

Doug may not have been surprised to learn that the average earnings differential his daughter could expect was, in the words of the podcaster, Stephen Dubner, *only* about 2 per cent. However, as subsequently demonstrated in the *Economist*,<sup>2</sup> the real return on investment of a 2 per cent extra wage is not insignificant over time. Considering a lifetime's earnings, an average 1 per cent salary increase per year and compound interest of a typical university graduate's starting salary of \$45,000 turns this bonus over forty years into an extra \$67,000 (at 2014 value) that can be added to a pension fund (or retirement account). As we saw in Chapter 2, because of oversupply in the USA, Spanish is the language with the lowest return on investment there, so this sum may well be greater for someone who can offer a language that is high in demand but short in supply.

A cost-benefit calculation on the worth of learning another language might, however, only assess part of the story. It is widely acknowledged that the actual return on such investment can also comprise indirect social or cultural gains. Arguably, Doug's daughter would have ample opportunities to 'retain' her Spanish language skills through interactions with Latino citizens that make up some one-fifth of the overall US population,<sup>3</sup> and with a vast pool of speakers in another nineteen Latin-American countries in South America and more in the Caribbean. Also, she may in time generate more income by drawing inspiration from the richness of Hispanic cultures.

### Market incentives

Facebook's founder Mark Zuckerberg is one of those for whom knowledge of another language has both personal and professional worth. He is quoted as saying: 'There are three reasons I decided to learn Chinese. The first, my wife is Chinese. Her grandmother can only speak Chinese. When I told her in Chinese I was going to marry Priscilla, she was

very shocked. Then I want to study Chinese culture. The third: Chinese is hard and I like a challenge.'<sup>4</sup> He also has a market-driven incentive for acquiring ability in the language as this may in due course yield material benefits flowing from China into his company. In an article entitled 'Mark Zuckerberg Courts China With Speech on People and Perseverance', it is suggested that this entrepreneur's deployment of Mandarin at Tsinghua University in Beijing (where he is on the advisory board) is a 'calculated move to appeal to Chinese users'.<sup>5</sup>

Like Twitter, YouTube and other social media platforms, Facebook has been blocked in China since 2009. Its creator is driven by enormous financial incentives to connect another billion users (roughly the equivalent of China's population) with the rest of the world using his platform. In trying to penetrate the Chinese market by speaking their language, he follows an old mantra that was most famously expressed by Willy Brandt, the former Chancellor of the Federal Republic of Germany: 'If I'm selling to you, I speak your language. But if I'm buying, dann müssen Sie Deutsch sprechen [then you have to speak German].' In other words, sales are more likely when consumers can get information about a product or service in their own language. This approach is not new. The ancient traders we followed earlier in this book knew that they could increase their sales by using the language of their customers.

A recent Economist Intelligence Unit report on how cultural and language barriers affect business confirms that effective cross-border communication and collaboration are critical for the financial success of companies with international aspirations.<sup>6</sup> Executives interviewed from across the world stated that better communication with customers and colleagues abroad benefits their company's profit, revenue and market share. In fact, around half of the respondents admit that misunderstandings have stood in the way of major cross-border transactions, incurring significant losses for their company.<sup>7</sup> These findings suggest that, to mitigate the corporations' risks of language gaps affecting their financial performance, greater investment in language and communication training



and better recruitment and selection procedures are necessary. The implication is that international companies have strong economic incentives to ensure that their approach is in line with corporate strategies and goals.

Findings in the above survey also confirm that successful communication in an international environment depends not only on the ability to speak various languages but also to handle cultural differences. Entrepreneurs attempting to break into a new market know that they need to conduct their negotiations in a culturally sensitive way. It was such awareness that enabled Egyptian entrepreneur Samih Sawiris to win approval in order to build the largest ever ski project in the Swiss Alps, in Andermatt. To achieve this, he needed to negotiate with government officials for an exemption from property buying regulations that control foreign real estate ownership in Switzerland. In 'Bankrolling a new Swiss resort',<sup>8</sup> the billionaire backer is quoted as saying that in his business he uses a 'multi-pronged approach of investment, attracting the right buyers and keeping locals involved'. In a country such as Switzerland that is known for its consensus-based democracy, this is a gargantuan task. His success with this venture shows his ability to build trust and a good rapport convincingly in German, a language he had learnt when he was at University in Berlin. In his case, the ROI is likely to be far greater than that predicted for Doug's daughter.

Clearly, deployment of intercultural competence demands emotional intelligence and finely tuned language skills to pay dividends. As Richard Hardie, Chairman of the investment bank UBS, puts it: 'A deep understanding of foreign languages is often essential to the combination of cajolery and seduction many companies require in their international negotiations.' However, he stresses that businesses need graduates with more than conversation skills and a good technical vocabulary. The really valuable negotiators, in his eyes, are those able to produce subtle phrasing to 'persuade someone from another culture to do something they would not otherwise want to do',<sup>9</sup> suggesting a need for people who

are not just 'book-smart' but also 'street-smart'. It is perhaps no surprise that the ten most favoured critical soft skills pursued by recruiters and headhunters include cross-cultural competency and communication.<sup>10</sup> These are considered as central in a fast-changing and complex world that brings people together from diverse cultures.

In response to the needs of employers, leading institutions offering MBA degrees, such as the London Business School or the Thunderbird School of Global Management (the oldest and largest graduate school for international business in the United States), have stand-alone programmes where cross-cultural training is embedded in language learning. These focus on the types of negotiations employees might undertake, the decisions they will face, the social events in which they might participate and the wide variation in behaviours and preferences in different cultures. Emphasis is also placed on how to handle the fundamentals of both verbal and non-verbal communication in international environments and on how to ensure that body language (facial expressions, a particular hand motion or even silence) does not convey unintended messages in cross-cultural encounters. Equipping students with soft skills is seen as a form of personal development and is meant to aid their employability. In the words of Mohammed Khalid, a graduate from Hult International Business School, this distinctive skills set has real value for an employer: 'It's about how others perceive you, which is not always the way you think. ... There was a huge emphasis on integrity, and working on these soft skills helped me get the position of sales account manager.'<sup>11</sup>

The ability to work constructively with an understanding that culture influences the way you think about things is seen as a valuable asset for employees at all corporate levels. This much-sought-after skill is essential whether for the preparation of export marketing strategies or for the management of international subsidiaries with a culturally diverse workforce. In fact, research carried out over the last decade in the United States on language in global organizations



and teams suggests that even when group members are fluent in a lingua franca, a lack of cultural awareness can cause significant misunderstandings and disagreements, masking divergent group norms, practices and expectations.<sup>12</sup> Consider a business meeting in Stockholm with executives from the United States and Japan. With the predominance of Westerners present, there may be an expectation for communication to be direct and to the point. But this might clash with the oriental mindset, which is less inclined to address a topic head on. The Japanese Mitsubishi representative may well prefer to answer a question with a 'maybe' or 'we'll see' rather than a 'no', in order to save face. Is he delaying the progress of negotiations or should his Swedish and US counterparts address his cultural needs more sensitively? On this question rests the state of their professional relationships. A recent survey on culture at work has revealed that many human resource managers of large companies from across the world operate with the awareness that culture impacts business. Findings indicate that they regard intercultural sensitivity as a core soft skill that benefits their organization in terms of bringing in new clients, reduces team conflict and supports their organization's reputation.<sup>13</sup>

Greater employment opportunities are likely for those who can offer a telling combination of soft (transferable) and hard (technical) skills in a field, such as perhaps economics, engineering or law. However, such personal attributes are no guarantee of employment since the demand for them is subject to the usual market forces. High demand but low supply results in employment opportunities whereas a low demand but ample supply means job scarcity. Some multilingual employees may only reap dividends later when they are sent abroad some years into the job. Or they may seize a chance to deploy their native language expertise in a region of high demand. Kate demonstrates her success with this strategy in the blog entry below that came in reply to this chapter's introductory posting by Doug<sup>14</sup>:

I spent two years unsuccessfully looking for a job in the US after graduating in 2011 (not even a business degree

and two foreign languages could help me find anything other than a minimum-wage internship). However, last year I decided to move to a Latin American country currently experiencing much more economic growth than the US and use my Spanish fluency in my job search. Upon arriving I immediately got hired by one of the biggest and most highly esteemed tech companies in the world – one of the very same companies that didn't even give my resume the time of day back in the States. Since finding such success down south many of my unemployed friends back home have mentioned wanting to follow in my footsteps – the only problem is they don't speak a second language.

For her, the benefit of learning an additional language was that this opened up other options. It gave her the flexibility to look for job opportunities abroad and move to a country whose economy is growing faster than her own. She found her comparative language advantage not as an incidental speaker in the crowded Spanish language market of the United States, but as a native English speaker in Latin America who could also work in Spanish. This proficiency in a second language and her international work experience would likely translate to higher wages over her career. In addition, having extended her networks into another culture, she might in due course also derive a range of other social and personal benefits.

## Language beliefs

So far in this book, we have seen plenty of evidence that multilingualism can benefit both individuals and society. Knowing more than one language expands our knowledge, opens up opportunities and even boosts employability. And yet, in spite of the fact that we can derive a range of advantages from learning languages, many people choose not to do so. What are their reasons and what case can be made for language study?