

BEST IN CLASS: HOW
ENTERPRISES SUCCEED WITH
LANGUAGE-LEARNING PROGRAMS



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EXECUTIVE SUMMARY

With more companies entering the global economy, employee language training is gaining force as a valuable contributor to international business success.


Forbes Insights and Rosetta Stone surveyed over 200 executives around the world to find out how leading companies are training their employees to speak and work in languages—other than their native tongue—and the impact it is having at an individual and organizational level.

The survey reveals that while companies understand the necessity of language learning, incorporating it into the corporate culture remains a challenge.

This report identifies success factors for integrating language training into the business model.

KEY FINDINGS

Successful learning aligns with organizational goals

Measuring language learning is key to proving alignment with a company's strategy. Companies that build language training into employee development plans and track KPIs are twice as likely to successfully link language-learning goals to the organization's strategic priorities. 


Language learning positively impacts employees

Employees who participate in language learning, have greater confidence, improved performance, and increased engagement in work.

Current state of language learning is ripe for disruption

The proliferation of online learning is prompting organizations to rethink traditional approaches to learning and adopt technology-facilitated models for training and development.

Companies are under-serving their employees

The vast majority of companies recognize the importance of having multilingual employees across multiple functions and business lines, yet most companies have invested in language learning for less than a quarter of their employees. It is time for language acquisition to expand within companies. 

THE CURRENT STATE OF ENTERPRISE LANGUAGE LEARNING

Today there is a growing acknowledgement of the benefits of second language acquisition by employees. Companies know that expanding their operations and influence globally requires a workforce that can communicate effectively in multiple languages. As they work toward this goal, companies are looking for ways to demonstrate that an investment in language learning is a productive use of resources. "Language learning takes time and effort, so it's important that everyone work together to set specific learning objectives and make it successful," says John Hass, CEO of Rosetta Stone.

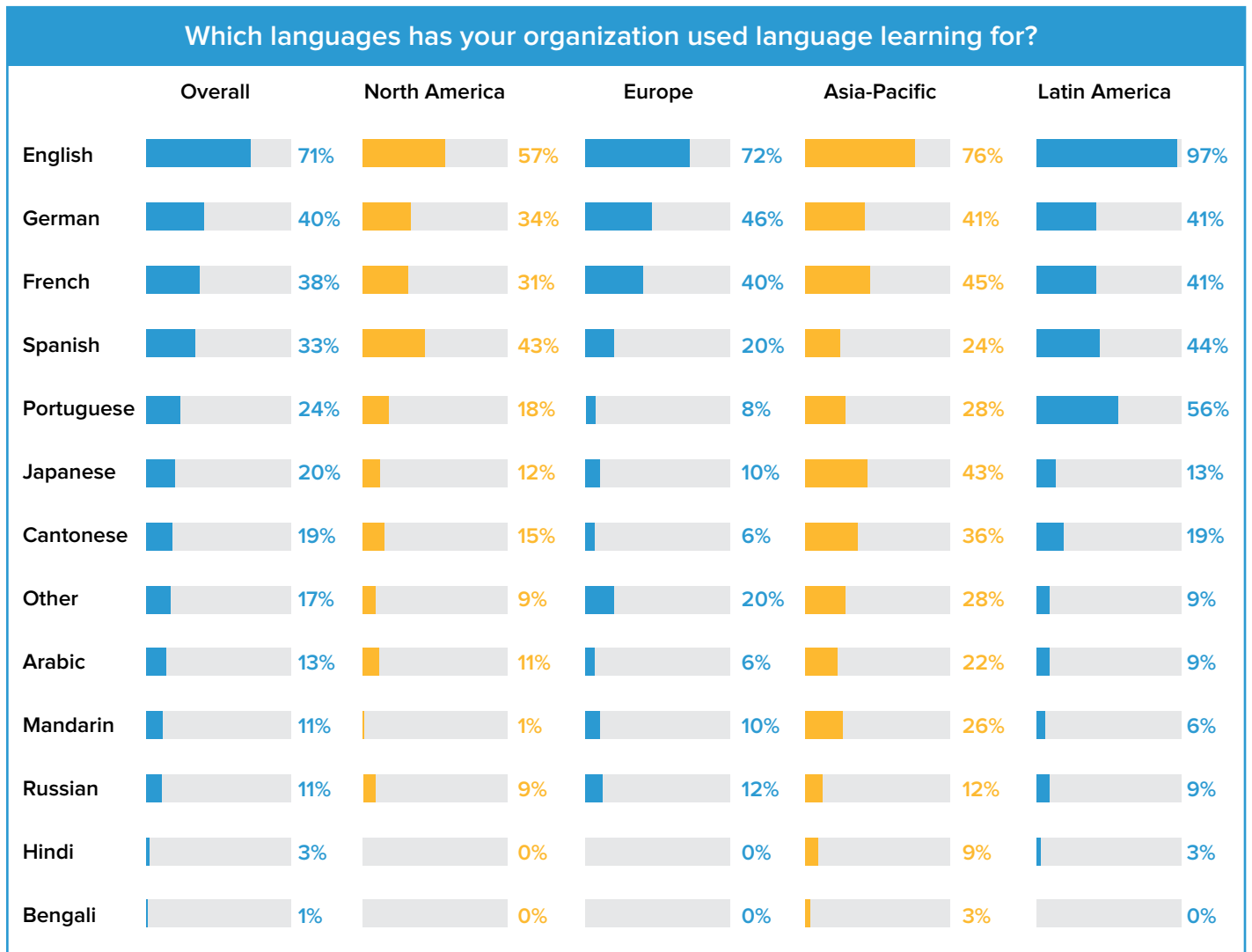
English is considered the lingua franca of the business world—it tops the list of languages learned in businesses internationally. In the U.S., 79% of the population¹ is monolingual, where English is the only language spoken at home, and Canada follows suit with a similar trend: 66% of the Canadian population² speaks only English. Interestingly, just over half of North American companies train their employees in English.

¹Language Use in the United States: 2011, U.S. Census Bureau, Report Number: ACS-22, August 2013; <http://www.census.gov/library/publications/2013/acs/acs-22.html>

²*Linguistic Characteristics of Canadians*, Statistics Canada, Catalogue no. 98-314-X2011001, October 2012; <http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-314-x/98-314-x2011001-eng.cfm#a3>

In Latin America, most native speakers speak Spanish or Portuguese. To keep up with globalization, almost all companies in this region (97%) have included English in their language-learning programs. Portuguese is the second most popular language taught, given Brazil’s importance in Latin America.

Globally, Spanish is frequently one of the top four languages taught in the corporate environment, with German and French ranking in the top five languages in all regions. Asia-Pacific has a slightly different focus; following English, French, and German, Japanese and Cantonese round out the top five languages. With fertile emerging markets developing throughout the Asia-Pacific region, this is not unexpected.





This brings to light the increasing vitality of other languages and over time may challenge the notion of English as the lingua franca. Companies do recognize the clear need for language training. “Communication in different languages is expected at NetApp,” says Anna Schlegel, author of *Truly Global* and head of globalization and information engineering at NetApp. “Our CEO is very culturally aware. My team includes people from 22 different countries and between us we speak more than 30 languages. And because we evangelize about globalization, the language skills of my team need to be impeccable.”

Very few companies surveyed have significant numbers of multilingual employees. Two thirds report that less than 50% of their employees have professional proficiency in more than one language. Thirty-six percent report having less than one in 10 multilingual employees.

Disparity exists, with almost half of the companies admitting that at least a quarter of their employees should be learning another language. Almost three quarters report that less than 25% of their employees have participated in language training at the company.

Language and culture

Learning a language is more than expressing yourself using the proper grammar and vocabulary; it also involves learning about societal behaviors and cultural norms. Intercultural communications is at greater risk of misunderstanding, if the larger framework of culture including world view, context, and other auxiliary communication elements are ignored.

“Companies know they have a communication need across cultural divides,” says Dr. Richard Brecht, executive director of American Councils Research Center at the American Councils for International Education in Washington, D.C. “But they may be focused on just the language and not the value of the language with regard to understanding the culture.”

“Companies want people who can communicate in multinational teams in different languages,” says Dr. Ben Voyer, L’Oréal professor of creativity marketing at ESCP Europe Business School in London. “This shows that people are prepared and capable of understanding the viewpoint of others. For example, there are certain words that are only in some languages, and certain emotions may be more prevalent in some languages.”

In the business world, whether you are operating nationally or internationally, communication is the key to success, but when operating internationally it becomes even more important due to language barriers. Miscommunication could have a direct impact on expansion and profitability. An unsuccessful interaction with a customer could end a relationship. A failed conversation with a supplier or key partner could have serious financial or strategic implications.

In the past five years the call center industry has become an important part of the labor market in the U.S., India, and the Philippines. Call center agents must have excellent language skills. Agents with limited skills in areas such as active listening or pronunciation can cause customer frustration, resulting in lost customers and billing errors. “The focus now is really on being able to get the message and the context as early as possible, to lower customer effort and to have a meaningful conversation,” says George Ramos, AVP for learning and development at Teledevelopment.

SUCCESS FACTORS

As with any new initiative, alignment with company goals is critical to success. This is especially the case with a valuable skill like language learning. Support from the top ranks of executives is also vital to properly align training to the company’s strategic goals.

Alignment with organizational goals

Over half of the companies in this survey (64%) feel reasonably confident that they are able to align language-learning programs to the company’s strategic direction and that they provide meaningful learning opportunities through language for employees, even if those opportunities do not directly pertain to their job or the company’s business objectives.



There is a gap here, between the confidence companies are expressing in their ability to align strategy and language learning and the reality of their multilingual workforce. Most report that less than half of their workforce has professional level proficiency in more than one language, and that less than a quarter of employees have participated in language training at the company. Is this overconfidence in the ability to connect this type of training with the company's strategic direction? Or does it simply reveal the natural limits of a multilingual workforce? Few, if any, companies need greater than 90% of the workforce to be proficient in more than one language. In fact, only 17% had those expectations.

While most companies have a reasonable level of confidence in their abilities to align to larger business objectives, one in 10 reports complete alignment of a language-learning program to the company's strategic direction. This indicates that they consider themselves a global company and to achieve their objectives they need all employees to be able to effectively communicate with coworkers, customers, and suppliers throughout the world.

Evidence points to formally encouraging and measuring language-training programs as the way to align training and organizational goals. Companies that build language learning into employee development plans and track key performance indicators (KPI) to measure their success are twice as likely to report complete alignment.

What is working for the companies that are able to align strategic direction with language learning? Simple, the business requires it. These companies cite strong global vision and significant presence in markets or geographies that require employees with multilingual competencies as success factors.

What stops companies from aligning to their strategic direction? Lack of global vision or a perceived lack of need for multilingual employees, because the company is not in markets or geographies that require those skills.

For these companies, this near-sightedness could present challenges in the future such as limiting opportunities for expansion into new markets or making them less competitive in their existing markets.

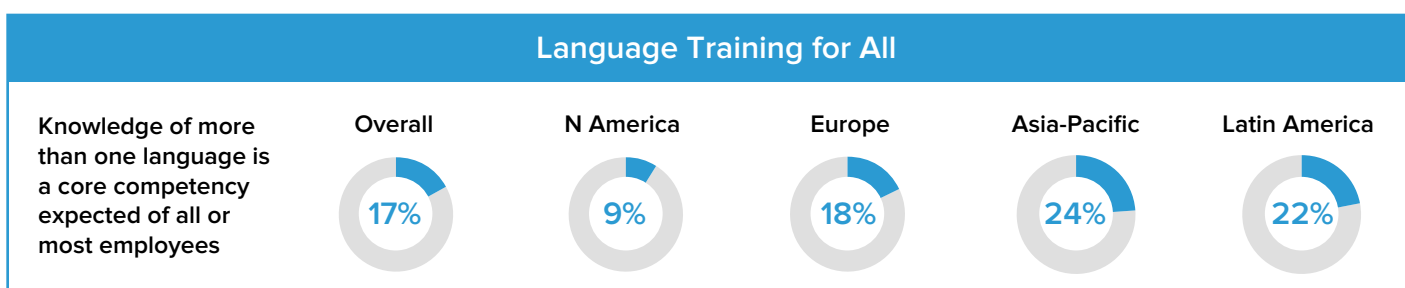
In addition to alignment with the mission, the other factor that enables companies to have a successful language-learning program is support from senior management. “A company has to do more than offer language learning,” says Hass. “They have to communicate to employees that the training is important. And employees have to understand why management is implementing the program and what they believe can be achieved.”

That is a key takeaway for management teams. Language training is not to be entered into lightly or because it seems like the right thing to do. Management must understand how language training fits with the company’s goals and exactly why they want employees to learn a language.

“Make sure employees understand what you want them to learn,” says Voyer. “Learning a language, going from beginner to fluency, requires a lot of work. Fundamentally there is one thing that is essential—motivation to learn. If students are forced to learn or are forcing themselves, really quickly they hit a wall. You can’t learn a language like you learn facts.”

Language's Effect on the Workforce

When deciding who gets to learn a language, only a small number of companies expect all employees to have second language skills as a core competency. Given that English is the prime language of global business, North American companies are least likely to consider multilingualism as core to their strategy and success for their entire workforce.



Most companies assess language needs on a case-by-case basis, taking into account organizational goals, assessed needs, and future expansion plans. Two-thirds of the companies surveyed report that all of their employees are theoretically eligible for language training. Though, in general, the decision about who gets training is based on the roles and responsibilities of the individual employees. And that decision is made by those in the company who must conduct some business transactions in other languages, like management or customer service teams. In most companies, supervisors and managers nominate employees for training, or they allow employees to self-identify.



Motivation is a critical factor in enabling someone to learn a new language. And it can be a challenge. “It would be great if language were easily learned. But there is no way around it,” says Brecht. “There is no shortcut: it takes time and effort. The biggest obstacle with individual learners is motivation. How can programs keep them motivated and on track. Motivation for language learning for business can be strong, if the employee understands the key role of language ability in providing access to different cultures and countries.”

When it comes to learning in the workplace, employees are primarily motivated to learn a language to improve their communications confidence, to earn a promotion or advance their careers, and to improve productivity.

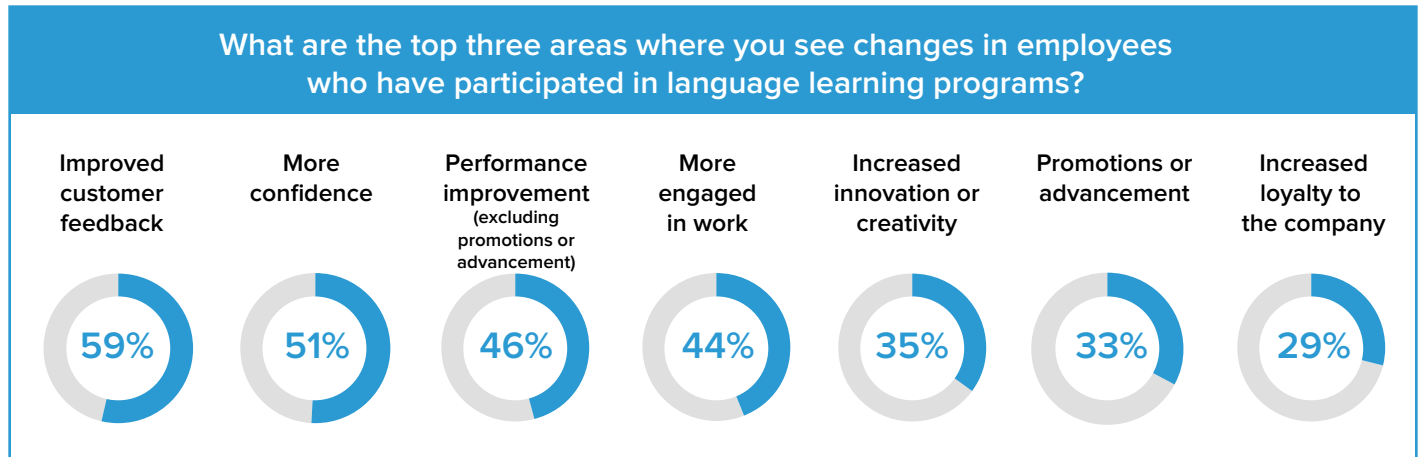
Motivation is an important factor in achieving long-term success, but learning a new language presents challenges. One is keeping motivation at a high level all the time. The learner must understand why they need to make an effort, how long they must sustain an activity, how hard they should pursue it, and devise an action plan on how to achieve those goals. Effective engagement strategies must be implemented to achieve success in any employee development program.

No surprise that lack of time is the biggest challenge for employees in this regard. Just over half of the executives surveyed cite lack of work time and non-work time to devote to learning and practice as an obstacle. The third biggest challenge for employees is one familiar to many who have considered studying another language: general fear of learning a language.

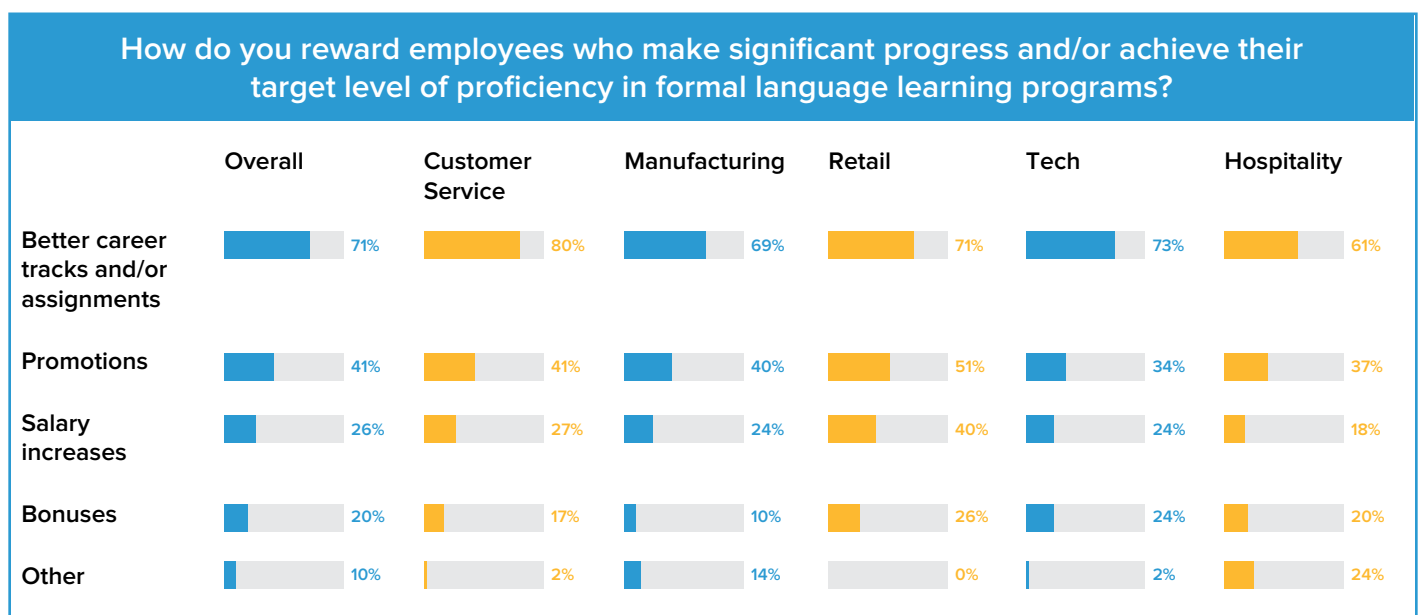
While that fear is real for all learners, there is additional pressure in a business setting—that of tying success communicating in a new language to the employee’s career success. Thus, it is important for companies to quantify success in learning a language and make the goals clear from the beginning. Is it complete proficiency and passing exams? Is it the ability to understand basic conversations or written communication? Is it to build trust with suppliers and partners?

“I take a very hands-on approach with my employees,” says Schlegel. “We set goals and talk a lot about how to communicate at meetings and in executive communications.”

Employees who remain motivated and achieve their target level of proficiency see real changes in the workplace—improved customer feedback, more confidence, and higher engagement at work.



In addition, those who do the work and make significant progress or achieve their target level of proficiency are rewarded with better career tracks and assignments. Rather than general improvement in career track, the retail industry specifically reports that their employees are most likely to be promoted or get a salary increase as a result of achieving their language learning goals.





Effect on the business

Language-learning programs often fall under the umbrella of workforce development. Interestingly, however, not all companies include language-learning progress in formal employee development plans and even if they do, they fail to track progress.

In fact, only a quarter of companies overall put language learning into individual development plans and also track KPIs. About 40% include this training in development plans but do not measure employees' performance.

“Like any other employee training, it is important to make language learning an official program with goals,” says Schlegel. “There needs to be classes, homework, and accountability. Plus, companies should find way to have fun with it.”

There are two results to measure when determining the success of language training in a business: the impact on the individual employee and the effect on the business as a whole. When measuring the impact on individual employees, half of companies rely on management feedback and a third use customer feedback to help track their success.

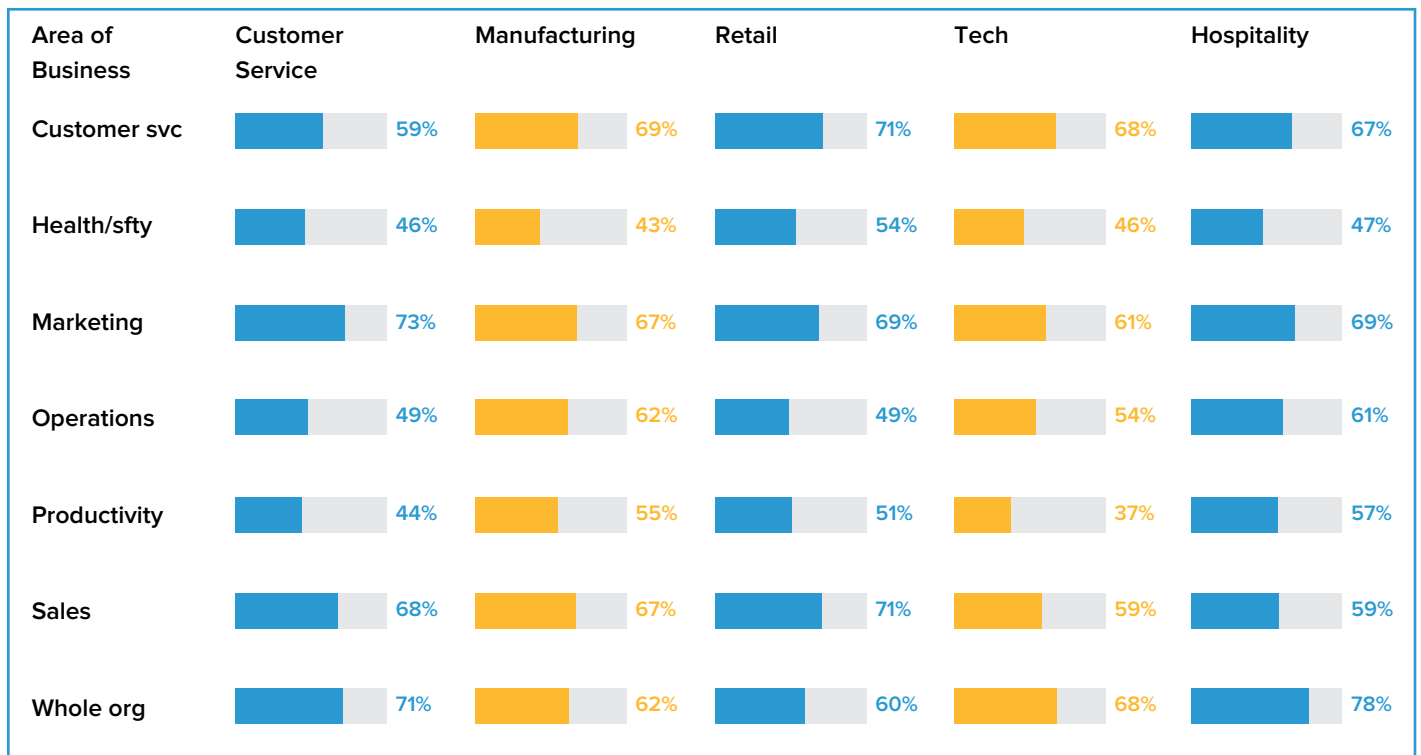
When asked to discuss the primary measurement they use to understand the impact of a formal language-learning program on the company as a whole, survey respondents report customer satisfaction and productivity. About half of all companies surveyed do not measure the impact of the language-learning program—either on the individual employee or the company as a whole.

The areas of the business that see tangible and significant benefits from the increased ability of employees to communicate are sales, marketing, and customer service, as well as the business as a whole.

Let's dive deeper. The manufacturing and travel industries are most likely to cite customer service as the area of the business where they see the most benefits from language training, and the travel industry is most likely to report productivity gains among their employees.

Across industries there are tangible benefits in sales departments. Most industries also see improvements in their customer service, though curiously, the customer service industry is least likely to report this. This may be due to the stringent standards the customer service industry has for customer service outcomes. Health and safety benefits fairly equally across industries, with retail seeing the best outcomes.

At the C-level the value of language learning is clear. Almost all, 92%, executives surveyed report that the entire company reaps some benefit from language training though customer service businesses and travel and hospitality companies are more likely to report this than other industries.



To what extent have the following areas of the business experienced tangible benefits by the increased ability of employees to communicate in different languages? (Percent who answered 4 or 5: Benefit or Significant Benefit)

Company culture is affected by language-learning programs as well. A key impact for companies providing language training is improved employee engagement. This is especially true in the Asia-Pacific region. Engagement is a very important KPI for manufacturing businesses, more so than in all other industries, and language is helping them achieve their goals.



Language learning benefits individual employees with improved career prospects. The companies themselves see improvements and impacts across different lines of business and in the company as a whole. Language has the power to impact how the marketplace sees the company. In particular, there are two top benefits to a company: improved reputation as a global company and improved reputation within specific geographic markets.

Being seen as a global company is much more important for European companies (34%) than it is for those in Asia-Pacific (17%). Companies in the retail industry do not see as much impact on their reputation in specific geographic markets; they find more value in improving their overall reputation as a global company and increasing interest from potential investors.

Best-in-class features and benefits

One challenge for companies is determining language-learning levels (beginning, intermediate, advanced) for their employees—what is an individual employee’s baseline and what level learning they require. For the most part, companies do in-house testing (60%) or outsource to a third party vendor or tool (50%), either offline or online. Some companies also rely on self-identification (47%) or management feedback (43%); and some (43%) rely on a language-training vendor to conduct assessments. While this is a challenge, measurement is key to language-learning success.

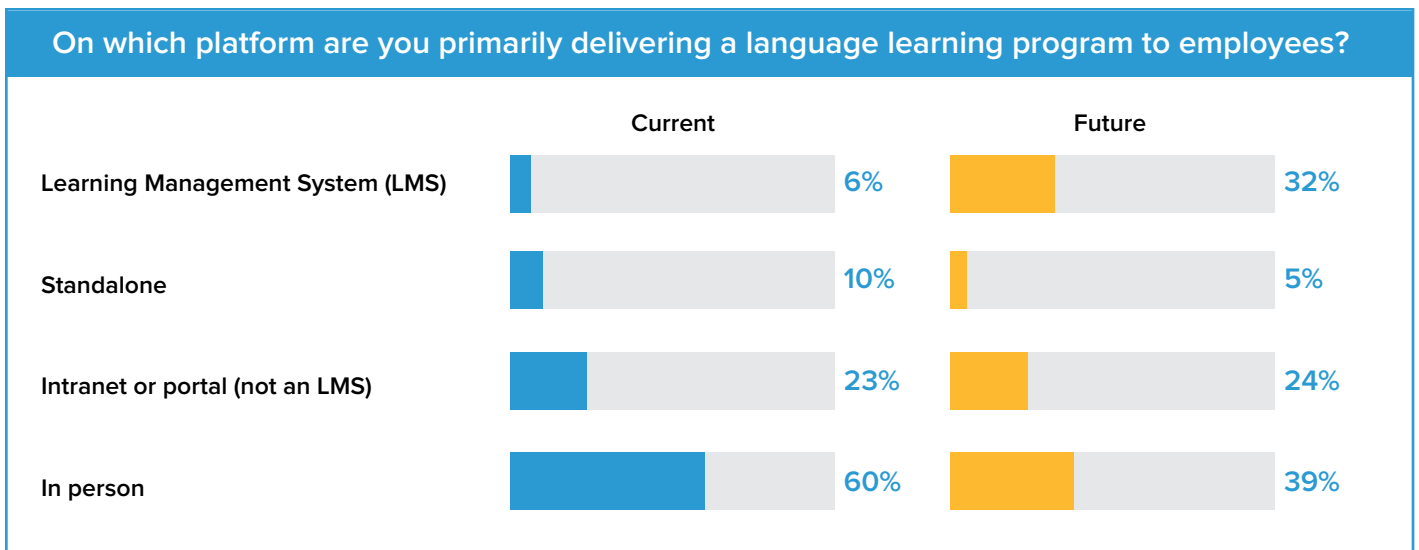
How employees are trained is poised for disruption. Currently, almost three-quarters of companies report that employees prefer to learn languages in person. This is an important delivery system especially in North America, but is not as critical in Europe, Latin America or Asia-Pacific.

Technology solutions are second behind in-person training. As technology enables the very globalization that requires language training, it is also making inroads, albeit slowly, in language training.

“People are being trained to learn differently now,” says Hass. “They expect to learn and keep up via technology, such as a tablet or phone. And they will increasingly expect to be able to learn via different methods of learning like on-demand, or schedule access to not only software but native speaking tutors.”


Companies themselves are seeing the value in technological solutions and are moving in that direction. Digital learning platforms are the way of the future. Though many companies still prefer in-person training today and they see it playing a role in the future, learning management systems are growing in popularity and that growth is expected to largely replace in-person training options.

That makes sense as companies need to serve a larger population of language learners. They require a method that can scale based on changing needs and is cost-effective for any number of learners. “The best way is to have multiple platforms and options,” says Voyer. “The more we can give students that possibility to learn at different times in the moment, the better.”



CONCLUSION

Enterprise language-learning programs have evolved over time and are continuing to evolve, as companies' needs change. It's a win-win for companies and employees. Companies are succeeding in navigating these changes and providing employees with training that not only benefits the company, but improves employees as well. Companies who are best in class when it comes to language training understand how to align that learning with their corporate mission, measure the impact of this training on their employees and company, invest in training their employees, and are willing to evolve training programs as the technology changes the landscape.

“Like other forms of education that use technology, language learning needs to be flexible, engaging, and appropriate for the user,” says Hass. “One size fits all no longer exists.  The onus is on us as a provider to deliver an adaptable and comprehensive solution that puts the user in the right place to succeed.”

SOURCES



Richard B. Brecht, *Executive Director, American Councils Research Center at the American Councils for International Education in Washington, D.C.*



John Hass, *CEO, Rosetta Stone*



George Ramos, *AVP for Learning and Development, Teledvelopment*



Anna Schlegel, *author of Truly Global and Head of Globalization and Information Engineering, NetApp*



Dr. Ben Voyer, *L'Oréal Professor of Creativity Marketing at ESCP Europe Business School, London*

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