Mapping Language Skills in Key Priority Sectors in the North West





Executive Summary

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1. Introduction

The importance and relevance of language skills for international competitiveness in business has been recognized in the Regional Economic Strategy (2006), and the region's Internationalization Strategy (2007) has identified the need for an appropriate utilization of existing language skills from across the region.

The mapping of language skills is vital in identifying language use. Although language capability can be assessed yearly through languages labour market intelligence, by gathering and analyzing existing skills in the population (through National Insurance Registration numbers, for example) and also developing skills through the education system (GCSE, A Level and Higher Education), there has been a gap in identifying language capability in industry.

With a view to narrowing this gap and providing a benchmark to allow future trend forecasts of existing and developing language skills in industry a series of online surveys were conducted targeting six key priority sectors. The resulting data will also allow forecasting of potential skills gaps, and business-related needs of specific languages and specific skills levels. An additional benefit may also be the identification of language use and relevance across differently sized companies, helping to build a clearer picture of the impact of languages for the region's economy.

1.1 Methodology

Data was gathered through a series of online surveys in each priority sector targeted: Financial & Professional Services, Food & Drink, Advanced Engineering & Materials, Digital & Creative Industries, Biomedical Industries and Energy & Environmental Technologies. The first survey was piloted in the Financial & Professional Service, followed by the other sectors. Each survey was opened for approximately three months.

Promotion of all surveys was carried out through the cluster groups for each sector and other stakeholder organizations such as Business Link, Learning and Skills Council, UK Trade and Investment, MIDAS, Manchester Digital Development Agency (MDDA), among others.

Two sectors had a considerably higher rate of response (Financial & Professional Services and Creative & Digital Industries). This may be attributed to a variety of factors, including the more direct electronic promotion to businesses via sector stakeholders.

A total of 141 individuals from these six sectors participated in this survey between June 2008 and March 2009, resulting in a sample of 103 valid responses for analysis.

2. Profile of Participants

From the total sample, 42% of responses are from the Digital & Creative Industries sector, and 29% from the Financial & Professional Services sector. The remaining respondents represent the following four sector groups: Food & Drink (10%), Biomedical (2%), Energy &

Environmental Technologies (9%) and Advanced Engineering & Materials (8%)[1]. From the total sample, 21 respondents (20%) represent stakeholder organisations which support the various priority sectors surveyed.

The gender distribution is fairly balanced, with a slightly higher number of female respondents, and the age groups range from under 25 to over 55 years old. Nearly 80% of respondents are British nationals, and other participants come from 14 different countries.

The survey also looked at respondents' levels of education, and qualifications range from GCSE or equivalent to postgraduate level.

As to years in service and job roles, 38% of respondents have been with their current employer for more than 5 years. And the most common job roles identified in the sample are senior management and also sales & marketing positions. Other positions include Human Resources, Technical Support, Supply Chain, Business Advisor, Analyst, Copywriter, Editor and Health, Safety & Environment Management.

3. Foreign Language Skills

Respondents were asked to provide details of their language skills, specifying their level of oral and/or written skill, and to class their level as basic, intermediate or advanced. A broad definition of each level was provided in the survey in order to guide respondents and achieve a consistent mapping of ability.

French is spoken and understood by 72.3% of respondents. Other popular languages are German, Spanish and Italian, showing that 20% of respondents can speak and understand these languages. 88% of respondents can speak and understand at least one foreign language at different levels of proficiency, and can speak and understand a total of four languages.

Taking responses from the Digital & Creative Industries sector as a sample, the analysis showed that over 20% speak and understand French, German, Spanish and/or Italian, which are among the most popular languages identified. Responses from the Financial & Professional Services sector showed that as many as 90% of respondents can speak one or more foreign languages.

Similarly to results relating to respondents' oral language skills, French, German, Spanish and Italian are the most popular foreign languages in which respondents can read and write.

A total of 81% of respondents have written skills in at least one foreign language, and 27% of respondents have basic or higher level written skills in one foreign language, and 27% have written skills in two foreign languages.

In the Digital & Creative Industries sector, French, German, Spanish and Italian stand out as the most popular languages, being used by more than 20% of respondents. The Financial & Professional Service sector shows French, German and Spanish as the three most popular

[1] RLN NW conducted a study of language skills needs in the Chemical sector during 2008, therefore this survey was not promoted to companies in this sector so they are not represented in this report. For further information on the Chemical sector study and report, visit www.rln-northwest.com

foreign languages respondents can read and write. Contrastingly, in this sample Russian is the fourth most popular language.

Respondents' combined oral and written ability were mapped across the various languages, with responses being divided into three groups. The first group comprises responses from people who have both oral and written skills in a foreign language, the second group includes people with oral skills only, and the third group people with written skills only.

The majority of respondents having both oral and written skills in a particular foreign language.

4. Use of Foreign Languages at Work

The sample revealed that 38% of respondents never use their foreign language skills at work, followed by 30% who rarely use them. A lower percentage (20%) of respondents use their foreign language skills on a daily basis, and the remaining 12% on a weekly or monthly basis.

Across the total sample, 44 respondents indicated that their company/organization has business both at home and abroad. Of these, 39 have language skills, ranging from basic to advanced skills in one or more foreign languages. The majority of these multilingual respondents are of British nationality.

Most respondents use their foreign language skills in face-to-face situations and/or email communications and making telephone calls. A small percentage use them in other situations, including translation of projects, administration, trade shows and presentations.

The sample from the Digital & Creative Industries sector shows that foreign language skills are mainly used in face-to-face (33%) and/or email (33%) communications.

The sample from the Financial & Professional Services sector shows that foreign language skills are mainly used in face-to-face or email communications.

Foreign language skills are mainly used with overseas contacts, and 25% stated that foreign language skills are used to contact their overseas colleagues.

Analysis of both samples from the Digital & Creative Industries sector and the Financial & Professional Services sector again showed that foreign language skills are mainly used for communicating with overseas contacts

Only a small number of companies provide foreign language training for their employees, and more than 50% of respondents from across all six sectors expressed an interest in language training in order to improve their skills according to their work-related needs.

In the Digital & Creative Industries sector, 58% indicated that their company does not provide any foreign language training, compared to only 10% who indicated their company does offer this training. From the Financial & Professional Services sector, 62% of respondents indicated that their company does not provide any foreign language training. Only 14% said foreign language training is provided by their company.

5. Company Information

Participating companies have varying sizes. 25% of respondents work for small companies with fewer than 10 employees. Contrastingly, 22% of respondents work for large companies with over 501 employees.

One third of participating companies have a turnover of less than £500,000, and 15% have a turnover of between £500,000 and £2 million. Approximately 40% of respondents work for middle-sized companies with turnovers ranging from £2 million to £100 million. Only 9% of respondents work for companies with a turnover exceeding £100 million.

Foreign languages are used in companies of different sizes and turnover groups, with a total of 25% ranging from £500,000 to £100 million and over, and 12% with a turnover of under £500,000.

51% of respondents indicated that their company/organization has both domestic and international business, including the respondents from UK Trade and Investment.

The largest group, companies that have business both in the UK and abroad, includes companies with a turnover ranging from under £500,000 to in excess of £100 million. Approximately 30% of companies in this group have a turnover of under £500,000, followed by 18% with a turnover of between £2 million and £10 million.

6. Foreign Languages within the Company

Although 51% of companies in the sample have international business, only approximately half of these provide their overseas contacts with written information in foreign languages.

On the whole, 52% of respondents consider that foreign languages are important, or very important for business growth. Senior managers represent 30% of respondents who assessed languages as important or very important for business growth.

Results from the Digital & Creative Industries sector show that only 36% of respondents consider languages to be important, or very important for company growth. From the Financial & Professional Services sector, 50% of respondents in this sector believe that languages are important for company growth.

Albeit represented in smaller numbers, respondents in other sectors have also identified languages as important or very important for business growth, namely the majority of respondents representing the Energy & Environmental Technologies sector, and half of the respondents from the Advanced Engineering & Materials sector.

A total of 56% indicated that foreign language competency in their company has remained the same. According to the total sample, only 31% of companies have improved their foreign language competency over the last 3 years.

In the Financial & Professional Services sector, 45% of companies have seen an improvement in foreign language competency. This is higher than the19% in the Digital & Creative Industries sector and the 31% across all 6 sectors.

Cross-referencing the number of respondents who consider languages as important or very important for the business growth of their company shows that 17 of these companies report an increase in language competency over the last 3 years and 19 report that language competency has remained the same.

Language skills can be improved in different ways, but it is important to identify which methods are chosen by business people across priority sectors. 3 key approaches to improving language competency in an organisation were taken into account.

Results show that 49% of respondents identify the importance of foreign language training in improving foreign language competency in the company. And a smaller number of respondents (38%) identify the recruitment of more foreign nationals or more UK nationals with foreign language skills as being important.

When cross-referencing this against the sample of respondents assessing languages as important or very important for business growth, 8% identify a combination of all 3 approaches as a solution for improving language competency in the company.

7. Conclusion

The response sample is not balanced across the 6 sectors, with the Financial & Professional Services and Digital & Creative Industries sectors showing a considerably larger response rate compared to the other sectors. However, response levels are balanced across the company size and turnover groups, as well as across age groups and gender.

Data shows that the majority of respondents have foreign language skills and that the majority are native speakers of English, yet 38% of them do not use these skills at work. Although the most widely spoken languages across the sample are French, German and Spanish, many other languages exist in the overall skills base and are utilized.

Over 50% of respondents consider languages to be important or very important for the growth of the business, of which 30% are senior managers. However, out of 44 respondents whose companies have international business, 39 have language skills but almost half of them do not use their languages at work. This may well be the case across a wider sample of companies and industries in the North West, which has a negative or unmeasured impact on business growth. This also raises the issue that many employers may not be benefitting from the language skills base in their own company.

Similar surveys are recommended in approximately 18 months time, and at regular intervals in the future. This would allow a more substantial mapping of languages in industry and it would help to identify their application, highlighting any gaps that could then be addressed.

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