

## The Language of Business

**What's a single skill that will set today's business graduates apart and prepare them for jobs anywhere in the world? We believe it's a facility with language.**

Furthermore, in global companies where managers *don't* possess deep language skills, we believe there will be severe negative economic impacts. Research shows that language barriers cost companies more than the money required to pay interpreters or translate documents. The real cost of the language barrier is that it "distorts and damages relationships," according to a 2003 article by A.J. Feely and A.W. Harzing in *Cross Cultural Management*. Miscommunication can cause companies to lose potential clients or fail to deliver products and services.

Other experts also cite the impact of language skills in the workplace. "Addressing business issues from multiple perspectives has become a critical mandate in business education," says Yuwei Shi, Dean of the Graduate School of International Policy and Management at the Monterey Institute of International Studies in California. "Language is essential to cross-cultural and cross-sector understanding."

Language skills are so important to today's business executives that we're convinced business schools need to make language studies an essential part of the MBA curriculum.

### Linguistic Statistics

Supporting our position are various studies on language and business, including one recently commissioned by our organization, The International Research Foundation for

English Language Education (TIRF). "The Impact of English and Plurilingualism in Global Corporations" shows that plurilingualism—the ability to communicate successfully in more than one language—helps individuals improve their access to global jobs and the benefits of those jobs.

The TIRF report notes that employees with strong language skills are particularly valuable when companies are expanding their potential exports, negotiating contracts, localizing company Web sites, and recruiting new employees in other cultures—all skills that are crucial to global businesses.

To identify the language skills employees need to possess, TIRF conducted case studies of seven global corporations. These companies comprise industries such as energy (Adriatic LNG), professional services (GlobalEnglish), publishing (Pearson), financial services (HSBC), and information technology (EMC Corporation, IBM Corporation, and British Telecom–Latin America).

Representatives of all the companies involved in the case studies indicate that, if their organizations are to remain competitive in this global age, their employees have a growing need to communicate in a foreign language. Every miscommunication that is attributable to subpar foreign language skills increases the demand for more capable employees.

For many international corporations, the language of commerce is English. Reece Duca, the founder and chairman of the board of Global English Corporation, points to World Trade Organization statistics about non-native English speakers among

Global 1000 companies. According to data from the World Trade Organization, those numbers have risen from 30 percent in 1996 to 50 percent in 2005; they're projected to be 70 percent in 2011. These figures underscore the reality that English is a necessary communication tool among global companies, Duca says.

But other languages can be just as critical in various parts of the world. In 2006, the Centre for Information on Language Teaching and Research (CILT) examined the effect of plurilingual skills among European businesses by surveying 2,000 small- to medium-sized enterprises (SMEs). Respondents noted that their companies had lost contracts worth tens of millions of euros due to a lack of language skills among employees.

The CILT survey found that businesspeople believe they have to encourage their workers' language skills if they want to increase exports and overall business performance. Many identified Russian, German, and Spanish as the preferred languages in certain markets. They also indicated that their employees need to live in the countries where their target languages are spoken, in order to improve their language skills and heighten their cultural awareness. In fact, some respondents to the CILT survey state that "investment in language skills represents one of the fixed costs of exporting to certain countries."

### Programmatic Requirements

It's clear that the more globalized business becomes, the more essential it is for managers at every level to possess strong language skills. Fred Thielke, an MBA student at the Monterey Institute of International

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Studies, also works as a business development consultant and focuses primarily on international business. He says that “the language component of my program here is probably as important as my MBA. It gives me an immensely practical skill set and differentiates me from other MBAs in the job market today.” Thielke notes that his language skills allow him to communicate with individuals in his target language and enable him to read a wider variety of publications, which benefits his work-related research.

It’s feasible that recent graduates who have a solid command of a foreign language could be more attractive to potential employers because they can get right to work when posted to a new country, rather than having to learn the local language as part of their training. Therefore, we believe that students who are contemplating starting an MBA program should consider programs that develop candidates’ language skills.

Some business school administrators may hesitate to add language learning requirements to an already demanding MBA course load, but such requirements are already part of the curricula at a number of top institutions. In a few programs, MBA students either must be bilingual when they apply, or they must learn a second or third language by the time they graduate.

Among the schools with multiple-language requirements are U.S. institutions such as Thunderbird School of Management in Glendale, Arizona, and the Monterey Institute of International Studies; U.K. programs such as the Cranfield School of Management, Durham Business School, and London Business School; European schools such as the International Institute for Management Development in Switzerland and the École des Hautes Études Commerciales de Paris at HEC Paris; and Asian schools such as the Chinese Europe International Business School (CEIBS) in Shanghai.


Other programs rely on different methods to develop the language abilities of their students. For example, INSEAD, which has campuses in France and Singapore, uses English as the mode of communication in the classroom; however, students must have skills in a second language when they apply, and they must study a third language to meet graduation requirements. At the PanAmerican Institute for High Business Direction (IPADE), with multiple locations in Mexico, the primary mode of communication is Spanish in the first year and English in the second year.

Some of these programs also provide opportunities for students to live in countries where their target languages are spoken, which helps them further develop their communication skills. These MBA programs are equipping students with the 21st-century skills of communicating and collaborating across cultures.

One businessman who strongly believes in the value of language skills is Chris Bernbrock, program director of the Cloud Academy of IBM. This global forum, geared to

professors and researchers in the IT field, includes academic institutions from the U.S., China, Qatar, Europe, Australia, and Singapore. Bernbrock’s previous posts with IBM included positions in global marketing, sales, and education—and language skills proved valuable in all of them, he says.

“Working in teams globally, on projects that tap expertise around the world and around the clock, is a daily reality in many companies now,” he says. “Having the ability to work with colleagues from countries throughout the world, especially when I have at least some familiarity with their languages and cultures, makes the teamwork go so much more smoothly.”

As more executives join global companies and work with international teams, their experiences will mirror Bernbrock’s—and they, too, will need a facility with language to carry out their jobs. We believe there’s no better place for tomorrow’s business leaders to acquire their language skills than in today’s business classroom. 

Ryan Damerow is the administrative assistant for TIRF—The International Research Foundation for English Language Education, which is based in Monterey, California. Kathleen M. Bailey is the chair of the organization’s board of trustees.

### For More Information

- “The Impact of English and Plurilingualism in Global Corporations” can be viewed online at [www.tirfonline.org](http://www.tirfonline.org).

- The CILT report on the effects of shortages of foreign language skills in enterprise on the European economy can be found online at [www.cilt.org.uk/home.aspx](http://www.cilt.org.uk/home.aspx).