors such as salary premiums.	<ul style="list-style-type: none"> • Examine more closely the incidence of salary premium for languages, from the perspective of the employer and the employee. • Undertake further research with appropriate partners to track accurately the business benefits of a strategic approach to international communication. • Undertake further qualitative research to benchmark language management approaches in the UK against leading international competitors. 	SfBN, LSC, HEFCE, CBI, IoD, FSB, BCC
9	Ensure that languages form part of the generic 'employability' package for all learners, and that languages are integrated into the new structures emerging for 14–19 education and training, e.g. Skills Academy programmes, diplomas and foundation degrees.	<ul style="list-style-type: none"> • Fully articulate the international dimension in national, regional and local strategies for economic growth. • Move language skills higher up the agenda of the Sector Skills Development Agency and of the Skills for Business Network. Use current SSDA Language Plan project and recent Integrated Plan project as platform for SSCs to encourage employers to take account of the European and global dimension when considering skills needs. • SSDA to ensure that the skills implications of international communication are appropriately reflected in sector qualification strategies and regional/national skills agreements, possibly through the introduction of guidance notes similar to those prepared for 'employability'. • Encourage the further development and take-up of programmes involving joint study of language(s) and business-related subjects. • Embed language and intercultural skills within vocational FE programmes, especially those which claim an international dimension. • Map the international dimension of HE curricula, particularly in respect of 'international' business programmes and ensure integration of languages. 	SfBN, individual SSCs, RDAs, LSC, DfES, QCA (& other regulatory authorities), UUK, HE Academy, HEFCE, UCML
10	Continue to maintain, refresh and extend the reach of accurate careers information on languages for learners from an early age, and for those who influence their career choices.	<ul style="list-style-type: none"> • Maintain the impetus of the Languages Work initiative to raise awareness of the value of language skills to pupils in primary and secondary education. 	Subject Centre for Languages, Linguistics and Area Studies, SHA, NALA, LEAs, careers services, UCML, HEFCE, DfES
11	Encourage best practice companies to step forward as 'Language Champions' and engage with the education sector at all levels.	<ul style="list-style-type: none"> • Continue and extend the existing Business Language Champions scheme to support the creation of further business/education partnerships with a languages theme. 	DfES
12	Take advantage of the Skills Academies, Sector Skills Agreements, Sector Qualification Strategies and new 14–19 diplomas, to look creatively at opportunities for languages, whether on their own, or combined with another discipline.	<ul style="list-style-type: none"> • Make use of the SfBN 'Integrated Plan for Languages' to achieve, e.g. representation for languages in all SSAs, SQSs and diploma lines. • Consider the potential for a Language Skills Academy to underpin exploration of the potential 'added value' of language skills for all sectors of business and industry. 	SSDA, SSCs, LSC, CoVEs, Academies