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Impact of Multilingual Training on Employee Performance – Case of a Multi Trading Company

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Abstract:

Globalization has led to a new dawn of trade where world has become a wider place for companies to trade. Organizations understand the trade skill of one country to another. It has become much easier to get in touch with other people's cultures through a common language. Multilingualism has become a very broad phenomenon in today's world and has become very steady component of everyday life.

It has been observed that for the Multinational Companies to become increasingly globally competitive; there is a need to impart Multilingual Skill Training to their Employees which is imperative to enhance Communication, Productivity, Efficiencies that provide cost advantages and value returns to both.

The objective of this study was to understand the need of multilingual training and its Impact on employee performance in multinational work environment. A survey was conducted to collate the data which was then analyzed by providing an insight whether multilingual training is considered as important tool for employee's performance in Multinational companies across industries.

Keywords: *Multilingualism, employee performance, multilingual training*

1. Introduction

Organizations looking abroad for growth are increasingly the norm. 71% of business leaders plan growth in markets where English- the most common international Business language-not currently spoken. (2015 Rosetta stone Business Language Impact). Foreign language ability may be the final barrier to global corporate expansion. Whether companies partner with international firms, open offices abroad or simply strive to meet the needs of a diverse customer base, their ability to communicate in multiple languages is becoming a strategic business imperative (2013, Sarah Sister Gale).

Over the next few years roughly 70% of world growth will come from emerging markets. Annual consumption in emerging markets is projected to hit 30 trillion dollars by 2025. (2015 Rosetta Stone Business Language Impact). By 2025, the global fashion industry will be worth 2 trillion U.S. dollars. Some of the most important global markets for fashion today are - Brazil, India, Russia, Canada, Australia, and China. Markets like Turkey, United Arab Emirates, and Kazakhstan are among the fastest growing (Smartling Insight, Multilingual is the New Black).

In Global Multicultural Organizations, simply expecting Employees to speak one common language marginalizes the potential impact of international talent and leads monolingual staff ill-equipped to help the organizations compete effectively in a globalized environment (2011 Rosetta Stone Reducing the impact of Language Barriers). "Growth in corporate language training is the biggest trend we've seen in the last three years," says Chuck Frydenborg, senior director of corporate sales in North America for Rosetta Stone, a global language learning software company. In 2009, Rosetta stone's corporate clients were limited to a small percentage of Fortune 1000 companies, but today it's one of the company's fastest growing segments. "Any company doing more than \$1 billion in revenue is starting to see language learning as a serious business value." 9 in 10 employees believe Language Training is relevant to their job duties, and 86% report a direct, positive impact on their job performance. (The Rosetta Stone Business Employee use Insights Survey June 23, 2014). A survey of 1900 employees from more than 300 companies across 6 continents shows that employers who offer language training tools to employees are seizing an opportunity to develop a business fuelled by highly productive, high performing workers who have the tools and confidence to thrive in a global market place. (The Rosetta stone Business Language Impact study 2015)

Language is a vital link to an organization's Talent Management Strategy. Even if the companies decide not to adopt multilingualism, they can't neglect language. In fact, it should touch every talent decision they make as a global leader. By managing it carefully, they can acquire and develop the very best employees; close gaps between native and non-native speakers as they collaborate to meet strategic goals, and strengthen the company's footing in local markets. In short, they can turn language into a source of competitiveness. (Neeley, Sep2014,)

Foreign language skills do play an important role on Employees Performance and lack of knowledge and fluency on the foreign language can affect their careers, overseas expansion, efficiency, quality of service, presentation skills, decision making skills, organizational skills and contribute to their personal success as well. 9 in 10 employees believe Language Training is relevant to their job duties, and 86% report a direct, positive impact on their job performance (The Rosetta Stone Business Employee use Insights Survey June 23, 2014). A survey of 1900 employees from more than 300 companies across 6 continents are seizing an opportunity to develop a business fueled by highly productive, high performing workers who have the tools and confidence to thrive in a global market place (The Rosetta Stone Business Language Impact study 2015).

Employers everywhere are confused with the question of how to overcome the language barriers across borders which will yield some benefits. The study here offers to answer the question of the Impact of Multilingual Training on Employee Performance. It also tries to find the factors in Multilingual Training which will contribute the most to Employee's Performance (Mittar,2015)

2. Selected Review of Literature

Training and development plays a crucial role for increasing work adaptability, ability, flexibility, maintaining necessary competence, and motivates employees. This variable influences employee productivity. Some studies have shown that there is an indirect relationship between training and firm performance.

Training as an organizational intervention may be defined as a well thought of set of activities aimed to facilitate learning of knowledge, attitude and skills among its people in the organization to improve their current job performance and contribute to the achievement of organizational goals. On the other hand, development pertains to long term planned efforts to enhance the total growth of human resource that will lead to fulfillment of personal and organizational goals.

Organizations are increasingly spending more money annually on training with the belief that it will give them competitive edge in the local and global market. (M.Edralin, July-Aug 2004)

Language training is the teaching and learning of a foreign or second language and is also called Multilingual Training. Language training is an important investment in employees. Increasing globalization has created a large need for people in the workforce who can communicate in multiple languages.

As a leader, you can factor language and cultural skills more deliberately into the hiring, training, assessment, and promotion of talent—and into the management of global teams—whether or not your company adopts a shared language. Of course, in a global firm, choices and tactics will vary somewhat according to the needs of each unit and region.

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)

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 (gundersen, November 2009).

Employee's performance is the behavior and attitude of an employee at work. How well employees do their jobs as compared to the set of standards determined by the employer.

Performance might be described as the attainment of particular job calculated on the bases of identified or set standards of accurateness, completeness, speed and cost. Under an employment agreement, performance is supposed to be the achievement of an assigned obligation in such a way that releases the performer from all accountabilities written in the contract.

Efficiency and effectiveness are two major components of performance other than and productivity and competitiveness whereas training is a technique to boost the employee's performance (Javed, 2014).

In study conducted across European countries (hagen1999), nearly twice as many companies said they needed language training in the coming years as had conducted training in past years. This disparity between, "good intentions and "actual delivery", underlines the problems of relying upon training of language skills. Unless the company is totally committed to sustaining the strategy even through bad times, it will fail.

One notable and committed leader in the field of language and training has been the Volkswagen group. They have developed a language strategy over many years and in many respects can be regarded as a model of how to manage language professionally. However, the Volkswagen approach underlines that Language training has to be considered a Strategic rather than a Tactical solution. (Alan J Feelay, 2002)

When we talk about language learning in the workplace, we tend to think of those employees who might be going on an overseas assignment and will be required to do business in the local language. While that is a key use of language training, there are many more benefits to bringing language learning to your workforce (linguavore, 2015).

For instance, 70% of the respondents from the 2015 Rosetta Stone Business Language Impact Study—which informs much of the new report—say that language training has made them more productive with their teams, partners, and vendors. More than half estimate their time saved after language training at three hours per week (linguavore, 2015).

And it's not just productivity. 57 percent of respondents to the Impact Study said their language training has allowed them to reach a broader range of customers. Employees also feel more valued and that their employer is taking an interest in them furthering their careers, which also translates into improved performance (linguavore, 2015).

The Ability to speak the host country language constitutes one of the primary keys in adjustment and productivity. Employees/managers who are able to communicate with the host country personnel and clients fluently are able to accomplish routine work more quickly and with a lower probability of miscommunication and error, also improve their performance (dunbar, 1991).

Lacking the knowledge of the language and fluency makes the employee/manager to rely on local people who speak English or interpreters both of which will be time consuming and expensive also delays work (dunbar, 1991).

Companies should carefully evaluate the level of interaction required in different expatriate position and provide language training accordingly as it is important for the employees/managers who will spend most of their time with host country clients or supervising host country personnel (dunbar, 1991).

There is a strong reason for providing language training to all expatriate managers. Cultural anthropologists have long noted that ay people perceive their world. Knowledge of a foreign language enhances one's ability to understand people from that culture. Language plays a vital role in employee/job performance also language training may facilitate better understanding of the host culture, which will be valuable in other contexts (dunbar, 1991).

It's easy to estimate the power of language to enhance customer satisfaction, employee performance and workplace safety. In the workplace, quick and accurate communication is vital at all levels to avoid work-related injuries and improve company processes. In service-oriented roles, multilingualism caters to a wider international customer base. San Diego is an exceptionally diverse region with 37% of residents speaking a language other than English in the home, making language training a top priority for local companies. Language courses are created to empower employees to communicate effectively in any business situation.

With the current economic climate challenging many companies, they are trying to find new ways to maximize productivity. Providing their workforce with language training is not often at the top of the list; but, the financial and growth benefits that result from training cannot be undermined and hence should not be ignored.

3. Employee Performance Variables Undertaken for This Study

Exhaustive list of variables was generated for both Multilingual Training (MLT) and Employee Performance (EP) from Secondary Research.

The variables generated for MLT and EP are:

- Training
- Multi-Language Training
- Communication
- Cultural diversity
- Employee Involvement
- Globalization and Cross regional movement
- Employee Productivity

4. Methodology

The following methodology was adopted during the course of the study:

4.1. Secondary Data Collection

Secondary Data
Extracting List for variables for both Multilingual Training and Employee Performance through Journals, Reports etc.

Table 1

Secondary data was collected by studying various research papers, Journals, Reports, websites and books which have done similar study in the different sectors. Secondary research was done to extract variables of Multilingual training influencing employee performance.

Previous researches done in the different sectors from all over the world were studied to extract variables for Multilingual Training that helps in improving Employee Performance. A summary of these researches is included in the Literature Review.

4.2. Primary Data

Primary Data
Discussion with Business heads and middle level management employees of the organization
Structured Questionnaire based Survey
Selection of Sample Frame and Respondents
Distribution and Collection of Questionnaire
Analysis
Result and Conclusion

Table 2

The primary research was conducted through structured questionnaire based survey and informal discussions.

4.3. Informal Discussion

Discussion with Business Heads and Middle Level Management Employees on selection of variables.

The list was given to the organizations and after detailed discussion; variables which were relevant to the study were extracted. The variables for MLT:

- Language Training and Development
- Performance and Productivity
- Communication
- Employee performance variables:
- Employee effectiveness
- Employee efficiency
- Employee turnover
- Improved Service Quality

4.4. Survey/Questionnaire:

4.4.1. Defining Sample Frame and Respondents

The samples for the study were the Middle level employees and Business heads in the organization. In total - Middle level managers are there in the corporate office and Regional offices the questionnaire was distributed to all of them. The questionnaire was distributed over a week by handing over them the printed questionnaire and also online links for the questionnaire were given.

The respondents were from the corporate office and regional offices.

4.5. Primary Data

The questionnaire was designed at gaining data on the current multilingual practices, and their perception on which practices according to them would help in improving employee performance.

The questionnaire was developed by studying various previous researches on multilingual training and its impact on employee performance the sub variables selected, were used to form the basis for building the questionnaire.

5. Data Collection Procedure

5.1. Population and Sample Size

The Employees of the Organization constitute the population for the study. The Middle level employees and Business heads of the company were the sample.

Questionnaires were distributed to the Middle level managers of the company. We got 50 responses.

Questionnaires were distributed to the Business heads of the company. We got 47% responses

6. Objectives

The primary purpose of this research was to study how Multilingual Training can lead to better performance in the Organization. The study also helps to understand the Need for Multilingualism in today's Global environment where movement of Employees is happening frequently across borders and across all levels.

7. Data Analysis and Results

7.1. Data Analysis

The analysis was done on the basis of LIKERT scale (1-5)

The analysis on the responses obtained from the sample was tabulated and it was further analyzed.

The Descriptive and Frequency Analysis of the responses was done to measure the percentage of employees who agreed and disagreed with the questionnaire items.

7.2. Primary Data Analysis

➤ Geographical Spread:

Respondents were from/ handling below Regions:

- India
- Shanghai, China
- Brazil
- Dhaka, Bangladesh
- Singapore
- Jakarta, Indonesia

➤ Profile of respondents:

The target segments were identified as the Business Heads and Middle Management Employees of Multi trading Company. The questionnaire was sent to 100 people, out of which-

- Total Respondents – 66
- Business Heads – 16
- Middle Management Employees – 50

8. Findings

The analysis and findings of the Research for the stated objectives are summarized below:

- As the case is of a trading company which has its presence in International locations, 78% respondents said that multilingual training was provided by the Company in office, 6% respondents advised that multilingual training was not applicable as certain employees were learning the language on their own from external language companies.
- For New hires from other Country, maximum respondents received training in the new hired country. For Transfer cases from other Country, maximum respondents received training in the transferred country. For Frequent travelers within companies regions, maximum respondents received training in their respective Countries.
- As per Middle Management Employees – 68% respondents advised that Communication and interaction between staff improved after receiving Multilingual training. 60% respondents advised that they were better in contributing ideas and suggestions to the companies on different matters of discussion.
- 72% respondents advised that Cultural Adjustment was much easier and faster after receiving Multilingual training. 64% respondents advised that they had better understanding of Business Etiquettes and Customs. 66% respondents advised that they received Positive feedback from Customers and Seniors of the Staff.
- 68% respondents advised that they had better understanding of Work Practices and Expectations. 64% respondents advised that their Performance was more effective in given task. 68% of the respondents felt that the company was taking interest in their development.
- 66% of the respondents advised that their seniors felt confident in assigning new tasks after receiving Multilingual Training. The other enhanced skills were “Assertiveness”, “Fewer customer complaints”, “Articulating ideas and strategies verbally”.
- As per Business Heads, 62.6% of respondents advised increased Productivity in completion of task. 63% of respondents advised that their Performance was more effective. 62.6% respondents received Positive feedback from Customers and 62.5% advised that they could articulate their ideas & strategies better verbally after receiving Multilingual Training. These skills were enhanced the best in the Employees resulting in expansion of Business and development activities.
- The other enhanced skills were “Confidence in taking more responsibility”, “Accepting wider range of Tasks”, “Assertiveness” and “Motivation and “Enthusiasm”.

All these responses clearly indicate that there is a link and a positive link between such training and different parameters of Employee performance which are worth considering in today's globalized economy.

Awareness and Need for Multilingual training still remains an area of concern which needs to be given more focus by MNC's due to high Employee mobility in different regions; as this part of training may still be at nascent stage. Countries where Business Language is English, the companies do not feel too much of need for Multilingualism, however for managing work at the core level and breaking the language barriers with the local staff, Multilingualism is the key.

- Middle management Employees were receiving Multilingual Training as Inter Regional Movement is highest in this segment.
- Transfer Cases from other countries were receiving Multilingual Training in Transferred Countries
- New Hires from other countries were receiving Multilingual Training in the hired New country
- Frequent Travelers were receiving Multilingual training in their respective countries
- Maximum Respondents found Multilingual Training effective and were comfortable in the new country after receiving this Training Maximum respondents who were receiving Multilingual training were more equipped with cultural adjustments, better understanding of work practices, inter staff communication etc.

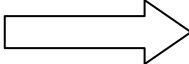
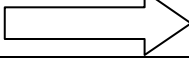
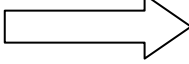
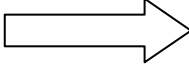
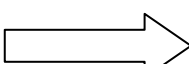
Middle Management Employees	FINDINGS	Business Heads
Cultural Adjustment & Understanding Business Etiquette and Customs Communication & Interaction between staff		Assertiveness Articulating ideas & Suggestions Verbally
Better Understanding of Work practices & Expectations		Accepting wider range of tasks to complete
Seniors Feel confident that they can perform task according to guidelines		Confidence in giving new responsibilities
Feel company taking interest in their Development		Motivation & Enthusiasm
Positive feedback from Senior members of Staff		Positive feedback from Customers from other countries

Table 3

9. Study Limitations

The study will be limited to the following-

- The study will be limited to Corporate Professionals – Business Heads and Middle Level employees in Multi-National Companies.
- The study will be limited by sample size and data collection tools for Primary Data collection

10. Conclusion

The data analysis shows that there is a considerable gap between demand and supply of Multilingual Training in Multinational Setups, though the training requirement varies from Industry to Industry. Through the years; training requirements in MNC's have evolved and Soft skills including Linguistic skills seem to have gained greater importance in Employee Development.

The reviews and feedbacks reflected in the study showcase a strong relation between Multilingual training and Employee performance in certain areas.

Structured and Organized Large Organizations in Finance, Banking, IT, Consulting and BPO sector have been realizing the importance of Multilingual Training and how it is greatly impacting their Employees performance globally; Language training module is gradually being considered as an integral part of HRM training. It is a continuous process.

However, in the Unorganized Middle and Small scale sectors like Apparel, Textiles, Steel & Tyres, Trading industries etc. Multilingual training is conducted purely on need basis as per business requirement leading to Erratic and Ineffective methods of training which has least impact on Employee performance and hence does not yield the required results.

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