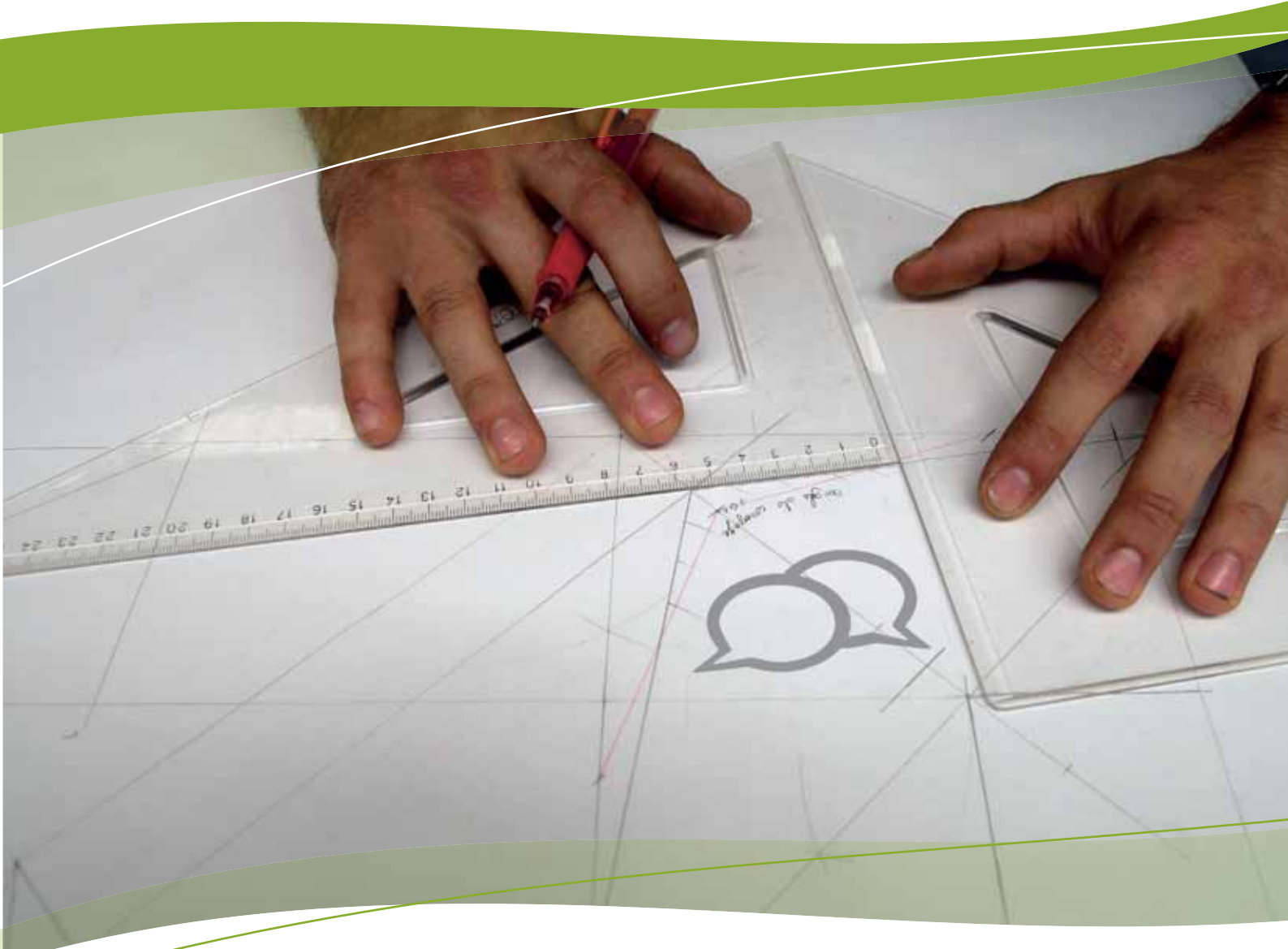




Education and Culture DG



LANGUAGES MEAN BUSINESS

## Companies work better with languages

Recommendations from the Business Forum for Multilingualism  
established by the European Commission



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**LANGUAGES MEAN BUSINESS**

# **Companies work better with languages**

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established by the European Commission**

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Background information is available on the web site of the European Commission:

► [http://ec.europa.eu/education/languages/pdf/doc1597\\_en.pdf](http://ec.europa.eu/education/languages/pdf/doc1597_en.pdf)



## Foreword by Viscount Etienne Davignon

Without mutual understanding, we are unable to live and work together. In a Union where diversity is cherished, a lingua franca can never be enough to satisfy every communication need. Languages provide the keys to the cultures they represent. Multilingualism fosters openness and tolerance but will also open doors to new markets and new business opportunities. Throughout my long working life I have witnessed the business environment gradually becoming more uniform and monolingual. It will not be possible to reverse this trend overnight. I was delighted to accept Commissioner Orban's invitation to reflect on language issues together with a small group of distinguished practitioners who share the common belief that European business stands to benefit from multilingualism. This report will, I trust, fuel the European Commission's current debates on the development of multilingualism policy. Ultimately we hope to contribute towards a shift in awareness and behaviour with respect to the business sector's attitude to languages.





# Executive summary

**The EU must continue the process of change to succeed in a globalised age. This is clearly stated in the latest Commission Report on the Lisbon Growth and Jobs Strategy. Our group has examined the contribution of languages to competitiveness. On the basis of our conclusions, we firstly want to provide an eye opener as to *why* it is important to invest in language skills. Secondly we would like to take stock of *what* has already been done to promote languages for business. Last but not least we want to provide some advice on *how* companies can improve their performance when it comes to multilingual business communication.**

A significant percentage of European SME's lose business every year as a direct result of linguistic and intercultural weaknesses. Although it appears certain that English will keep its leading role as the world business language, it is other languages that will make the difference between mainstream and excellence and provide a competitive edge.

Languages are not only needed to boost sales and marketing. Upstream supply chains cross borders to the same extent as international services and finished goods for export. Labour markets are just as global. Integration of multilingual and multicultural workers is crucial. Our vision is to see languages used more resourcefully in the future, to reach out to new target groups and to build up lasting strategic relationships.

Our group welcomes Community initiatives and actions for promoting acquisition of skills such as languages and cultural awareness in companies. There are funding possibilities available within several community programmes. However, awareness about these opportunities and the methods of applying for EU grants is limited. Application procedures are regarded as cumbersome and time consuming, especially for SME's. It should also be clearly stated that the financing available from the EU is minimal and should be regarded primarily as means to enable the sharing of best practices and as inspiration for action in this field. The bulk of the support will need to come from governments and national, regional and local administrations.

National Governments are still very far from the common objective defined by the Member States at the Summit meeting in Barcelona in 2002 that every citizen should learn two languages at school in addition to his or her mother tongue. In many countries the trend is reversed when it comes to acquiring solid working knowledge of a second or even a first foreign language. Truly plurilingual persons have often acquired their languages outside the formal education system. However, official recognition of non-formal and informal learning is unusual, and such language skills are seldom taken into account as true personal merits.

In most countries national trade promotion organizations provide practical guidance and financial support to SME's to enhance their export strategies, but language strategies are usually not included in those programmes. Regionally, progress is being achieved in several Member States and associated countries through networks such as Chambers of Commerce and trade organizations. Such networks are instrumental when it comes to increasing awareness about the importance of languages. Locally, there are possibilities to enhance linguistic exchanges within local business communities. Border regional initiatives should be encouraged, as they can successfully enhance cross-border exchange, language skills and mobility.



# Conclusions and recommendations

Europe needs to turn its linguistic diversity into a real competitive advantage.

This will only happen if

1. national governments promote both formal and informal learning of a wide range of languages
2. language strategies are endorsed at the highest management level in companies;
3. national, regional and local bodies support companies in their efforts to use languages strategically and
4. a European platform is created for a permanent exchange of best practices involving languages for business.

More specifically the following measures should be envisaged:

At company level: businesses should

- ▶ take stock of existing language skills within the company and match them with needs and opportunities on all levels of the organisation and for all functions of the company;
- ▶ revise recruitment policies and development strategies within HR management, set up individual language competence targets for employees matched to their specific tasks and responsibilities;
- ▶ apply a wide range of language management strategies, such as investing in language training, employing native speakers of different languages (temporarily or permanently), using language technology and working with translators interpreters, communicators and cultural mediators.
- ▶ seek to enhance international mobility for staff.

At national level: governments should

- ▶ encourage language learning at all levels and widen the range of languages taught. Introduce more practice oriented language learning modules from secondary school and all through tertiary school including vocational training;
- ▶ provide appropriate recognition for language skills in school leaving certificates and insist on their added value in the terms of career opportunities later on;
- ▶ recommend national trade promotion organisations to include language strategies in their support programmes, in particular those directed towards SME's with a view to enhancing their export prospects;
- ▶ include language training in national programmes for lifelong learning and social integration.



At regional/local level:  
regional and local authorities should

- ▶ use regional and local networks to increase awareness about the opportunities for large and small companies of improved language skills, encourage the exchange of good practices;
- ▶ create private-public partnerships including local universities and training institutions, providing assistance for local business communities to organise language courses and develop other methods to improve their language strategies;
- ▶ encourage a more multilingual local business environment, by language courses and conversation groups shared between several small companies, multicultural fairs and similar events in business parks and industrial zones.

At European level:  
the European institutions should

- ▶ raise awareness among Member States about the importance of languages for competitiveness and encourage them to take measures as indicated above;
- ▶ gather all relevant information about community programmes supporting languages for business and good examples of projects in one web site, which can work as a one stop shop providing practical guidelines for companies on how to apply for funding;
- ▶ create a permanent platform for exchange of best practices for companies, gathering relevant information from the business community, trade organisations, Chambers of commerce, trade promotion organisations, schools, and education authorities.

## 1. Making the case

In order to succeed in creating growth and jobs, technical progress is central and lifelong learning is necessary. Europe's inherent multilingualism is more essential than ever before, as industrial economy is gradually being transformed into a knowledge economy. European companies should in theory be better positioned than any others for harvesting business opportunities that require multilingual communication. However the potential is far from fully exploited.

### 1.1 Multilingualism is a hidden resource...

Several research studies show that a variety of languages are required on international markets, along with the cultural competence that is usually acquired with the command of linguistic skills. Simultaneously, companies find it increasingly difficult to recruit qualified staff with language skills beyond basic English. This is being perceived as a real problem.

Worker mobility still remains relatively low. Only 2 % of working age citizens live and work in another Member State than their own. Lack of language skills is the most quoted barrier to intra-European mobility. The respective share of third-country citizens and people born in other countries but residing in the EU is almost twice as high<sup>1</sup>. However, immigrant workers have to struggle to acquire the language skills needed in their new country and if second generation immigrants from countries outside the EU grow up bilingual or trilingual, their language skills are seldom taken account of.

<sup>1</sup> "Demographic trends, socio-economic impacts and policy implications in the European Union 2007" a monitoring report from the European Observatory on Social Situation and Demography [http://ec.europa.eu/employment\\_social/spsi/docs/social\\_situation/2007\\_mon\\_rep\\_demo.pdf](http://ec.europa.eu/employment_social/spsi/docs/social_situation/2007_mon_rep_demo.pdf) page 43.



## 1.2 ...which needs to be unlocked

Our group would like to transmit a sense of urgency to decision makers at all levels of society. Europe is running the risk of losing the war of competences, as emerging economies mainly in Asia and Latin America rapidly acquire language skills and other skills necessary for competing successfully on tomorrow's markets. The challenge is to integrate multilingualism firmly in all strategies aiming at developing human capital for the future. We will need a diversified workforce that considers all of Europe their home base. At the same time Europe needs to position itself as an attractive business proposition to attract highly skilled immigrant workers. These will bring with them languages that we need to trade with the markets where growth will still be measured in double digits in the years to come.

## 1.3 Research shows the potential

A large proportion of European SME's lose contracts every year as a direct result of linguistic and intercultural weaknesses. Those were the findings in the ELAN report<sup>2</sup>, which was published by the Commission in February 2007. It was the first European-wide survey of business lost as a result of lack of language skills in companies. The report is based on a sample of almost 2000 SME's from EU 27 and candidate countries. As many as 11 % of the SME's in the sample declared having lost contracts as a direct result of linguistic and intercultural weaknesses. The macroeconomic conclusions presented in the study suggest considerable potential for improvement of export performance of SME's if languages can be used strategically. This has been confirmed by several national studies.

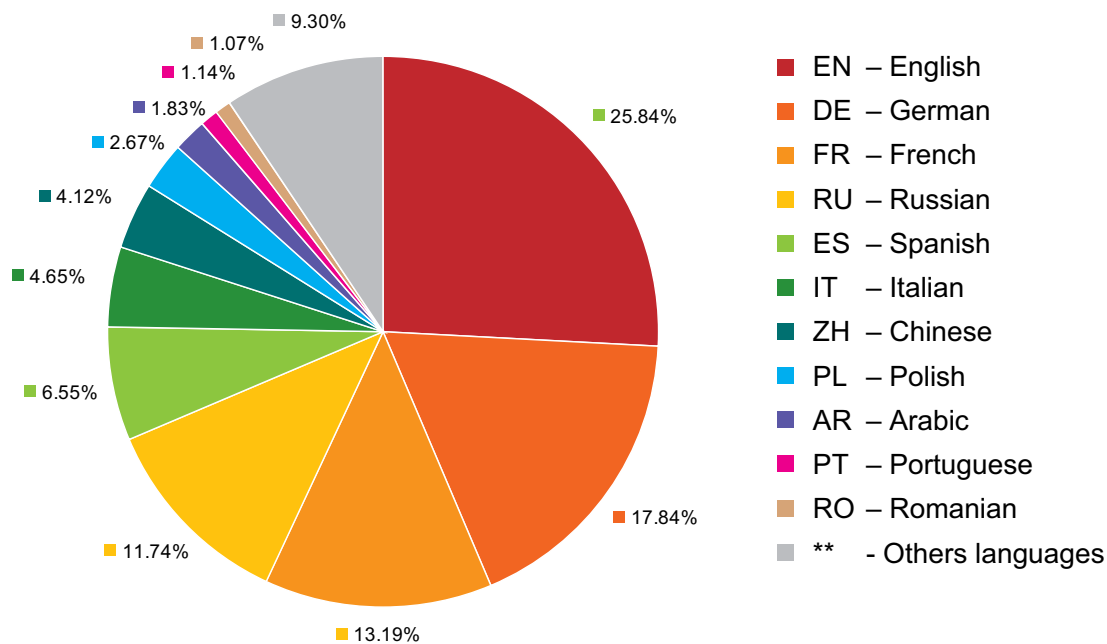
*The Austrian Institut für Bildungsforschung der Wirtschaft published a report in 2006 projecting future problems in Austria, which is one of the few countries where the language skills among the general population have actually gone down according to the Eurobarometer. In addition to English, the companies will need Italian and the languages of the trading partners in Central and Eastern Europe, in particular Czech, Slovak and Hungarian.*

In general, research and experience show that there is a degree of complacency, as English is perceived as the only necessary language for international business. Many companies still need to reinforce the ability of their employees to feel at ease using the English language. However, in large parts of Europe English is already considered more as a basic skill than a foreign language. Speaking like a native speaker is becoming less relevant as English becomes a component of basic education in many countries<sup>3</sup>. Against that background, the need to maintain the advantage by moving beyond English will be felt more acutely.

<sup>2</sup> Full study and summary available at the following location [http://ec.europa.eu/education/languages/pdf/doc421\\_en.pdf](http://ec.europa.eu/education/languages/pdf/doc421_en.pdf)

<sup>3</sup> Research carried out by the British Council draws attention to the extraordinary speed of change to issues affecting English, especially the two reports by David Graddol "Future of English" (1997) and "English Next" (2006). <http://www.britishcouncil.org/learning-research-englishnext.htm>

## Languages that SME's would need to acquire or improve in the next three years



One fourth of the SME's still consider that they need to improve their proficiency in English. However, German, French and Russian are also highly in demand. Mandarin and other Chinese languages (ZH) score higher among the multinationals.

Source: ELAN study 2006

*The Confederation of Danish Industries carried out a survey among their member companies in 2007 which showed that other languages than English are used by more than a third of all companies and that 4 companies out of 10 have experienced more or less serious communication problems with trade partners in other countries as a result of linguistic deficits.*

### 1.4 The SME challenge

For small companies good multilingual communication can open up opportunities that make the difference between success and failure. Language skills will be an asset within all activities, not only for sales and marketing. Problems will be solved quicker and delays will be avoided if there is direct communication between people on all levels.

According to the ELAN study, only 48 % of the SME's in the sample declared having formal language strategies to support their international ventures. Almost 40 % of SME's do not even work with multilingual web sites. The research concludes that there is a strong correlation between investment in language strategies, export proportion of sales and company productivity.



**Case : Hencke und Meier, Specialised carpenters, Düsseldorf, Germany**

*The two co-owners of the company speak English, French and Spanish. Their staff of nine craftsmen (of which three are apprentices) are encouraged to train, develop and use their language skills. Thomas Meier said: “Our language skills have given us advantages in relation to our competitors and helped us secure interesting contracts and lasting customer relations. We were involved in a large restoration project in France with an international team: mosaic artists from Italy, stucco workers from Poland, electricians from France, artistic restorators from England...We had the language skills and were therefore called in as mediators when it came to solving problems that involved local craftsmen. We were always able to negotiate solutions in a way that was cost efficient and led to customer satisfaction.”*

## 1.5 Multilingualism and integration

Multilingualism is also a key element of integration and opens up intercultural dialogue. It can help to improve the situation for millions of immigrants in Europe and contribute to their involvement in the labour markets. Effective support in helping immigrants swiftly acquire the language of their new host country is a prerequisite for a smooth running of operations. Better communication among workers increases efficiency, quality and safety, which are key parameters in a production area. Language skills of migrant workers can also be of good use for companies if they are used more proactively. These employees are of great value both as cultural mediators and as sales resources.

**Case: UMAC Midwest – Recycling of synthetic rubber, Antwerp, Belgium**

*Among the 50 workers at UMAC Midwest, 21 are Moroccan immigrants. When they arrived they spoke little or no Dutch, only Arabic and/or French. With the help of money from the European Social Fund and external experts, a language and communication strategy was created. The objectives were to increase efficiency, quality and safety, increase the motivation and personal involvement of the workers and improve the working environment with the aim of lowering the absence figures. The language courses were offered in short modules and they were followed up through focus group discussions and other regular meetings involving both native and immigrant staff. The workers now have a positive attitude to the linguistic and cultural diversity in the company and all objectives have been met.*

## 2. Instruments in place and current practices

The group has compared the situation in a number of European countries and looked at the latest developments at EU level when it comes to promoting languages for business. The result is a patchy and un-coherent picture across Europe. On the whole there are few political initiatives that spell out the need to improve the situation and multilingualism is seldom explicitly addressed in development programmes aimed at developing skills for the future.

### 2.1 European initiatives

The Business Forum welcomes the cooperation at European level within the framework of the Lisbon Strategy for Growth and Jobs. Mobility is in focus and the European Job Mobility Action Plan<sup>4</sup> proposes reinforcement of EURES, an Internet portal in 25 languages with access to a pan-European job database. Other promising initiatives include “the European Job Mobility Partnership”. This is a Commission-supported network of stakeholders looking at how to increase job mobility in the EU. The European Parliament is contributing financially to an initiative with the aim to develop a structured mobility scheme for apprentices and other young people in vocational training.

### 2.2 European funding

In absolute figures, most of the EU funding originates from the European Social Fund, the Regional Development Fund and for certain countries the Cohesion Fund. These funds together comprise 975 billion euro. This money is distributed through national authorities within the framework of National Plans, which are approved by the European Commission on the basis of mutually agreed priorities. Integration projects at work places including language courses and compensation for lost working time can qualify for such funding.

The grants available via the European Commission’s Lifelong Learning Programme are distributed through yearly calls for proposals. For 2008, these calls will cover a total available amount of 873 million euros. In particular the sub-programme Leonardo da Vinci opens up interesting opportunities for companies, as it is targeting vocational training.<sup>5</sup>

#### **Leonardo mobility project “Formation Transnationale Europe”**

*The project contributes to develop professional and linguistic skills of French jobseekers through placements in European firms. The group goes through a training course which consists of 8 weeks of general training, with professional, linguistic and cultural modules, 3-6 weeks of intensive language courses and finally a 20-24 weeks internship in a European company. The exchange takes place within the framework of European partnerships, which ensure a good supervision of the trainees. The partnerships involve 18 partners in 4 countries. After the traineeship, the trainee has to submit a report in the language of the host country, which is included in his or her evaluation.*

<sup>4</sup> COM(2007)773 final. The document can be downloaded from [http://eur-lex.europa.eu/Result.do?T1=V5&T2=2007&T3=773&RechType=RECH\\_naturel&Submit=Search](http://eur-lex.europa.eu/Result.do?T1=V5&T2=2007&T3=773&RechType=RECH_naturel&Submit=Search)  
<sup>5</sup> A list of current publications about EU funded projects is available on [http://ec.europa.eu/dgs/education\\_culture/publ/educ-training\\_en.html](http://ec.europa.eu/dgs/education_culture/publ/educ-training_en.html) :



The procedures for applying for community grants are complicated and time consuming. The rules for forming a European consortium, which is generally a pre-requisite for applying for any type of grant, often exclude companies with subsidiaries or agents in different countries, who might otherwise benefit from European grants. These problems need to be addressed in future discussions between the European Commission and the business community.

## 2.3 Mother tongue plus two – still the guideline

Although EU initiatives and Community funding can provide an important impetus to the work at national and regional levels, the bulk of the work when it comes to supporting multilingualism will have to be done by the Member States. It is therefore important that the Member States continue to work towards their mutually agreed common objective from the Summit meeting in Barcelona 2002: Every citizen should learn two languages in addition to his or her mother tongue.

We would like to see multilingualism being encouraged more actively at all school levels. First and foremost, the choice of languages needs to be widened. At higher levels, learning methods need to be more applied and practice oriented. Proper recognition should be awarded for language skills in school curricula and at a later stage in the assessment of job candidates. In a different context, language skills need to be acknowledged in an appropriate way in centrally negotiated agreements between the social partners.

## 2.4 Networks can increase awareness and provide support

Regionally, progress is achieved in several Member States and associated countries through networks such as Chambers of Commerce and Trade Councils. They can offer start assistance for SME's wishing to expand on international markets. If language strategies were firmly integrated in all such support programmes, the companies involved would benefit even further.

### *The Trade Council of Denmark*

*The Trade Council is the governmental export and investment promotion organisation under the Ministry of Foreign Affairs.<sup>6</sup> It provides both individual consultancy to enterprises and general business service directed at enterprises and the public at large. It has a strategic focus on SME's and has developed programs targeted to these companies' special needs. An example is the export Start Programme, including help with concrete tasks in connection with internationalisation such as partner search, market research, and access to networks.*

## 2.5 Tests and standards

Established standards can be used to set up individual, specific and measurable goals for different categories of staff depending on how they use languages in their work. Such differentiated language strategies can be useful and efficient, as the standards provide concrete tools for human resources departments in their analysis of needs for the company. They can also be integrated in personal development objectives. The most frequently used system is the Common European Framework of References (CEFR), created by the Council of Europe and implemented in cooperation with the European Commission. Through a system of "can do" competences needed to solve different tasks in different situations, the framework is well suited to an approach encompassing the complex realities of a work place.

<sup>6</sup> More information about the Danish Trade Council: <http://www.um.dk/en/menu/TradeAndInvestment/>

#### **Case: Henkel KGaA, Düsseldorf, Germany**

*Henkel is a large multinational chemical company, owner of many well-known global brands.<sup>7</sup> Only in Germany around 2 500 employees and workers are involved in language and communication training every year. An important part of the training is organised as team meetings. Henkel's in-service language training focuses on work processes and the respective language-integrated communication skills needed to accomplish different tasks in the company. The training needs are assessed and defined on basis of the CEFR standards. Multifunctional teams train together. Through this interactive and flexible method, learning responsibility rests with the team but the learning culture encourages both individual learning and team skills. Success can always be measured precisely by observing the application of the learned skills in authentic work situations.*

## 3. The way forward

Real progress will be achieved if businesses, from micro companies to multinationals, develop creative and dynamic language strategies, adapted to the individual possibilities of each organisation. All such strategies need the backing and support through local and regional networks. Viable solutions can be found through partnerships, both between business and the education sector and between industry and research, with the view to transferring language skills and language technology into productive use.

### 3.1 Measures for a more multilingual approach

Companies need to take stock of existing language skills within the company and use these strategically. They should look over their recruitment policies, their training strategies and their principles for mobility. They can encourage staff to use and develop the skills they have already acquired and offer language training in ways that are both motivating and compatible with the demands of the workplace.

It is possible to find flexible and time saving Internet courses that are adapted to individual companies' needs, resources and constraints. The possibilities of new media for learning and practicing foreign languages are ever increasing.

Translation services can be used to systematically browse public procurement sites in national and international media. Internet communication and advertising need to be linguistically diversified and messages have to be carefully adapted to target audiences. If used skilfully, language technology can help to reduce and control the costs of multilingualism.

### 3.2 Support structures on regional and local level

National Governments need to find the most efficient way to provide support for SME's with potential to succeed in foreign markets. As a rule, such assistance is carried out regionally and in cooperation with regional development agencies. Apart from financial support, companies would benefit from good practices and expertise in multicultural and multilingual communication.

<sup>7</sup> More information: <http://www.henkel.com>



### ***The Regional Language Networks in the UK***

*The Regional Language Networks (RLN)<sup>8</sup> in the UK, supported by CILT, the National Centre for Languages, promote language and cultural skills specifically for business and employment. Their role is to work with partners to identify and address regional and sectoral needs for languages and cultural awareness, provide support to businesses on language issues and support language industry professionals. Some of the funding is provided by other stakeholders, such as Regional Development Agencies, the UK Trade and Investment offices and Learning and Skills Councils within the regions.*

Locally, there are possibilities to enhance linguistic exchange within local business communities. Help and assistance can come from Chambers, interest groups or local authorities. Ideas include sharing the costs and resources for organizing language training for different categories of staff, but also informal exchanges such as conversation groups at lunch time and inter-cultural fairs organized in business parks with multilingual work forces.

## **3.3 Partnership between different sectors and across borders**

Strategic partnerships have an important role to play when it comes to investing in human capital and developing skills for the future. We would like to see Job Mobility Partnerships all across Europe, with businesses looking for new possibilities to cooperate within different networks to develop exchanges and mobility schemes. Language learning should be an integral part of border regional initiatives involving both businesses and the education sector. Such cooperation can contribute to prosperity by stimulating trade between neighbouring countries.

The threshold for adopting language technology still seems to be high for many companies, especially SMEs. This situation can be helped by promoting partnerships between industry and research, and taking further efforts to transfer language technology into productive use. This will not only justify the heavy investments in language technology research but will also provide a competitive edge to companies and better services to the citizens.

Finally our group would like to see a continuation on EU level of the work leading to this report. The business sector in Europe needs a permanent platform for discussion and exchange of experience and good practice. We need go further with awareness raising events all over Europe, mobilising all available networks in a concerted campaign to alert decision makers in companies as well as in governments. Together we need to make sure that languages are recognised and used as fundamental assets for tomorrow's successful businesses.







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