



VAASAN AMMATTIKORKEAKOULU  
VASA YRKESHÖGSKOLA  
UNIVERSITY OF APPLIED SCIENCES

Pia Virtanen

IMPORTANCE OF LANGUAGE PROFI-  
CIENCY IN RECRUITMENT IN INTER-  
NATIONAL BUSINESS

Business Economics and Tourism

2013

## TIIVISTELMÄ

|                    |   |
|--------------------|---|
| Tekijä             | Pia Virtanen  |
| Opinnäytetyön nimi | Kielitaidon merkitys kansainvälisen kaupan rekrytoinnissa |
| Vuosi              | 2013  |
| Kieli              | englanti  |
| Sivumäärä          | 58 + 5  |
| Ohjaaja            | Satu Lautamäki  |

---

Opinnäytetyön tutkimuksen tarkoituksena oli selvittää, onko kielitaidosta hyötyä rekrytointiprosessissa hakijan kannalta ja onko kielitaito tärkeää nykypäivän kansainvälisessä kaupassa. Tutkimuksen taustalla olivat henkilökohtainen kiinnostus kieliin sekä nousseet kielitaitovaatimukset työelämässä.

Opinnäytetyön teoriaosuudessa käsitellään lyhyesti kieliä: Mitkä ovat haitat ja hyödyt, kun englanti on maailman lingua franca, ja millaisia kieliopinnot ovat Suomessa. Pääpaino teoriassa on kuitenkin kansainvälisellä kaupalla ja sen vaatimalla kielitaidolla. Kansainvälistä kauppaa tarkastellaan lyhyesti Suomen näkökulmasta, jonka jälkeen yleisellä tasolla esitellään kansainvälistymistä, kansainvälistä markkinointia sekä henkilöstöhallintaa. Jokaisella osa-alueella sivutaan kielitaidon merkitystä. Tutkimusta varten haastateltiin kahta yritystä ja lisäksi opiskelijoille lähetettiin kysely, joilla mitattiin joko heidän kokemustaan työelämän kielitaitotarpeesta tai heidän näkemyksistään kielitaidon merkityksestä työnhakuprosessissa. Yritysten kohdalla käytettiin kvalitatiivista tutkimusmenetelmää, jotta yritysten edustajat saisivat vapaasti kuvailla heidän näkemyksiään kielitaidosta kaupan alalla sekä työntekijän kielitaidon merkityksestä. Opiskelijoiden sekä jo valmistuneiden kohdalla käytettiin kvantitatiivista tutkimusmenetelmää, jotta vastauksia pystyttäisiin mittaamaan lukuina.

Tutkimustulokset osoittivat, että kielitaidolla on merkitystä sekä kansainvälisessä kaupassa että pelkästään Suomen alueella. Tärkeimpinä kielinä kaupan alalla koettiin edelleen englanti, mutta muut eurooppalaiset kielet sekä venäjä ovat kasvattaneet asemaansa. Kiina nähtiin tulevaisuuden kielenä, muttei vielä ajankohtaisena. Suomalaiset yritykset painottivat kielitaitoa tärkeänä kriteerinä haettaessa työntekijää, ja opiskelijat olivat samoilla linjoilla.

Tutkimusta olisi mahdollista laajentaa kansainvälisesti, jolloin saisi eri maalaisten yritysten ja opiskelijoiden/työntekijöiden näkemykset kielitaidon merkityksestä. Myös laajemmalla tutkimuksella saisi vielä paremmat vastaustulokset ja yleistäminen yritys- ja opiskelijatasolla olisi mahdollista.

VAASAN AMMATTIKORKEAKOULU  
UNIVERSITY OF APPLIED SCIENCES  
International Business

## ABSTRACT

|                    |   |
|--------------------|---|
| Author             | Pia Virtanen  |
| Title              | Importance of Language Proficiency in Recruitment in International Business |
| Year               | 2013  |
| Language           | English   |
| Pages              | 58 + 5  |
| Name of Supervisor | Satu Lautamäki  |

---

The aim of the study was to find out if language proficiency is a benefit in recruiting from the applicant's point of view and if language proficiency is important in today's international business. Behind the study were personal interest in languages and the increasing language proficiency requirements in work life.

The theory of the study briefly talks about linguistics: What are the benefits and problems when English is today's world's lingua franca, and how languages are studied in Finland. The emphasis in the theory is on international business and the language proficiency it requires. International business is examined briefly from Finland's point of view after which internationalisation, international marketing human resource management are presented. In every section the importance of language proficiency is discussed. For the study, two companies were interviewed and, in addition, students received a questionnaire which measured their experience about the need of language proficiency in work life or their opinion about importance of language proficiency in recruiting process. With companies, qualitative research method was used in order to let the company representatives freely describe their opinions and views on language proficiency in business and the importance of the employee's language proficiency. With students and graduates quantitative research method was used in order to measure answers as numbers.

The study results show that language proficiency is important both in international business and in Finland. The most important language was English in most point of views yet other European languages and Russian have increased their importance. Chinese was seen as future's language but not as a current need. Finnish companies emphasized language proficiency as an important criterion when recruiting and students shared their opinion.

The study could be conducted internationally, and then one could gather the views on language proficiency from different countries' perspective. Also with a wider study, the results would be even better and could be generalized even more.

---

|           |   |
|-----------|---|
| Key words | languages, language proficiency, international business, recruiting |
|-----------|---|

## CONTENTS

### TIIVISTELMÄ

### ABSTRACT

|       |   |    |
|-------|---|----|
| 1     | INTRODUCTION .....  | 12 |
| 1.1   | Background of the Thesis .....                              | 12 |
| 1.2   | Research Problem .....                                      | 13 |
| 1.3   | Structure of the Study .....                                | 13 |
| 2     | LINGUISTICS .....   | 15 |
| 2.1   | English as a Lingua Franca .....                            | 15 |
| 2.1.1 | Benefits .....  | 15 |
| 2.1.2 | Problems.....   | 15 |
| 2.2   | Europe and Languages .....                                  | 16 |
| 2.3   | Language Studies in Finland.....                            | 17 |
| 3     | INTERNATIONAL BUSINESS AND LANGUAGE PROFICIENCY.....        | 21 |
| 3.1   | International Business in Finland.....                      | 21 |
| 3.1.1 | Export and Import .....                                     | 21 |
| 3.1.2 | International Companies in Finland.....                     | 23 |
| 3.2   | Internationalisation .....                                  | 23 |
| 3.2.1 | SMEs and Internationalisation .....                         | 24 |
| 3.2.2 | Internationalisation and Languages.....                     | 25 |
| 3.3   | International Marketing .....                               | 26 |
| 3.4   | International Human Resource Management.....                | 27 |
| 3.4.1 | Recruiting .....  | 27 |
| 3.4.2 | Importance of Language Proficiency in Recruiting.....       | 29 |
| 3.5   | Need of Language Proficiency of Business in the Future..... | 30 |
| 4     | RESEARCH METHODOLOGY .....                                  | 33 |
| 4.1   | Research Method Chosen .....                                | 33 |
| 4.2   | Sample and Data Collection.....                             | 34 |
| 4.3   | Introduction to Respondents .....                           | 35 |
| 4.3.1 | Sample Group 1: Students.....                               | 35 |
| 4.3.2 | Sample Group 2: Companies .....                             | 38 |
| 5     | EMPIRICAL FINDINGS .....                                    | 40 |

|  |    |
|--|----|
| 5.1 Student/Employee Point of View.....                            | 40 |
| 5.1.1 General Language Proficiency and Languages in Work Life..... | 40 |
| 5.1.2 Language Proficiency at Work.....                            | 42 |
| 5.1.3 Languages in Recruiting .....                                | 46 |
| 5.2 Company Point of View.....                                     | 49 |
| 5.2.1 General Language Proficiency.....                            | 49 |
| 5.2.2 Languages of the Company.....                                | 50 |
| 5.2.3 Language Proficiency and Recruiting.....                     | 50 |
| 5.3 Comparison.....  | 52 |
| 6 CONCLUSIONS .....  | 53 |
| 6.1 Summary of Theory and Empirical Findings.....                  | 53 |
| 6.2 Reliability and Validity of the Study .....                    | 54 |
| 6.3 Possibilities for Further Studies .....                        | 55 |
| REFERENCES.....  | 56 |
| APPENDICES   |    |

## LIST OF FIGURES

|                   |  |    |
|-------------------|--|----|
| <b>Figure 1.</b>  | Frequency of Use of Languages  | 17 |
| <b>Figure 2.</b>  | Reasons to get a language certificate                                      | 20 |
| <b>Figure 3.</b>  | Need of language proficiency in companies in 2009                          | 30 |
| <b>Figure 4.</b>  | How much the need for language proficiency will rise in a certain language | 31 |
| <b>Figure 5.</b>  | Research methods   | 33 |
| <b>Figure 6.</b>  | Degree programme of the respondents  | 35 |
| <b>Figure 7.</b>  | Sex of the respondents   | 36 |
| <b>Figure 8.</b>  | Age of the respondents   | 36 |
| <b>Figure 9.</b>  | Graduation year of the respondents   | 37 |
| <b>Figure 10.</b> | Current situation of the respondents                                       | 37 |
| <b>Figure 11.</b> | Native language of the respondents   | 38 |
| <b>Figure 12.</b> | How many languages are known by the respondents                            | 40 |
| <b>Figure 13.</b> | How many of the languages are known well                                   | 41 |
| <b>Figure 14.</b> | What are the most important languages in work life                         | 42 |
| <b>Figure 15.</b> | What is the internal language at the workplace                             | 43 |
| <b>Figure 16.</b> | Working in an international company  | 43 |
| <b>Figure 17.</b> | How often foreign languages are used                                       | 44 |
| <b>Figure 18.</b> | What languages are needed in work  | 45 |
| <b>Figure 19.</b> | What languages are a benefit in work                                       | 45 |

|                   |   |    |
|-------------------|---|----|
| <b>Figure 20.</b> | Was the interview in respondent's native language | 46 |
| <b>Figure 21.</b> | Was a certain language required                   | 47 |
| <b>Figure 22.</b> | Was knowing a certain language benefit            | 47 |
| <b>Figure 23.</b> | Language proficiency as a benefit or a hindrance  | 48 |

**LIST OF TABLES**

|                 |  |    |
|-----------------|--|----|
| <b>Table 1.</b> | Courses in basic education   | 18 |
| <b>Table 2.</b> | Students studying A1-languages in 3rd grade in years 2000-2009 in percentage | 19 |
| <b>Table 3.</b> | The most important import countries of Finland in 2011                       | 22 |
| <b>Table 4.</b> | The most important export countries of Finland in 2011                       | 22 |
| <b>Table 5.</b> | Why companies go international   | 24 |
| <b>Table 6.</b> | Comparison of staffing policies  | 28 |



**LIST OF APPENDICES**

**APPENDIX 1.** Questionnaire for students

**APPENDIX 2.** Questions for companies

## 1 INTRODUCTION

English is today's world's *lingua franca*; today it is the official language of approximately 70 countries and every fourth country uses English as either the only or the other official language. However, English is ranked only as the third or fourth language after Chinese, Hindi and in some cases Spanish when comparing native speakers. (Johansson & Pyykkö, 2005) Already from the above mentioned ranking, it is clear that other languages beside English are needed all over the world daily.

For example, Finland has two national languages, Finnish and Swedish, Finnish being the native tongue of approximately 70 percent of Finnish people. However, Swedish is required in work life in most parts of Finland, mostly in the western and southern coast. English is an advantage in most of the common work places such as hospitals, administrative offices etc. Due to large amount of immigrants (including foreign workers, students and refugees), there is a need for translators of, for example, African languages. Considering that Finland is a relatively small country with only around 5 million people, the need for language proficiency is high.

How important is language proficiency in Finnish work life, and do the languages known make a difference? This thesis will look into those topics.

### 1.1 Background of the Thesis

The aim of this thesis is to find out how language proficiency affects when applying for a job, and how important languages are in work life. Business life will be the main topic and public services will not be looked into. In order to reach the aim, graduated students and students who are close to graduation received a questionnaire which had questions related to their language proficiency and their current employment status. Also, a few company members were sent a few questions considering their point of view about language proficiency. These members of the company do some hiring, either for themselves or for the whole company.

The topic is current and important due to the fact that in today's world, more and more contacts with foreigners are made every day.

## **1.2 Research Problem**

The aim of this thesis is to find answers to the following questions:

Do languages play an important role in the recruiting process?

Is language proficiency necessary in today's business life?

These questions were chosen because they define the core problem from a job applicant's and a company's point of view. Answering those questions would give people reason to study more languages or to emphasise their current language studies.

## **1.3 Structure of the Study**

The research problem will be with the support of theory and an empirical research. First, a look into the theory will be taken. The theory is divided into two main chapters: Linguistics and International Business and Languages. Then comes a chapter considering research methodology and one chapter presenting the empirical findings. Finally, there will be a chapter for conclusions and evaluations.

In the first chapter of the theoretical part, mostly languages and language proficiency are considered. First, we study English and its position as a common language, and then move to language proficiency of Finnish people by taking a look at language studies in Finland. The second main chapter presents brief information about international business in Finland in order to deduce which language might be the most important for Finnish people to know and study. Then the chapter looks at international business from several points of views, including for example internationalisation, human resource management. It will also take a business point of view of language proficiency.

In the empirical part, students who have just graduated or are graduating within a short time period are studied in order to find out whether they consider language proficiency an asset and if they believe that knowing languages has helped them in getting into working life or not. Also, a few company representatives are interviewed to see whether their thoughts match the students when it comes to importance of language proficiency.

## **2 LINGUISTICS**

### **2.1 English as a Lingua Franca**

As told in the introduction, English is today's world's lingua franca. It is the most spoken language in the world when taking into account native speakers and other speakers. The estimation is that in 50 years, even 200 million people in Europe are speaking English as a second language. (Johansson & Pyykkö, 2005)

Naturally, a common language is helpful in today's world which is becoming more global. English, which has millions of speakers, is a natural choice for a lingua franca. However, even with English there are problems.

#### **2.1.1 Benefits**

Due to historical events, English is used in Asia, Africa and India in addition to Europe and therefore, it is a natural choice as a lingua franca. The spreading of English benefits people: Travelling is easier, information is widely available and contacts are easier to make. From a business point of view, it is easier to find international business partners when companies can find a common language that does not need to be a native language of neither of the companies.

#### **2.1.2 Problems**

One of the biggest problems with a lingua franca is the benefit for native speakers of the language. Native speakers always have a head start: For example, in a business negotiation they are able to present their thoughts convincingly when the other company's representative might not. (Johansson & Pyykkö, 2005) Hofstede and Hofstede (2005) note that speakers interpret words differently depending on how those words (or their translations) are categorised in every speaker's native language. Also, the non-native speaker faces the difficulties in such basic things as names: For example, in Finnish and Swedish language there are the letters Ä, Å and Ö which cannot be found in English language. These letters often appear in names, and yet cannot be used in e.g. e-mail addresses; this may cause confusions.

Johansson and Pyykkö (2005) note that in a sense, arrogance of native speakers of English is a problem: Native speakers do not study other languages as much as those whose native language is not English. This usually results to, in a sense, forcing people with another native language to speak English. Also, native English speakers often fail to notice that English as a native language is not really an asset but rather a liability when it comes to communicating with other cultures (Hofstede & Hofstede, 2005).

Relying on one language is not wise either. As will be discussed in upcoming chapters, relying on English only does not recognise the growing need for such languages as Chinese, Spanish and Arabic. Also, contracts, rules and legislation are generally written in the local language and therefore English speakers might be at risk when conducting a contract with a foreign company, for example, in a case of exporting, joint venture or foreign market expansion. (Feely & Harzing, 2003) Native Anglophone decision makers often discard the necessity of learning foreign languages and fail to notice that learning the languages of trading partners might help to succeed in international business (Knowles, Mughan & Lloyd-Reason, 2006).

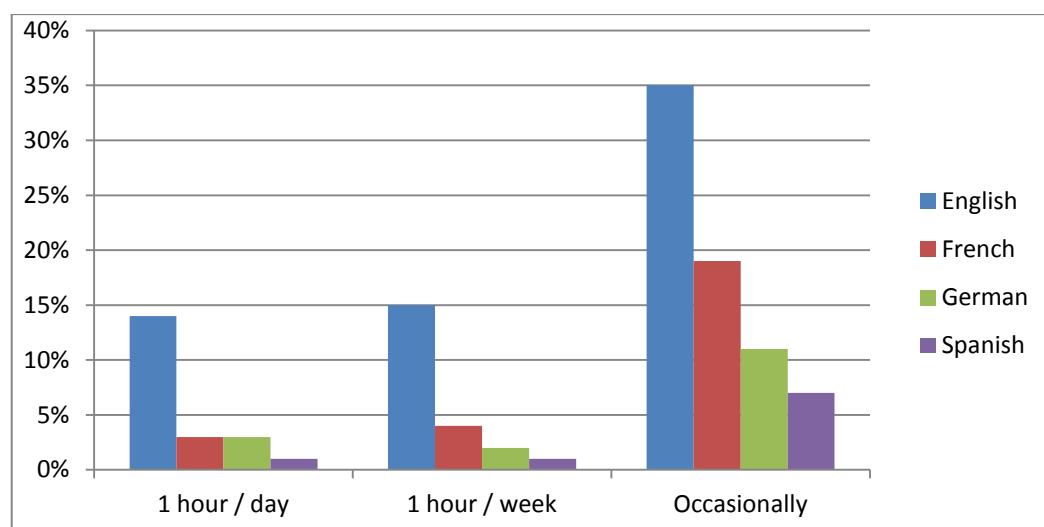
The domination of English is both a benefit and a problem. The domination can be seen in other languages and how they are slowly adapting English into their vocabulary causing the original language to diminish. (Johansson & Pyykkö, 2005) This can already be seen in Finnish language: There are several words that have a Finnish word and yet their adapted form is used in daily life. For example, *personal trainer* is a word/term that has been adapted to Finnish language despite the fact that it can be directly translated into Finnish.

## **2.2 Europe and Languages**

In a European country, the mother tongue of most of the citizens is usually the national language of the country or one of the national languages in case there is more than one national language. In Europe, the highest rates of people whose mother tongue is the national language are in Portugal (100%) and Italy and Greece (both of which have the rate of 99%). (Eurobarometer, 2001)

Approximately half of Europeans claim to know another language addition to their mother tongue. Usually this language is English, the average percentage in EU is 33, but in northern European countries the rate is even higher, over 50 percentage. (Eurobarometer, 2001)

Europeans use foreign languages differently, and Eurobarometer (2001) analysed how often different languages were used.



**Figure 1.** Frequency of Use of Languages (Eurobarometer, 2001)

As seen in the Figure 1, there are three top languages Europeans use: English, French and German. In the figure, Spanish is added as a fourth language for comparison. English is the most used language despite the frequency of use.

At least one hour per day, English is used mostly by people from the Netherlands, Denmark, Finland and Sweden. People from the same countries use English at least one hour per week. (Eurobarometer, 2001) These two measurements mostly relate to work life unlike the occasionally-measurement which relates to, for example, travelling abroad or meeting foreign visitors.

### 2.3 Language Studies in Finland

In Finland, basic education (which covers grades from one to nine) requires currently two obligatory foreign languages as part of the education. However, a stu-

dent can choose two optional languages in addition to the obligatory ones. Usually languages are started in different grades (see Table 1).

**Table 1.** Courses in basic education (Kangasvieri, Miettinen, Kukkohovi, Härmälä 2011, 8)

| <i>Course</i> | <i>Obligatory/Optional</i> | <i>Time of Beginning</i> |
|---------------|----------------------------|--------------------------|
| <b>A1</b>     | common/obligatory          | normally 3rd grade       |
| <b>A2</b>     | optional                   | 5th grade at the latest  |
| <b>B1</b>     | common/obligatory          | 7th grade                |
| <b>B2</b>     | optional                   | usually 8th grade        |

The letters in front of the number in course section state the length of the course; A means a course started in primary school, which covers grades from one to six, and B means a course started in secondary school, which covers grades from seven to nine.

The most common language chosen to be the first language is English, and its position has not changed within few years. If anything, it has grown from the middle 1990s, and at the same time people choosing German and Swedish have decreased. (Kangasvieri, Miettinen, Kukkohovi, Härmälä 2011) The Table 2, below, shows the languages chosen in third grade, and their division.

**Table 2.** Students studying A1-languages in 3rd grade in years 2000-2009 in percentage (Kangasvieri et al. 2011, 9)



| <i>A1-language</i>    | <i>2000</i> | <i>2002</i> | <i>2005</i> | <i>2007</i> | <i>2009</i> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| <b>English</b>        | 89.1        | 89.7        | 90.1        | 90.9        | 90.2        |
| <b>Swedish</b>        | 1.5         | 1.5         | 1.1         | 1.1         | 0.9         |
| <b>Finnish</b>        | 5.2         | 5.3         | 5.5         | 5.1         | 5.4         |
| <b>French</b>         | 1.1         | 1.0         | 0.8         | 0.8         | 0.8         |
| <b>German</b>         | 2.2         | 2.0         | 1.4         | 1.2         | 1.3         |
| <b>Russian</b>        | 0.2         | 0.1         | 0.2         | 0.2         | 0.2         |
| <b>Lappish</b>        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Other language</b> | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |

Kangasvieri et al. (2011) state that the domination of English is partly due to fact that it is the only option in many rural districts. They also note that Finnish is usually the first language in Swedish speaking schools, without taking into a count the Åland Islands where English is obligatory as the first language, and therefore Finnish is studied as A2-language.

Because Swedish speaking schools study Finnish as A1-language, it is natural that English is also the most popular A2-language. The second most popular is Swedish, third most popular German and as a fourth is French. However, studying of A2-language has decreased from 2007's 25.0 percent to 2009's 23.5 percent. (Kangasvieri et al. 2011)

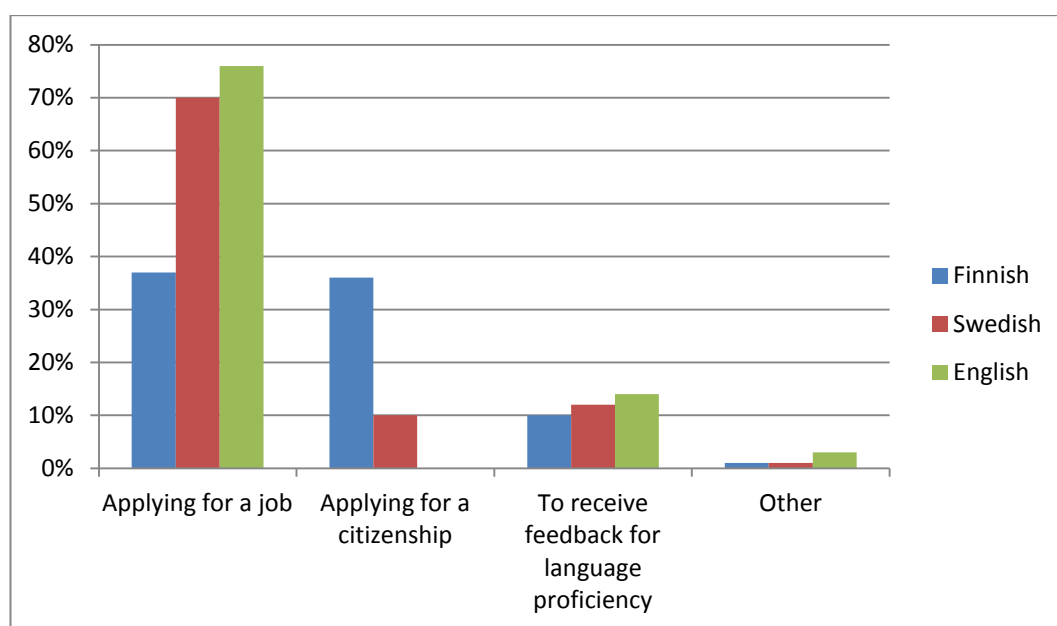
B1- and B2-languages are studied in secondary school, with B1 being obligatory (as seen in figure 2) and it has to be the second national language. This usually applies only to Finnish speaking students because as mentioned previously, in Swedish speaking schools Finnish is studied as A1-language. Therefore B1 is usually Swedish. B2 is an optional language, with most common choices of language being German and French. However, studying of B2-language has decreased enormously: In 1994 close to 40 percent of students studied B2-language when in 2009 the percentage was only approximately 14. (Kangasvieri et al. 2011)

Language studies are something the Nordic countries have in common: In every Nordic country, a student has to study two obligatory languages. In all countries one of these two languages is usually English but the other language differs. (Kangasvieri et al. 2011) Therefore it also not a surprise that Eurobarometer in

2001 showed that the Nordic countries use foreign languages the most, English being the most often used language.

In addition to studying languages in basic education, it is possible to enhance language proficiency as an adult, and the enhancing is mostly done for work. This is most common with immigrants: They need to learn either Finnish or Swedish in order to find a job. Some are doing language studies in order to get the citizenship of Finland (Tarnanen, Härmälä, Neittaanmäki, 2010).

Tarnanen et al. (2010) studied the reasons for adults to get a national language certificate. In their study, most of people taking the language test in Finnish were immigrants living in Finland. In the figure below, the reasons behind taking the language test are shown.



**Figure 2.** Reasons to get a language certificate (Tarnanen et al. 2010)

As the Figure 2 shows, the most important reason to get a language certificate was for applying for a job. In the figure, English is clearly the main language in applying for a job -category followed by Swedish. This shows that these two languages were important in Finnish working life in 2007 - 2009. Out of all people taking the national language test in English, 72 percent were men, when in Swedish 67 percent were women. (Tarnanen et al. 2010)

### **3 INTERNATIONAL BUSINESS AND LANGUAGE PROFICIENCY**

#### **3.1 International Business in Finland**

As a member country of the European Union, Finland enjoys the benefits of the single market of EU. The single market brings new markets and new business opportunities and gives the possibility to relocate production facilities. However, the single market can be a threat as well because markets become internationalised and businesses might not adjust to the changing environment. The competition in home markets increases when foreign businesses have better access to the country. (Somers 2010)

As mentioned earlier, for companies from member countries of the European Union the access to Finnish market is easier because there are no trade barriers. However, European Union and the United States are currently negotiating about free trading between each other (the agreement under negotiation is called Transatlantic Trade and Investment Partnership): This agreement would bring global world trading into more liberal direction. (Elinkeinoelämän keskusliitto 2013) Transatlantic Trade and Investment Partnership would delete unnecessary rules and regulations, such as trade barriers beyond customs, and company savings would increase, and this could open new jobs. The partnership would benefit both the EU and the USA. (European Commission 2013)

##### **3.1.1 Export and Import**

Foreign trade has always been important to Finland. However, the importance has been highlighted within the few last years during the economic crisis. From the recession of the beginning of the 1990s, the amount total export quadrupled by 2008. Yet, in 2009, after the beginning of new economic crisis, the total export decreased by fifth. The worth of export out of GDP was 39.7 percent and worth of import out of GDP was 40.3 percent in 2012. (Elinkeinoelämän keskusliitto 2013)

**Table 3.** The most important import countries of Finland in 2011 (Elinkeinoelämän keskusliitto 2012)

|                        | <i>Mrd. Euros</i> | <i>%</i> |
|------------------------|-------------------|----------|
| <b>All import</b>      | 60.3              | 100.0    |
| <b>Russia</b>          | 11.2              | 18.7     |
| <b>Germany</b>         | 7.5               | 12.4     |
| <b>Sweden</b>          | 6.0               | 10.0     |
| <b>China</b>           | 4.4               | 7.3      |
| <b>The Netherlands</b> | 3.1               | 5.2      |
| <b>United States</b>   | 2.2               | 3.7      |
| <b>France</b>          | 2.0               | 3.3      |
| <b>Great Britain</b>   | 1.8               | 2.9      |
| <b>Italy</b>           | 1.6               | 2.6      |

What can be seen from the Table 3, is that Finland mainly imports to European countries which is probably due to the free movement within the European Union. Also, Finnish goods are often liked in Europe, especially Germany. Below, the Table 4 lists the most important export countries.

**Table 4.** The most important export countries of Finland in 2011 (Elinkeinoelämän keskusliitto 2012)

|                        | <i>Mrd. Euros</i> | <i>%</i> |
|------------------------|-------------------|----------|
| <b>All export</b>      | 56.6              | 100.0    |
| <b>Sweden</b>          | 6.7               | 11.9     |
| <b>Germany</b>         | 5.6               | 9.9      |
| <b>Russia</b>          | 5.3               | 9.4      |
| <b>The Netherlands</b> | 3.8               | 6.7      |
| <b>Great Britain</b>   | 2.9               | 5.1      |
| <b>United States</b>   | 2.9               | 5.1      |
| <b>China</b>           | 2.7               | 4.7      |
| <b>France</b>          | 1.8               | 3.1      |
| <b>Norway</b>          | 1.6               | 2.8      |

In the above tables (Tables 3 and 4) the most important trading partners are listed. As can be seen, the lists are quite similar to each other: same countries are in top 3 in both of the lists. Russia's importance is increasing also in export when in import it is already the first partner. Pantzar (2012) announced that in 2012 Russia has risen in the listing as the second most important export partner.

### **3.1.2 International Companies in Finland**

Österman (2009) divided international companies in Finland into five groups:

1. foreign medium-sized companies
2. foreign large companies
3. small and medium-sized Finnish companies operating in several countries
4. large Finnish companies operating in several countries
5. global Finnish companies

Many of the Finnish companies are internationalised and one of the leading companies in their field. Finnish companies are also competitive in many fields such as, for example, metal industry, telecommunication industry and environment technology industry. (Elinkeinoelämän keskusliitto 2013)

In order to be of assistance to Finnish companies, Finnish Chamber of Commerce and regional chambers of commerce have a network whose aim is to create global connections. This network is called FinnCham and it encourages Finnish companies to internationalisation and promotes export efforts. The network reaches from Asia to Africa and South America. (Keskuskauppakamari 2013)

### **3.2 Internationalisation**

"Internationalization is the process by which an enterprise enters foreign market," defines Somers (2010). Internationalisation can be done in different entry strategies which are licensing and franchising, subcontracting, strategic alliances, joint ventures and consortia, an agent or own sales representative, local packing and/or assembly, and setting up a wholly owned subsidiary. (Somers 2010) Internationalisation is now seen more and more as important aspect of maximising business opportunities. Small and medium-sized companies consider it as prerequisite of business success. (Knowles, Mughan & Lloyd-Reason 2006)

The reasons for going international can be divided into two groups: proactive stimuli and reactive stimuli. (Czinkota & Ronkainen 2010) In the figure below, the reasons in both groups can be seen.

**Table 5.** Why companies go international (Czinkota & Ronkainen 2010)

| <i>Proactive Stimuli</i>   | <i>Reactive Stimuli</i>   |
|--|---|
| <ul style="list-style-type: none"> <li>• <b>Profit advantage</b></li> <li>• <b>Unique products</b></li> <li>• <b>Technological advantage</b></li> <li>• <b>Exclusive information</b></li> <li>• <b>Economies of scale</b></li> <li>• <b>Market size</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b>Competitive pressures</b></li> <li>• <b>Overproduction</b></li> <li>• <b>Declining domestics sales</b></li> <li>• <b>Excess capacity</b></li> <li>• <b>Saturated domestic markets</b></li> <li>• <b>Proximity to customers and ports</b></li> </ul> |

As the Table 5, above, shows, proactive stimuli are mostly advantages of the company: Companies believe that their profit will grow, or their products are unique and something that are not in the market yet or they believe that they can receive a larger market through internationalisation. Reactive stimuli on the other hand seem to be more forcing: Companies might have too much competition in their domestic market, or they believe that internationalisation might help them if their inventories are too high for domestic markets. (Czinkota & Ronkainen 2010)

It is an easier for a company to internationalise if there are no trade barriers. Therefore, for example, if a business' home country is in Europe, there are no trade barriers due to the free movement of goods, service, capital and people. This gives a company the possibility to operate in any of member countries of European Union. However, trade barriers are not necessarily a hindrance. For example, if a company from outside European Union enters into one EU's member country it is possible for it to start trading to other EU's member country and enjoy the benefit of previously mentioned free movements. (Somers 2010)

### **3.2.1 SMEs and Internationalisation**

Although internationalisation is often considered mostly fit for the major enterprises, more and more small and medium-sized companies (SMEs) have started to internationalised. They have played an important role in many national economies

but have not yet extended their position into international business environment. This due to different kind of challenges that SMEs face compared to large companies. (Dowling, Festing & Allen 2008)

Dowling et al. (2008) have listed the top ten barriers that SMEs face when trying to access international markets. The barriers include the following:"

1. Shortage of working capital to finance exports.
2. Identifying foreign business opportunities.
3. Limited information to locate/analyze markets.
4. Inability to contact potential overseas customers.
5. Obtaining reliable foreign representation.
6. Lack of managerial time to deal with internationalization.
7. Inadequate quantity of and/or untrained personnel for internationalization.
8. Difficulty in managing competitor's prices.
9. Lack of home government assistance/incentives.
10. Excessive transportation/insurance costs."

Knowles, Mughan & Lloyd-Reason (2006) found in their study that the decision-makers of successful internationalised SMEs most likely had experience in the international activities and were more likely to have foreign language skills. In total they found that there were three most important characteristics that hold the key to success in international markets for SMEs: language skills, intercultural competence and business experience. In the opinion of Knowles et al. (2006), SMEs could reach the same line with larger multinational companies if they would emphasise intercultural awareness training and business placements and emphasising less general language training.

### **3.2.2 Internationalisation and Languages**

Despite the fact that internationalisation might be more common in today's business life, and there is a common language to help the process, language skills are especially important when conducting business abroad. English might be the lingua franca of today's business life but native English speakers need especially

good verbal skills in order to communicate with non-native speakers. This is very important to international managers who should be able to express themselves in other means as well. (Christopher 2012)

Knowles, Mughan & Lloyd-Reason (2006) found in their study that there is a correlation between valuing language proficiency and sustained success in international trade. This is due to the fact that successful companies appreciate relationships and market intelligence which are both maintained by the use of language of their client and their market.

In a traditional buyer/seller relationship, companies succeed better when selling to a country which shares the same language. Buyers also benefit from a common language because they are often more confident. Customers benefit from a common language as well because companies are more capable to provide accurate customer service. Foreign market expansions, on the other hand, are often done to countries where English is widely spoken because it is easier for the company. (Feely & Harzing, 2003)

### **3.3 International Marketing**

International marketing is often studied through different kinds of environments in order to find the ideal ways of marketing. One of these environments is cultural environment, and language is part of this environment.

Czinkota and Ronkainen (2010) identified four different roles in international marketing that serve language capability. First, they note that language helps in information gathering and evaluation efforts due to the fact that people are more comfortable speaking in their own language, and therefore when giving feedback in their native language, they tend to give better information. Second, although English is widely spoken, local language gives access to local society. Often companies that translate their promotional materials into the local language are considered serious about doing business. Third, within company information must flow, and more difficulties exist if, for example, a country manager cannot communicate with employees in their native language. Fourth and last, language is



more than just ability to communication: It goes beyond mechanics all the way to interpretation of contexts.

It is recommended for a company to use a local advertising agency as well as a good local market research firm when doing marketing in a foreign country in order to prevent serious problems. Also when in need of translation, a qualified translator should be chosen. Sometimes international marketers should not translate words but emotions in order to get the message of the advertisement to the customers: In some cases this means that the wording will be totally different from the original advertisement. (Czinkota & Ronkainen 2010)

### **3.4 International Human Resource Management**

Human resource management refers to activities a company uses in order to use its human resources effectively. Staffing, performance evaluation, management development, compensation, labour relations are included in these activities. (Hill 2012)

According to Hill (2012) strong fit between human resources practices and strategy is important in order to receive high profitability. Therefore human resource management (HRM) is a strategy in international business as well. However, some studies show that HRM is one of the weakest capabilities in most companies (Hill 2012).

Recruiting/staffing is one of the key elements in successful human resource management because it concerns with the selection of employees for particular jobs.

#### **3.4.1 Recruiting**

Recruiting can be divided into three different approaches: ethnocentric, polycentric and geocentric. In ethnocentric approach, all key management positions are filled by parent-country national despite the fact that the business is set abroad. In polycentric approach, subsidiary's management positions are filled with host-country nationals and positions at corporate headquarters are filled with parent-

country nationals. In geocentric approach, key jobs are fulfilled with the most suitable people regardless of their nationality. (Hill 2012)

**Table 6.** Comparison of staffing policies (Hill 2012)

| <i>Staffing Approach</i> | <i>Strategic Appropriateness</i>         | <i>Advantages</i>  | <i>Disadvantages</i>  |
|--------------------------|--|--|---|
| <b>Ethnocentric</b>      | International                            | Overcomes lack of qualified managers in host nation<br><br>Unified culture<br><br>Helps transfer core competencies | Produces resentment in host country<br><br>Can lead to cultural myopia        |
| <b>Polycentric</b>       | Localization                             | Alleviates cultural myopia<br><br>Inexpensive to implement   | Limits career mobility<br><br>Isolates headquarters from foreign subsidiaries |
| <b>Geocentric</b>        | Global standardization and transnational | Uses human resources efficiently<br><br>Helps build strong culture and informal management networks                | National immigration policies may limit implementation<br><br>Expensive       |

As seen in Table 6, all approaches have advantages and disadvantages. However, choosing an approach is not always so easy, and it is sometimes said that man-

agement and approach within one international company can vary from subsidiary to subsidiary: Some may use ethnocentric approach when others geocentric. (Hill 2012)

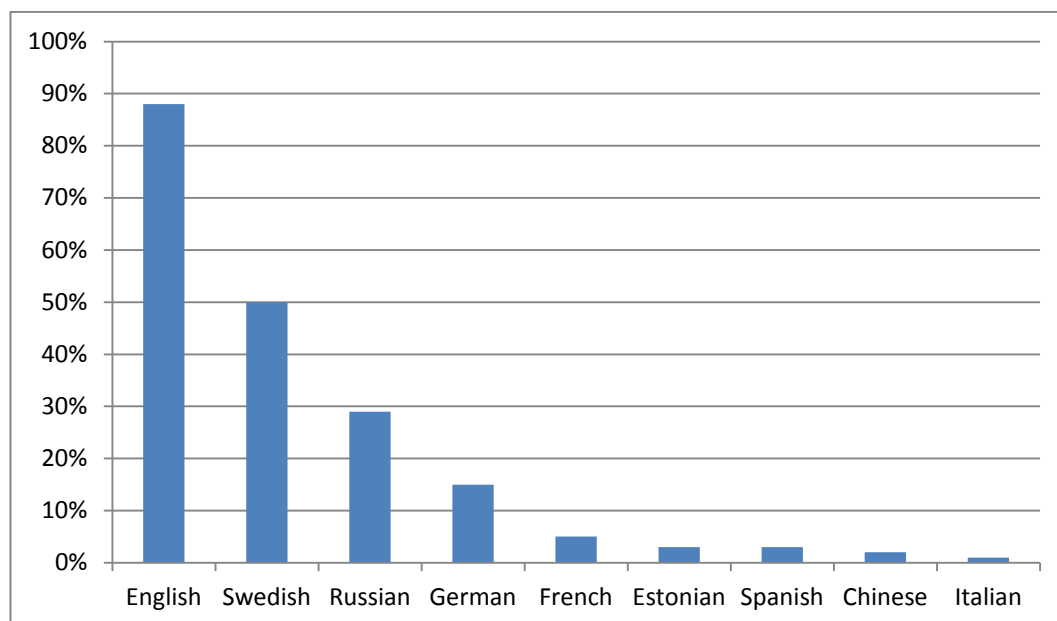
Dowling, Festing and Allen (2008) note that it is often more difficult for SMEs to recruit suitable international managers due to the fact that large companies tempt people as employer and SMEs do not meet the same recruitment requirements. The incapability of recruiting qualified international managers leads to unsuccessful international business.

### **3.4.2 Importance of Language Proficiency in Recruiting**

Today, language proficiency is expected from job applicants, and it is not a special skill like it used to be but it is now part of professional skills. Language proficiency can be the critical point in recruiting, and the lack of it may cost a position. (Elinkeinoelämän keskusliitto 2009)

Hofstede and Hofstede (2005) note that people from smaller countries usually have a good educational system and they benefit from frequent contact with foreigners and therefore tend to be polyglot. Their employers often get an advantage by hiring them because they often speak several foreign languages and more easily learn additional ones - therefore they are an asset for intercultural contacts.

Many Finnish companies assume that their employees speak more than one language. Most common language expected is English but also Swedish, Russian and German are often expected from employees. English proficiency is nowadays part of basic skills and is therefore expected from everyone. Other languages on the other hand are seen as special skills, and they might be a critical advantage when applying for a position in a company. (Kangasvieri, Miettinen, Kukkohovi, Härmälä 2011)

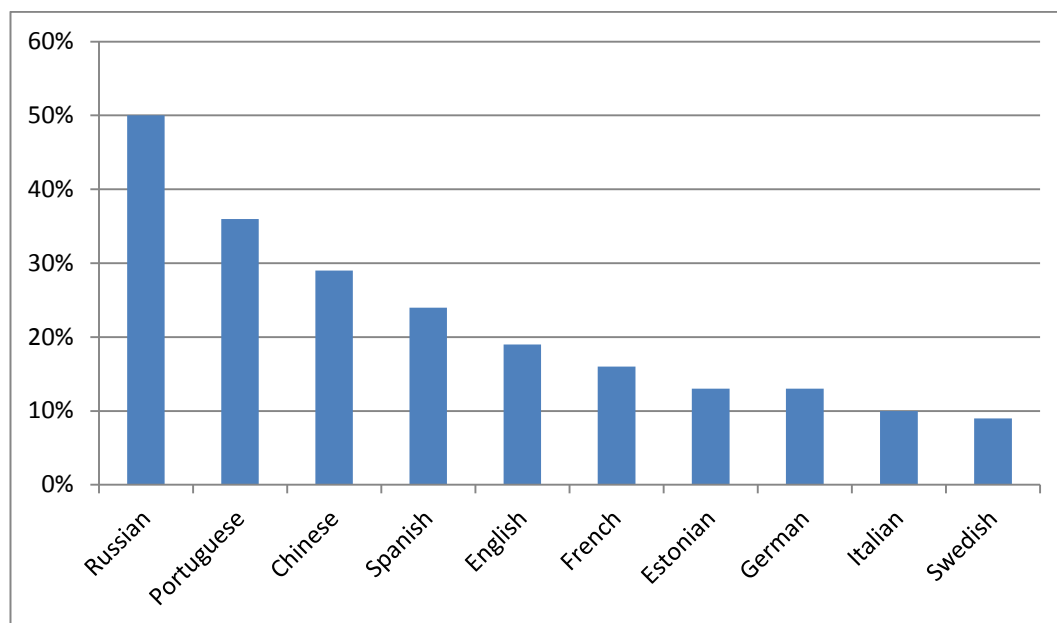


**Figure 3.** Need of language proficiency in companies in 2009 (Elinkeinoelämän keskusliitto, 2009)

As seen in the Figure 3, in Finland European languages are important in working life. This naturally depends on the line of work, and language proficiency is expected more from people who have a higher education (University degree etc.) and who work in higher positions.

### **3.5 Need of Language Proficiency of Business in the Future**

Although the language proficiency of people has become better, it is also one-sided: People know English very well but other languages are not known nearly as well if known at all. Because business becomes more global, more languages are needed.



**Figure 4.** How much the need for language proficiency will rise in a certain language (Elinkeinoelämän keskusliitto, 2009)

It seems that need for a certain language's proficiency depends on the current situation, especially in the field of business. In today's world, need for proficiency Spanish, Portuguese and Chinese is higher because trading has increased in South America and Asia. A certain language's proficiency also depends on the field of work: For example, despite the fact that the importance of Swedish has decreased in Finland, it is still the most used language after English in the service field. (Elinkeinoelämän keskusliitto 2009)

In Finland, trade between Finland and Russia increased between the years 2000 and 2008, and in 2008 Russia became the biggest trading partner of Finland (Elinkeinoelämän keskusliitto 2009). The Figure 10, above, reflects this change: The need for proficiency in Russian is estimated to increase the most in the future. The figure also reflects the growing trade from South American and Asian countries. The need for these languages, when the trade increases, might be also because it is known that English proficiency in Russia, South America and Asia is not as high as in Finland or in Europe in general.

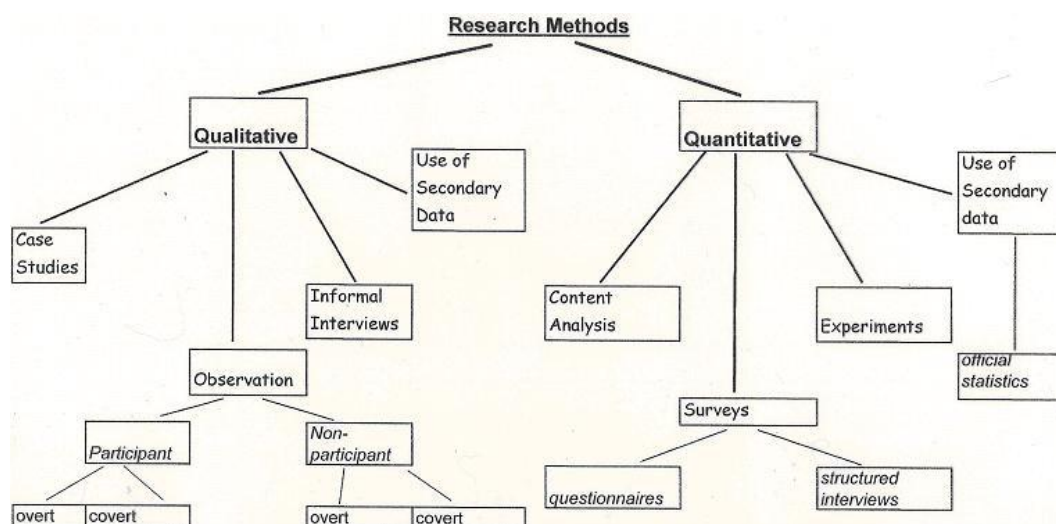
A major question in Finland is that should immigrants be expected of proficiency in Finnish or is proficiency in English enough in working life. In case Finnish is expected then how well should it be spoken? Today, language proficiency expected in Finnish working life often refers to proficiency in other domestic language and a foreign language and Finnish proficiency of immigrants. (Tarnanen, Härmälä & Neittaanmäki, 2010)

## 4 RESEARCH METHODOLOGY

In this thesis, there are two different respondent groups. Group one includes students who have recently graduated and students who are about to graduate. Group two includes two different kinds of companies. This means that there also is different kind of research methods, and in this chapter the research methodology is studied.

### 4.1 Research Method Chosen

Due to two different kinds of groups, this thesis has two kinds of research methods: the quantitative and qualitative methods. For the bigger sample group, quantitative method is used, and for the smaller sample group, qualitative method is chosen as a research method.



**Figure 5.** Research methods (ProfEssays 2013)

The Figure 5, above, shows how division between qualitative and quantitative methods can be made. It shows that qualitative data is gathered through informal interviews, case studies and observation, when quantitative data is gathered through experiments, surveys etc.

The qualitative research method is more describing and not measuring due to the fact that data is collected, analysed and interpreted by observing what people do

and say. The questions are often open, and the subject person can write his or her opinion about the topic. For a qualitative research, people are often chosen and there are usually less respondents. The quantitative research method is planned for measuring things, and the answer options are closed. The quantitative method is more common, and usually involves large number of subject people in order to be able to generalise the results. (Burns & Bush 2010)

These two methods were chosen because they fitted their subject groups. The quantitative method was ideal for a large group of students from whom information that could be measured and generalised could be found. The qualitative method was fit for the company representatives from whom personal opinions were wanted.

#### **4.2 Sample and Data Collection**

For the quantitative data, probability sample was used. This type of sample is selected at random and it is used to make statistical inferences about the population. (Saunders & Brown 2007) This type of sample was ideal for selected group of students (students studying business) whose answers could be generalised.

The data from this sample group was collected through a questionnaire that was sent to them online. The questionnaire was open for a week, and during that time they could leave their answers anonymously. An e-questionnaire is a common way of doing surveys because it gives anonymity to its subjects.

For the qualitative data, non-random sample was used which means that subject people are chosen non-random. With this type, one cannot make statistical inferences due to the lack of population. (Saunders & Brown 2007) However, for this thesis' qualitative study was fit due to the interest of a company point of view rather than data that could be generalised.

The data from this sample group was through an e-mail interview. The test subjects received number of questions by e-mail, and they were asked to answer them. This was the best way of collecting data due to lack of time and possibility to do a face-to-face interview.

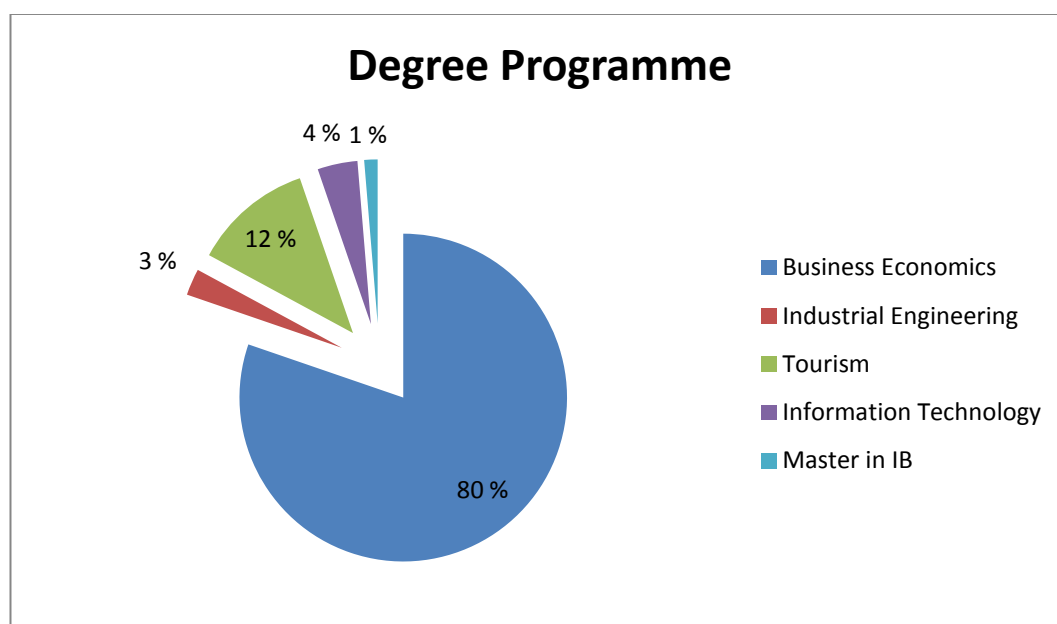


### 4.3 Introduction to Respondents

This sub-chapter presents the two sample groups in order to give a clearer view of the respondents. Sample group one is students and sample group two is companies.

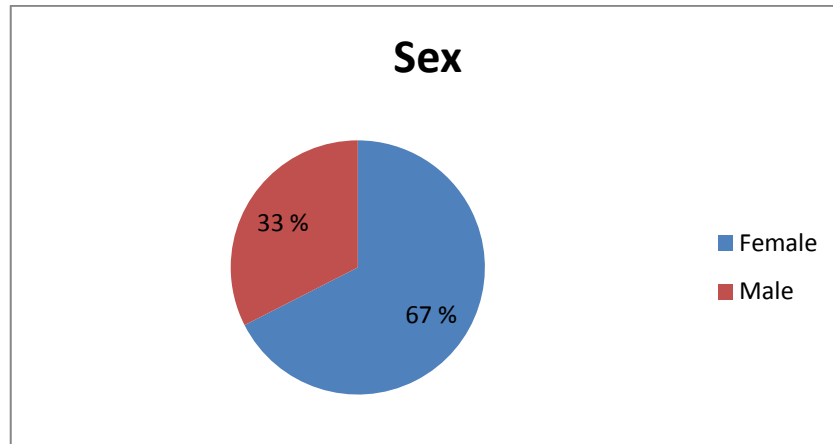
#### 4.3.1 Sample Group 1: Students

Altogether 80 students answered the questionnaire that was sent through e-mail in VAMK, Vaasa University of Applied Sciences. This was a relatively good number of respondents especially considering that some of them are already in working life. For this introduction the basic information questions of the questionnaire are used.



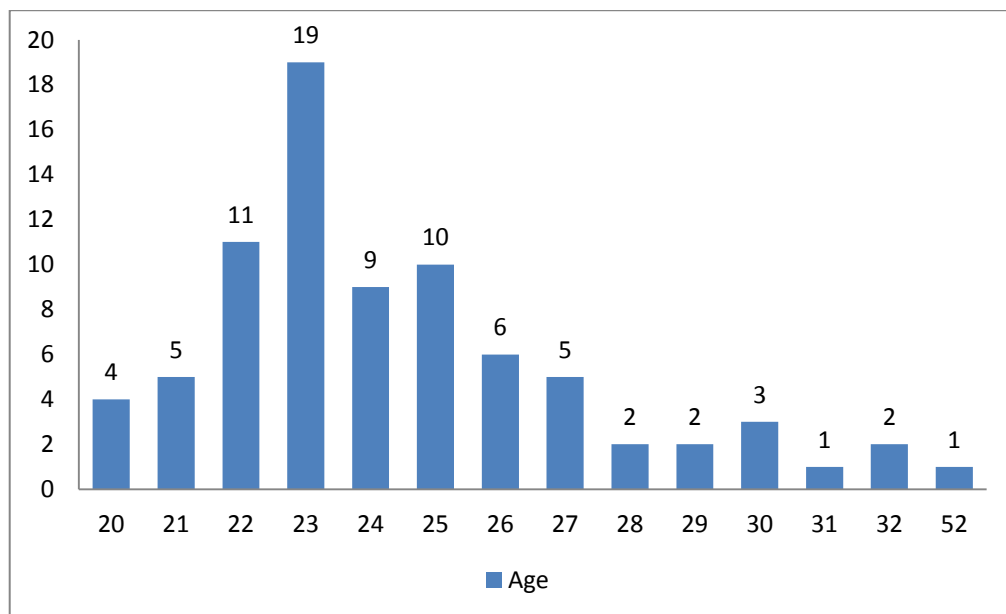
**Figure 6.** Degree programme of the respondents

As planned, most of the respondents (80 percent) were studying or had studied business economics (either in Finnish, Swedish or English). However, there were a few students studying tourism or information technology, and one respondent was studying a Master's Degree in international business.



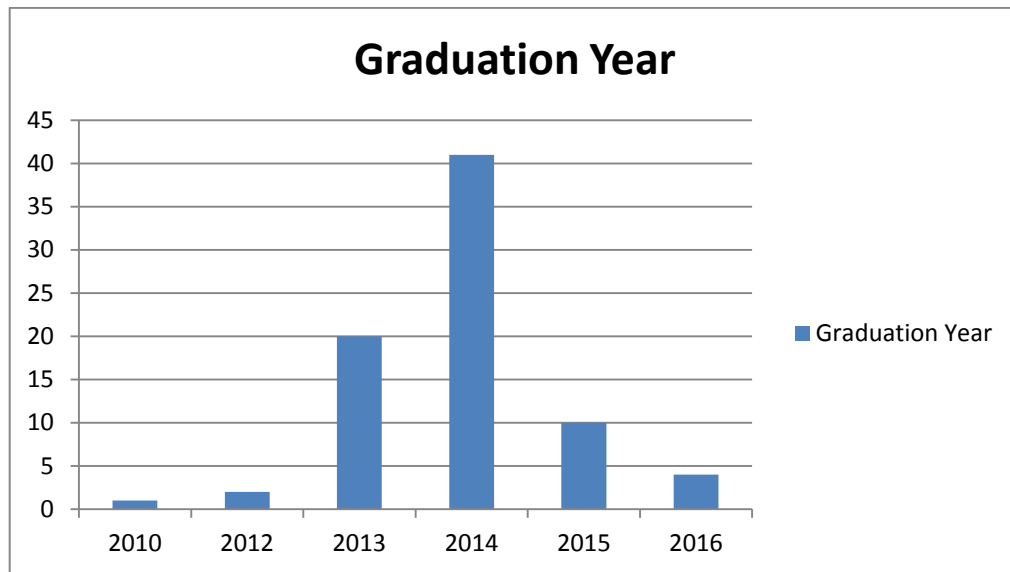
**Figure 7.** Sex of the respondents

67 percent of the respondents, the majority, were women as expected. Women are usually more likely to answer questionnaires sent to them and therefore it is not uncommon to get a female majority.



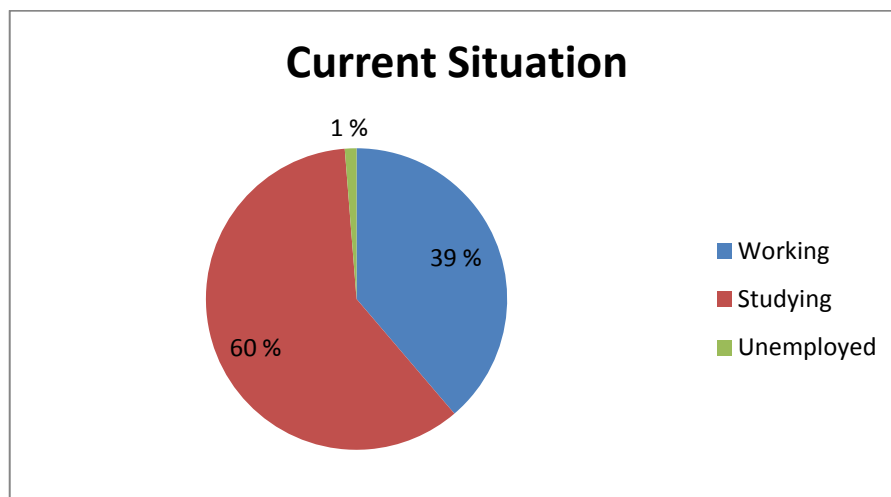
**Figure 8.** Age of respondents

In the Figure 8, the age division can be seen. Most of the respondents were in the beginning of twenties and very few over the age of 27. Majority of the respondents (19 out of 80) were 23 years old. This could be because many of the 23-year-olds have started their studies approximately 4 years ago, and they probably are going to graduate within this year if they have not already.



**Figure 9.** Graduation year of the respondents

2014 was most chosen option for graduation year which means that most of the students are in fact still studying. Some of the respondents chose 2013 which means that they have either graduated already when answering the questionnaire or they are graduating in December. These results correlate with the following figure, the Figure 10.

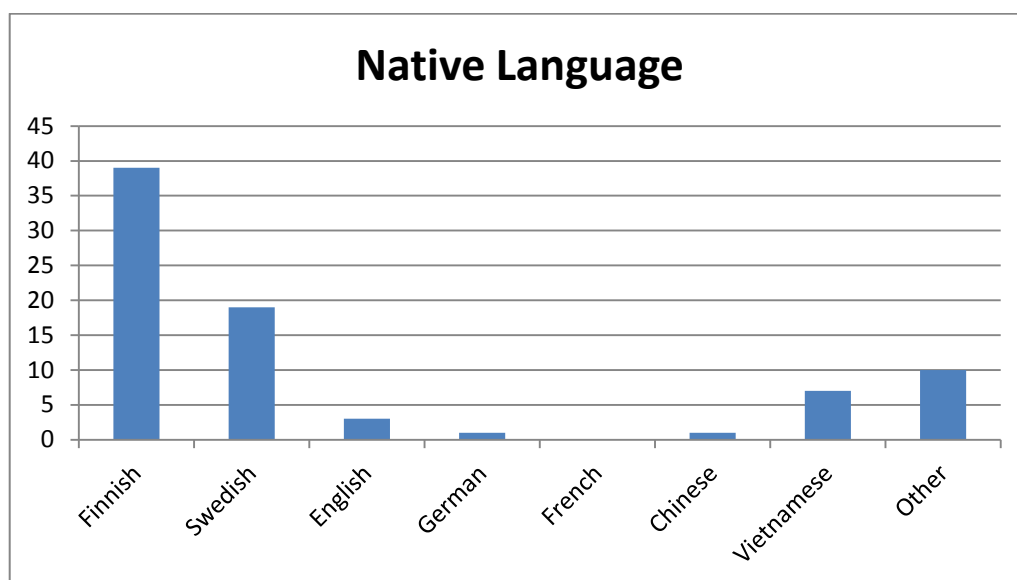


**Figure 10.** Current situation of the respondents

As could already be deduced from the Figure 9, most of the respondents were still studying when answering the questionnaire. However, a significant number (39

percent) of respondents were working, and only one respondent listed him/herself unemployed.

Finally, the respondents were asked of their native language. The result was following:



**Figure 11.** Native language of the respondents

Most of the respondents were Finnish speaking or Swedish speaking. Only three respondents had English as their native language, and only one Chinese. However, respondents were given option Other after which they should state their native language. The following languages were stated: Finnish (as other native language for bilingual Finns), Nepalese, Czech, Bulgarian, Hungarian, Urdu and Yoruba.

As a conclusion, most of the respondents were Finnish speaking women who are studying Business Economics and are about to graduate in a year 2014. This will naturally affect the empirical findings when most of the respondents are of similar type.

#### **4.3.2 Sample Group 2: Companies**

In total two companies were interviewed. These companies were specifically chosen due their differences, and their representatives were in different positions.

However, both companies are Finnish and both have international business. Also, in both cases, the representative does, if not all, then some hiring in the company.

One of these two companies was a small Finnish company in lighting industry, located in southern Finland. It was established in the early 2000s, and is now one of the first ones among the LED-manufacturers who used LED in street lighting and partially due that they have been able to reach markets in Europe and Middle-East, and they are currently trying to get into Russian market. The person, who was interviewed for this thesis, was the CEO of the company who decides on new employees.

The other company interviewed for this study was a large multinational Finnish company established in the 1980s, and it supplies solutions to cargo and load handling as well as services. The company is located in over 120 countries and has also over 750 sales and service locations worldwide. The company representative was a manager from a Finnish office.

## 5 EMPIRICAL FINDINGS

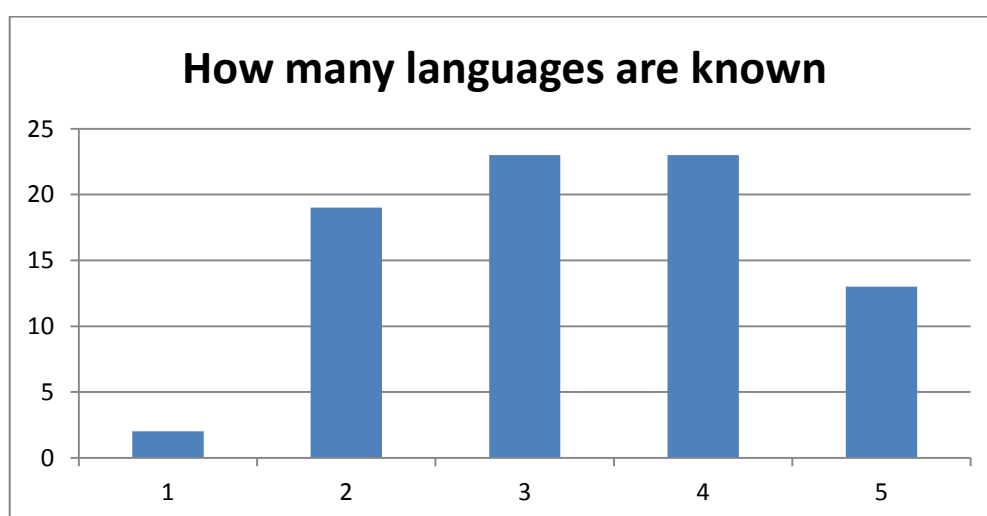
In this chapter, the findings of the study are presented. They are first divided into two; company point of view and student/employee point of view, and afterwards these two points of views are compared with each other.

### 5.1 Student/Employee Point of View

This sub-chapter presents the student's or employee's point of view when discussing importance of language proficiency.

#### 5.1.1 General Language Proficiency and Languages in Work Life

In order to see how well languages are known by those who will be working in the near future in the globalising world, the respondents were asked what languages they know. They were asked to list maximum of five different languages. The figure 12, below, shows how many languages were known.



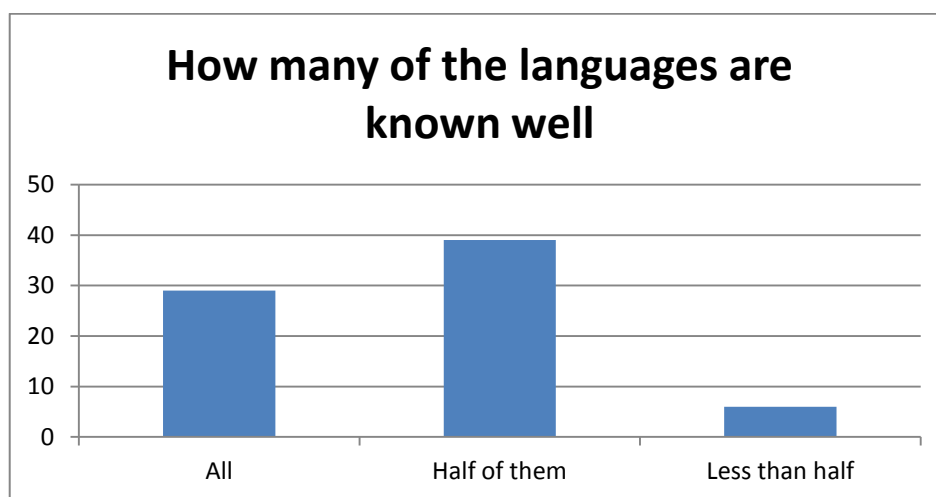
**Figure 12.** How many languages are known by the respondents

In general, the respondents knew mostly three or four languages. Only two respondents stated that they know only one language. The foreign languages known by the respondents were mostly European languages such as German, French or Spanish in addition to English and Swedish which are studied by almost all Fin-

nish speaking students. There were a few Asian languages, such as Chinese, Vietnamese, and Nepalese, known together with Russian.

Knowing 3 or 4 languages is not surprising because the majority of respondents were Finnish female students. As shown in Table 1, Finnish students must study at least two languages, and women tend to study even more. Also, as discussed in chapter 2.3, most common languages to study are English, Swedish, French and German.

In addition to the number of languages, the respondents were asked how well they know the languages they listed.



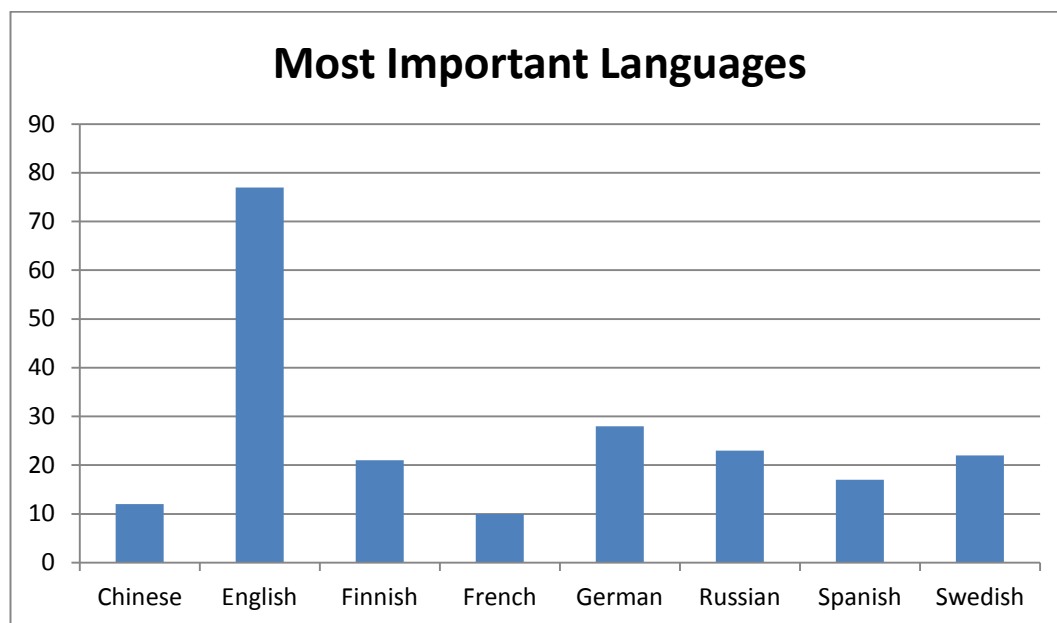
**Figure 13.** How many of the languages are known well

Less than 30 of the respondents said that they know all the languages they listed well, most commonly half of the languages were known well. The respondents were not asked how long time they have studied the languages their listed - however, they probably have studied the foreign language they know well longer than those they do not know well.

In addition to their own language proficiency, the respondents were asked if they considered language proficiency as a benefit when applying for a job. Answers were coherent, 99 percent of the respondents thought that language proficiency is a benefit. However, not as many were ready to study more languages if it would

benefit them in work life. 92 percent of the respondents said they would be ready to study more, and 8 percent of the respondents would not study more.

In order to get a vision which languages the respondents considered to be most important, they were asked to state three languages.



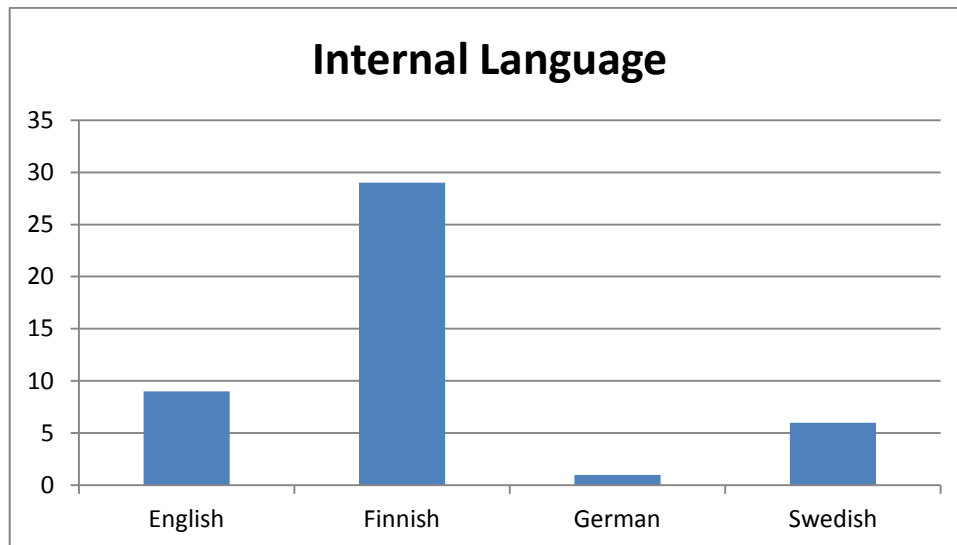
**Figure 14.** What are the most important languages in working life

English was considered the most important language in working life among the respondents. Some respondents listed Finnish and Swedish as well, however, they also added that those languages are important when working in Finland. From more international point of view, European languages such as German and French received some support together with Russian. Chinese got some votes as one of the most important languages yet not as much as the European languages. Respondents also emphasised that depending on the company's location, the local language is most likely essential.

### 5.1.2 Language Proficiency at Work

For this sub-chapter, only those respondents who were working were asked to answer some questions. The questions considered the languages at their workplace.

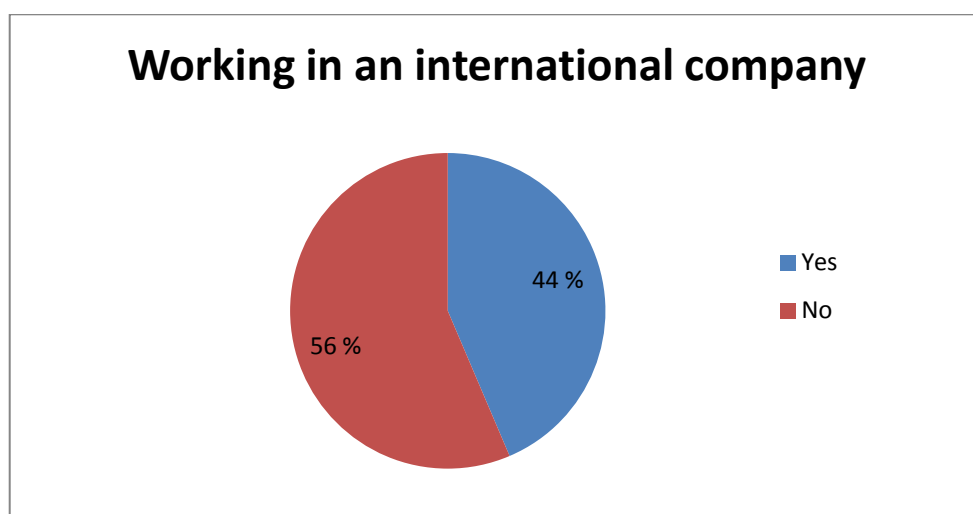




**Figure 15.** What is the internal language at the workplace

A majority of the respondents worked in a company which had Finnish as internal language. Some of those respondents also had Swedish as internal language which tells about the bilingualism of Finland. However, some of the respondents worked in a company whose internal language was English, either only it or it was one of the internal languages. In a few cases English was used as an internal language together with Swedish.

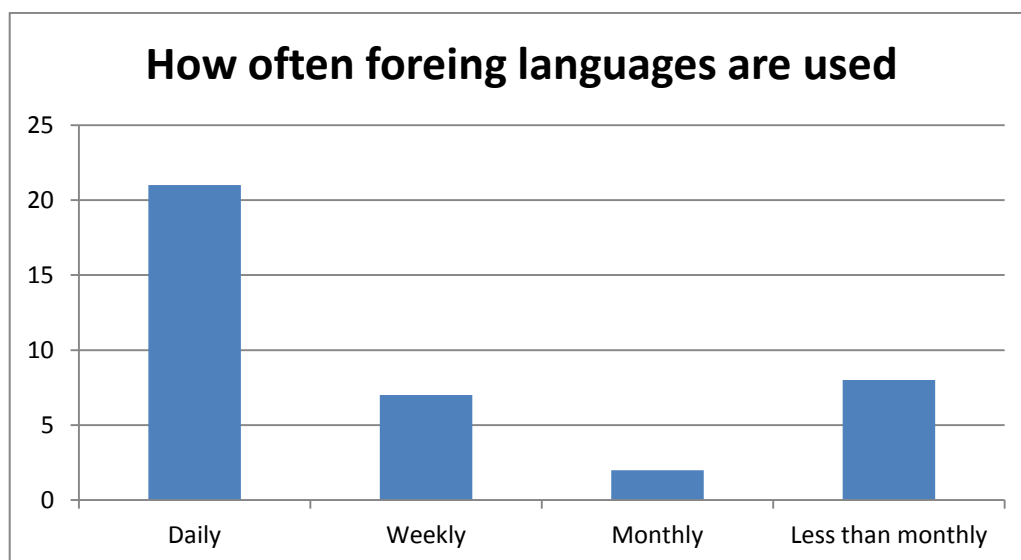
In order to find out what could explain the internal language, respondents were asked if they worked in an international company.



**Figure 16.** Working in an international company

As could be assumed from Figure 15, a bit over one half of the respondents did not work in an international company. This naturally explains why most of the respondents had Finnish as the internal language.

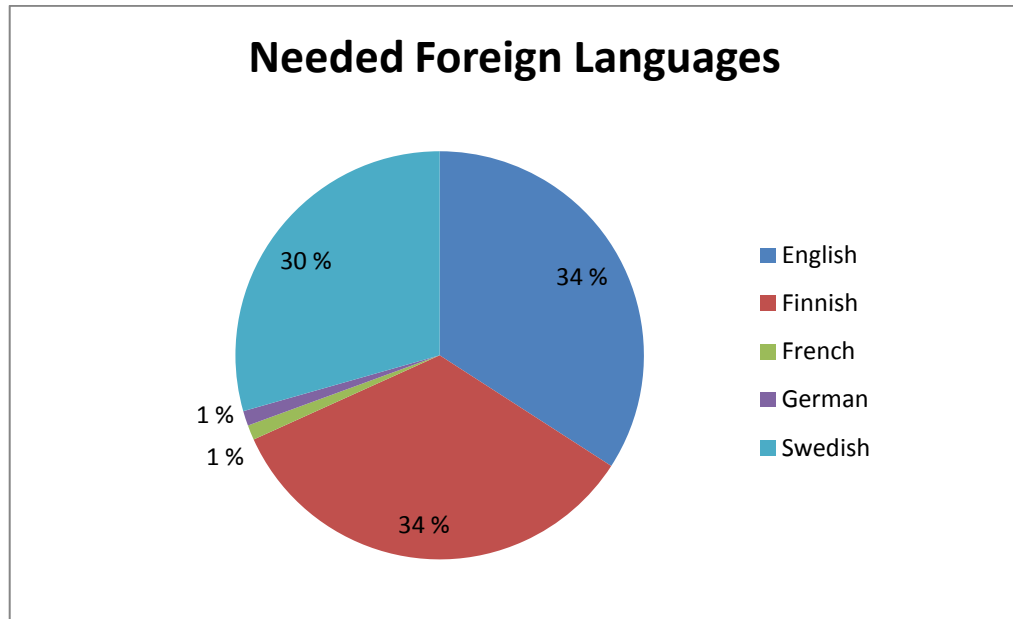
In addition to the internal language of the respondents' company, they were asked how often they use foreign languages.



**Figure 17.** How often foreign languages are used

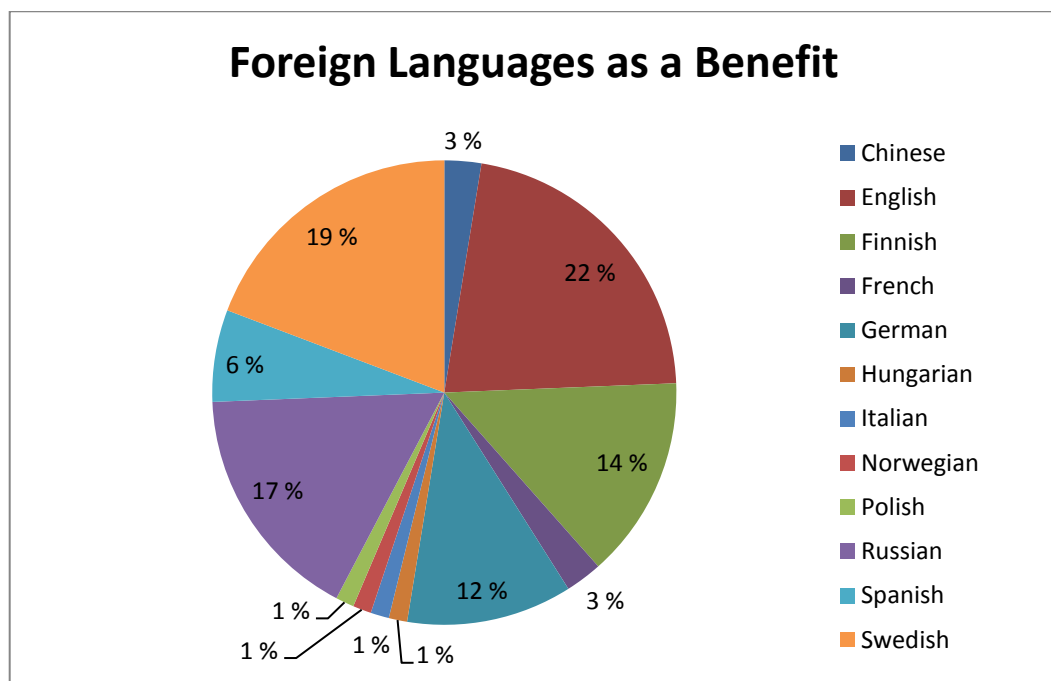
Most of the respondents used foreign languages daily in their work. However, those who did not use foreign languages daily were more likely to use them less than monthly rather than weekly. Yet, the daily usage was a rather surprising when the majority of respondents was not working in an international company. Still, the foreign language usage could be explained, again, with the bilingualism of Finland and the Vaasa area.

Because the study was interested in the work life's language need, respondents were asked what languages one has to know in their work and what languages would be a benefit.



**Figure 18.** What languages are needed in work

As could be assumed, Finnish, English and Swedish were listed as the most needed languages at the workplace. This is very common for Finnish companies yet none of the other listed languages are a surprise either.

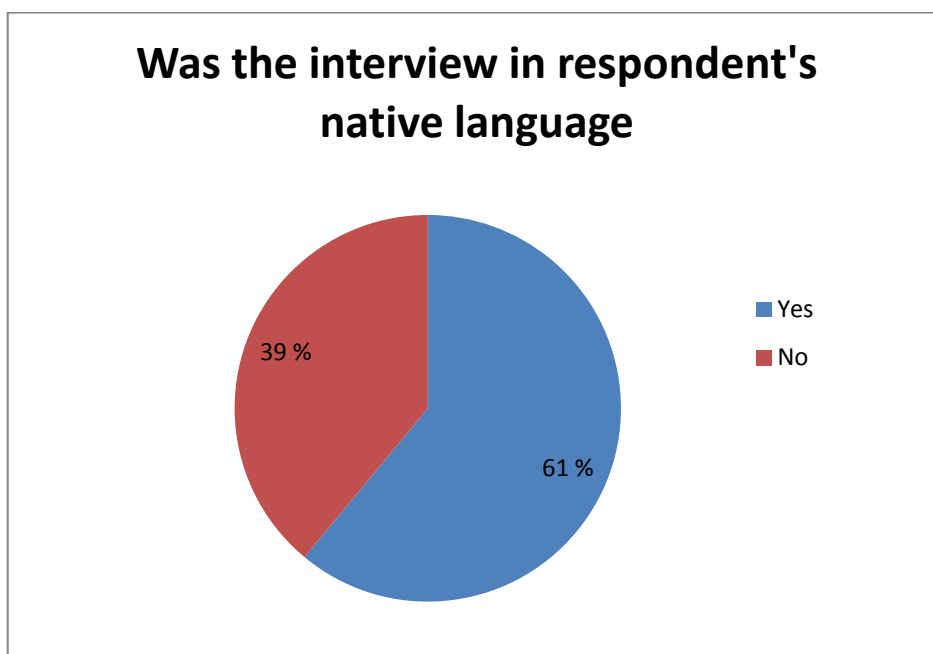


**Figure 19.** What languages are a benefit in work

The languages, which are more a benefit than a need, have more diversity. Again, European languages are needed most. As seen in the Tables 3 and 4, most of Finnish trade is done in European countries which explain why different European languages are seen as a benefit.

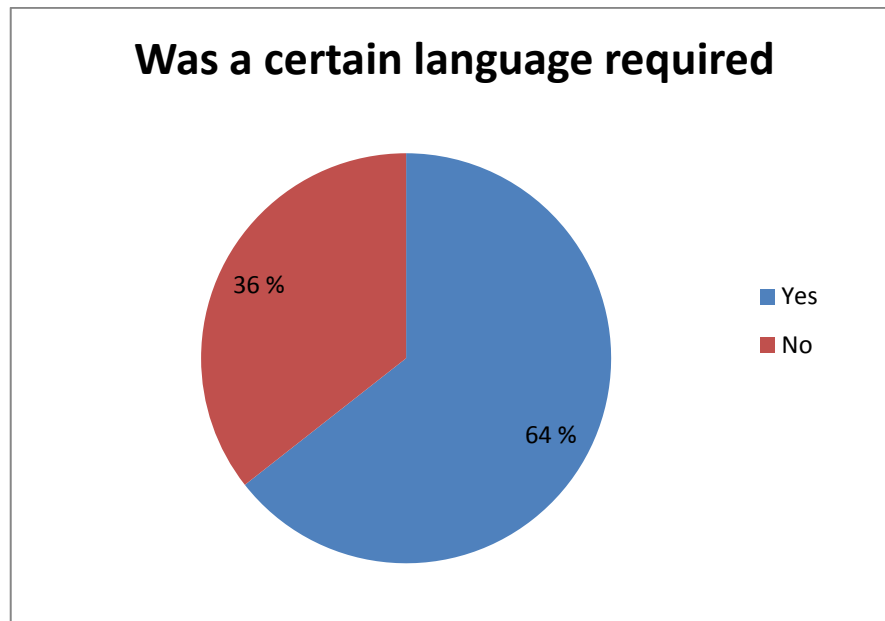
### 5.1.3 Languages in Recruiting

For this sub-chapter, respondents who were working or unemployed were asked to answer. The questions were related to their last possible job interview and the importance of languages in that interview.



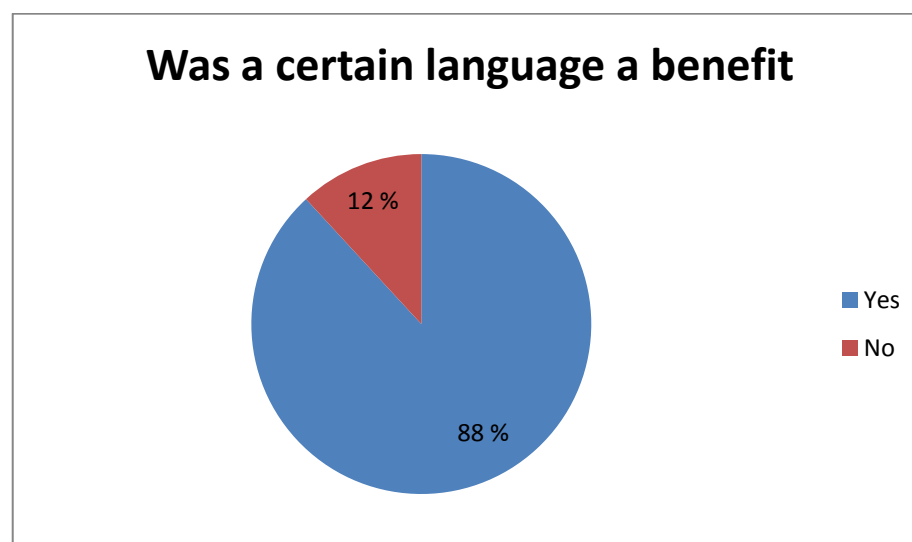
**Figure 20.** Was the interview in respondent's native language

For 61 percent of the respondents, the last interview was in their native language. Still, quite many had to conduct their interview in a language that was foreign to them in some level. What could be assumed is that probably those respondents, whose native language is Swedish, had to conduct their interview in Finnish, or the other way around.



**Figure 21.** Was a certain language required

64 percent of the respondents were expected of certain language proficiency in order to fill the requirements of the position. Those who answered yes were asked which language/s was/were required. Again, in most positions Finnish, Swedish and English were expected of the applicant. However, there were a few cases where applicant was expected to know Russian or Spanish.

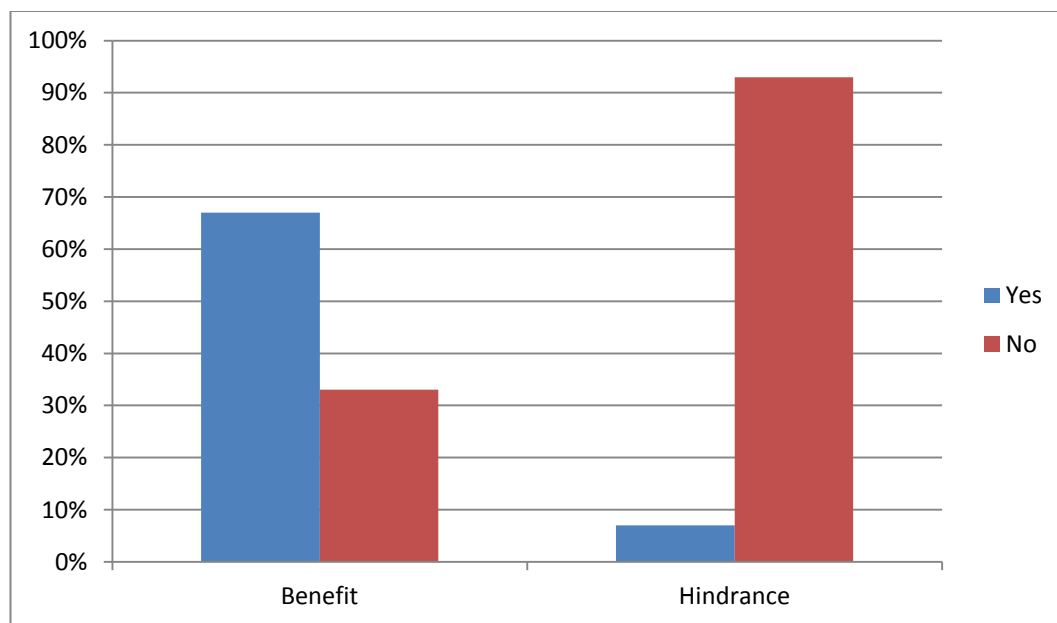


**Figure 22.** Was knowing a certain language benefit

In addition to whether a certain language's proficiency was required, respondents were asked whether knowing a certain language was a benefit. Clearly the majority answered that knowing a certain language was or would have been a benefit in the recruiting process. Same languages were repeated as a benefit as were the requirements. However, German rose as a benefit, it was clearly more of a benefit than a requirement.

Because it was predicted that there would be requirements considering language proficiency, the respondents were asked whether they brought their language skills forward or not: More than 80 percent of the respondents did bring forward their language proficiency yet 17 percent did not. Many of those respondents who had not emphasised their language proficiency were Finnish. Therefore it might be that either they had the required language skills (Finnish, English and Swedish) or they did not see their language proficiency important enough.

Finally, in order to see how respondents felt about their language proficiency, they were asked if they saw it as a benefit or hindrance.



**Figure 23.** Language proficiency as a benefit or a hindrance

Majority of the respondents thought that their language proficiency was rather a benefit than a hindrance. The reasons why it was seen as a benefit were versatile:

Some respondents thought that their language proficiency made them stand out from the crowd, showed that they could communicate better in daily life or they were fit for international environment. Some shared the customer service point of view: Customer service should be done in the language of the customer, and if the applicant is not able to do that, he or she is not as good option for the position than someone with the language proficiency.

Some saw their language proficiency as a hindrance: These respondents often lacked the proficiency in Finnish or Swedish and saw that a major hindrance. Some stated that not knowing a language might have cost them a job interview. Some thought that Finnish employers are conservative when it comes to languages: Employers were not ready to hire a person lacking skills in Finnish or Swedish.

## **5.2 Company Point of View**

This sub-chapter will present the point of view of the responding companies. They were interviewed and their answers are more describing than numerical.

### **5.2.1 General Language Proficiency**

The company representatives were asked whether they believe that language proficiency is important in international business and their answers were consistent: Yes. They also agreed that English is minimum requirement in today's business yet both representatives thought that English might not be enough for everyone and knowing only English might restrict possibilities in business. According to the company representatives, being able to communicate with customers is a great benefit.

The company representatives were asked which language they consider to be more important in the future, answers varied. English was mentioned because it was believed to grow as business language also in the future. Spanish and Portuguese were mentioned because South America is a big, growing market, and it was also noted that Brazil itself is the size of Europe which means that only one country could be as big of a market as a continent. Russian was mentioned most

likely from the same reasons - it is a growing market for especially Finnish companies. Chinese was added as a language which importance is likely to grow yet neither of the companies considered as their language of need in the future.

### **5.2.2 Languages of the Company**

The interviewed companies did not share the same internal language: One had English and the other one Finnish. However, they shared languages in daily work life - both companies used English, Swedish and German in their daily operations. Also Russian was listed alongside with Finnish. The representatives themselves used at least two of these daily needed languages with the difference that the multinational company was more likely to use foreign language at work.

As both companies considered language proficiency important, they were asked why. This question brought forward the difference in size of the companies: The large multinational company representative explained the importance with company's internationality when the small company was more focused on business itself.

The multinational company's point of view was that because they are located all over the world and therefore their staffs consist of different nationalities as well as their customers, it is important to know different languages. The smaller company emphasised the business: without communication one cannot do business, and without language there is no communication. Their point of view also was that not knowing languages gives a bad image about the quality of either the product or the company itself.

### **5.2.3 Language Proficiency and Recruiting**

The company representatives were asked several questions considering recruiting employees and their language skills. Again, the size of the company clearly affects the answers and therefore shows how larger companies indeed need their employees to be language proficient.



They were asked how much they pay attention to language proficiency of a person who is applying for a job. In the multinational (and also older) company, language proficiency is one of the key criteria: If there are two otherwise equal applicants, the one with better language proficiency is more likely to be chosen. On the other hand, the smaller company admits that they have paid too little attention to language proficiency and have just recently started to ask for proficiency in English.

Both company representatives identified several languages to be useful in daily operations, and therefore they were asked which languages they would prefer the applicant to know. English was mentioned by both, yet they note that the role, or the job, which is applied for affects the need for languages. For the multinational company, the job that is applied for defines what languages beside English are necessary if there is any. For the smaller company, Finnish is important to know and even the need for English proficiency can vary by position - however, most of the clerical workers need English when production workers do not.

Since both companies are Finnish and have offices in Finland, the representatives were asked whether they would be ready to hire a person who only knows Finnish. For the smaller company this would probably not be a problem if the position that was applied for does not require English. The multinational company's point of view was that they would most likely not hire a person who only has proficiency in Finnish. However, both companies could be ready to hire a person who in fact would not know Finnish at all.

The multinational company states that it would be easier to hire a person with proficiency in English (and in one or more languages) but not in Finnish than a person who would only have proficiency in Finnish when their skills are otherwise equal. The smaller company says that it would be possible to hire a person with proficiency in English (and in one or more languages) but not in Finnish. However, this again depends on the position the person was applying for.

Neither of the companies was ready to hire a person whose language proficiency could benefit the company if the applicant's other skills would not fully meet re-

quirements of the applied position. This is because language proficiency is an asset and one of the hiring criteria rather than the most important criterion.

### **5.3 Comparison**

What can be seen is that companies and those who either are in work life or about to enter it do agree on what languages are important. Same languages were listed by respondents in both sample groups: English is important, Russian and Spanish are or are going to be important language in business. Chinese was also mentioned by both sample groups yet neither emphasised its importance.

When comparing respondents, from the first sample group, who were already working and the companies, their need for languages in daily use match each other. In addition, both used foreign languages daily. Both sample groups agreed that in business, being able to communicate within the company and with customers is important and in order to do that, language proficiency is needed.

The differences come in the recruitment process. The international company emphasised language proficiency as one of the key requirements yet students were not necessary sharing the opinion: they saw language proficiency a benefit but were not emphasising their own language proficiency in a job interview. Then again the smaller company had not yet paid great attention to language proficiency, so in a sense students' point of view goes together with the smaller company.

## 6 CONCLUSIONS

This chapter will summarise the theory and empirical findings. Afterwards, reliability and validity of the study will be assessed, and finally some ideas for future studies are given.

### 6.1 Summary of Theory and Empirical Findings

Both the theory and the empirical findings imply that English is still expected from employees of a business company, and it is among the most important languages used in daily work. Yet, they also showed that there is a growing need for other languages, especially Russian and Asian or South American languages such as Chinese, Spanish and Portuguese. The importance of Russian in Finland is still growing due to the fact that Russia is now one of the largest trade partners of Finland.

What was learned from the respondents, who are in work life or are getting there, is that in general they spoke three languages. This is common in Finland where people study two foreign languages in addition to their native language, and mostly these languages are in fact English and Swedish.

What was learned from the companies, Finnish companies' trade partners were coherent with the theory: a lot of business was done within Europe, very often with Germany or German companies. Also, Russia is a growing trade partner and it is already among the most important partners.

When it comes to recruiting, language proficiency is definitely an asset. Some language proficiency, most commonly proficiency in English, is automatically expected from a job applicant from the company point of view. However, it is not the only criterion, and a company would not hire a person whose other skills would not match the requirements. Despite the fact that some language proficiency is automatically expected, job applicants do not necessary bring forward their language.

In conclusion, language proficiency is needed in today's world when working or studying in the field of business. Language proficiency is a benefit when applying for a job and it should be emphasised by the applicant even without the interviewer asking.

## **6.2 Reliability and Validity of the Study**

Reliability is rather hard to evaluate. In a sense, many international Finnish companies deal with same countries and therefore the international point of view could be generalised. However, the smaller company's point of view cannot be generalised as well because smaller companies tend to operate differently and in different countries. The company chosen for this study is very international compared to its size and not many smaller companies operate as internationally as it does.

The students' answers represent their population quite well: Many have studied approximately three to four languages and they tend to know half of those languages well. It appears that most young adults would see language proficiency as a benefit when applying for a job, especially when one has studied business economics. However, the fact that most respondents were Finnish female students affects the results and they cannot be generalised to all students or employees of business companies.

The results gathered from companies are considered valid. Both interviewees were known personally yet this does not cause the answers to be biased: They are from the interviewees' point of view. A qualitative study naturally leaves some questions open, so with an even deeper study and more in-depth interview, more opinions could be gathered.

The students (current and former) can be seen as reliable. They could answer the questionnaire anonymously and therefore they did not need to hide anything. Naturally there can be a few responses that did not answer truthfully for the sake of fun and exaggerated their answer. However, respondents were all adults so there should not be room for childish answers.

### **6.3 Possibilities for Further Studies**

The topic of this thesis could be further studied. More companies could be interviewed and one could concentrate only on business students or former business students. This means that the study could be wider. Questions for both could be more in-depth, and students could evaluate their skills and the impact of language proficiency in work performance and in a job interview. The company questions could be widened as well.

The study could be taken to international level and compare the opinions of companies and employees from different countries. In Finland language proficiency is important due to native language that is not spoken by many foreigners. However, situation is different with for example English or French speaking countries: Do companies in those countries emphasise language proficiency more or less? And how about companies outside western countries: Would they like to do business in their own language, for example Chinese or Korean?

One could also study the topic from linguistics point of view: It would be interesting to see how language proficiency affects performance in an international situation. Yet, this topic would be more suitable for linguistics students or professionals rather than business.

## REFERENCES

Christopher, E. 2012. International Management: Explorations across cultures. London. Kogan Page.

Czinkota, M. & Ronkainen, I. 2010. Principles of International Marketing. South-Western, Cengage Learning.

Burns, A. & Bush, R. 2010. Marketing Research. USA. Pearson Education, Inc.

Downling, P., Festing, M. & Allen, E. 2008. International Human Resource Management. London. Cengage Learning EMEA.

Elinkeinoelämän keskusliitto. 2013. EU:n ja USA:n vapaakauppaneuvottelut etenevässä intensiiviseen vaiheeseen.  
<[http://www.ek.fi/ek/fi/yritysten\\_kv\\_toiminta/eun\\_ja\\_usan\\_vapaakauppaneuvottelut\\_etenemassa\\_intensiiviseen\\_vaiheeseen-11284](http://www.ek.fi/ek/fi/yritysten_kv_toiminta/eun_ja_usan_vapaakauppaneuvottelut_etenemassa_intensiiviseen_vaiheeseen-11284)>

Elinkeinoelämän keskusliitto. 2009. Työelämässä tarvitaan yhä useampia kieliä. Elinkeinoelämän keskusliitto.  
<[http://www.ek.fi/ek/fi/yrityskyselyt/liitteet/Tyoelamassa\\_tarvitaan\\_yha\\_useampia\\_kielia.pdf](http://www.ek.fi/ek/fi/yrityskyselyt/liitteet/Tyoelamassa_tarvitaan_yha_useampia_kielia.pdf)>

Elinkeinoelämän keskusliitto. 2013. Suomi maailmantaloudessa.  
<[http://www.ek.fi/ek/fi/yritysten\\_kv\\_toiminta/yritykset\\_maailmantaloudessa/suomi\\_maailmantaloudessa.php](http://www.ek.fi/ek/fi/yritysten_kv_toiminta/yritykset_maailmantaloudessa/suomi_maailmantaloudessa.php)>

Elinkeinoelämän keskusliitto. 2012. Suomen tärkeimmät tuontimaat 2011.  
<[http://www.ek.fi/ek/fi/tietografiikka/suhdanteet/pdf\\_gif\\_jpg/perustietoja\\_Suomen\\_taloudesta/tal29.pdf](http://www.ek.fi/ek/fi/tietografiikka/suhdanteet/pdf_gif_jpg/perustietoja_Suomen_taloudesta/tal29.pdf)>

Elinkeinoelämän keskusliitto. 2012. Suomen tärkeimmät tuontimaat 2011.  
<[http://www.ek.fi/ek/fi/tietografiikka/suhdanteet/pdf\\_gif\\_jpg/perustietoja\\_Suomen\\_taloudesta/tal32.pdf](http://www.ek.fi/ek/fi/tietografiikka/suhdanteet/pdf_gif_jpg/perustietoja_Suomen_taloudesta/tal32.pdf)>

Elinkeinoelämän keskusliitto. 2013. Ulkomaankauppa.  
<[http://www.ek.fi/ek/fi/suhdanteet\\_ym/perustietoja\\_suomen\\_taloudesta/ulkomaankauppa.php](http://www.ek.fi/ek/fi/suhdanteet_ym/perustietoja_suomen_taloudesta/ulkomaankauppa.php)>

European Commission. 2013. In focus: Transatlantic Trade and Investment Partnership (TTIP) - Questions and answers.  
<[http://ec.europa.eu/trade/policy/in-focus/ttip/questions-and-answers/index\\_fi.htm](http://ec.europa.eu/trade/policy/in-focus/ttip/questions-and-answers/index_fi.htm)>

Feely, A. & Harzing, A-W. 2003. Language Management in Multinational Companies. Cross Cultural Management 10,2,37-50.  
<<http://search.proquest.com/docview/203521652?accountid=27304>>

Hill, C. 2012. *International Business: Competing in the Global Marketplace*. New York. McGraw-Hill.

Hofstede Geert & Hofstede Gert Jan. 2005. *Cultures and Organizations: Software of the Mind*. McGraw-Hill.

INRA (Europe). 2001. Eurobarometer 54 Special: Europeans and Languages. <[http://ec.europa.eu/languages/documents/2001-special-eurobarometer-survey-54-europeans-and-languages-report\\_en.pdf](http://ec.europa.eu/languages/documents/2001-special-eurobarometer-survey-54-europeans-and-languages-report_en.pdf)>

Johansson, M. & Pyykkö, R. 2005. *Monikielinen Eurooppa: Kielipolitiikka ja käytäntö*. Helsinki. Gaudeamus.

Kangasvieri, T., Miettinen, E., Kukkohovi, P. & Härmälä, M. 2011. *Kielten tarjonta ja kielivalintojen perusteet perusopetuksessa*. Opetushallitus.

Keskuskauppakamari, 2013. FinnCham.  
< <http://kauppakamari.fi/en/international/>>

Knowles, D., Mughan, T. & Lloyd-Reason, L. 2006. Foreign language use among decision-makers of successfully internationalized SMEs: Questioning the language-training paradigm. *Journal of Small Business and Enterprise Development* 13, 4, 620-641.  
DOI 10.1108/14626000610705787

Luo, Y. & Shenkar, O. 2006. The multinational corporation as a multilingual community: Language and organization in a global context. *Journal of International Business Studies* 37,321-339.  
DOI <<http://dx.doi.org/10.1057/palgrave.jibs.8400197>>

Pantzar, M. 2012. Venäjä noussut Suomen toiseksi tärkeimmäksi vientimaaksi. *Yle Uutiset*.  
<[http://yle.fi/uutiset/venaja\\_noussut\\_suomen\\_toiseksi\\_tarkeimmaksi\\_vientimaaksi/6369286](http://yle.fi/uutiset/venaja_noussut_suomen_toiseksi_tarkeimmaksi_vientimaaksi/6369286)>

ProfEssays.com. 2013. *Data Analysis Methodology*. Writing Solutions Limited.  
< <http://www.professays.com/essay/essay-methodology-example/>>

Saunders, M. & Brown, R. 2007. *Dealing with Statistics: What You Need to Know*. Buckingham. GBR: Open University Press.

Somers, F. 2010. *European Business Environment: Doing business in the EU*. Wolters-Noordhoff B.V.

Tarnanen, M., Härmälä, M. & Neittaanmäki, R. 2010. Aikuisten kielitaito ja Yleiset kielitutkinnot. *AFinLA-e Soveltavan kielitieteen tutkimuksia* 2, 59-71.  
< <http://ojs.tsv.fi/index.php/afinla/article/view/3876/3658>>

Österman, R. 2009. Globalisaatio, osa II - Monikansalliset yritykset. Uusi Suomi.  
< <http://rikuosterman.puheenvuoro.uusisuomi.fi/9752-globalisaatio-osa-ii-%E2%80%93-monikansalliset-yritykset>>



**Questionnaire for Students**

1. Age
2. Degree Programme
3. Graduation Year
4. Sex
5. Are you currently
  - a. Working
  - b. Studying
  - c. Unemployment
6. Native language
  - a. Finnish
  - b. Swedish
  - c. English
  - d. German
  - e. French
  - f. Chinese
  - g. Vietnamese
  - h. Other

If other, state your native language
7. What language can you speak? (State max. 5)
8. How many of the previous languages you believe to know well?
  - a. All
  - b. Half of them
  - c. Less than half

9. Do you believe that language skills are a benefit when applying for a job?

- a. Yes
- b. No

10. What are the most important languages in today's work life, in your opinion?  
(State 3)

11. Would you be ready to study more languages if it would benefit you in work life?

- a. Yes
- b. No

Note! If you chose option **Studying** or **Unemployed** in question 5, you can skip questions 12 to 16.

If you chose option **Working**, please answer to the following questions.

12. What is the internal language at your work place?

13. Are you working in an international company?

- a. Yes
- b. No

14. Do you use foreign languages in your work

- a. Daily
- b. Weekly
- c. Monthly
- d. Less than monthly

15. What languages one has to know in your work? (State max. 5)

16. Which languages would be a benefit in your work? (State max. 5)

Note! If you chose option **Working** in question 5, you can skip next questions.

Thank you for your time!

If you chose option **Studying** or **Unemployed**, please answer to the following questions.

17. When you last applied for a job, was the interview in your native language?

- a. Yes
- b. No

18. Was a certain language required in the job you applied for?

- a. Yes
- b. No

If yes, what?

19. Was knowing a certain language a benefit?

- a. Yes
- b. No

If yes, what?

20. Did you bring out your language skills?

- a. Yes
- b. No

21. Did you feel like your language skills were a benefit?

- a. Yes
- b. No

If yes, why?

22. Did you feel like your language skills were a hindrance?

- a. Yes
- b. No

If yes, why?

**Questions for Companies**

General Language Proficiency

- Do you feel that language proficiency is important in international business?
- Is proficiency in English enough in working life?
- Which languages will be more important in the future, in your opinion? Why?

Languages of the Company

- What language / Which languages do you use almost daily?
- What are the most important languages in your company's daily operations?
- Why language proficiency is important in your company?

Recruiting

- When you are hiring a new employee, how much do you pay attention to the applicant's language proficiency?
- What language / Which languages do you hope the applicant knows?
- Could you hire a person who would not speak any other language than Finnish (if his/her skills otherwise would meet your requirements)?
- How about a person, who would not speak Finnish but speaks fluent English and moderate other languages, for example languages that are important to your company (if his/her skills otherwise would meet your requirements)?
- Would you be ready to hire a person whose other skills would not fully meet your requirements but whose language proficiency would benefit your company?