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Language Strategies in Finnish Small and Medium-sized Enterprises

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LANGUAGE STRATEGIES IN FINNISH SMALL AND MEDIUM-SIZED ENTERPRISES

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Language Strategies of Small and Medium-sized Enterprises

Objectives of the Study

Small and medium-sized enterprises (SMEs) have scarcely been researched from the point of view of language strategy. The objective of the study is to identify language strategies of Finnish SMEs doing business abroad and to analyze these strategies. The objectives were met through a survey directed at Finnish SMEs and face-to-face interviews with five case companies.

Summary

Languages are increasing important in the globalizing world, yet few companies have language strategies. The EU-wide PIMLICO Promotional Project investigated in summer 2010 top-performing international SMEs, which have adopted language strategies and use them for business purposes. The thesis writers collected data for the project in Finland. This thesis was undertaken with the consent of PIMLICO to further investigate this interesting topic.

This thesis is based on continuous iteration between data, prior literature and the emerging theory. The empirical findings and academic literature suggest that language strategies in SMEs can include one or more of the following components: 1) common company language; 2) language audits; 3) language training; 4) recruitment; 5) translators and interpreters; 6) agents; and 7) company websites.

Findings and Conclusion

The researched SMEs do not have written language strategies, but they do have bottom-up language strategies. These language strategies emerge through recurrent language-related practices, such as using partners for translation, having an informal common company language and the use of native speakers as valuable resource.

Keywords International Business, Foreign Language Strategy, Small and Medium-sized Enterprises, SME, Export, Strategy as Practice, Bottom-up, Translators

Pienten ja keskisuurten yritysten kielistrategiat

Tutkimuksen tavoitteet

Pienten ja keskisuurten yritysten (pk-yritysten) kielistrategiat eivät ole juuri saanet huomiota osakseen. Tämän tutkimuksen tavoitteena on kerätä tietoa suomalaisten pienten ja keskisuurten vientiyritysten kielistrategioista ja tarkastella niitä lähemmin. Tavoitteet saavutettiin suomalaisille pk-yrityksille suunnatulla kyselytutkimuksella ja tapaustutkimuksella. Haastattelimme viittä pk-yritystä.

Tiivistelmä

Globalisoituvassa maailmassa kielet ovat yhä tärkeämpiä, mutta vain harvalla yrityksellä on kielistrategia. EU:n käsittävä PIMLICO-projekti kartoitti kesällä 2010 menestyvien, kansainvälisten pk-yritysten kielistrategioita ja niiden käyttöä ulkomaankaupassa. Tämän opinnäytetyön tekijät keräsivät aineistoa Suomessa. Opinnäytetyössä jatketaan tämän mielenkiintoisen aiheen tutkimista PIMLICOn suostumuksella.

Tämä opinnäytetyö perustuu aineiston, kirjallisuuden ja niistä nousevan teorian iterointiin. Empiiriset löydökset ja akateeminen kirjallisuus viittaavat siihen, että pk-yritysten kielistrategiat voivat koostua yhdestä tai useammasta osatekijästä: 1) yrityskieli, 2) kieliauditointi, 3) kielikoulutus, 4) rekrytointi, 5) kääntäjät ja tulkit, 6) agentit ja 7) yritysten WWW-sivustot.

Tulokset ja yhteenveto

Tutkituilla pk-yrityksillä ei ole kirjallisia kielistrategioita, mutta niillä on alhaalta ylös virtaavia kielistrategioita. Nämä kielistrategiat ilmentyvät toistuvissa, kieleen liittyvissä käytänteissä. Tällaisia käytänteitä ovat esimerkiksi yhteistyökumppaneiden käyttäminen käännöstehtävissä, epävirallinen yrityskieli ja eri kieliä äidinkielenään puhuvien henkilöiden palkkaaminen.

Avainsanat

Kansainvälinen liiketoiminta, Vienti, Kielistrategia, Pk-yritykset, Strategia, Kääntäjät

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.   INTRODUCTION

Global communication challenges are becoming increasingly prominent in the rapidly changing world. As companies venture into new markets, the need for language skills increases. Language is of particular importance in the multilingual and multicultural European context. Foreign language skills can contribute to international business success in a number of ways (e.g., Leonidou, Katsikeas & Piercy 1998).

Finnish companies operate in a country with a population less than 5.4 million (Statistics Finland 2010) and with national languages shared by very few others. In Finland, 91 % of the population speaks Finnish as their native language, 5 % Swedish and 1 % Russian (*ibid.*). It is, therefore, reasonable to conclude that the ability to communicate with foreign customers is a matter of great importance. This is especially the case for Finnish companies dealing with foreign customers who do not share their native language.

Exporting is a necessity for many of the smaller European Union (EU) member states, such as Finland. Their domestic markets are too small to enable local companies to grow to a size where income and employment are generated. Finland is a small, open economy. In Finland, over 50 % of the GDP is accounted for by exports of goods and services (*ibid.*). The value of Finnish exports of goods was 66 billion euros in 2008 (Finnish Customs 2011). In 2009, Finland's main trading partners were Russia, Germany, Sweden, China, United States, Netherlands, United Kingdom, France, Italy, and Norway (*ibid.*). In 2008, Finnish companies had over 4500 affiliates abroad, and over 60% of them were in the EU area. The percentage of employees of the affiliates in the 27 EU member states was 55% (Statistics Finland 2008).

The ability to communicate with international partners and to understand their culture facilitates effective business. Foreign languages skills enable information collection from abroad and deeper personal contacts. In fact, there can be a high price to pay for companies that do not have the linguistic competence. Language skills are important to actively participate in the competitive global market. It is invaluable for companies to effectively utilize employees´ existing language skills. Companies that cannot communicate in the language of their customers may bridge the gap,

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for example, by employing native speakers or using interpreters, translators, local agents or sales subsidiaries, whose staff members are competent in the local language.

1.1.   Background

This study was undertaken as a continuation of the pan-European research project PIMLICO: *Promoting, Implementing, Mapping Language and Intercultural Communication Strategies in Organisations and Companies*. The PIMLICO project is aimed at "finding and reviewing a range of successful international small and medium-sized export companies which have adopted language strategies and, as a result, are the best at overcoming language and cultural barriers" (PIMLICO 2010a). The PIMLICO project is overseen by the Directorate-General for Education and Culture of the European Commission in the wake of the ELAN Report which the Commission published in 2006 concerning trade loss due to communication difficulties. The PIMLICO project covers 27 countries. (PIMLICO 2010a; PIMLICO 2010b).

The objectives of the PIMLICO project were reached in two stages. At the first stage, the objectives were met through interviews with successful international small and medium-sized export companies which have adopted language strategies. The first stage also included a review of language support infrastructure available for companies in each EU country. The second stage is a promotional campaign designed to promote best practice from top-performing companies. The purpose is to disseminate the best examples and encourage more companies to adopt language strategies and become a more successful trader across borders. (PIMLICO 2010a; PIMLICO 2010b).

As thesis writers, our aims are academic in nature. We delivered information on the Finnish language support infrastructure and company interview data to the PIMLICO Project's first phase. However, this thesis is not commissioned by PIMLICO and goes beyond the PIMLICO study. The purpose of this exploratory study is to obtain a basic understanding of Finnish SMEs´ behavior and perceptions with respect to the use of languages within their businesses. In this thesis, we are less interested in the particularities of the single cases, and more interested in understanding the use of language strategies in Finnish SMEs doing business abroad.

1.2.   Research Gap

The previous research has focused on the communication of multinational enterprises and language has been an almost "forgotten factor" (Marschan, Welch & Welch 1997). Language has been rarely addressed in a strategy context (see e.g., Luo & Shenkar 2006). Luo and Shenkar (2006) look at language in a different way than it has been traditionally viewed in the international business literature. The authors view language as a "strategic tool with which to align operations with MNC strategy across the shifting multiple environments in which it operates" (Luo & Shenkar 2006:322). Thus, language can serve a strategic purpose for a company. However, small and medium-sized companies have scarcely been researched from the point of view of language strategy. Moreover, SMEs typically lack resources and knowledge, which makes for an interesting study of how they deal with foreign language-related issues. With this study, we hope to provide insight into this gap.

1.3.   Research Objectives and Question

Based on the discussion in the previous section, it is evident that the issue of foreign languages in Finnish SMEs is important. This is both because of the ongoing process of economic globalization, and because Finnish companies cannot expand within their own language domain. However, language strategies of Finnish SMEs have not been researched.

The main objectives of this exploratory investigation can be phrased as follows:

1. *To identify language strategies of Finnish small and medium-sized enterprises (SMEs) doing business abroad.*
2. *To analyze these strategies.*

Hence, the following questions have been specified for this study:

1. *What foreign language strategies do Finnish small and medium-sized enterprises (SMEs) use?*
2. *How are language strategies manifested in Finnish SMEs?*

The objectives were met through a survey directed at Finnish SMEs and face-to-face interviews with five case companies.

The results provide insight into the language strategies of Finnish SMEs. The findings can be used to develop suggestions for dealing with language-related issues.

1.4. Definitions of Key Terms

1.4.1. Small and Medium-sized Enterprises (SMEs)

The EU definition (Commission Recommendation 2003) of small and medium-sized enterprises is used in this thesis. Enterprises qualify as micro, small and medium-sized enterprises (SMEs) if they fulfill the criteria laid down in the Commission Recommendation (2003), which are summed up in the Table 1 below. In addition to the staff headcount ceiling, an enterprise is defined as an SME if it meets either the turnover ceiling or the balance sheet ceiling, but not necessarily both. (Commission Recommendation 2003).

Table 1. Small and Medium-sized Enterprises (SMEs)

Enterprise category	Headcount	Turnover	or	Balance sheet total
medium-sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

Source: Commission Recommendation 2003.

1.4.2. Language Strategy

In this thesis, language strategies are viewed as "a pattern in a stream of decisions" (Mintzberg 1978:934). This definition allows us to study both language strategies that are undertaken with careful consideration (top-down) and those realized in a less systematic way (bottom-up). Viewing strategy as "a pattern in a stream of decisions" *(ibid.)* provides foundation even for empirical

examination of "strategy absence" (Inkpen & Choudhury 1995:315). Inkpen and Choudhury (1995) state that "strategy absence" is a legitimate source of interest for scholars and that there are many reasons why a firm might not have a formulated strategy. Inkpen and Choudhury (1995:317) further state that: "young firms will not have a history of decisions that have evolved into a coherent pattern, and, therefore, it may be appropriate to refer to strategy as absent in these firms. A strategy may be in the process of emerging; until it emerges there is no strategy." Thus, absence as a temporary stage is relevant to this is study.

1.5   Structure of the Study

This study consists of five chapters. The first chapter introduces the research problem and defines the key terms.

The second chapter presents an overview of previous literature. The focus is on the general context of this study, namely 1) language policy and planning in Finland, 2) the role of SMEs in the economy of Finland, 3) the importance of languages for SMEs, and 4) the effects of managerial language skills on SME internationalization. These topics cover the environments Finnish SMEs operate in, as well as the impact managers may have on SMEs. The specific literature relating to the components of language strategies can be better understood within this larger context.

The literature relating to the various components of languages strategies is introduced and discussed in the Empirical Findings and Analysis chapter, along with the research findings. This integrated approach is supported by the case method chosen for the thesis (Eisenhardt 1989).

The third chapter outlines the research design and methods. In this chapter we discuss the chosen case method and organize our argument following Eisenhardt´s (1989) research process.

The fourth chapter discusses the empirical findings. This chapter also introduces literature that directly relates to these findings. The literature and the findings are discussed together. The fourth chapter also introduces the framework that emerges from the literature and the empirical findings.

The fifth, and final, chapter discusses the empirical findings in light of previous research and draws out the key conclusions. Managerial implications of these conclusions are also discussed. Moreover, we discuss the limitations of this research and present suggestions for further research.

We have attached all the tabulated survey data as an appendix. The reason for this is the openness of our research design. We refer to the tables in our findings, although we have added all the interesting comments into the body of the text.

In this thesis, 'case company' refers to one of the five cases where interviews were conducted. The term 'company' is used when referring to one of the companies that answered the survey questionnaire. 'Case companies' are also referred to as Case [number], e.g., Case 1. The surveyed companies are referred to as Company [letter], e.g., Company A.

2.　REVIEW OF PREVIOUS RESEARCH

This section reviews literature at four different levels. Firstly, we discuss language policy in the European Union. This provides the first layer of context to the language environment companies are embedded in. Secondly, we discuss language policy at the national level in Finland. This provides the second layer of context. Thirdly, we discuss the importance of SMEs to the Finnish economy and discuss the importance of languages to SMEs. The final section of the literature review focuses on the managerial level, which is the fourth layer of context. We discuss how managerial language skills affect SME internationalization. (See Figure 1).

Figure 1. Layers of Context of the Thesis
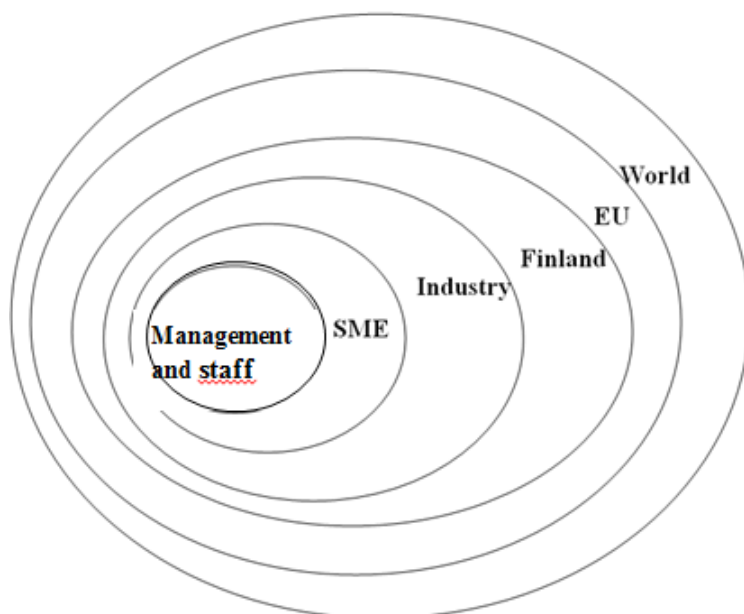
The literature review provides the background for understanding SMEs. New literature will be introduced in the Empirical Findings and Analysis chapter. That literature relates directly to the empirical findings, and it is discussed in conjunction with them. The industry level becomes important in the translation of industry-specific terminology, as most of the case companies use specialized terminology. It should be noted that data on Finnish SMEs are often compared to EU averages in order to place the figures in context. All the case companies export to other EU countries, but their cross-border business is not limited to the EU; they export and have subsidiaries all over the world. (See Figure 1).

2.1.   Language Policy in the European Union

The first layer of context for the study is the European Union (EU). The EU currently has 27 member countries. Each of the Union's enlargements also bought with it new languages and language-related challenges. The EU is a truly multilingual institution, which currently recognizes 23 official working languages: Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovene, Spanish and Swedish. Europe also has more than 60 indigenous regional and minority languages, e.g. Sami in Finland. (European Commission 2011).

The European Commission's survey and analysis service, Eurobarometer, has investigated the language skills of European people in 2001 and 2006. In 2001, 53 % of respondents said that they could speak a language in addition to their mother tongue. In 2006, this had gone up to 56 %. Only six member countries had a majority of mono-linguists in 2006. These were Ireland, the United Kingdom, Italy, Hungary, Portugal and Spain. In general, smaller countries with several state languages (e.g., Luxembourg) had higher levels of multilingualism. (European Commission 2006).

EU language policies aim to protect linguistic diversity and to promote knowledge of languages. Each EU Member State is responsible for its own education and training systems, but EU policies support national actions and help address common challenges. Improving foreign language learning is one of the goals of the European *Education and Training 2010* program. Language learning is promoted for reasons of social integration, but also because multilingual citizens can better take advantage of the opportunities created by an integrated Europe:

> "The ability of all European citizens to understand and use a wide range of foreign languages is central to the Union's effort to develop a more dynamic and competitive knowledge-based economy, to increase the number and to improve the quality of jobs available, and to ensure that European companies are able to compete advantageously in global market. In addition, language learning promotes mutual understanding and greater tolerance of other cultures, and has relevance for two of the other objectives: developing skills for the knowledge society and supporting active citizenship, equal opportunities and social cohesion" (European Commission 2008:5).

The European Commission has taken various actions to promote multilingualism. Its actions have focused particularly on education and training, translation, interpretation, and research and

information technologies (European Commission 2008). For example, the EU closely follows developments in translation and interpretation training in Europe because it is a major employer of translators and interpreters (*ibid.*). The effects of shortages of language skills on the economy have also been studied. The objective of the ELAN (2006) survey was to provide the European Commission, and other decision makers in member countries, with practical information on the use of languages by SMEs and their impact on business performance. According to ELAN (2006), 11% of exporting European SMEs had lost business due to a lack of language skills. The study also identified a clear link between languages and export success. Key elements of language management associated with successful export performance were 1) taking a strategic approach to multilingual communication, 2) appointing native speakers, 3) recruiting staff with language skills and 4) using translators and interpreters. (ELAN 2006; European Commission 2008)

2.2.   Language Policy in Finland

The second layer of context for the study is Finland. As discussed in the introduction, the limited possibilities to use the national languages in an international business context have made the learning of foreign languages vital for Finnish companies. Before discussing the importance of language strategies at the company level, this section briefly reviews literature on language policy at the national level.

Nations may choose to promote a policy of a unilingual, bilingual, or multilingual society. Finland's official language policy is embodied in a constitutional law that makes Finnish and Swedish the national languages of the republic (Parliament Finland Language Act 1922). The Sámi languages have official status in the Sámi Homeland and with the state authorities (Parliament Finland Sámi Language Act 2003). Furthermore, there are two other languages mentioned in the Constitution Act (Parliament Finland 1999): Roma and sign language. They do not have the position of official languages, but they have a ratified minority status. Even though immigrant minorities in Finland are still small compared with other Nordic countries, the number of foreign language native speakers is increasing. At the same time, the status of Finnish language has changed to some extent. In 1995, Finland joined the European Union, in which local languages tend to compete with supranational languages, such as English, French, and German. Internationalization and globalization have affected Finnish society, and the importance of English language has increased. (Latomaa & Nuolijärvi 2005).

The need for skills in foreign languages is obvious in a small country like Finland. "Foreign-language teaching has been a priority area of Finnish educational policy for a long time and, in international comparison, this policy has yielded very positive results" (Latomaa & Nuolijärvi 2005:216). Internationally speaking, Finns study a large number of languages. Since the comprehensive school reform in the 1970s, entire school generations have studied at least two languages other than their native language, one being the second national language. Foreign languages are also taught extensively in vocational education, at polytechnics and universities, and in adult education and in continuing education. (Latomaa & Nuolijärvi 2005).

The Figure 2 below shows the percentage of 18-64 year old Finns who speak at least one foreign language, divided by educational level. Foreign languages are all languages other than one's mother tongue.

Figure 2. Percentage of Finns (18-64 Years Old) Speaking at Least One Foreign Language, Divided Based on Educational Level (1995-2006)
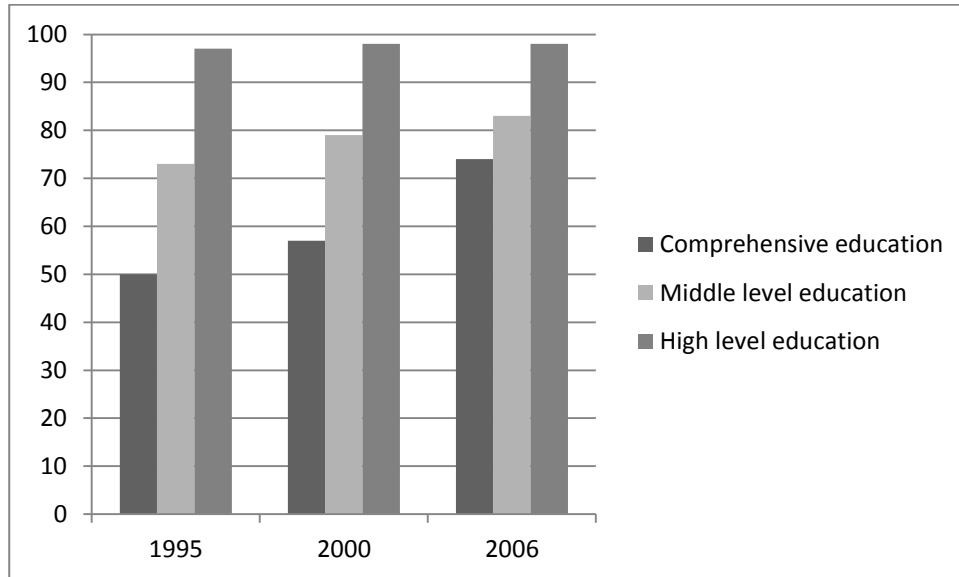
Source: Statistics Finland. Adult Education Survey (2006).

2.3.   The Role of SMEs in the Economy of Finland

The third layer of context is the small and medium-sized enterprise (SME). This section discusses briefly the importance of SMEs for the Finnish economy; draws attention to the difference between SMEs and large companies; and reviews previous research on internationalization theories relating to SMEs.

The role of SMEs has grown significantly, and the Finnish SMEs have become increasingly globalized (e.g., Luostarinen, Korhonen, Jokinen & Pelkonen 1994). SMEs have grown in importance in the Finnish economy measured by number of firms, their share of employment, and turnover. According to 2009 figures, provided by the European Commission, small and medium-sized enterprises account for 99.7 % of Finnish companies, in line with the European Union (EU) average. SMEs employ 60 % of the workforce, which is 7 % less than the EU average. SMEs contribute 54 % of value added (with the EU average being 58 %). The share of Finnish SMEs gaining any income from subsidiaries and/or joint ventures abroad stands at 7.9 % (compared to the 4.8 % EU average). (European Commission 2009).

Government decision makers have realized the significance of Finnish SMEs, and have developed a variety of schemes to promote SMEs' international operations. Several governmental and quasi-governmental organizations support the establishment, growth and development of SMEs by offering advisory, education and development services, as well as financing and guarantees. Support is available for start-up and growth phases. Such organizations include *Enterprise Finland*, co-ordinated by the Ministry of Employment and the Economy; regional *ELY Centres*; *Employment and Economic Development* offices; *Tax Administration*; *Tekes*, the Finnish Funding Agency for Technology and Innovation; *Finpro*, a global expert network with a task for promoting the growth and competitiveness of Finnish companies; *Finnvera*, a specialised financing company owned by the State of Finland; *National Board of Patents and Registration of Finland* (NBPR); and the *Central Chamber of Commerce of Finland*, which coordinates the operations of the nineteen independent regional Chambers of Commerce in Finland. In the field of training, *Fintra* carries out customized international business management programs for SMEs. At the European level, *Enterprise Europe Network*, provides expertise and globalization services for SMEs.

SMEs often lack resources to internationalize, such as scale economies, in-house expertise, operational capital, and management time (Bagchi-Sen 1999). This makes it difficult to compete on equal terms with large enterprises (Schulz, Borghoff & Kraus 2009). In 1981, Welsh and White wrote an article for the Harvard Business Review called "Small business is not a little big business", which aimed to bring out the difference with the term "resource poverty" (Welsh & White 1981:18). The small business is more vulnerable to external forces ─ for example changes in tax laws and labor costs ─ and may not have resources to pay professionals, such as bookkeepers and additional management (Welsh & White 1981). However, size is not a barrier to internationalization even if a positive association between size and internationalization exists (Calof 1993). Large firms have more resources, but small firms are able to enter the same markets; size only limits the number of markets the firm can serve *(ibid.)* However, there is a need to look at the specific condition of SMEs, rather than relying on research done on multi-national corporations.

In Coviello and McAuley´s (1999) review of the SME internationalization literature, three major strands of research are identified: 1) the economic school of Foreign Direct Investment (FDI) theory, (represented e.g. by Dunning 1988); 2) the Stage models (represented e.g. by Johanson & Vahlne 1977, 1990); and 3) the Network perspective (represented e.g. by Johanson & Mattsson 1988). Based on their findings, two schools of research have to lead the development of SME research as a field of study: the Stage models and more recently, the Network perspective. However, according to Coviello and McAuley (1999:223) "SME internationalisation is best understood by integrating major theoretical frameworks."

The Finnish SMEs need to internationalize earlier and more rapidly than before. "SMEs are facing high pressure to globalize as they are forced to specialize in certain niche areas" (Luostarinen *et al.* 1994:145). Luostarinen's (1979) seminal study divides the underlying factors leading to internationalization of Finnish SMEs into three categories: macro, micro, and milli-micro factors. Macro factors include the home country -related push factors (that is, the smallness and openness of domestic markets, and the location of the country), and the target country related pull factors (that is, the openness and size of foreign markets). Micro factors include, among others, the advantages of economies of scales, specialization, and the coverage of research and development costs. Finally, milli-micro factors refer to the decision-making behavior of the firm. According to Luostarinen (1979), decision-makers tend to be rigid in choosing new and unfamiliar product strategies. He

argues that through international experience and organizational learning, firms increase their knowledge and decrease lateral rigidity towards internationalization. (Luostarinen 1979).

Luostarinen (1979) has described the internationalization process of Finnish industrial firms with POM (Product, Operation, Market) posture. Based on the POM-posture, Luostarinen (1979) developed a stages model which explains internationalization as a step-by-step process. The process is divided into stages (starting, development, growth and mature stages) on a basis of the changes in the product, operation and market patterns. According to Luostarinen (1979), companies tend to start internationalization by selling goods through non-direct investment marketing operations to countries that are geographically, culturally, and economically close (that is, markets with short business distances). However, deviations from the pattern can be identified (e.g. Luostarinen *et al.* 1994). The POM-strategy may be rejected for example because some products are global in nature. The internationalization concept has been extended to also include the inward and co-operative modes of internationalization (e.g. Luostarinen *et al.* 1994).

The Scandinavian research tradition has provided a conceptual instrument to view SMEs as a part of an integrated network. Holmlund & Kock (1998) have studied relationships and the internationalization of Finnish SMEs. They found that the business network of the firm impacts the internationalization process, because it provides information and resources. It also influences the operation mode, which is often indirect and influenced by actors in the network.

2.4.   Importance of Languages for SMEs

The fourth layer of context for this thesis is management and staff. The importance of language becomes apparent at the individual level. The third layer is also discussed in Section 2.5., from the view of top management´s language skills.

"The importance of multi-lingual competence in the contemporary business environment is so palpable and so universally recognized as to be a cliché" (Shanahan 1996: 315). However, Marschan, Welch and Welch (1997:591) argue that this fact has been so readily accepted "that language seems to have almost disappeared from research on international operations, despite the fact that language aspects often emerge in investigations of international business." In a later paper

(Welch, Welch & Marschan-Piekkari 2001), the same authors argue that language has been erroneously bundled with various concepts, such as culture and psychic distance. They state that "the bundling of language […] has masked its independent and influential role in various aspects of international business operations" (Welch *et al.* 2001: 194).

As early as the 1970s, researchers at the University of Uppsala separated "differences in language" from other factors when they defined the term "psychic distance" (Johansson & Vahlne 1977:24). When conceptualized, the term of "psychic distance" was defined as "the sum of factors preventing the flow of information from and to the market. Examples are differences in language, education, business practices, culture, and industrial development" *(ibid.)*. Nevertheless, language is rarely seen as an independent variable having its own effects on strategy and management (for further discussion, see e.g., Harzing & Feely 2008)

We would argue that language does deserve independent investigation. In fact, the widely held view about the unimportance of foreign languages in the native English-speaking business world has come under considerable criticism (e.g. Enderwick & Akoorie 1994). Bloch (1995:25) states that "the misconception that English is sufficient should be laid to rest once and for all." Nevertheless, English is still considered the international language of business and the "more tightly integrated world generally favors the spread of English" (Maurais & Moris 2003:9).

Research has shown that firms in some countries face more language-related difficulties than others. Clarke (1999) studied foreign language training among English-speaking exporters. He found that "a high level of foreign language skill does not appear to be an essential prerequisite for success in exporting to non-English speaking markets, primarily because English is indeed close to becoming the universal language of business worldwide" (Clarke 1999:13). Nevertheless, Clarke (*ibid.*) argues that "some competence in the language of a foreign target market can be immensely valuable in successfully completing the preliminaries to doing business and also in gaining a deeper understanding of the attitudes and behavior of prospective foreign customers".

Despite the importance of English in business communication, foreign language competence facilitates international business. Foreign language competence influences the international buyer-seller relationship, establishes trust, signals commitment and respect for the customer, and has a major effect on the atmosphere that characterizes the relationship (Turnbull & Welham 1985). Swift

(1991:43) posits that cultural aspects are important in communication, and that "foreign language competence helps greatly in understanding foreign business practices."

Crick´s (1999) investigation about SMEs use of language in export operations reveals that small and medium sized businesses recognize the importance of languages to their businesses. Crick (1999:25) states that "it was interesting to note that many firms, particularly very small ones, perceived that this [languages] might enhance their image and to a lesser extent increase orders; an increase in competitiveness was not viewed as a benefit [resulting from languages]." However, the empirical study showed that SMEs did not use languages. Crick (1999) notes that this was explained by the interviewees to result from the fact that English was widely spoken in business. Clarke (2000) also echoes this dichotomy between what companies say and what they do. He continues by noting that "most companies explicitly state that foreign language skills can contribute to success in exporting" and that 86% of respondents stated that it was "important", "very important" or "essential" to be able to understand the language of their export customers (Clarke 2000: 82). However, "two thirds of them conduct their export business entirely in English" (Clarke 2000: 83).

Research recognizes the gap between what is said (acknowledgement of the importance of language skills) and what is done (acting on this knowledge) (e.g, Crick 1999; Clarke 2000; Cromie, Clarke & Cromie 1997). In 1995, Visser wrote a defense of small business strategies in the United Kingdom. The article was a response to the castigation of British firms due to slow adoption of comprehensive language policies. Visser (1995) recognizes that resource-poor SMEs may have difficulties in communicating in their customers' languages. There seems to be a consensus among British small business managers that the primary benefit of using the customers' language is to appear polite and to show commitment to the particular foreign market (*ibid.*). Furthermore, Clarke (2000) notes that for Irish exporters, language skills tend to be needed for relatively low level daily communication, such as telephone calls and routine letters. Language skills are not needed as much in rare occasions, such as negotiations, which require higher-level language skills (*ibid.*).

2.5. Effects of **Top Manager's** Language Skills on SME Internationalization

This section continues to discuss the third layer of context, which is the management and staff level. Research has consistently found top management to be the most important force behind a small firm´s export effort. Management has direct responsibility and involvement in the initiation, development, sustenance of a firm´s export effort. Thus, managerial attributes have been researched extensively (e.g. Swift 1991; Leonidou *et al.* 1998; Williams & Chaston 2004).

In his seminal study, Perlmutter (1969) proposed that top management is important in shaping a firm's international involvement. Perlmutter (1969) delineated three types of headquarter orientation toward subsidiaries in an international enterprise: (1) an ethnocentric approach which is home-country oriented; (2) a polycentric approach which is host country oriented; and (3) a geocentric approach which is world-oriented. In their research on a firm's pre-export activities, Wiedersheim-Paul, Olson, and Welch (1978:48) emphasize the importance the "decision-maker's international outlook". Reid (1981:107) introduces the term "foreign market orientation" when explaining the impact of the decision-maker on the firm's foreign entry and export behavior. Also the top manager's age, educational level, prior foreign exposure, together with attitudinal sets, have been proposed as predictors of export behavior of firms (e.g., Reid, 1983; Turnbull and Welham, 1985).

Leonidou, Katsikeas and Piercy (1998) reviewed 46 studies conducted on the role of managerial characteristics influencing the export behavior of a firm. Twenty of the reviewed studies focus on the significance of the decision maker's linguistic abilities. Of these, fourteen studies relate this variable with export engagement. Nine studies draw the conclusion that managers with good languages skills are more likely to start export operations than monolingual managers. Other researchers put forward a number of ways that language skills may positively affect export business performance, including a better understanding of foreign business practices. (Leonidou *et al.* 1998).

In addition to studies reviewed by Leonidou *et al.* (1998), a number of other studies have concluded that firms with a good track record of successful exporting tend to be managed by executives with good language skills. For example, Turnbull and Welham (1985) argue that a high level of language skill can contribute to the export development process by improving the exporter's ability

to assess market information and to understand foreign business practices and culture. Turnbull and Welham (1985:39) enumerate the advantages of language skills which:

> "1) show an interest in the culture of the customer's country and often smooth the path of negotiation by facilitating social contacts; 2) allow a relationship of trust to develop; 3) improve the flow of communication both to and from the market; 4) improve ability to understand the ethos and business practices of the market; 5) improve ability to negotiate and adapt product and service offerings to meet the specific needs of the customer; and give a psychological advantage in selling."

Also Burton and Schlegelmilch (1987:47) find that "exporting firms show a higher level of formal education and apprenticeship training among senior managers, have more managers fluent in a foreign language – although cause and effect was nor established – and attach more importance to training". A recent study by Stoian and Rialp-Criado (2010) supports these findings. The authors analyzed export behavior of Spanish SMEs and found that top managers´ language skills, among other characteristics, positively influence the export involvement and development in the SMEs.

Though this section focuses on the top managers' language skills, it is important to note that language skills are found to be important at various organizational levels. Enderwick and Akoorie (1994) investigated the relationships between export success and the employment of foreign language specialists in New Zealand. They found that successful companies employed specialists with a broader range of foreign language skills and higher levels of language proficiency than the less successful firms. However, a causal link between language skills and export success was not established in this study. (Enderwick and Akoorie 1994).

Table 2.   Studies on the Importance of Top Managers' Skills

Author(s)	Research Description	Relevant Findings
Burton & Schlegelmilch (1987)	Empirical study of non-exporters and exporters grouped by export involvement	"Exporting firms show a higher level of formal education and apprenticeship training among senior managers, have more managers fluent in a foreign language – although cause and effect was nor established – and attach more importance to training" (p. 47).
Enderwick & Akoorie (1994)	Empirical pilot study of the relationship between export success and foreign language specialists (FLS).	Successful export firms employed more FLS than unsuccessful ones. Those with specialist language skills were more likely to be employed in the marketing department. Thus FLSs can benefit from functional training. However, a causal link between language skills and export success was not established in this study.
Leonidou, Katsikeas & Piercy (1998)	Review of 46 studies on the role of managerial characteristics in export behavior.	Nine out of 14 of the reviewed studies on language and export engagement concluded that "managers with a good command of foreign languages are more likely to initiate export operations, as opposed to those who are monolingual. […] Other researchers posited several ways that linguistic proficiency may positively affect export business performance: it may help establish social and business contacts abroad, improve communication and interaction with foreign customers, assists in understanding foreign business practices, and facilitate effective planning and control in overseas markets. This assertion was confirmed in four of the five studies investigating this association." (p. 89).
Perlmutter (1969)	Conceptual paper on headquarter orientation towards its subsidiaries	Makes a distinction between home country orientation, host country orientation and world-wide orientation
Reid, S.D. (1983)	Empirical study of managerial and firm influences on export behavior.	"Firm and managerial variables are more successful in explaining export entry behavior than export commitment." (p. 327) The absolute level of trained human resources is a significant explanatory factor of export behavior" (p. 329.)
Stoian & Rialp-Criado (2010)	Empirical multiple-case study of managerial characteristics and export behavior	Managers´ language skills, among other factors, positively influence the export involvement and development of SMEs.
Swift (1991)	Review of studies relating to foreign language ability and international marketing	Foreign language skills are found to be "extremely important" (p.43), but the author finds that the ability to get along with others and to establish functioning relationships is more important. The author notes that language skills should not be thought of as an "instant remedy or panacea" (p. 43).

Turnbull & Welham (1985)	Empirical study of marketers' education levels, experience and language skills carried out among French, German, Italian, Swedish and British companies.	"In addition to having a direct bearing on international buyer-seller relationships, foreign language skills are also important with respect to other less tangible elements of the exchange process. The ability and willingness to converse in the "local" language indicates a commitment and respect for the customer's country and company. Thus language skills may have a major effect on the atmosphere which characterizes the relationship and the success with which social distance is reduced and trust established." (p. 38).
Wiedersheim-Paul, Olson & Welch (1978)	Conceptual paper that develops a model that stresses the importance of pre-export behavior and firm activities for the export starting	The model emphasizes the importance of the decision-maker. The authors also note that an international outlook will impact the firm´s pre-export behavior.
Williams & Chaston (2004)	Empirical study of the international background and language skills of export managers in SMEs, and their export marketing intelligence behavior.	The nature of managers' language background tends to influence their information-related behavior. "Those with language skills seem more likely to focus on information-gathering activities where these skills can be most used e.g. market reports and trade fairs, though they demonstrate a limited and conservative approach to market research, using libraries, for example, more frequently than non-linguists." (p.476).

There is scant literature about the language strategies of SMEs. Therefore, only the layers of context were discussed in the literature review. The literature closely relating to our findings is discussed alongside them in Chapter 4 Empirical Findings and Analysis. Next, we will discuss the methodology of the study.

3.   RESEARCH METHODOLOGY

This chapter discusses the research design and research methods, the data analysis methods, and addresses the issues of validity and reliability.

3.1.   PIMLICO: Promoting, Implementing, Mapping Language and Intercultural Communication Strategies in Organisations and Companies

This study was undertaken as a part of the pan-European research project PIMLICO: *Promoting, Implementing, Mapping Language and Intercultural Communication Strategies in Organisations and Companies*. The PIMLICO project is an initiative targeting small and medium-sized export companies intended to reveal best practices in how to overcome language and cultural barriers in cross-border trade. The project focuses on companies which have achieved exceptional trade growth and have innovative language practices. As mentioned previously, PIMLICO is a pan-European initiative spanning 27 countries. The PIMLICO project is overseen by the Directorate-General for Education and Culture of the European Commission. (PIMLICO 2010a).

The objectives of the PIMLICO project are specified in PIMLICOs *Guidance Leaflet for the Researcher* (2010a:2-3):

- To raise awareness of the nature of language and cultural barriers in trade;
- To promote best practice amongst SMEs on how to overcome language and cultural barriers by adopting innovative practice in handling communication across borders (examples of language strategies)
- To raise awareness of the commercial value of using language strategies and their impact on a company's bottom-line with governments, business agencies, intermediary organizations (like chambers, regional governments etc);
- To identify 'magic formulas' that SMEs can apply to improve their cross-border activity, particularly in global 'foreign language' markets;
- To increase the number of SMEs making strategic use of languages;
- To increase cross-border trade by European countries.

PIMLICO's purpose is to disseminate the best examples and encourage more companies to adopt language strategies and become a more successful trader across borders. The PIMLICO project is divided into two parts. During the first phase, language support infrastructure available to companies was mapped and top-performing companies are identified in all the 27 European

countries. During the second phase, a promotional campaign promotes the best practice of the top-performing companies.

3.2. Steps of the Study

As thesis writers, our aims are academic in nature. We delivered information on language support infrastructure in June-July 2010 and company interview data in September 2010 to the PIMLICO project. This thesis has not been commissioned by PIMLICO and goes beyond the PIMLICO study. This section describes the steps of the study. The implementation of this study is in line with the guideline for executing this type of research presented by Eisenhardt (1989) in her influential article "Building Theories from Case Study Research."

"The case study is a research strategy which focuses on understanding the dynamics present within single settings" (Eisenhard 1989:534). Case studies can contain either single or multiple cases. This study involves multiple cases. The evidence in case studies may be qualitative (e.g., words), quantitative (e.g., numbers), or both. We use qualitative evidence from interviews supplemented with some quantitative data from our survey questionnaires (i.e. frequency counts; see Appendix D). Data were collected at a defined time (a cross-sectional approach).

This thesis has used a multiple-case design, as opposed to the single-case design. Yin (1989) notes that a multiple-case study is often considered more compelling, and thus the study is more robust. However, he reminds that a multiple-case study can require extensive resources and time, which can be beyond those of a single researcher. As there were two thesis writers, the work load was not overwhelming. (*ibid*).

A multiple-case study follows replication logic, not sampling logic. This study follows the literal replication logic, where cases were selected to produce similar results. This is in contrast to the theoretical replication, where cases are predicted to produce contrary results, but for predictable reasons. Literal replication was done in this thesis by concentrating on Finnish SMEs that have conducted successful international operations and have experience in dealing with international customers. Some case companies have a more holistic approach to their emergent language strategy, but no contradictory findings were discovered between the case companies. This was

expected, because the companies were not chosen to illustrate conditions where the findings would be expected to different. (*ibid.*).

As our area of research is relatively less known, case study was suitable method for this thesis:

> "Case studies can be both quantitative and qualitative." […] A case study is a useful method when the area of research is relatively less known, and the researcher is engaged in theory-building types of research. This is perhaps the most frequently used approach for the thesis and dissertation research in business studies generally, and international business research is no different" (Ghauri 2004:109)

Stake (1994) identifies three different types of case studies. *An intrinsic case study* is undertaken to gain better understanding of a particular case, not to represent other cases. *An instrumental case study* is done to provide insight into an issue or to refine a theory. The case plays a secondary role to the main goal of understanding something else. *A collective case study* takes even less interest in the particular cases. The focus is on understanding a phenomenon. Stake (1994) describes the collective case study as the following:

> "It is not the study of a collective but instrumental study extended to several cases. Individual cases in the collection may or may not be known in advance to manifest the common characteristics. They may be similar or dissimilar, redundancy and variety each having voice. They are chosen because it is believed that understanding them will lead to better understanding, perhaps better theorizing, about a still larger collection of cases" (Stake 1994:237).

Our case study represents a collective case study. Five cases were chosen to investigate if and how they use foreign language strategies. We were less interested in the particularities of the cases, and more interested in the understanding of the issue of foreign language strategies. As the concept of language strategies in SMEs is rather new to academic literature, the interest of this thesis is in theory generation from case study evidence.

Eisenhard (1989) has identified eight steps in the process of building theory from case study research: 1) getting started; 2) selecting cases; 3) crafting instruments and protocols; 4) entering the field; 5) analyzing data; 6) shaping hypotheses; 7) enfolding literature; and 8) reaching closure. Eisenhardt's (1989:532-533) roadmap combines literature on "qualitative methods […], the design of case study research […], and grounded theory building […] and extends that work in areas such

as a priori specification of constructs, triangulation of multiple investigators, within case and cross-case analyses, and the role of existing literature."

Figure 3.Steps of the Study

| Getting started | Crafting instruments | Selecting cases | Entering the field | Analyzing data | Emerging theoretical model | Enfolding literature | Reaching closure |
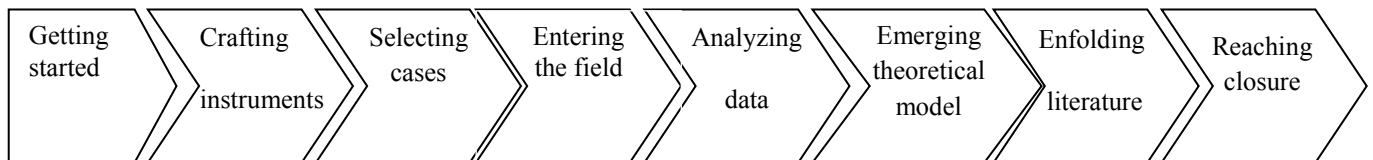
Source: Based on Eisenhard (1989:533).

3.2.1.   Step 1: Getting Started

We were approached by out thesis advisor and offered the possibility to get involved in the PIMLICO project. Our first step in the process was to familiarize ourselves with the PIMLICO EU project guidelines and aims. The PIMLICO project is overseen by the Directorate-General for Education and Culture of the European Commission in the wake of the ELAN Report. The report highlighted the concern that there was a loss in trade due to difficulties in communicating in foreign languages. The ELAN Report was published in 2006 by the Commission. ELAN's "objective was to provide the Commission and decision-takers in Member States with practical information and analysis of the use of language skills by SMEs and the impact on business performance" (ELAN 2006:4).

Similarly, the PIMLICO project has practical aims. For the PIMLICO project, we were instructed to 1) identify five best-practice case studies from amongst top-performing SMEs in Finland; 2) interview the selected companies to describe, verify and determine the depth and quality of the language and communication practices ('language strategy') in place and their impact on trade, and 3) review and map the business support infrastructure available to international SMEs in Finland with reference to language support. We were instructed to select one exemplar Finnish SME from amongst the five chosen case companies who would be invited to 'Languages for SME's' conference in Brussels in September 2010, within the context of the European Day of Languages 2010 (European Commission 2010). The Invited SME representatives, that have successfully used

language strategies for their businesses, were to contribute with their own testimonials. (PIMLICO 2010a, 2010b).

As thesis writers, we were less interested in the particularities of the singular cases, and more interested in the understanding of the issue of foreign language strategies in SMEs doing business abroad. We defined our thesis research questions in broad terms. As the concept of 'language strategies in SMEs' is new in academic literature, we realized early on that our research question could shift during the research process. In fact, the research focus emerged after the data collection had begun. We started by looking for formal, written language strategies, but during the research process our focus shifted to emerging strategies. We found out early on that SMEs do not have written language strategies.

We outlined the research problem, and identified some potentially important components of language strategies, with reference to PIMLICOs guidelines and academic literature. However, at the beginning of the research process, we avoided thinking about specific relationships between variables and theories. We started the research process with an open mind, and were prepared to shift research focus, if needed.

3.2.2. Step 2: Crafting Instruments

The following will discuss the data collection methods, the survey questionnaire and the interviews.

Data Collection Methods

Theory-building researchers tend to combine multiple data collection methods (Eisenhardt 1989). Yin (1989) emphasizes that a major strength of case studies is the opportunity to use many different sources of data. For this study, we used documents; data bases; survey data; face-to-face interviews; and observation when making field visits to the case study sites. Multiple sources contributed to revealing aspects unknown to us, that is, to discover new dimensions of the research problem. (See also section 3.2.5.).

Table 3. List of Data Sources

Source	Description	Purpose
ProFinder B2B (Fonecta)	Tool for sales and marketing professionals containing Finnish companies management contact information	Retrieving company information Finding suitable companies
Voitto+ CD (Suomen Asiakastieto Oy)	Financial statements data on Finnish companies and groups	Retrieving company information Finding suitable companies
Finnish Exporters Database (Finpro)	Information about 1300 Finnish exporting companies, their products and services	Retrieving company information Finding suitable companies
Kauppalehti's online ranking lists	Lists of top performing Finnish companies	Finding suitable companies Finding suitable companies
Internationalization Award of the President of the Republic	Granted once a year for successful export operations	Finding suitable companies
World EXPO 2010 Shanghai	Many internationally successful companies participate in the World EXPO	Finding suitable companies
Articles	Online/newspaper articles	Finding suitable companies
Survey questionnaire	Survey questionnaire sent out to 134 companies, 21 replied	Finding the case companies for interviews
Case company interviews	Five case companies and seven interviewees	Basis of research
Emails	Email correspondence with case companies	Setting up meetings Getting company information
Company websites	Case company websites, and to verify information about survey companies	Finding information about specific companies
Case company magazines and brochures	Case company material	Getting company information
Case company job applicant	Job applicant who applied for a job at Case 1	Triangulating the information given by Case 1 and by the applicant
Fintra interview	Interview with the Competence Development Manager	Finding out about management and language training offered to companies
Finnish-Russian Chamber of Commerce interview	Interview with the Human Resource Manager	Finding out about languages in Finnish-Russian trade
Finnish Association of Translators and Interpreters Meeting	Prof. Piekkari and one of the thesis writers presented the preliminary findings of the study and received feedback from the translators and interpreters	Receiving alternative views on the translation issues

Survey Questionnaire

We did not know which SMEs, if any, had language strategies. Since we did not have a suitable population of SMEs from which to conveniently choose case companies to be interviewed, we started with a survey. Thus, a survey questionnaire had to be crafted.

It was realized that a good survey involves planning and attention to detail throughout the process. Bateson (1984), quoted in Hutchinson (2004), offered three respondent conditions necessary for useful data construction, which are the respondent's 1) understanding, 2) ability and 3) willingness. Hutchinson (2004:288-289) elaborates:

> "The respondent's understanding involves his being able to adequately decipher and interpret the items and response options on a survey, whereas ability includes not only familiarity with the topic but also accuracy in recalling information. However, neither ability nor understanding is of much use if the respondent is not a willing participant in the survey […] It is the responsibility of the researcher to ensure, through judicious decisions made during the planning and implementation of the survey, that understanding, ability, and even willingness are present among respondents."

The survey questionnaire was written in Finnish. The construction of the survey instrument was an important step. We had to determine what questions to ask − and how to ask them − to elicit the desired information. We carefully chose the wording that would suit the desired respondents (i.e. company directors). Special attention was paid to the terminology. For example, as the concept of 'language strategies' is new to SMEs, we used the wording 'commonly used practice' ('toimintamalli' in Finnish). The survey questions are of two types: open-ended and structured. Despite their usefulness, open-ended questions were cautiously used, given that they could reduce response rates, because of the greater demand they place on the respondent. The order of the questions, the overall layout, and the length of the survey were carefully considered. Our thesis advisor was closely involved in the construction of the Finnish survey instrument. (See Appendix C).

Interviews

The interview guide and the main face-to-face questions were provided by PIMLICO (See Appendix 2). The purpose was to describe, verify and determine the depth and quality of the

language strategies in place, and their impact on cross-border trade. The general interview guidelines encouraged us to also ask about success stories and failures.

PIMLICO had divided the face-to-face questions into four sections: 1) the company (trading profile, foreign markets, foreign language strategy, language and culture-related barriers); 2) discrete strategies (languages, intercultural competence and training, native speakers, local agents, translators and interpreters); 3) language support measures and partnerships (audits and training); and 4) marketing and publicity (website adaptation). (PIMLICO 2010; See Appendix 2).

Two field visits were made to the Case 1 company premises in summer 2010 order to interview both the Managing Director (during the first visit) and the Human Resources Manager (during the second visit). One field visit was made to the Case 2 company site, where a group interview was conducted with the Chairman of the Board and the Managing Director. Again, if both the Chairman of the Board and the Managing Director agreed on an issue then it is more than likely to be a true finding. One field visit was made to the Case 3 company premises in order to interview the Managing Director. Given the time constraints and the tight schedule of the Managing Director of Case 4, the interview took place in the World Trade Center in Helsinki, though the company is located in elsewhere. Finally, one field visit was made to the Case 5 company premises to interview the Marketing Communications Manager.

Fontana and Frey (2000) note that the decision on how the interviewers present themselves is important. In our study, the survey questionnaire's front cover had the logos of Aalto University School of Economics, the EU Education and Culture Directorate General and Semantica Ltd. This helped to convey the image of professionalism and authority. When we conducted the case interviews, we emphasized that the research was a part of an EU project. We told the interviewees that the interview data would be used also for this thesis. However, casting ourselves as interviewers for an EU project probably brought more authority to the interview process.

All interviews were conducted in Finnish and recorded on a tape. The interview material was transcribed in Finnish shortly after the interviews had taken place. All the material (both from the survey and the interviews) was then translated in English together by the two thesis writers. When translating the material in English we discussed the cases and began the case analysis.

3.2.3.   Step 3: Selecting the Cases

The case selection process in itself consisted of four phases: 1) selecting SMEs for the survey; 2) mailing the survey questionnaires; 3) analyzing the survey responses; and 4) choosing the cases. (See Figure 4 below).

Figure 4. Case Selection Process

Sampling

We were very careful in selecting the companies. Eisenhardt (1989: 537) emphasizes that for theory building research "the concept of a population is crucial, because the population defines the set of entities from which the research sample is to be drawn. Also, selection of an appropriate population controls extraneous variation and helps to define the limits for generalizing the findings."

Companies were selected from a population of small and medium-sized, top-performing Finnish export companies operating in different market sectors. Companies were qualified as small or medium-sized companies if they fulfilled the staff headcount and financial ceilings recommended by the Commission of the European Communities (see section 1.4.1. for definition). Focusing on SMEs constrained variation due to size differences among the firms. The focus on top-performing companies ensured that all selected companies potentially had financial resources to devote to language issues. As the study was undertaken in summer 2010, when a world-wide financial crisis hit most exporting companies, their earlier financial performance was observed when selecting an appropriate population. The population represented a broad reflection of economic activities (NACE categories) engaged in export. Companies were chosen from all over Finland in order to avoid sampling bias based on one region.

Various data bases were used to select an appropriate population for the survey. Firstly, we used *Fonecta ProFinder B2B,* which is a tool for sales and marketing professionals containing Finnish

companies' management contact information. It also contains information on companies' financial performance. Secondly, we used the *Voitto+ CD* published by Suomen Asiakastieto Oy, which contains the financial statements data of Finnish companies and groups. Thirdly, we used *Finpro Finnish Exporters Database*, which contains information about 1300 Finnish exporting companies, their products and services. All three databases make it possible to search for companies by industry codes, by turnover classes, by company name, or by location. Fourth, we used the financial newspaper *Kauppalehti*'s online ranking lists of Finnish top performing companies. Our Case 1, for example, is ranked by *Kauppalehti* as a high-flier (34th in Finland in February 2011), as a growth company, and as a revenue maker. Fifth, we used the *Internationalization Award of the President of the Republic* award winners' lists. The award is granted every year as a token for successful export operations. The 2010 internationalization award was given to Case 1. Sixth, we used records of Finnish companies who attended the World EXPO 2010 Shanghai China. Finally, we used company websites, news clippings, and articles from the mass media. When undertaking the postal survey, firms were drawn from these sources.

Mailing the Survey Questionnaires

The survey questionnaires were mailed to 134 Finnish SMEs in late June 2010 (see Appendix C for the survey questionnaire). The timing of the mailing was determined by PIMLICO's time schedule. The questionnaires were first mailed in paper format with a pre-paid return envelope and later, as a reminder, by e-mail. They were addressed to the managers involved with the company's language strategies (managing directors, information officers, export directors, or personnel directors). The names and addresses were obtained from data bases (Voitto+ CD published by Suomen Asiakastieto Oy and Fonecta ProFinder B2B).

Analyzing the Survey Responses

A total of 21 out of 134 contacted companies responded by mail or email. The reason for the 16% response rate is likely to be the timing of this pan-European study which fell into the midsummer period, i.e., late June and early July 2010. The respondents represent different economic activities (NACE categories), come from different geographic locations and are representative of Finland's export profile (in terms of the pattern of trade destinations by country for exported goods and services).

We translated the survey responses from Finnish to English. We carefully reviewed the responses. Some companies appeared to have a higher level of interest in the language-related issues that were asked in the questionnaire. Such companies were considered as potential candidates for face-to-face interviews. We chose the cases as described below.

Choosing the Cases

Based on the questionnaire survey responses, five case companies were chosen for face-to-face interviews. They were not chosen randomly. The case companies were selected on the basis of their international business profile, geographical spread, and industry. We wanted to avoid having a biased sample.

We chose companies which provided ample information on their language strategies already in the survey questionnaire. We expected that those firms would have a sympathetic attitude towards responding to additional language-related questions. Moreover, we hoped that various elements of foreign language strategies would be observable in those companies. We expected these companies to have language-related best practices. We interviewed managers with responsibilities for cross-border trade (typically the owner/managing director). The data collected with the survey was also used when analyzing the findings.

We decided to anonymize the case companies and the interviewees. We were more interested in finding patterns across the cases than studying particular cases. The case companies were chosen from different municipalities and regions (Uusimaa, Southern Savo, South Ostrobothnia and Northern Ostrobothnia) in order to avoid sampling bias based on one region. The case companies are involved in different lines of business (NACE categories). They are all limited companies engaged in export. (See Table 4).

Table 4. Case Companies: Home Municipality and Main Line of Business

Case	Home Municipality	Main Line of Business	Examples of Products
Case 1	Helsinki, Uusimaa	Other manufacture of products n.e.c. (32999)	Designer bags for electronic consumer devices, e.g. laptop, mobile, MP3 and game bags
Case 2	Ähtäri, South Ostrobothnia	Manufacture of builders' ware of plastic (22230)	Waterproof and chemical resistant doors
Case 3	Oulu, Northern Ostrobothnia	Manufacture of other electrical equipment (27900)	Optoelectronic products, measuring systems and training systems for armed forces, law enforcement and sport
Case 4	Mikkeli, Southern Savo	Mechanical and process engineering design (71127)	Thermal wood-modification technology
Case 5	Mäntyharju, Southern Savo	Manufacture of power-driven hand tools (28240)	Hewsaws for cutting small and medium logs

Source: http://www.ytj.fi/ Joint business information system of the National Board of Patents and Registration and the Tax Administration

The case companies represent slightly different sizes within the SME category. (See table 5).

Table 5. Case Companies: Year of Foundation, Personnel, Net Sales and Return on Investment in 2009

Case	Year Established	Personnel (in 2009)	Net Sales (in 2009)	Return on Investment (%) (in 2009)
Case 1	1994	44 *)	23,8 million EUR	43,0 %
Case 2	1967	39	5,1 million EUR	29,3 %
Case 3	1994	27	5,3 million EUR	25,4 %
Case 4	1996	20 **)	3,9 million EUR	-5,6 %
Case 5	1978	138	26,7 million EUR	4,0 %

Source: www.profinderb2b.fi

*) 60 at the time of the interview in 2010; 75 in early 2011
**) 7 at the time of the interview in 2010

The case companies have noteworthy international experience (See Table 6).

Table 6. Case Companies: International Experience

Case	Internationalization Began	Most Important Export Markets	Subsidiaries	Percentage of Sales from Exports
Case 1	1990s	Germany, France, Russia, USA, Japan, Mexico	China, Japan, USA, France, Germany	98 %
Case 2	Late 1970s	Sweden, Great Britain, Russia	Great Britain	50 %
Case 3	1990s	EU, South America	---	98 %
Case 4	1990s	Austria, Germany, USA, Japan	USA	over 90 %
Case 5	1980s	Europe, Russia, North America, Australia	Germany, Sweden, Canada, Australia, South Africa	80-90 %

Case 1

Case 1 is specialized in design bags for portable electronics. Its collection includes a broad range of bags for mobile phones, MP3 players, cameras, gaming consoles and laptops. The company combines fashion and technology, and its bags have customers across the world. The company's asset is its design, which is characterized by the use of bold colors, trendy prints, and high quality materials. Its distinctive style is created by a Finnish design team in Helsinki. The bags are manufactured in southern China, and sold cross the world both in electronics stores and departments.

The company was founded 1994 in Kolla, a village community nearby Rauma, by two brothers. The two brothers crafted design furniture from metal in their father's workshop. They soon realized, however, that it would be more profitable to focus on design products of smaller size. The business focus was shifted and it paid off. The company changed direction and entered the portable electronics accessories market in 2001. The portable device market had started to grow, and one of the most innovative partners in this business, Nokia, was just around the corner. The company realized the market potential for fashionable mobile phone accessories. Nokia was a trailblazer for the company and in some markets the company still uses the same retail channels as Nokia.

The company has grown fast, keeping profitability at a high level. At the time of the interview, the number of staff was about 60 people in Finland and abroad. In addition to the Helsinki-based main office, the company has sales offices in China (Shanghai), France (Roubaix, located to the north-east of Lille), Germany (Essen), Japan (Tokyo), and the United States (Chicago). The company's corporate language is English. Today, the company is a mobile lifestyle trendsetter, featured in international design magazines. The company showcased its products also in the Finnish pavilion at Shanghai World Expo 2010. Portable electronics accessories are global, so from the very beginning the company has striven to become an international player in the industry. In 2010, 98% of the company's sales came from exports. President of the Republic, Tarja Halonen, granted the 2010 internationalization awards to the company.

The Human Resources Manager answered the survey questionnaire. Both the managing Director and the Human Resources Manager were subsequently interviewed face-to-face. Amongst the five case companies, we selected Case 1 as an exemplar Finnish SME to be invited to 'Languages for SME's' round-table in Brussels in September 2010, within the context of the European Day of Languages 2010. The goal of the event was to make SMEs aware of how they can increase the business opportunities available to them through improved foreign language skills. The Human Resources Manager of Case 1 contributed to the event with her own testimonial regarding the use of languages for their businesses. Her contribution in the round-table discussion is available online (European Commission 2010).

Case 2

Case 2 is a Glass Fibre Reinforced Polyester (GRP) door manufacturer in Ähtäri, South Ostrobothnia. The company produces custom-made doors that are seamless, non-porous and extremely durable. The doors are especially suited for in-doors facilities that require water- and moisture-proof doors, which are very hygienic. The doors are used in buildings where strong disinfectants and chemicals are used, such as laboratories, hospitals, food production areas and electronics plants. Case 2 has a subsidiary in the UK and an office in St. Petersburg, Russia. The company is one of EU´s largest and most experienced manufacturers in its field. Case 2 has supplied over 140,000 doors to customers all over the world. The business-to-business nature of the industry means that the company has close contacts with its customers. All doors are made to the customer´s specification. Case 2 is very customer-orientated and focuses on customer satisfaction.

For example, the company encourages its international customers to visit Ähtäri to see the production facilities.

The company was founded in 1967 by the Chairman of the Board. He was the managing director of the company until his daughter, the current managing director, took over in 2001. The case company started export operations in the late 1970s. At the time, the company was manufacturing boats, and this was their first export product. The case company first internationalized to the Nordic countries. Since then, the company has expanded its export operations, as well as establishing its subsidiaries. Today, the company exports over 50% of its production. The most important export markets for Case 2 are Sweden, Great Britain and Russia. The company belongs to the South Ostrobothnia Chamber of Commerce, Finnish-Russian Chamber of Commerce, and the Plastics and Chemistry Industry Organization.

Case 2 is a family company, and now the Managing Director is the daughter of the Chairman of the Board. The Chairman of the Board answered the survey questionnaire. Both the Chairman and the Managing Director were interviewed for this thesis in a joint interview. The Production Manager gave the interviewer a tour of the production facility. He also explained the production process and noted that the expensive production machinery produced a very high quality product. Some of their competitors use cheaper machinery, and thus their doors are not as durable and water-proof.

Case 3

Case 3 is located in Oulu, in the region of Northern Ostrobothnia. It specializes in the design and manufacture of optoelectronic products. A number of the products have been patented. A quick Internet search in the European Patent Office database espacenet.com with the company as the 'patent applicant' resulted in eleven patents in December 2010.

The company was founded in 1982 by fellow students from the Department of Electrical Engineering at the University of Oulu. Today, one of the original founders is the head of optoelectronics and measurement techniques laboratory at the University of Oulu. The other original founder became the managing director of the company in 1986, and he is still heading the

company. In addition to private owners, company shares are held by an investment company operating in Northern Finland, Oulu and Lapland regions.

The company has 27 employees and they all work all in the offices located in Oulu Technopolis, which is a cluster of almost two hundred companies. The area is one of the most important centers of technological development in Finland. The Technical Research Center of Finland (VTT) and the University of Oulu are in its immediate vicinity. The University is an important partner for the company, especially in the area of basic research. The company is a member of Oulu Chamber of Commerce and the Federation of Finnish Technology Industries.

The company has grown steadily. It was evident for the company from the beginning that it would need to find customers all around the world. Since 1982, the company has supplied products and systems for sport shooters, armed forces and law enforcement in more than 70 countries all over the world. Up to 98 % of the production is exported annually. The major markets for its products are in the European Union, although not for all products. Other import markets are Japan, South Korea, China, India, Pakistan, Saudi Arabia, the United Arab Emirates, Turkey, Egypt, Colombia, Peru, Chile, Venezuela, Brazil USA, Nigeria, and South Africa.

The Managing Director answered the survey questionnaire. He was subsequently interviewed in a face-to-face interview in the company premises in Oulu.

Case 4

Case 4 is a global leader in thermal wood-modification technology. The technology and the processes have been developed by the company, and they are protected by a trademark. The process produces heat-treated wood, which meets the strictest norms for decay resistance, and is more environmentally friendly than chemically impregnated wood. The company has gained its knowledge through intensive R&D, experimentation, and collaboration with the Mikkeli University of Applied Sciences and with other research centers.

The company is in Sitra's (the Finnish Innovation Fund) Environmental Programme portfolio of clean, energy-saving technologies. The goal of the venture-capital investments of the

Environmental Programme is to accelerate the internalization and growth of Finnish environmental sector SMEs and start-ups. The company is located in Mikkeli, in the region of Southern Savo. The company has a branch office in the United States (Duluth, Georgia) and agents in South America (Chile), South-East Asia (Kuala Lumpur, Malaysia) and Germany. An agency agreement is about to be finalized also in France.

The company has tried to enter the French and Russian markets with an export ring. The export rings are joint projects of companies from Southern Savo operating in a close by sector. The export ring groups are led by an experienced local joint export manager who knows the local languages and business culture, as well as the field of business. Other benefits of the export ring projects are a low starting threshold, existing contacts, and cost-efficiency.

The Managing Director answered the survey questionnaire. He was subsequently interviewed in a face-to-face interview in the World Trade Center in Helsinki.

In March 2011, we learned that the company has gone under bankruptcy in February 2011, about six months after the interview. This, however, does not undermine the language-related findings of this research.

Case 5

Case 5 is a private, family-owned hewsaw manufacturer located in Mäntyharju, South Savo. The company produces hewsaws for small and medium-sized logs. Case 5 sells saw machines that are of the high quality, due to the emphasis on continual product development. The company´s largest subsidiary is in Canada. Other subsidiaries are located in Germany, Sweden, Australia and South Africa.

The company was started by four brothers who developed their first balk hewing machine for their own use. It was later developed into an ideal small log saw. Manufacturing could begin. By 1976, Case 5´s machines hewed 100% of Finland´s square timber exports. After the demand for square timber collapsed, the brothers developed a small log saw. In the 1980s, the trademarked HewSaw became the first product to be sold abroad, which kick-started the internationalization process. The

quality and technological superiority of the HewSaw generated great interest internationally. "HewSaw precise circular saw engineering, excellent curve sawing features, compact size and efficiency all resulted in good quality lumber and chips, not to mention the good income it brought to the HewSaw miller" (Veisto 2011).

In the 1990s, the founding brothers turned the business over to the next generation. Internationalization began in earnest. New markets were found outside the Nordic countries and subsidiaries were set up in the most significant markets. The company invested in factory extensions and machinery with the goal of starting mass production. Now over 80% of production is exported. Case 5 is one of the leading manufacturers of high production saw machines and over 300 saw mills around the world count on the company´s machines.

In Case 5, the Marketing Communications Manager responded the survey questionnaire and was then interviewed face-to-face on the company premises.

3.2.4. Step 4: Entering the Field

Eisenhardt (1989) notes that "a striking feature of research to build theory from case studies is the frequent overlap of data analysis and data collection" (1989:538). This overlap is strong in our thesis. We first analyzed the survey results. The survey respondents who provided ample information or interesting examples were considered to be the most promising case company candidates. The analysis of the survey results also gave us an understanding of the level of attention paid to language issues in companies. Interesting issues that were mentioned by our survey respondents were then brought up in the interview.

We received a very warm welcome from all the interviewees. The interviewers kindly gave their time for even 90 minute interviews and willingly discussed their views on language issues. The interviewees were welcoming in the initial emails, by offering to pick up the interviewer from the train station or by asking if they should prepare for the interview in any way. The interview process was very pleasant and we received the full attention of our interviewees. The interviewees considered our questions carefully and gave us interesting examples from their businesses.

We took an insider-outsider approach to the interviews. None of the interviews were conducted with both thesis writers present. Our thesis advisor Professor Piekkari participated in three of the interviews. After each interview was conducted, we immediately discussed the interview. We discussed interesting findings, and when more interviews were conducted, also compared the findings to each other. Since the interviews were conducted sequentially, these meetings helped us stay focused on issues of interest, and ask questions that might have otherwise gone unasked. Also, each interview was discussed based on the interview transcript. We also discussed each interview and survey answer when translating them together. The tactic of covering some case companies, but not others, is backed up by academic literature. "The rationale behind this tactic is that investigators who have not met the informants and have not become immersed in case details may bring a very different and possibly more objective eye to the evidence" (Eisenhardt 1989:538).

The interviews were semi-structured due to the PIMLICO questionnaire, but the researchers still took advantage of the flexibility of data collection. For example, when one thesis writer learned that the one case company trains its translators in industry-specific terminology, the other thesis writer asked about this issue during the following interview. The interviewers could choose to focus on issues that generated a lot of discussion or on issues that had been identified in earlier interviews. The additional questions that resulted from the thesis writers´ meeting were used to adjust the data collection method by adding additional questions to the interview.

Special opportunities arose during some of the interviews to observe the company premises. The Production Manager in the Case 2 introduced the interviewer to the production facilities. He discussed the production process and quality control issues. The interviewer was also introduced to the company premises and given information about the city. The company premises were also introduced in Cases 1, 3 and 5. In Case 1, the HR Manager introduced the company Intranet, and showed the interviewer how the working languages of each employee are listed on their Intranet profile. Another special opportunity to add data to the study surfaced six months after the interviews were conducted. A friend of one of the interviewees applied for a job at Case 1, and he was interviewed by email about the language aspect of the job interview. This brought a new perspective to the case. Eisenhardt (1989) notes that it is acceptable to alter or add data collection methods to the study when conducting theory building research. The new data can provide insights that are valuable.

3.2.5.   Step 5: Analyzing Data

Analyzing data consists of analyzing both within a particular case and also searching for similarities and differences across the cases. "The case study researcher faces a strategic choice in deciding how much and how long the complexities of the case should be studied" (Stake 1994: 238). We looked at all the data we had on one case (survey results, interview transcripts, websites, and financial information) and evaluated how the case company was dealing with foreign language issues. We organized the research data based on the categories defined by the PIMLICO interview questionnaire (see Appendix B). These broad themes allowed us to look at the data more systematically. We then identified sub-themes within the broader ones. The case data, in combination with survey data, is presented in this thematic way, including common company language, language audits, language training, recruitment, translators and interpreter, agents and company websites. Organizing the data thematically supports the collective case study method where the focus is on the collective and its theory potential, rather than the individual case. Our study is data driven. We have a loose, inductively orientated research design. The difference between inductively and deductively orientated approaches is described by Huberman and Miles (1994:431):

> "There is merit in both "loose," inductively orientated designs, and "tight," more deductively approach ones. The former work well when the terrain is unfamiliar and/or excessively complex, singles cases involved, and the intent is exploratory and descriptive. Tighter designs are indicated when the researcher has good prior acquaintance with the setting, has a good bank of applicable, well defined concepts, and takes a more explanatory and/or confirmatory stance involving multiple, comparable cases."

An important aspect of the analysis was the translation of the interviews and survey responses. The translation process forced us to think about our interview and survey material in a detailed way. Xian (2008) writes about qualitative data translation. She notes that translation is not just technical and that there are no easy techniques to overcome cultural barriers of translations. Xian (2008:232) argues for an interpretative approach where "cultural differences are negotiated in the process of data translation and that the translator is an integral part of the knowledge production process." The translator must always make decisions about how to preserve the richness of the data and how to make the translation understandable to the target audience (Xian 2008). The author continues by noting that "translation is first a sense-making exercise" (Xian 2008:240). In this study, we were aware that we should try to translate the meaning of what was said, rather than translate word for

word. We carefully considered what the interviewers said, and jointly decided on the appropriate translation.

3.2.6.   Step 6: Emerging Theoretical Model

The thesis writers began by assuming language strategies could be found in SMEs. This is because even the emerging strategies are relevant to this is study. "A strategy may be in the process of emerging; until it emerges there is no strategy" (Inkpen & Choudhury 1995:317).

The survey results showed that no written language strategies existed, and that most companies had no formal planning regarding languages. After the interviews, a theoretical model was developed that made apparent the emergent bottom-up strategy. This was a result of the data analysis and the review of academic literature. The important issues are discussed thematically to support the model.

3.2.7.   Step 7: Enfolding Literature

Due to the time demands of the PIMLICO Project, the interviews took place before academic literature was examined. Afterwards, literature on the issues discussed was reviewed. The literature in this thesis is mainly presented alongside the findings. This integrative method allows for the results and the literature to co-exist whilst providing direct comparison of the two. Tying existing literature to the theory enhances the internal validity, generalizability and the theoretical level of theory building (Eisenhardt 1989). This is particularly crucial for case studies with a limited number of cases.

3.2.8.   Reaching Closure

This thesis discusses five cases, which is the number of cases PIMLICO expected us to investigate. Eisenhardt (1989) considers four to ten cases to be a good amount for theory building. However, we did not stop at five case companies, because we had reached saturation. We had decided in the early stages of the research that we would interview five companies, as this was the number requested by PIMLICO based on the country size.

After the interviews, we sent invites to the companies to join the EU-wide language *Languages for SMEs* –conference. The conference was a part of the PIMLICO project. The HR Manager from Case 1 attended the conference.

All interviewees were thanked by emails following the interviews. Also, a copy of the thesis will be sent to all interviewees once it is completed.

3.3.   Validity and Reliability

According to Yin (1989) "The evidence from multiple case studies is often considered more compelling, and the overall study is therefore regarded as being more robust" (Yin 1989:52). In this study, we have five cases.

Yin (1989) summarizes four criteria for judging the quality of research designs. The first criterion to consider is *construct validity,* which relates to "establishing correct operational measures for the concepts being studied" (Yin 1989:40).   Secondly, researchers of explanatory or causal studies should evaluate *internal validity*, which relates to establishing causal relationships.   The third criterion to consider is *external validity,* which relates to "establishing the domain to which a study's findings can be generalized" (Yin 1989:41).   Finally, Yin (1989) lists *reliability,* which evaluates the possibility of replicating the operations of a study − such as the data collection procedures – and obtaining the same results.

In this study transparency was achieved by carefully describing the steps of the study and the selection of case companies. We also consider the results to be reliable, and believe that the research can be replicated with similar results.

In this thesis, there is an aspect of construct validity that needs to be discussed. The newness of the key concepts to SMEs presented a challenge. Since the concepts of 'language strategy' or 'commonly used practice when dealing with foreign customers' were not readily understood, it was necessary to select examples of where and how language strategies are manifested (e.g., 'language training' or 'use of local agents for language purposes'). Moreover, to reduce the likelihood of misinterpretation, we used multiple methods.

In qualitative research, triangulation aims to enhance the validity and reliability of the results. According to Stake (1994:241) triangulation is "a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretation." The idea derives from the technique of surveying land or establishing one's position on a map. In a similar vein, the idea of triangulating data rests on the idea that several observations of a single piece of data are better than one.

We employed multiple data sources. This study is based on documents and records; on the results of the survey questionnaire; and on the semi-structured interview material. For example, documents and data bases were used both in pre-interview and post-interview situations to check information. If the conclusions from each of the methods are the same, then validity is established.

We also employed multiple viewpoints for some of the cases. For example, two field visits were made to the Case 1 company premises in summer 2010 in order to interview both the Managing Director (during the first visit) and the Human Resources Manager (during the second visit). We triangulated by looking for responses that were agreed upon by both interviewees. If both the Managing Director and Human Resources Manager see the issue in a similar way, then it is more than likely to be a true finding. At a later date, in winter 2011, we triangulated also by interviewing a job applicant in Case 1. We were interested in finding out if and how his foreign language skills were taken into account in during the job interview process (see section 4.8).

Investigator triangulation was also applied during the research. Since the data was analyzed through collective expertise of two thesis writers, the reported interpretations are outcomes of an interactive and collaborative process. The interpretations from each thesis writer were systematically compared. The writers worked in the same room and discussed widely. If both writers arrived at the same conclusion, then validity was established. However, this approach required lot of time to analyze the information yielded by the different methods. Eisenhardt (1989:538) provides a special note regarding the use of multiple investigators:

> "Multiple investigators have two key advantages. First, they enhance the creative potential of the study. Team members often have complementary insights which add to the richness of the data, and their different perspectives increase the likelihood of capitalizing on any novel insights which may be in the data. Second, the convergence of observations from multiple investigators enhances confidence in the findings. Convergent perceptions add to the empirical grounding of the hypotheses, while

conflicting perceptions keep the group from premature closure. Thus, the use of more investigators builds confidence in the findings and increases the likelihood of surprising finding."

However, triangulation is not unproblematic. Ghauri (2004:116) points out that "it can be difficult to judge the accuracy if the results from different methods and sources are not consistent. […] A second problem arises when the different methods come up with contradictory results." Ghauri (2004), however, concludes that the usage of multi-method approach can be useful even if we don't get the same results. Our findings, both from the survey and the interviews, are consistent. Our empirical findings are discussed in detail in the following chapter.

4.   EMPIRICAL FINDINGS AND ANALYSIS

This chapter first introduces the model emerging from the empirical findings and extant literature. We then discuss the findings and our analysis alongside the relevant literature.

4.1.   Model Emerging from the Empirical Findings and Extant Literature

This thesis is based on continuous iteration between data, prior literature and the emerging theory. When starting this study, we set out to elicit and analyze language-related views and experiences of Finnish SMEs rather than to test a model of foreign language strategies. Nevertheless, seven components of language strategies were found to be important. Based on the empirical findings of and extant literature, language strategies in SMEs can include one or more of the following elements: 1) common company language; 2) language audits, 3) language training, 4) personnel selection and the use of native speakers, 5) translators and interpreters 6) agents and 7) company websites. (See Figure 5 below).

Figure 5. SME Language Strategies: Model Emerging from the Empirical Findings and Extant Literature

47
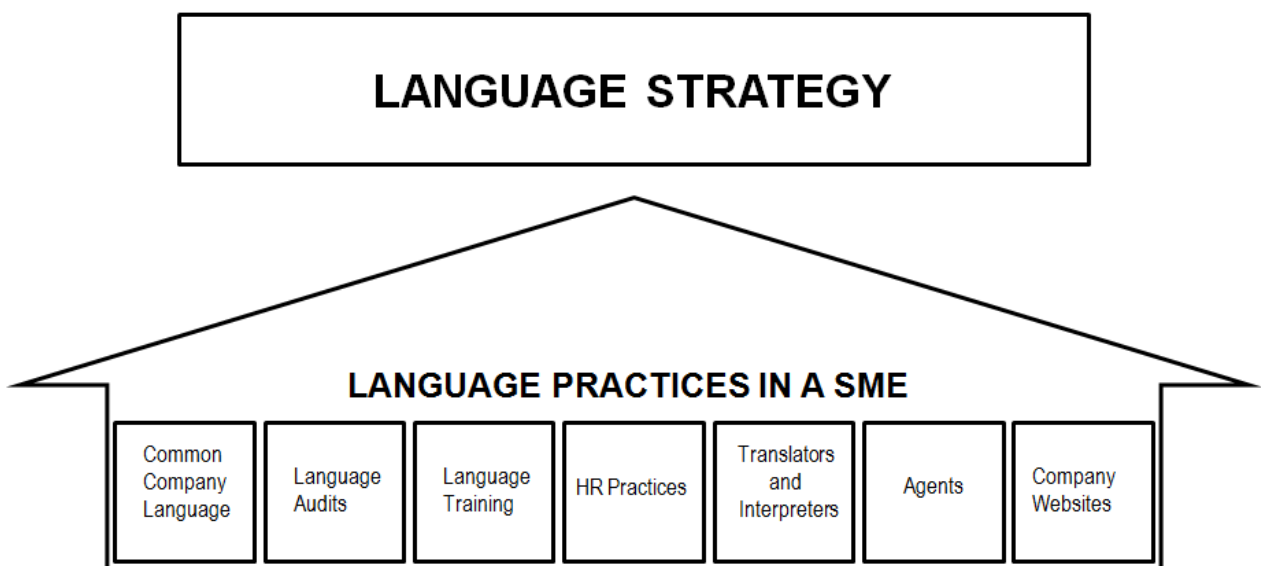
We outlined a model with enough flexibility to be generally usable. The model depicts how day-to-day practices relating to languages emerge as a bottom-up language strategy. The strength of the model is that language strategy is not seen as a formal written document, but as a result of a stream of decisions. Therefore, not having a written strategy does not mean there is no strategy at all (see e.g. Inkpen & Choudhury 1995). The model is presented above in Figure 5, and the elements are further discussed the following sub-sections.

Before introducing the seven components shown in the model above, we will discuss the concept of language strategy based on our findings. We will then highlight the importance of language skills. Finally, we will discuss the language skills of the case company managers. This discussion provides the setting against which the components are reviewed.

4.2.   Concept of Language Strategy

Some comments about the concept of 'language strategy' are in order. Professor Stephan Hagen, the research coordinator and chief designer of the PIMLICO Project, defines a language strategy as follows:

> "Language strategy means having in place planned mechanisms for dealing with language and cultural problems in given markets. Most companies wrongly interpret 'language strategy' as undertaking last minute language training, rather than, for example, developing an integrated language strategy combining several approaches within a medium to long-term plan. A holistic strategic approach tends to involve an international human resource development strategy, alongside, for example, recruitment and multilingual document management strategies […] Thinking through planning and implementing the most appropriate communication strategy for a given company can require a far-sighted and sophisticated approach to overcoming potential barriers before they happen, yet relatively few companies do so" (Hagen 2001:11)

We started this study open-mindedly, not knowing if we would find "planned mechanisms for dealing with language and cultural problems in given markets" (*ibid.*) in Finnish SMEs. Already when we constructed the survey questionnaire, we took into account the fact that SMEs might not be familiar with the concept. Therefore, we used the wording 'commonly used practice when dealing with foreign customers'. When we entered the field, it became apparent that the five case companies were not familiar with the concept of 'languages strategy'.

Case 5, Marketing Communications Manager: "I don´t know what a language strategy would be. Is it something systematic? […] No [we do not have a written language strategy] and in these things we have very little written documentation."

Case 2, Managing Director: "Perhaps with a wider interpretation [of language strategy], then yes [we have a language strategy], but nothing is written down. But languages are important to us. Half [of our production] is exported, so it is important that we have personnel that have language skills."

Some of the interviewees felt that there was no need for a formal foreign language strategy. However, the absence of a formalized language strategy should not be viewed as having no strategy at all, as evidenced by the following comments.

Case 1, HR Manager: "We do not have a written commonly used practice, but we always strive to communicate in the customer's own language, if possible. Our internal official language is English."

Case 2, Managing Director: "We have never thought that we would need a language strategy. But in a certain way, we have one; but we have never written anything down. Investing in languages is in a way a strategy. We think about this matter when recruiting staff, and always find out about their language skills. But we have never needed a written language strategy. […] We take it for granted that we need to know languages, and that certain languages are important. We have not felt that we need a separate language strategy."

All the preliminary survey respondents reported that they do not have *written* guidelines regarding multilingual situations (See Appendix D6). Yet, they recognize that languages are important for their business, and think that it is worthwhile for the company to invest in the staff´s language skills (See Appendix D3).

None of the interviewees had a holistic strategic approach to languages that would include all the components identified in Figure 5. Yet, the interviewees reported various established or emerging practices for dealing with language issues in given markets. In a similar vein, the academic literature recognizes the concept of emergent strategy (Mintzberg 1978), and even the absence of strategy (Inkpen & Choudhury 1995). Emergent strategy implies that an organization is learning by doing what works in practice.

4.3.   Importance of Language Skills

The ELAN (2006) survey of SMEs found that a significant amount of business is being lost as a result of lack of language skills. Across the ELAN sample of nearly 2000 European companies, 11% of respondents (195 SMEs), had lost a contract as a result of lack of language skills. In the present study, limited language skills had affected the ability of six of the 21 surveyed companies (or 29 %) to take advantage of business opportunities (see Appendix D7). These companies had been unable to enter new markets and realize sales.

> Company M, Managing Director: "We should have a Chinese-language Internet store, but nobody knows the language."
>
> Case 4, Managing Director: "We have not been able to enter the French market."
>
> Company K, Managing Director: "[We have been unable to make] market entry to Germany, France and Russia."
>
> Company O, Managing Director: "For example, our French and Russian language skills have been insufficient to generate sales."

This underlines the high price in lost business that can result when companies do not have mechanisms for dealing with language-related issues in given markets. However, four case companies stated in the survey questionnaire that they have not experienced difficulties in taking advantage of business opportunities because of limited language skills. Case 1 and Case 2 elaborated on the topic during the face-to-face interview. Both companies have in-house staff with linguistic abilities.

> Case 1, Managing Director: "We have not encountered language barriers, because we employ multilingual people who speak Russian, Chinese, Japanese, Korean and so on. We have speakers of almost all the dominant languages, so we have not encountered any language barriers during business."
>
> Case 2, Managing Director: "We have competitors in other countries, where the local [of that country] alternative is favored. But not for the language; it does not culminate in language. In some countries we are the foreign producer, and the local producer [is chosen]. We are a Finnish company. If our Finnish supplier is [comparable] in price and quality, then we also prefer local."

Case 2 employs native speakers in order to tackle the preference for locals in given markets.

Case 2, Chairman of the Board: "Customers trust you more [when you have native speakers]."

Case 2, Managing Director: "The customer believes that they are buying a local product [when they are dealing with a native speaker]."

In line with previous academic research (e.g. Crick 1999), our sample of firms rated the importance of foreign languages highly, and recognized benefits brought about by their use. All the survey respondents believe that there is a direct connection between the use of foreign languages and export success (see Appendix D2).

Company B, Managing Director: "Export success depends completely on communication."

Company O, Managing Director: "Languages are unquestionably a prerequisite for successful export operations."

Case 2, Chairman of the Board: "Exporting is impossible without being able to communicate in the language of the target country. We currently export 75 %."

Case 5, Marketing Communications Manager: "If we didn't have language skills, how could we make deals? It would have been a lot more difficult."

Although English is increasingly used in communication with non-native speakers, there is a general consensus among the interviewees that speaking the customer´s language affects the international buyer-seller relationship positively.

Case 1, HR Manager: "We do value [language skills]. We have customer all over the world and we want to serve them in their own language when possible."

Case 2, Managing Director: "One factor [influencing our choice to use Russian instead of English in Russia] is that the client feels that it is easy to have a business relationship with us. So they only have to pick up the phone and they can speak in their own language."

Case 3, Managing Director: "In most countries we do business in the local language. For example, if we get an army order from Colombia, we need to respond in Spanish. Most Latin countries don't accept English documents, and they tend to be bureaucratic. There is a correlation between the use of languages and the volume of trade."

The interviewees´ perceptions are in line with academic literature. Specifically, "the ability and willingness to converse in the local language indicates a commitment and respect for the customer's

country and company" (Turnbull & Welham 1985:38). Therefore, language skills may have an effect on trust building and on the atmosphere which characterizes the business relationship.

The case companies strive to respond to customers' needs for linguistically tailored information. One of the interviewees noted that because of the complexity of their product (hewsaws) they need to know the customer's own language. In-depth product knowledge combined with language ability is crucial for gaining a competitive edge when selling complex products.

> Case 5, Marketing Communications Manager: "I think that perhaps we could sell a cheaper [less complex] product with only an interpreter or simply with English."

This mirrors Crick's (1999) findings. Crick (1999:28) pointed out that with complex items "agents, and indeed in some cases translators, might have problems in conveying a working-business translation."

The customer's lack of language skills is one reason why SMEs need to use the local languages. Not all foreign business people or authorities can speak English.

> Case 3, Managing Director: "Even in many European countries, for example, authorities can only speak their own language. So, direct contacts require that we have a good knowledge of languages."

> Case 4, Managing Director: "In our industry [thermal wood-modification technology], the buyers/customers tend to have limited language skills."

However, one of the interviewees noted that they expect language skills even on the part of their partners, such as agents.

> Case 2, Managing Director: "Yes, [we expect language skills from our partners]. We have learned through experience that things get hard if only one person [from the other firm] can communicate with us."

Language plays an important role in the international negotiation context. According to Charles (1998:86), "the business events drawing by far the most research attention are various forms of sales interaction, essentially negotiations and business". Reynolds, Simintiras and Vlachou (2003:245) reviewed extant literature on international business negotiations finding that "negotiator communication skills, such as foreign language proficiency, were also recognized as important

factors in international business negotiations with the focus of studies ranging from semantic issues to the ability to understand foreign cultures". In a similar vein, case company interviewees of this study underline that foreign language skills are important in international negotiation processes.

> Case 5, Marketing Communications Manager: "I definitely believe [that]. Without language skills and local knowledge we would not get deals. The sales of our products [hewsaws] are the result of long-term effort."

> Case 5, Marketing Communications Manager: "We have such a specific product, and sales negotiations tend to be lengthy. We negotiated one deal for six years, but sometimes it can only take one year. We need both language skills and local knowledge. If we go to France to negotiate, we typically take our Parisian sales negotiator [the agent] with us. He has been with us for 20 years. He knows us and our products very well. We send our own sales manager or CEO to support him in negotiations."

> Company D, Managing Director: "Negotiations proceed faster and we gain the customers' trust sooner."

The knowledge of foreign language can be a determinant of which foreign markets a company chooses to target. Luostarinen (1979) has combined physical, cultural, and economic distances into one concept, business distance. The greater the business distance between a country (e.g. Finland) and the target country, the less information the SME has about the market. Physical distance means the geographical distance between the two countries. Cultural distance refers to differences in the cultural environments. Economic distance refers to differences between the economic environments of the two countries. The shorter the business distance between, say Finland and the target country, the more information the SME has about the target country. Thus, the SME is more likely to enter this type country first. (Luostarinen 1979).

The majority of our survey respondents (17 out of 21) stated that their staff´s language skills have not impacted the company´s choice of market areas (see Appendix D28). One of the case companies elaborated further in the subsequent face-to-face interview.

> Case 1, Managing Director: "Languages skills of the staff have not influenced the choice of our markets. New markets have been chosen for other reasons, mainly because of their size and importance. We have had multilingual employees in our main office in Helsinki. They have then moved to our offices abroad, even to Japan and China. We recruited them [a Japanese and a Korean] initially without knowing [that they would be sent abroad]. It is easier for us to communicate with foreign markets from Finland if we have somebody stationed there."

Yet, certain markets may be more likely to be targeted when there are staff members with local language skills. Germany was mentioned by one of the case companies. The German language competence of their staff had influenced the company's decision to enter the German market.

> Case 3: "We started going to the trade fairs, for example to IWA [world's leading exhibition for the hunting and sporting] in Nuremberg. We went there every year in March and were able to showcase our products to German customers in their own language. Our success was based on individual employees' willingness [to learn languages] and their language capabilities."

Also another company underlined that in the German-speaking area the knowledge of local language skills is important.

> Case 4, Managing Director: "You can do nicely with English in many countries, even when you don't know the local language. […] But in the German speaking countries a German-speaking person is needed."

All the survey respondents agreed that it is worthwhile investing in the staff language and cultural skills (see Appendix D3). The main reason is that the capability to operate effectively in the customer's language makes it easier to work together and collaborate.

> Company D, Managing Director: "[It is worthwhile to invest in staff language skills because it results in] better communication and trusting relationships."
>
> Company K, Managing Director: "Networking becomes easier when one knows the culture and can communicate."
>
> Company P, Managing Director: "Collaboration and communication become easier through language and cultural skills. There are fewer misunderstandings and clarifying ambiguities is facilitated."
>
> Company J, Managing Director: "Our Russian trade is run by Russians working in Finland."

In line with previous studies (e.g., ELAN 2006), the findings of this study show that there can be a high price in lost business when companies do not have mechanisms for dealing with language-related issues in target markets. All the surveyed SMEs recognized the need for languages, and six surveyed companies acknowledged that unmet language needs had in fact caused inability to enter a new market and realize sales. It was recognized that the ability to sell in the customer's language tends to boost the sales. The customer is a key player whose satisfaction drives companies to use

local languages. Therefore, all the case companies had taken into consideration the importance of language skills in their recruitment and staff development practices at least to a certain extent.

4.4.   Top Manager's Language Skills

The quotations from case companies' top managers themselves show that the importance of managerial language skills, and their impact on cross-border trade, is acknowledged.

> Case 3, Managing Director: "I have taken an interest in the Spanish language. It started when I went to Colombia to give a product presentation in English. I soon noticed that among 50 listeners there were only few that could understand English. A local agent had to act as an interpreter. It was extremely boring, so I decided to learn Spanish. I can now speak and read literature in my own field."

> Case 4, Managing Director: "I speak fluent Finnish and English, and I do nicely in Swedish. I have lived and worked in New York for six years. […] It is easier to do business with the Americans, because I have lived there and I know their ways of doing business. [My background] has not influenced the company's foreign language strategies. But my knowledge of the [American] business culture has certainly influenced the way we do business."

> Case 5, Marketing Communications Manager: "Language skills are not an obstacle. We have a wide sales network, subsidiaries, and representatives. Language skills are a must. We want to be everywhere where sawing is done. We are everywhere, but not in China. We did not rush there; there is a lot of counterfeiting. […] But we export to Europe, Australia, New Zealand and South and North America. You can get by with English in many countries, but not everywhere."

The extent to which foreign language competence among staff is considered to be important may vary according to positions they hold in the organization. However, responsibilities for international communication are expanding throughout organizations. The use of electronic communications, such as email and telephones, bring staff members at all levels close to their foreign counterparts. Interviewees consider language skills important in various functions, not only when personnel is recruited for sales or marketing positions. One interviewee mentioned that the knowledge of languages is important, say, in logistics and invoicing.

> Case 1, HR Manager: "When we recruit, for example in China or in Japan, we try to attract candidates with English language knowledge. […] Other required language skills depend on the job and the country. Language skills are important in various functions, also in logistics."

These findings mirror extant literature. Barner-Rasmussen and Aarnio (2010) did a quantitative research on languages in multinational corporations. They found that language fluency varies across functions and organizational levels. According to the findings by Pollitt and Mellors (1993), the need for foreign languages is widespread in organizations, though levels of fluency in all forms of communication (including the knowledge of technical vocabulary) may vary.

> "Although it may be generally true that importance of foreign language competence increases in relation to the status of personnel, it is not only senior staff and those directly employed in marketing positions who need to be able to work in a foreign language. The most obvious examples are telephonists and receptionist, who are generally the first points of contact with potential clients and customers" (Pollitt and Mellors 1993:44-45).

Charles and Marschan-Piekkari (2002) studied the Finnish multinational elevator company Kone. They found that having a single corporate language, English, does not solve all language-related issues. Difficulties can surface in how native and non-native English speakers understand the different "Englishes".

One case company emphasized that all their employees, regardless of their positions in the organization, can speak at least English.

> Case 3, Managing Director: "All our employees [a total of 27 employees in 2010] have at least an upper secondary school basis and fourteen employees are university educated engineers. Educational background is not a guarantee of language skills, but all employees can competently handle all working situations at least in English."

Interviewees in this study openly recognized that some employees use foreign languages more effectively than others. However, the Marketing Communications Manager in Case 5 noted that the example below represents one of the most significant situations, as they generally do not have many problems with language skills.

> Case 5, Marketing Communications Manager: "We had Swedish customers [visiting us]. When we sell a new hewsaw machine, the saw workers [from the customer company] come to Mäntyharju for training. They are taught how to use the machine and how to take care of the blades. […] We have some people that speak Swedish, but the trainer who is specialized in blades and works in design and product development, cannot conduct training in Swedish. So he did it in English. One of the after-sales project managers helped out and translated into Swedish whenever he was here. Most of the Swedes spoke English quite well, but had we known Swedish better, things

would have been easier. Those who didn't understand almost fell asleep. So, there is always room for improvement in this area. […] We also have older installers who do not [speak foreign languages], and they only do maintenance in Finland. They rarely go abroad, because then language would become an issue."

As discussed in section 2.4., a number of academic investigations have concluded that firms with a good track record of successful exporting tend to be managed by executives with good language skills (e.g., Leonidou *et al.* 1998). In line with previous research, Stoian and Rialp-Criado (2010) reported in a recent study that the decision-maker's role in international activity is crucial, particularly in the case of SMEs. Their findings show that "high educational level, language skills, high-risk tolerance, innovativeness, as well as strongly perceived export stimuli compared to low and relatively easy to overcome export barriers positively influence the export involvement and development in these investigated SMEs" (Stoian & Rialp-Criado 2010:333).

One feature that emerged from the present study is the top managers' wide range of language capabilities in all forms of communication (including the knowledge of technical vocabulary). Only one of the interviewed managers does not speak foreign languages, though he understands Swedish and English. All the other interviewees speak at least Finnish, Swedish and English. The Managing Director in one case company speaks six languages (Finnish, Swedish English, and German, and some French and Russian). Also the Marketing Communications Manager of another company speaks six languages (English, Russian, Swedish French, Italian, and German) with different levels of fluency. One interviewee speaks five languages (Finnish, Swedish, English, German, and Spanish). During the face-to-face interview, he underlined that the founders' excellent German language skills had significantly eased the company's access to the German speaking markets. Finally, one interviewee is a bilingual Swedish-speaking Finn, who also speaks English and French, and studies Spanish. Moreover, three interviewees have lived abroad for years (in Germany, United Kingdom or in the United States). When analyzing the findings, we have kept in mind that the case company managers' own language capabilities may have influenced to a certain extent their perceptions of the use of languages within their businesses.

This concludes our discussion on the concept of language strategy, the importance of language skills and the language skills of the case company managers. These three issues form the setting against which the SME Language Strategies model (Figure 5) is viewed. We will now introduce the seven components of the model, which emerge from our findings and academic literature.

4.5.   Common Company Language

Common company language is the first component of our model emerging from the empirical findings and prior literature (see Figure 5 on page 47).

A common language is believed to improve communication, coordination and knowledge sharing (Luo & Shenkar 2006), as well as to give organization members a feeling of togetherness (Charles & Marschan-Piekkari 2002). Feely and Harzing (2003) list what they consider to be important benefits of a company language: (1) facilitation of formal reporting, (2) ease of access to and maintenance of documents and information systems, (3) smoothing informal communication between global teams, (4) fostering a sense of belonging and diffusing corporate culture, and finally (5) focusing the management of language-related issues.

In this study, only one of the five case companies, Case 1, had adopted a common company language as a solution to internal and external communication issues. English was adopted.

> Case 1, Managing Director: "English was chosen as a company language in 2000 when [the company] changed direction and entered the portable electronics accessories market. The main markets were outside Finland's borders and also employees had to be international."

Maclean (2006) has reviewed recent literature and case study evidence to track shifts taking place in the status of language management. The aim of Maclean's conceptual paper is to reaffirm the status of language as a topic of major interest to researchers. According to Maclean (2006), the adoption of English by traditionally non-English speaking companies has become an established milestone when transitioning from an ethnocentric (home country orientation) to a geocentric (world orientation) approach. This line of thinking, which results in a single corporate language, rests on two assumptions: operational efficiency and the predominance of English (Maclean 2006).

Case 1 underlines the benefits of a common company language strategy. A common company language is seen as a uniting factor.

> Case 1, HR Manager: "All information on the company intranet is in English. We speak in English so that multilingual team members understand each other. English is not used all the time, for example, I may sometimes speak Swedish with other Swedish-speaking Finns, but it is not job-related. Sometimes I use Finnish in HR

related matters, just to be sure that the other party has fully understood. On Friday mornings we get together to have coffee and buns, and chat in English. Employment contracts are currently being renewed and they will be in English, even in Finland. Our company website is available in English, and in other main languages, but not in Finnish."

The other case companies of this study do not have a single formal company language, but they recognize the importance of English. English is increasingly used as the common language between non-native speakers.

> Case 5, Marketing Communications Manager: "No [we do not have an official company language], but English [is the commonly shared language] of course. English is pretty much a basic requirement, at least for sales personnel."

Case 2 is a family-owned company, and key decision-makers are based in Finland. All oral communication in Finland is conducted in Finnish. However, memos are written in English, so that they can be easily distributed to the subsidiary and sales offices. English is the official language of the British subsidiary and the Russian office.

> Case 2, Managing Director: "The official language is Finnish, but in the English subsidiary, where we have four people, the official language is English. All memos that we do in Finland have to be written in English […] in case we need to send them. In projects, everything is done in English, so that it is easier for them."

> Case 2, Managing Director: "We opened an office in St. Petersburg in January and we have one person there. [In the Russian office] English is the official language, so internal material is in English. But [documents] sent to clients are in Russian."

The academic literature supports the perspectives presented by the interviewees. Communicating in English – the *lingua franca* of international business – is increasingly the operational reality (e.g. Zander, Mockaitis & Harzing 2010; Nickerson 2005; Louhiala-Salminen, Charles & Kankaanranta 2005).

Inadequate knowledge of the company language can impact access to critical knowledge and the forming of personal ties, as well as creating dependency on colleagues with superior language abilities (Marschan-Piekkari, Welch & Welch 1999). Employees who are skilled in the common company language may experience preferential or greater power. They may also have fast career advancement, even if their technical skills do not justify it. Acting as a language node (by being an

intermediary or a translator) can result in higher status in the organization than the person's functional role involves. This can grow into a "shadow structure", as in Marschan-Piekkari, Welch and Welch (*ibid.)* study based on data from the Finnish multi-national corporation Kone, where language was found to impose its own structure on communication flows and personal networks.

Even in companies with a common company language, enclaves of language may remain. Case 1 expects employees to speak only the common company language, which is English; other languages are a bonus. However, not having Finnish language skills (i.e. the national language of the company's main office country) can be problematic for designers. The company's design team consciously deviates from the common company language strategy and uses only Finnish language. At the time of our study, non-Finnish speakers were not able to penetrate the language barrier.

> Case 1, HR Manager: "Our design team is all Finnish and Finnish-speaking. This has been a conscious choice. We are a Finnish design company. Finnishness is visible in the design: simplicity, clear lines, closeness to nature and so on."

> Case 1, Managing Director: "Yes, [the use of English as a corporate language has improved the company' organizational efficiency]! We have a common language within the company and with our customers. English is perfect as the language of business. However, our design team speaks Finnish. It is not discrimination against other languages. The team members often talk about things that are difficult to formulate even in their mother tongue. They are chewing and re-chewing ideas, so it is easier for them to use Finnish. In all other functions, including the financial administration, the use of English [as a corporate language] has improved efficiency."

However, the possible negative effects of language enclaves are recognized.

> Case 1, Managing Director: "[We may run the risk of] not seeing the forest for the trees. We have thought about it. I believe in the future we need to have foreign trainees in the design team. We had an Italian team-member, but communication was difficult."

In line with previous research (e.g., Zander *et al.* 2010; Nickerson 2005; Louhiala-Salminen *et al.* 2005), our study finds that English is increasingly used as the common language of non-native speakers. For example in Case 2, English is used in intra-organizational communication to a point that it has become a *de facto* company language. Although English was not stated to be the common company language, it has gained great importance within the company.

Charles (2007: 261) finds that intracorporate communication is a "delicate and complex issue requiring more management attention than [it] is frequently given." According to the findings of this study, a common company language may be a uniting factor, but it is not a simple solution. Any decision to use a particular language as a common company language, either by selecting a new one (typically English), or by continuing the use of the head office's home country language (Finnish) inevitably advantages those individuals who are competent in that language. At the same time, this also penalizes those individuals who are not competent in the company language. For example, in Case 1 the design team's decision to speak only Finnish may have created a barrier to non-Finnish speakers. It is not possible for any company to be completely neutral in the sense of not favoring any particular language, and by extension, the speakers of that language.

4.6.   Language Audits

Language audit is the second component of our model emerging from the empirical findings and prior literature (see Figure 5 on page 47).

A language audit reviews the language requirements of the whole organization (Embleton 1993). Reeves and Wright (1996:5) propose that the primary objectives of a language audit are the following:

> "[…] to help the management of a firm identify the strengths and weaknesses of their organisation in terms of communication in foreign languages. It will map the current capability of departments, functions and people against the identified need. It will establish that need at the strategic level, at the process level (or operational/departmental) level and at that of the individual postholders. It should also indicate what it will cost in time, human resources, training and finance to improve the system, so that the resource implications can be fed back into strategic and financial planning."

The interviewed case companies have not conducted formal language audits. Four of the five case companies do not keep a written record of staff language skills.

> Case 3, Managing Director: "There is no need [to keep a record of language skills]. All our employees [a total of 27 employees in 2010] have at least an upper secondary school basis and fourteen employees are university educated engineers. Educational

background is not a guarantee of language skills, but all employees can competently handle all working situations at least in English."

However, the interviewees determine the language skills of their staff in the recruitment phase and on the job.

> Case 1, Managing Director: "[The company's] native speakers determine individuals' language skills. We are self-sufficient in the sense that we don't use external testing. But we always test languages skills, for example the knowledge of English."

> Case 5, Marketing Communications Manager: "We do not [keep record of language skills]. We have learned from experience who speaks foreign languages. I once heard a story that a newly hired employee had said that he speaks foreign languages. But it turned out he didn´t. […] You shouldn´t exaggerate in your resume."

One of the case companies has recently started to keep a record of staff language skills. The record is available to all staff members in the company Intranet.

> Case 1, Managing Director: "We are a small company of around 60 people, so we pretty much know their language skills from memory. But with the recent recruitment of a HR manager this has been taken care of. We now have a record of our staff language skills in the company Intranet."

> Case 1, HR Manager: "In the Intranet, we have a section [that] contains a photo, contact information, job description, and language skills of all the staff members located in Finland and abroad. It contains everyone´s language skills, in Finland and abroad. […] Everyone´s working languages are listed. I, for example, have studied French, but it is not listed [because I feel my skills are not good enough for work-related purposes]. Moreover, language skills are listed in everyone´s performance appraisal forms."

A written record of the staff's language skills provides a better picture of the extent of the organization´s language resources and where they are located. Thus, the record eases the intra-organizational use of available capabilities as the company grows.

> Case 1, HR Manager: "[…] we try to translate all unofficial documents internally, and a good deal of the needed language capabilities can be found within the company. Marketing materials and information in the Extranet are translated internally. We still have a rather good knowledge of staff members' language skills, but as the company grows, the importance of the Intranet grows. Whenever official records ─ such as trade registers notices ─ need to be translated, we use translation offices. Employment contracts are translated internally, by the local offices. Local translations are [legally]

binding; English versions are for internal uses only. In Finland employment contracts are written in Finnish or in English; in France in French; in Germany in English; in Japan in Japanese; and in China in Chinese."

The academic literature has highlighted the importance of language audits. Reeves and Wright (1996) list situations when a language audit may be required. Audits should be undertaken especially when a company (1) wishes to review its entire organization, (2) wants to expand to new foreign markets, (3) is dissatisfied with its performance in a particular market, and (4) decides to start or upgrade its language training program. Reeves and Wright (*ibid.*) point out that a company can be either proactive or reactive in regards to language audits. Companies are considered proactive when they carry out an audit in anticipation of new foreign market opportunities or minimizing threats. Companies are considered reactive when they undertake language audits in order to respond to problems. (*ibid.*).

Audits can help to understand how language is "facilitating, filtering, blocking and/or distorting the knowledge flow" (Welch & Welch 2008: 357). Welch and Welch (2008) state that regular language audits are needed in order to gain a better picture of the extent of the organization´s language resources and where they are located. Language audits are a necessary starting point to any language strategy development and list issues to be identified and clarified through audits. Firstly, an audit should identify how effective company-sponsored language courses are, particularly how many employees take advantage of this opportunity. Secondly, an audit should establish whether the company is hiring employees with suitable language skills. Thirdly, an audit should also ascertain whether staff members with language skills are being effectively used within the company. (*ibid.*)

With reference to the frequency of language audits, the findings of the present study are in line with earlier findings. In fact, the academic research indicates that language audits are not widely adopted in companies. Randlesome and Myers (1997), for example, summarize results from a British and Irish survey assessing the level of language and cultural awareness, and find that the percentage of companies carrying out an internal foreign language audit is disturbingly low.

Also Reeves and Wright (1996) note that language audits are not a common practice in Anglo-Saxon countries. This is possibly because much of management thinking comes from the United States where foreign language proficiency has not been a crucial part of the managerial equation.

Feely and Harzing (2003) argue that the reason for the limited adoption of language audits results from the costly and time-consuming process that a full audit requires when it is ordered from external language assessors. It is not only the cost of the audit that is a barrier, but also the underestimated importance of language as a management issue (*ibid.*).

4.7   Language Training

Language training is the third component of our model emerging from the empirical findings and prior literature (see Figure 5 on page 47).

Employees with good language skills are becoming increasingly necessary to company efficiency and success in the global environment (e.g. Bloch 1995). The limited possibilities to use the national languages in international business contexts accentuates the importance of language training in small countries like Finland. Huhta (1999) conducted a study on the language skills in Finnish businesses (small, medium-sized and large firms) for The Finnish National Board of Education.

The findings by Huhta (1999) indicate that 100 % of companies expressed the need for English language skills, and English was the most important language for 84 % of the respondents. Swedish was expressed to be one of three important languages by 86 % of the companies, and was rated as the second most important language by 59 % of the companies. German was needed by 68 % of companies as one of three important languages, and there was some need in 86 % of companies. French, Russian and Spanish had more marginal roles. (*ibid.).*

When the employers' representatives were asked how many of their employees needed foreign languages at work the figures are very low: 33 % needed English, 19 % Swedish, 7 % German, 2 % French, 1 % Russian, and all other languages combined 2.6 %. However, the interviewed employees had a dramatically different view: 84 % of employees said they needed foreign languages. In the future there will be more need for languages, with more variety and more combinations, with 77 % of employer representatives responding that the need for English will grow, 48 % saying that the need for German will grow, and 42 % saying that the need for Russian will grow (Huhta 1999). Huhta's (1999) study suggests that languages are considered important by

both employers and employees, although employers do not recognize how often certain languages are used by their employees. (*ibid.*)

Half of the survey respondents of this study feel that their staff's language skills do not correspond to the language needs of the company's current market areas (see Appendix D14). At least German, French and Chinese language capabilities are mentioned as insufficient (see Appendix D14). Fourteen companies have offered language training to their staff members during the past three years. English, German and Spanish are the most frequently offered languages (see Appendix D13). Most survey respondents offer possibilities to improve language skills through courses (see Appendix D12).

The issue of language training was elaborated by the interviewed case companies. All case companies have at least some organized efforts (e.g. providing more opportunities or incentives) to promote the learning of languages. The aim is to enable staff to perform their tasks more effectively in the international business context. Case 1 offers training which is geared towards personal needs but also expects their employees to continually improve during the training.

> Case 1, HR Manager: "We draw personal plans during the yearly performance assessments. We ask, for example, about one's willingness to move abroad, and this information is used when expatriates are needed. Information about languages skills, which is also in the Intranet, is used for various purposes. […] The performance assessment is a means to determine where improvement is necessary. Language training is a very personal matter. Right now we have two people in training. The manager of the French office takes Spanish classes, because the French office is responsible for sales in France, Spain and Portugal. We have a Spanish speaking employee in the French office, but the office manager wants to be personally involved. He has studied for one year at the company's expense. We don't have a special budget for language training; expenses are approved case by case. We also have an employee in Japan who studies English at the company's expense. He was recruited for non-language-related reasons. He studies English to be able to communicate in English with colleagues. We hope them to take language test every six months to evaluate their progress. We then decide whether to continue to pay for the language courses or not."

In Case 1, Spanish language skills had impacted the career development of an employee. The career enhancement motivated the employee to continue with language training, and she currently studies Portuguese at her own expense.

Case 1, HR Manager: "[Language skills do] not especially [affect compensation]. But we have an example of the influence of language skills on career development. A Finnish girl started in public relations, and was then offered a position as the head of the American office, because of her strong Spanish skills. The North American subsidiary is responsible for South American sales as well. She is currently studying Portuguese. She is motivated to study Portuguese in order to work more efficiently in Brazil. She is no longer an account manager, but she has been promoted to sales director. Language skills affected her career progress."

Learning particular languages for specific markets is seen useful, though not always critical. No company could realistically have competence in all the languages of its actual or potential customers in the global marketplace.

Case 3, Managing Director: "I wish somebody in our company would take interest in the Arabic language. In a small company, it is not possible to master all the languages, but languages are extremely important. Yet, we might not study Yoruba [Niger-Congo language] in order to do business in Nigeria."

One of the interviewees mentioned the need for Russian language training.

Case 5, Marketing Communications Manager: "I have been thinking of a Russian language course, for anyone that would want it, at least for those who would need it."

The Human Resources Manager of the Finnish-Russian Chamber of Commerce was interviewed to gain a better view about the Russian language-related services available to Finnish SMEs. Two thirds of the approximately 850 Finnish and Russian members are SMEs. The bilateral chamber of commerce offers services in the fields of market research, export promotion, training, information, and consultation. The Human Resources Manager emphasized the flexibility that Russian language skills can provide to companies operating in the Russian markets.

Finnish-Russian Chamber of Commerce, Human Resources Manager: "We have about 750 Finnish and 100 Russian member companies that use our services regularly. But our services are not limited to our members. […] Some [Finnish] companies have made a habit of using Russian, because negotiations are carried out more successfully in that language. But companies use a lot of English [in the Russian markets], too. German is not used. But Russians want to use their own language as much as possible. When a Finnish company has employees with Russian language skills, the results are better […] The lack of Russian language skills is considered a problem [by Finnish companies]. Problems come up in practice when the Russian counterpart cannot speak English very well. In big cities, such as Saint Petersburg or Moscow, problems are

not likely to come up, but outside of big cities English is not well known.[…] In my opinion, the lack of Russian language skills is belittled [in Finland]."

Language courses were not offered by the Finnish-Russian Chamber of Commerce at the time of the interview. However, according to the Human Resources Manager, courses in Russian business customs, culture and etiquette have recently become very popular. Such courses can be also customized for the special needs of companies, for example after mergers and acquisitions.

> Finnish-Russian Chamber of Commerce, Human Resources Manager: "Cultural differences should not be undervalued either. […] People in Finland are just starting to recognize that it is important to understand the Russian way of thinking. This is shown, for example, by the higher numbers of participants in our cultural skills courses. […] It is not enough [that the Chamber of Commerce] provides office services and finds translators or interpreters [for Finnish companies], say, in Saint Petersburg. Companies now want more individual services. Communicating across cultures is becoming more important."

The importance of Russian language is emphasized also by the importance placed on personal contacts.

> Finnish-Russian Chamber of Commerce, Human Resources Manager: "Personal contacts in Russia are crucial. It is not enough to call or send an email. It is important to meet face-to-face. […] In order to facilitate personal contacts, we organize export promotion excursions and various networking events, where companies can meet each other. In our spring and autumn events [in Finland], we invite Russian companies to meet [Finnish companies] and to establish personal relationships with them."

We also interviewed the Competence Development Manager at Fintra, which offers learning solutions for international business management. She also stated that the demand for cross-cultural communication skills in companies has recently grown.

The case company interviewees recognize the importance of languages and would like to offer language training to all those who would like it, regardless of job function. However, practical considerations, such as lack of time, may prevent it.

> Case 5, Marketing Communications Manager: "I wish [we had language training within the company]. But not during my time, even though it has been discussed. We have considered training especially for the after-sales installers, even if just an English language course. But it is so hard to get this group together for training. Usually their calendars are full."

Academic literature provides support to the views presented by the interviewees. Swift and Smith (1992) have studied the attitudes of British business people towards linguistic competence and the learning of foreign languages. According to their findings, it is not uncommon for companies to offer language-training out of the awareness that they need to do something without delay, before they have formulated a language strategy that includes such aspects as staffing. According to Swift and Smith (*ibid.*), the lack of clear corporate objectives behind the training can possibly be explained by the viewpoint taken by some companies, whereby they make language training available to those who would like it, regardless of job function, status or business objectives. A slightly different perspective is taken by companies that see language training as a way of retaining or attracting staff, whilst building up the company's overall foreign language capability. (*ibid.*).

Language training may not always be the most practical solution to address language-related issues. One of the case companies has not made language training available to employees during the last three years. Instead, language-related issues are taken into account in the recruitment.

> Case 4, Managing Director: "Not during my time [has language training been offered]. Company language needs have been taken into consideration in the recruitment processes."

Feely and Harzing (2003) note that although language training is valuable, companies should not be deluded into thinking that it assures success. Knowles, Mughan and Lloyd-Reason (2006) have studied foreign language use among managers of successfully internationalized SMEs in the UK. The authors found that the learning particular languages for specific markets seem not to be critical for native English speakers. The empirical study found little correlation between the knowledge of foreign languages and firm performance. According to the findings by Knowles *et al.* (*ibid.*), language learning is simply an element of developing intercultural competences and personal characteristics. On the other hand, three decision-maker characteristics – language skills, intercultural competence, and business experience – *together* seem to lead to success for SMEs in foreign markets. Therefore, language training in SMEs should focus on all these three areas to yield better results. (*ibid.*).

The majority of the companies contacted for this study have provided language training to their employees. They also recognized the importance of language training, and individual employees have experienced career enhancement because of their language skills. However, practical

considerations and the small size of the SMEs, result in less language training than desired. Moreover, for SMEs, language training may not always be the most practical solution: it may, for example, progress too slowly for companies seeking immediate results. Recruitment and the use of native speakers are discussed in the following section.

4.8   Recruitment

Recruitment is the fourth component of our model emerging from the empirical findings and prior literature (see Figure 5 on page 47).

In the editorial of a special issue of the Human Resource Management Review, Baron (2003) states that there is very little data on human resource management in new and small ventures. Most research has been conducted on large companies, and at the moment it is not known if the principles and theories are applicable to small companies and new ventures (*ibid*). The recruitment practices of SMEs and large companies differ substantially, and thus much research cannot be applied to SMEs (Barber, Wesson, Roberson & Taylor 1999).

The quotations from the interviewed SMEs show that language skills are widely used as a criterion when evaluating the candidates' suitability for a job.

> Case 1, HR Manager: "I would say that all our employees speak English fluently, but we also have people with more varied language skills. We pay attention to language skills in the personnel selection. For example, if we need to recruit a salesman for the Russian market, we try to attract candidates skilled in Russian and possibly other Eastern European languages. Many people here speak two to three languages or even more."

> Case 1, HR Manager: "In the recruitment phase, language skills are checked in the employment interview, where candidates are interviewed in different languages. Adverts for jobs are in English, and candidates are asked to respond in English, even in France. Thus, we can reject the candidates who cannot speak English [the common company language]."

> Case 4, Managing Director: "Language skills play an important role [in the recruitment]. In the future, their importance is likely to grow more."

> Case 5, Marketing Communications Manager: "Well, we must take language skills into consideration all the time. It is important in the recruitment process. We are now in a situation in Australia and New Zealand that a long-time representative, who lived

in New Zealand, retired last year. We have established a subsidiary in Melbourne. We do not really have sales staff there, only after-sales, which deals with spare parts sales, spare parts, blades. The case is that we do not have any local staff there, and in practice a Finnish sales manager takes care of the area. But now we are hiring a sales manager, a locally skilled one. We cannot manage the area from here, because it is so far away and it is such a big area."

The most important language requirement in Case 1 is the knowledge of English, which is the common company language.

> Case 1, Managing Director: "When recruiting, we don't need to check whether the candidate speaks for example French [as we already have French speaking employees]. The only requirement criterion is the knowledge of English. Other language skills are needed to be able to transfer to foreign offices. We are now faced with the problem of finding a successor to our Finnish manager in the US office. It is very challenging to decide between a Finnish expatriate and a local American manager. I worry about potential barriers between the main office and an American manager."

However, Case 1 acknowledges that additional language skills can enhance careers through advancement and expatriation assignments.

> Case 1, Managing Director: "In the main office, we hope to have expatriate candidates that have the needed language skills. For example, the Finn that heads our Chicago-based office speaks Spanish and manages [Latin American] sales from Chicago."

We also did an email interview with a job candidate applying to be the Eastern Europe Key Account Manager in case 1. His mother tongue is Polish and he is fluent in English. He was interviewed in English, and was not asked to demonstrate his Polish language skills. He was asked if he spoke Russian, which he does not. This was the only language-related question he was asked, although the interviewers knew his mother tongue is Polish. This supports the company's Human Resource Manager´s statement about checking language skills at the recruitment stage. Case 1 would like to hire employees with good language skills, which can be utilized in many different language areas. Speaking a Slavic language was a requirement for the job. His Polish language skills were an asset due to the large market size of Poland compared to other Eastern European countries.

Thirteen of the 21 surveyed companies (or 60 %) employ native foreign language speakers (see Appendix D8). Native speakers are employed because of their language skills for various language areas, including English, Estonian, French, German, Japanese, Korean, Lithuanian, Polish, Romanian, Russian, Spanish, and Swedish speaking countries (see Appendix D8). In comparison, the ELAN (2006) report on the "Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise" found that 22 % of companies used the recruitment of native speakers with language skills as a language management tool (ELAN 2006).

The issue of native speakers was elaborated further in the face-to-face interviews. Native speakers are recruited by the Finnish main office or locally, by the foreign subsidiaries. The quotations from the interviewees show that native speakers can provide a number of benefits to firms operating in international business contexts.

> Case 1, Managing Director: "We recruited our German office manager directly from Germany. He comes to Finland many times a year. In the French markets, as well as in the far-off countries, we initially did business from the Finnish office. Then François, who had at first been in Helsinki as an exchange student, graduated and applied for a job. [...] He worked in Helsinki for two years. He was then sent to manage the French office. Our French office trades in the Southern European and Middle Eastern markets. He has recruited local people for the French office. He has also tried to recruit people skilled at Arab language and culture, but so far without success. We have replicated [the company] way in other markets. Offices are set up and people are recruited based on need."

> Case 2, Managing Director: "For example, in Russia it [language skills] has had a significant impact. Without having Russian speakers it would be very difficult."

> Case 5, Marketing Communications Manager: "Russia has large markets, and those who have worked there, have started to learn Russian little by little. But we have two people in the firm that speak fluent Russian: the export coordinator – who sometimes acts as an interpreter– and the sales manager. Both are Estonian. Laura sits here and the sales manager is in Tallinn. They both speak Russian. You can never have too much language skills. I also wish that I knew more languages."

Native speakers can also portray a different image of the company and decrease the liability of foreignness.

> Case 2, Chairman of the Board: "Customers trust you more [when you have native speakers]. […] The customer believes that they are buying a local product [when they buy it from someone that speaks their language]. […] [Native speakers] make it easier for the customer to approach us. The customer feels that it is easy to do business with us."

Employees need to have working knowledge of the customers' language. Sometimes barriers may be cultural, rather than linguistic. It is, therefore, important to understand that nonverbal communication varies between cultures.

> Case 4, Managing Director: "In our field, the terminology is rather easy to adopt. I would say overall communication skills are important. And intercultural skills are closely related: in some countries one speaks with hands, in other countries one has to be able to read between the lines. […] The minimum required knowledge of languages is English. You can doing nicely with English in many countries, even when you don't know the local language […] But in the German speaking countries a German-speaking person is needed. We are lucky to have one, though he is Finnish. We don't native speakers, except for the founder's wife, who is a Malaysian Chinese."

One finding of this study is that it can be difficult for some Finnish SMEs to recruit staff with a good knowledge of languages.

> Case 5, Marketing Communications Manager: "When we hire maintenance mechanics to install and maintain our machines, it would be beneficial if they knew languages, at least English. But it is not easy to get that kind of people to Mäntyharju."

Our finding is in line with academic literature. Hornsby and Kuratko (1990) studied HR concerns of different-sized SMEs (between one and 150 employees) and found that the sophistication of practices used by SMEs is affected by their size within the SME category. However, the managers agree on the challenges regardless of the SME size. The availability of quality workers is in the top three concerns for SMEs of all sizes (*ibid.).* This was found to be the case also in 2003, when Hornsby and Kuratko (2003) revisited their earlier research and discovered that finding quality workers was still a main concern and that the HR practices seemed to have stagnated, and even regressed, in small businesses. This is problematic, because small firms can have more difficulties in attracting and retaining talented and skilled workers than large companies (Cardon & Stevens 2004).

Academic research indicates that using temporary workers can be a useful practice for SMEs (Cardon 2003; Foote & Folta 2002; Visser 1995). Hiring temporary workers can be viewed as beneficial in situations where uncertainty is high, and where deferring or abandoning a project is possible (Foote & Folta 2002). In small, single industry firms, which lack flexibility to redistribute employees across business units, temporary workers might be the most valuable (*ibid*.).

According to the findings of this study, some SMEs may have more difficulties in attracting workers with language skills than large companies. Hiring temporary workers, however, was not mentioned by the interviewees as a solution to language-related problems.

The case companies check employee language skills during the interview process. All the case companies value language skills, but one company mentions that it is difficult to attract skilled employees. These difficulties are in line with the academic research. The interviewees also recognize the benefits of employing native speakers. Native speakers can, among other benefits, change the customer´s perception of the company and decrease the liability of foreignness.

4.9.   Translators and Interpreters

Translators and interpreters is the fifth component of our model emerging from the empirical findings and prior literature (see Figure 5 on page 47).

Translators

The influence of the Internet, the need to comply with language laws in other countries, and the vast range of internal and external documents that firms must translate, has increased the need for translation services (e.g. Freivalds 1999). Nieminen (2005) has studied the need for buying translation service; how the services are bought; and the experience from using translation services in the IT-industry in Finland. The findings show that "the amount of needs is not dependent on the size of the company, but rather on the extent of the company's international business" (Nieminen 2005:33). Translation tends to takes a small share in the case company budgets, but in the future, the share is not likely to decrease (Nieminen 2005).

The majority of the survey respondents (14 out of 21) of this study have used outside translation or interpretation services (see Appendix D10). Marketing material and official documents are the most often translated materials (see Appendix D10). In comparison, the 2006 ELAN survey on the "Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise" found

that only 45 % of SMEs have engaged external translators or interpreters. Therefore, our survey respondents use external language services more than the European average. The ELAN findings suggest that "some SMEs may be unwilling or unable to bear the cost of translating what might be essential sales and merchandising information and may be leaving the intermediary function to local agents" (ELAN 2006:47).

The quotations from our interviews show that most of the case companies have problems with the translation of industry-specific terms.

> Case 2, Managing Director: "These [problems] are most apparent in specialized terminology, not otherwise. But when you have a specialized field, it is very hard for a translator to be fully familiar with it"

> Case 2, Chairman of the Board: "Those so called translators, you can´t trust them. They will simply translate, without knowing how to say something. […] The translator translated a [marketing] folder into Russian. When they checked it in Moscow, they said that the door´s 'threshold' was translated into 'bridal veil'."

> Case 2, Managing Director: "And another one was, we have a double action door [heiluriovi]. The term was [translated into] Russian as the pendulum in a grandfather clock.

> Case 3, Managing Director: "[Translating or revising texts] is not only about the language, it is also about the factual content. The content and terms have to be right. The translator has to understand the terminology and concepts related to armed forces and law enforcement training. We cannot be sure that an unknown translator will perform well. There are a lot of things to consider. To begin with, we have to understand whom to trust with the task. The outcome has to be professional."

> Case 4, Managing Director: "It [the language] is somewhat specific [to the industry], but not more than any other technical field. But sometimes we may have to make up [a word], because it might not exist [in that language]."

> Case 5, Marketing Communications Manager: "The terms can sometimes be quite difficult [for translation agencies], even though the rest would be fluently translated."

To address the issue of imperfect translations, the companies use a variety of methods. Texts translated by outside translators are often proof-read by an employee or a business partner.

> Case 5, Marketing Communications Manager: "It is more of a help when they [our employees] don´t have time to translate all the magazine articles, even though they have the knowhow. We have a translator we regularly use, who does Russian language texts and translates magazine articles when needed. [A Russian speaker working for our company] then proof-reads them."

Case 2, Managing Director: "And you can´t assume that they [translators] know [specialized terminology]. […] When we have used official translators, the texts have been checked in the target country. We have tried to find a person in the specific field [to check the text], someone who knows the terms.

Some of the interviewees have even trained their translators.

Case 3, Managing Director: "We train the translators that we regularly use."

Case 5, Marketing Communications Manager: "When we have found a good translation agency that has produced good translations, then we like staying with them. They have learned to know [our company], our products and terminology. Because [our] translations are quite hard."

Half of the survey respondents reported that they use outside language professionals to revise their texts written in foreign languages before publishing them (see Appendix D11). Their revision practices in the writing process were further discussed during the case company interviews.

Case 5, Marketing Communications Manager: "It depends on what type of situation one has at work. Sometimes I translate an article into English myself. But because I am not a native speaker, I may give it to a translation agency and have it read by a native speaker. And then the third reader can be, for example, the CEO of a subsidiary. But sometimes I don't have the time to translate, and I send it directly to the translation agency. When it comes back, we fix the sawing terminology. Or if it has been translated from Finnish to Russian, then Laura [a Russian speaker], or the one in Estonia will read it and fix it."

Case 3, Managing Director: "Texts are normally written in English by our company employees and then sent to a known translator or language consultant for review. […] [Translators/interpreters] are needed mostly in those languages that we don't know at all."

However, the use of outside language professionals is not the only solution for revising texts written in foreign languages. The interviewees also use native speakers or employees with strong language skills for proof-reading.

Case 5, Marketing Communications Manager: "And if it [the text] will be published, I like to have a native speaker read it, to make sure that it is correct."

Case 4, Managing Director: "The company makes preliminary translations [of texts intended for the Russian market] and our Export Ring's export manager then polishes them."

The interviewees also rely on their partners´ help for translation and revisions. Such partners include business contacts, agents, representatives, and companies in their industry.

> Case 3, Managing Director: "We have business partners in Egypt and Saudi Arabia, who can translate from English to Arabic. We also have a partner in Columbia, who has a good command of the subject matter, English and Spanish."
>
> Case 3, Managing Director: "In Finland, we have found them [translators knowledgeable about our field] along the way, for examples, experts in English and German languages. Abroad, we select specialists from our line of business [not language specialists]. If we should suddenly need a specialist for example in Serbo-Croat, it might be very challenging to find one in Finland."
>
> Case 4, Managing Director: "We have made our own translations into Russian and we have received help from our partners."
>
> Case 2, Managing Director: "You have to ask a person in the specific field, in that given country, to check the text"
>
> Case 2, Managing Director: "They [the Russians, both customers and employees] know English very well, and if we have difficulties, then of course the one who speaks Russian as a native language will translate from Finnish to Russian."
>
> Case 5, Marketing Communications Manager: "In Argentina we have a representative who speaks Spanish. The representatives are glad to help [in proof-reading or translating texts]."

The main reason for using translators is to have polished texts in unfamiliar languages. However, lack of time can also be a motivator.

> Case 3, Managing Director: "From early on, we realized how important it was to translate our presentation material in German, English, French, Spanish and Arabic languages. Now programs are available in more than ten languages. Brochures are made in English, and then translated in Spanish, German and Arabic languages. Brochures are not available in Finnish."
>
> Company P, Managing Director: "[We use translators or interpreters in] France, Italy and Spain, when Google's online language translation service does not render a sufficient translation for our purposes."
>
> Case 5, Marketing Communications Manager: "I enjoy translating magazine articles into English. But it does take time."

The interviewees do not choose translation agencies simply based on price. Accurate translations are important for the companies. Therefore, trust plays an important role in deciding whom to employ.

> Case 5, Marketing Communications Manager: One cannot go about [choosing a translation agency] simply by price. If they have been good, we will use them again. It is more important that the translation is good, than what it costs.

> Case 3, Managing Director: "[The most important criteria for choosing translators are] ease and how well-known the translator is."

This is in line with the academic research. Previous academic investigations show that when buying translation services the "companies prefer long term relationships with one or few service providers" (Nieminen 2005:33), instead of doing competitive bidding each time. Using referrals in any systematic way during the choosing process was not found to be common by Nieminen. The study found that "customer satisfaction is, indeed, built through expectations, value, and quality, of which quality is the strongest component" (Nieminen 2005:52).

One company first noted that they do not use external translators. However, translators were mentioned when the interviewee described the process of creating marketing material.

> Case 1, Managing Director: "Language related problems occur in the target markets. When things are done at the main office level, for example company brochures, we consult people in our [foreign] branches. Thus, we have managed without external translators."

> Case 1, Managing Director: "We make a draft in the main office [of the marketing material]. We don't have any actual copywriters among us; we have more visually gifted people. When the catalogue was made, some of the English texts were written by an advertising agency, for the first time. But we don't use many translated texts; we focus on the visual, which is shared by many people. The material is then sent to our foreign offices to be evaluated and translated, either by foreign staff members or local translation offices."

We presented some of our initial findings at a Finnish Association of Translators and Interpreters meeting in September 2010. We first presented the PIMLICO project and our thesis, and then partook in the general discussion. Most of the translators at the meeting participated in the discussion. The following discussion is based on their comments.

In line with our interviewees´ comments, the translators believe that trust between the translator and the company is very important. The relationship is influenced heavily by personal chemistry. The translators feel that if the chemistry is not right, the company can easily terminate the business relationship.

The translators particularly commented on the difficulties they face in their work. Many of their customers do not realize the importance of language, and that the style of the translation matters. Many Finns think that they know English, but they do not always realize that form and content are different things. Attention must be paid to both aspects. One translator shared an anecdote regarding an expert organization of coders who were not very skilled in English. The coders made a verbal offer to an Italian company in English. However, the Italians did not understand the offer, because it was badly formulated. The coders then turned to an Italian translator. Luckily, only a verbal offer had been made so far. The coders´ draft, which was very unprofessional, was given to the translator. The translator never told the customer how bad the original document was. In the end, the company portrayed a much more professional image, because it sent a professionally translated offer.

The translators noted that customers often do not understand that the message of the text does not open up to the foreign reader in the same way as it does to a Finn. The customer may not understand the principles of intercultural communication, and sometimes the translator has to act as a copywriter. There was a general consensus among the translators that the work of the translator was not sufficiently valued or respected.

Some of the translators expressed a desire to get more constructive feedback from their customers, as it is sometimes very difficult to get any feedback at all. Feedback is given if the customer does not know the word that has been used, and then claims that the text is faulty. Often the customer uses Microsoft spellchecker to check the unknown word. If the spellchecker does not know the word, translators are likely to get negative feedback. As discussed above, some of the interviewed companies reported they train their translators, and the translators at the meeting found this to be very positive. Some noted that often the translators are not introduced to the company and its products in the same way as, for example, advertising agencies. This may hinder the understanding of the context of the text.

Finally, the translators suggested that the lack of a language strategy in a given market may derive from the fact that the company thinks the market has only sporadic meaning. If there is no language strategy in place, perhaps the company does not see the continuing importance of certain language areas.

Interpreters

We also investigated the use of interpreters in SMEs. Translation is written, whereas interpreting is spoken. Sussman and Johnson (1993) further differentiate between two types of interpreters: 1) interpreters engaged in simultaneous oral interpretations, and 2) interpreters engaged in sequential oral interpretations. The first type of interpreter are called "conference or simultaneous interpreters" (Sussman & Johnson 1993:417) and are typically used in conferences with speakers from many cultures. The second type of interpreter is "commonly found sitting near his or her client during cross-cultural business negotiations or standing next to his or her client at social functions" (*ibid.*). As Sussman and Johnson *(ibid.)* point out, the role of the latter type "may often require negotiation and diplomatic skills, ability to convey personality and style as well as knowledge of the language and culture". As the success of a meeting may be determined by the quality of the interpretation, choosing an interpreter is one of the key decisions management has to make. It can also be one of the costliest mistakes management may have to bare, if the choice is wrong.

One case company reported having employed local interpreters on its exhibition stands abroad. However, the interpreters were not professional interpreters.

> Case 4, Managing Director: "An interpreter is a necessity in China, because the customers do not speak English. On the second day of the trade fair we had to hire another interpreter, because one was not enough for the long discussions."

> Case 4, Managing Director: "[Our interpreters] have been e.g. potential agents, who did not become agents at this point. In China, we found [interpreters] through the trade fair organizers. […] They were young students, who had good English language skills. They were not in our industry."

The experiences with local interpreters were reported to be positive, though they expected product knowledge coupled with language skills from the interpreter.

Case 4, Managing Director: "Our first interpreter learned our business fast and could conduct negotiations with potential customers with only asking a few specifying questions from us. We could have almost left him there and let him take care of business. The other interpreter could not learn as fast. He could create and maintain the discussion, but then he had to interpret [what we said], and the discussion was not as natural."

The findings of this thesis show that the companies have problems with the translation of industry-specific terminology, and have taken different steps to address the issue. The companies use their own employees to verify that the translation is correct. The interviewed case companies use both native speakers as well as employees that are fluent in the language. This issue became apparent also in the Finnish Association of Translators and Interpreters meeting. The translators at the meeting felt that their knowhow is not valued, and would appreciate assistance with company-specific terms. Some of the interviewees train their translators, and have long-standing relationships with their translators. This suggests that trust and investment into the translator relationship can be beneficial for the company. These findings are in line with the reviewed academic research. The academic research also shows that price is not the determining factor in the choice of translators, which further supports the non-transactional nature of the relationship.

4.9. Agents

Agents are the sixth component of our model emerging from the empirical findings and prior literature (see Figure 5 on page 47).

The choice between company-owned distribution channels (company sales force and company sales division) and independent intermediaries (e.g., outside sales agents and distributors) is crucial for small and medium-sized companies. One of the primary modes of internationalization is exporting through an agent. Agents are paid a commission to locate customers and solicit sales on behalf of the company (Johnson 2002). They do not purchase the product and are not at liberty to determine the price; the company holds the risk of the transaction *(ibid.)*. SMEs can overcome the limitations of insufficient knowledge about foreign markets and languages by choosing independent intermediaries, either in their home countries or in target host country markets, who have such knowledge and skills.

The role of agents in internationalization of Finnish small and medium-sized companies has been recognized in academic literature (e.g., Holmlund & Kock 1998). According to the findings of Holmlund and Kock (*ibid.*), the chosen operational mode of internationalizing Finnish SMEs is commonly to have an agent or own salesman abroad. "By using an agent the exporter does not have to invest extensively in the export activities since the agent is already embedded in a business network in its home country thereby having the necessary relationship" (Holmlund & Kock 1998:59).

The findings of this study are in line with findings reported in the academic literature. Twelve of the 21 survey questionnaire respondents answered that they use local agents in their export markets in order to compensate for their staff's limited language skills (see Appendix D9). Local agents are used both in Europe and outside Europe: Czech Republic, Estonia, France, Germany, Eastern Europe, Poland, Romania, Spain, Italy, Russia Arabic countries USA, Chile, China, Japan, Korea and other distant countries (see Appendix D9). This issue was elaborated further in the face-to-face interviews.

Agents have local skills needed at each stage of the local business. Thus, they can act as intermediaries between the Finnish SME and foreign customers and authorities. They can also help the SMEs in language-related issues.

> Case 3, Managing Director: "We make an effort to find partners whenever language skills are seen as a prerequisite for success. We have English-speaking partners in Korea, Japan and China. They act as a buffer between us and local companies and authorities. This is a rather typical strategy for us, but it involves more than just foreign languages. Partners are business enterprises, and doing business is the main thing. In Arab countries, however, language is a fundamental part of the equation. Firms need to master foreign languages but end customers need not. End customers prefer communicating in their own language."

> Case 5, Marketing Communications Manager: "In Argentina we have a representative who speaks Spanish. The representatives are glad to help [with language-related issues]."

Three of the five interviewed case companies state that agents play an important role in overcoming language barriers (see Appendix D9). Agents increase sales for the companies and do the work that would be hard for the companies to do.

> Case 2, Managing Director: "We want someone who speaks the [local] language. We want the agent to do the job that is hard for us to do, such as contacting clients and architects, visiting, showing our products, and marketing."

> Case 2, Managing Director: "It would be a lot harder to do the work from here, if we didn't have an agent. So, a local agent does increase sales."

> Case 5, Marketing Communications Manager: "If we didn't have agents […] we wouldn't get very far".

Olkkonen, Tikkanen and Alajoutsijarvi's (2000) investigation highlights how important communication processes are in relationships and networks. They emphasize that "aspects of interpersonal communication are important in attempting to understand issues such as long-term bonding, various forms of adaptation and the development of trust and mutuality in inter-organizational relationships and networks" (Olkkonen *et al.* 2000:405). In a similar vein, some of the interviewees in this study underline the importance of communication in the agent relationships.

Some case companies enjoy strong and close working relationships with their agents. Longitudinal relations between SMEs and agents can be very stable.

> Case 5, Marketing Communications Manager: "We have been very lucky to have these agents. They have remained as representatives, agents for years. For example, our Paris agent has been with us for 20 years. They have been very loyal."

> Case 5, Marketing Communications Manager: "We would not manage without our agents and the help of our subsidiaries. Language skills are one of the prerequisites for starting negotiations."

Case companies thus devote their time and effort to building strong and lasting relationships with their partners in the distribution system. This is in contrast with Visser (1995), who looks at language strategies in SMEs. She suggests that local agents could be used as a solution for short-term language needs (*ibid.*).

In choosing agents, it is important that each agent be experienced in the functions it brings to the business relationship. Also Case 1 uses agents, but not for language-related reasons. The use of agents is motivated by the complexity of marketing and distribution in some regions. In the United

States, distributors tend to control access to end users. Thus, bypassing local agents may not be even possible.

> Case 1, Managing Director: "We have always believed in our own way of doing. Agents are used only in some markets, because of the market structure. For example, in the United States, consumer goods markets are largely dominated by chains and their own agents."

One of the case companies is a member of an Export Ring (or Export Group). Export rings are a flexible way to manage the export of goods and services from the participating companies in a specific geographic area. Export Rings take advantage of synergies the participating companies have, which relate to market knowledge and overlapping customer base. Participating companies can hire a joint Export Manager, an outside consultant with local knowledge and languages skills. The aim is to establish a relationship of trust between the companies and the joint Export Manager.

> Case 4, Managing Director: "We have tried to enter the French market with through an Export Ring, but it didn't turn out as hoped. There are probably a lot of reasons. […] One reason is that the investments of the participating companies just didn't materialize. […] We are also in an Export Ring which targets the Russian markets. [The participating companies represent the] sawmill industry in the Region of Etelä-Savo. The Russian Export Ring is managed by an Export Manager who speaks Russian. He is Russian but has lived in Finland already for some time. He has connection in the logistics business, and acts as an agent when we go to Russia to meet customers. In the same way, the French Export Ring was managed by an Export Manager with French language skills. The export Manager is the one who knows local customs and local languages. [The Export Manager] sort of acts as an agent, because he is not employed by any of the participating companies. His comes as an agent to meet potential customers, knocks at their doors, chooses the target companies. He doesn't do business; we do business ourselves."

This study finds that agents are very important to the interviewed SMEs. This is in line with the reviewed research. Some of the interviewed companies have established long relationships with their agents, and the agents are seen as an element of their strategy. Four case companies acknowledged that they use agents to access markets where they have limited language skills. Although agents may be chosen for business-related reasons, the interviewees recognize the benefits of having a local language contact for customers.

4.10.   Company Websites

The Internet allows the user to be an active participant in the medium, rather than the passive consumer of traditional print advertisements (Hoffman & Novak 1996). It also allows SMEs to access customers from around the world, regardless of location, in a less risky way (Chrysostome & Rosson 2004). Nevertheless, it should be noted that selling complex products still requires person-to-person contact (*ibid.*). The research suggests that being committed to the Internet results in better export performance (Mostafa, Wheeler & Jones 2006; Vinh & Julian 2008). In his doctoral dissertation, Shneor (2010) reviews previous research and posits that the majority of available empirical evidence seems to suggest that there is a positive relationship between various aspects of Internet use and various aspects of a firm's international performance.

Companies have a choice of whether to globalize or localize their websites (e.g., Tixier 2005). There are two main aspects of website localization: translation and country adaptation. Shneor (2010) states that much of the current research is focused on cultural adaptation. However, based on his empirical research, Shneor finds that translation is perceived to be the most important aspect of website localization. The author states that language choice and translation quality and extent are more relevant to understanding website localization than analysis of cultural adaptation (Shneor 2010).

Translation is an important aspect of website localization also for the survey respondents of the present study. Surveyed companies have translated their websites into several languages including Chinese English, Finnish, French German, Japanese Norwegian, Polish Russian, transliterated Romanian, Russian, Spanish, and Swedish (see Appendix D17).

All case companies have their websites in English. Three case companies do not have a Finnish version of their website. Available language versions are summarized in Table 7.

Table 7. Case Companies: Website Translations (13.3.2011)

Case	Languages	
Case 1	English, Chinese, German, Japanese, Spanish	(13.3.2011)
Case 2	English, Finnish, French, Polish, Russian, Swedish	(13.3.2011)
Case 3	English, German	(13.3.2011)
Case 4	English	(13.3.2011)
Case 5	English, Finnish, German, Russian, Swedish	(13.3.2011)

The most common justification for the chosen languages is market area and customers (see Appendix D18). The most common foreign language for the websites is English. The quotations from the companies themselves disclose some of the reasons.

> Company A, Managing Director: "English is the only option for a universal language."

> Company C, HR Manager: "Customer base"

> Company E, Managing Director: "Most common languages in our market areas."

> Company H, Managing Director: "English is the main commercial language."
> Company L, Managing Director: "International."

> Case 4, Managing Director: "Widest diffusion."

Thus, the reasons given for the English language websites tend to focus more on the universality of the English language rather than on the markets and customers. This is in line with English being the *lingua franca* of business.

All the SMEs had their website translated into English and most SMEs had other language versions as well. This suggests that the cost of translating the website is not an insurmountable problem.

> Case 2, Managing Director: "We have some short brochures [in languages that the website has not been translated to] that are on the internet. […] I don´t believe it is a high cost [to have the website or brochures translated]."

However, some noted that it is not feasible to keep their websites updated in many languages.

> Case 3, Managing Director: "Although desirable, it is impossible for a small company to keep the website updated in many languages. Manuals are translated in all main languages, including Chinese, Japanese and Arabic languages."

> Case 4, Managing Director: "We had translated our old website into several languages. Our aim is to translate the website again into more languages, but at the moment we don't have resources.

The empirical findings are in line with academic research. Shneor (2010) recognizes the concern among researchers that although launching a website may be within any firm´s budget, maintaining, updating and paying for sophisticated sites may not be in the reach of smaller companies. However, in terms of language adaptation, the ELAN (2006) report found that multi-language websites were the most common tactic used by European SMEs in international communication. On average, 62 % of the sampled SMEs had adapted their websites to foreign markets for export purposes (ELAN 2006). There was wide variation within the sample, with 91 % of Finnish companies having adapted their websites and only 5 % in the UK doing so (ELAN 2006). This is likely due to the status of English as *lingua franca*, which also explains 57 % of companies having their website translated to English, 15 % into German, 8 % into French, and 7 % into Russian (ELAN 2006).

One of the interviewed companies noted that there is a danger of misleading the customers if the website appears in languages that company representatives do not speak.

> Case 2, Managing Director: "If we have brochures in different languages, we start getting inquiries in those languages. We should write something like 'Please write to us in English', so that we do not mislead the customer. Otherwise, the customer will think that we speak that language. "

The majority (sixteen) of the survey respondents believe that translating their websites into foreign languages has increased their business activities (see Appendix D19). The respondents commented in the following ways:

> Company K: "The credibility of the company is increased. In certain market areas one must be local."

> Company E: "Translating has not strictly increased [business activities], but has facilitated."

> Company D: "We have obtained new contacts that have led to new customer relationships."

> Case 1, HR Manager: "I believe that foreign languages bring our products closer to the customer."

Company M: "Our market area is now the whole world."

One of the case companies elaborated further on the topic during the interview:

> Case 4, Managing Director: I absolutely believe [that there is a correlation between the use of languages on the website and the volume of trade], especially in the main language, such as Spanish and Russian. Some of our customers have a good knowledge of languages, but we also have customers with no language skills. We are talking about sawmill industry. Although there are people with language skills, they may not be found in all organizational levels. We have used language services abroad, for example in the Czech Republic and Poland. But materials have not been translated into these languages yet."

One case companies responded in the survey that it is "difficult to say" whether translating the websites into foreign languages has increased business activities. The company is a hewsaw manufacturer. The selling of hewsaws is a long-term process where interacting with the customer is essential. This point of view was explained in the interview.

> Case 5, Marketing Communications Manager: "[We] don´t really [have less sales in a country, because we don´t have a website in that language]. It is hard for us to show these products on the internet. We use a lot of 3D pictures and animation, but these products have to be seen many times and in real life in order to see how they work."

The findings of this study are in line with academic literature. Translated websites are an important form of communication in international markets, and many of the surveyed companies had multi-lingual websites. Shneor (2010) finds that translating websites is the most important way to localize them, and a relatively cheap option for SMEs. However, as one of the interviewees noted, updating websites can be expensive. Shneor´s (2010) work supports this finding. Four of the five case companies agreed that translating their websites into other languages has increased their business activities. Also, it was interesting to note that one of the cases avoided translating the website into languages their staff members were not trained in. The company did not want to make false promises to customers about their language abilities.

5.   DISCUSSION AND CONCLUSIONS

This study was undertaken following the pan-European research project PIMLICO*: Promoting, Implementing, Mapping Language and Intercultural Communication Strategies in Organisations and Companies.* The PIMLICO project is intended to demonstrate how to overcome language and cultural barriers in cross-border trade. Unlike the PIMLICO project, this thesis did not set out to be prescriptive about 'best practices' for shaping language strategies in SMEs.

The broad aim of this study was to discuss and to analyze language strategies in Finnish small and medium-sized enterprises (SMEs). Language strategies of Finnish SMEs have scarcely been researched. Therefore, we started this study open-mindedly, not knowing if we would find "planned mechanisms for dealing with language and cultural problems in given markets" (Hagen 2001:11) in Finnish SMEs. Our initial survey findings suggested that at least some elements of language strategies exist in SMEs' everyday practice. Therefore, the survey findings encouraged us to carry out a multiple-case study. The cases allowed the reflection of the results vis-à-vis the characteristics of each case.

Various documents and databases were used both in pre-interview and post-interview situations. Additional perspective was gained, for example, at a Finnish Association of Translators and Interpreters meeting in September 2010, where we presented some of our initial findings. Data sources used in this study are listed in Table 3 in section 3.2.2. Step 2: Crafting Instruments.

This chapter discusses the findings of this study, followed by managerial implications of the findings. The chapter ends by presenting the limitations of this study and suggestions for further research.

5.1.   Key Contributions of the Study

The first objective of this study was to identify language strategies of Finnish small and medium-sized enterprises (SMEs) doing business abroad. This objective was met by answering the question *What foreign language strategies do Finnish small and medium-sized enterprises (SMEs) use?* The second objective of this study was to analyze the identified language strategies. This objective was

met by answering the question *How are language strategies manifested in Finnish SMEs?* Our key findings are discussed in this section.

Following Mintberg (1978:934), we view language strategies as "a pattern in a stream of decisions". According to our findings, language strategies used by Finnish SMEs arise from the recurrent activities of various people. The strategy may not have been intended from the beginning but has emerged over time.

Hagen (2001:11) defines a languages strategy as "planned mechanisms for dealing with language and cultural problems in given markets." Rather than prescriptive, deliberate top-down strategic formulation, we found a bottom-up flow of emergent language-related practices. In the case companies, language-related decisions are made every day, and such decisions together form a language strategy. It was found that SMEs have many tried and trusted ways of dealing with language-related issues. For example, all of the case companies use their business partners for proof-reading and translating documents. Also, all the case companies verify the language skills of job applicants in the recruitment process.

A holistic language strategy takes into account multiple language-related issues that are relevant to the company. A rather holistic language strategy was found in Case 1. In that company, language-related decisions are considered somewhat systematically. However, the language strategy is not documented in writing even in that company. Instead, language strategy emerges from language-related routines of behavior. Case 1 incorporates managers' initiatives (such as common company language) and employee's initiatives (such as employee-initiated language training). In Case 1, the language strategy also involves a record of employees´ working language skills, recruitment of native speakers, and writing all job advertisements in English. The language strategy in Case 1 can be considered more holistic than in the other case companies, because is encompasses various aspects of language-related activities. The bigger size and the degree of internationalization of the company are likely to be explaining factors.

Research has consistently found management to be an important force behind small firm´s cross-border efforts. Thus, managerial attributes have been researched extensively. (e.g. Leonidou *et al.* 1998; Wiedersheim-Paul *et al.* 1978; Reid 1981; Turnbull & Welham 1985). Top managers can strongly influence the SME's outcomes, and are able to shape and modify company practices.

Although top managers were not the main subject of interest in this study, some strategic implications of their personal qualities became evident during the case company interviews. For example, one top manager´s good German language skills determined the company's market entry into Germany before entering any other foreign market. The uncertainties were minimized thanks to the top managers´ language skills. This is in line with academic research, as the recent study by Stoian and Rialp-Criado (2010) shows that top management´s language skills positively influence export involvement. Also Burton and Schlegelmilch (1987) find that exporting firms have a higher level of managers fluent in other languages, although cause and effect were not established in the study.

It was found that some language-related practices may be purposive and top-management led. For example, recruitment processes may be developed by top managers with a particular purpose. All interviewed managers considered language skills an important criterion when evaluating a candidate's suitability for a job. However, other practices may be used because they have gradually gained legitimacy. For example, many of the case companies routinely ask native speakers to check documents translated by external translators. The case companies have learned through experience that translators may not be familiar with industry-specific terminology. The use of native speakers has become a common practice.

People at different levels in the organization contribute to transferring and innovating language-related practices. For example, employing a new human resources manager in one of the case companies led to the systematic recording of staff language skills in the Intranet. At the moment the management is aware of their staff language skills. The new, far-sighted goal is to further enhance the intra-organizational use of available language capabilities as the company continues to grow.

While some elements of the language strategies may be planned, other elements evolve as SMEs adapt to intra- or extra-organizational circumstances or exploit arising opportunities. Some practices may arise, for example, from the interaction with foreign business partners. Many interviewees emphasized the importance of long-term relationships with their agents and Export Rings for language-related purposes. Thus, language-related practices can be developed and disseminated both inside and outside organizations.

This thesis found that the interviewed case companies do not have written language strategies. Similarly, Ylinen (2010) concluded that the large international organizations that she interviewed rarely have written language strategies. However, the SMEs interviewed for this thesis clearly have established practices for dealing with language-related issues. Theoretical background for these results can be found in the recent 'practice approach' in the management literature (e.g., Jarzabkowski 2004; Whittington 2006; Chia & MacKay 2007). "Traditionally, the strategy discipline has treated strategy as the property of organizations: and organization *has* a strategy of some kind or other. Increasingly, however, strategy is being seen also as a practice: strategy is something people *do*" (Whittington 2006:613).

Jarzabkowski (2004:531) defines the term practice as implying "repetitive performance in order to become practices; that is to attain recurrent, habitual, or routinized accomplishment of particular actions." There are micro- and macro-contexts in which strategy as practice occurs. Practices may be organization-specific, embodied in the routines, operating procedures and cultures, but practice theory emphasizes the extra-organizational as well. There may be industry-specific practices and, at a still higher level, there are strategy practices of whole societies. (Jarzabkowski 2004; Whittington 2006). According to Whittington (2006:627) "the essential insight of the practice perspective is that strategy is more than just a property of organizations; it is something people do, with stuff that comes from outside as well as within organizations, and with effects that permeate through whole societies." Thus, a central proposition of the strategy-as-practice research is that intra- and extra-organizational levels are linked (Whittington 2006; Jarzabkowski 2004).

This study found that business networks tend to impact the case companies' language-related practices. The wide use of agents for language-related purposes is an example. At the national level, foreign-language teaching in Finland tends to impact SMEs language-related practices. Finnish educational policy has yielded very positive results (e.g., Latomaa & Nuolijärvi 2005). One case company had adopted English as the common company language; another case company interviewee stated that all their 27 employees can competently handle all working situations at least in English.

The discussion of our key findings will now focus on the components of language strategies found in the interviewed case companies. Multiple cases provided a basis for reflecting on how components of languages strategies manifest in the Finnish SMEs (see Table 8 below).

Table 8. Components of Language Strategies in SMEs

Language Components in SMEs	How are they manifested in Finnish SMEs?
Common Company Language (CCL)	• There is an official CCL (English) (Case 1) • The CCL of the main office (Finnish) is different from the CCL of the subsidiaries (English), but English is the commonly shared language (Case 2, Case 4, Case 5) • The CCL is Finnish (Case 3)
Language Audits	• No comprehensive language audits (all case companies) • Keeping record of staff language skills (Case 1) • Experience-based knowledge of language-related issues (all case companies)
Language Training	• Organized efforts to promote the learning of languages (Case 1, Case 2, Case 3) • Language training is based on the employees´ own initiative (Case 4, Case 5)
Language Skills and Recruitment	• Language skills are used as a criterion in recruitment (all case companies) • Native speakers are employed by the company (Case 1, Case 2, Case 4, Case 5)
Translators and Interpreters	• External translators are commonly used (Case 2, Case 3, Case 4, Case 5) • Long-standing relationship with translators (Case 3, Case 5) • Translators are trained in industry terminology (Case 3) • Partners are used for translation and revision (all case companies) • Employees are used for translation and revision (all case companies) • Local, non-professional interpreters are used (mentioned by Case 4)
Agents	• Agents are used for their language skills (Case 2, Case 3, Case 4, Case 5) • Export Ring managers with language skills act as agents (Case 4)
Company Websites	• Website is available in Finnish (Case 2, Case 4, Case 5) • Website is translated into English (all case companies) • Website is translated into other languages (Case 1, Case 2, Case 3, Case 5)

Only one case company has an official common company language. However, three case companies enjoy the benefits of a common company language without having formalized it. Although Finnish is spoken in the main offices, the case companies recognize the importance of

English as a shared language between the main office and their subsidiaries. One case company clearly stated that the official language of the company is Finnish; however, English is used as a common business language to communicate with their subsidiaries and non-Finnish employees. Also memos and other internal documents are written in English to facilitate the transfer of knowledge. English has improved communication, coordination, and knowledge-sharing in these companies. Luo and Shenkar (2006) identify these factors as benefits of a common company language. Using English facilitates formal reporting, access and maintenance of documents, as well as informal communication between global teams. Feely and Harzing (2003) identify these as the benefits of having a common company language. Therefore, although the three case companies do not have a common company language, they clearly exhibit many of the practices and benefits of a common company language.

One case company uses Finnish as the common company language. This is because all the employees are Finnish due to the sensitive nature of the technology. The one case company that does have a formally designated common company language (i.e., English) has consciously decided to retain a Finnish language enclave (i.e., the Finnish designers). This suggests that a formal common company language is not a simple solution, a statement supported by previous research (e.g. Marschan-Piekkari *et al.* 1999; Charles 2007). This also supports the emergent nature of language strategies in SMEs. Although a formal language exists, the practice of supporting a language enclave reveals that the emergent language strategy values Finnishness. The case company wants to facilitate communication between the Finnish designers.

It has been relatively easy for the case companies to adopt English as their formal common company language or as their *de facto* company language. This is due to the high level of English language skills in Finland, and the relative smallness of the Finnish language on a global scale. Although one interviewee remarked that it is difficult to attract people with language skills to their small municipality, the case company still considers English to be a basic job requirement. In many of the case companies English is considered more of a basic skill than a foreign language. This illustrates how widely English is spoken in Finland.

None of the case companies has conducted a comprehensive language audit. A comprehensive audit would map the strengths and weaknesses of the organization in foreign language communication, as well as the current capabilities and the estimated cost of improvements (Reeves & Wright 1996).

The lack of audits was not surprising (see Feely & Harzing 2003; Randlesome & Myers 1997; Reeves & Wright 1996). Welch and Welch (2008) underline that a language audit is the necessary starting point for any language related policy development. As all the case companies are relatively small and none of them has a formal language strategy, it is not surprising that they have not conducted language audits. Nevertheless, one case company has started to keep a formal record of staff language skills in each employees´ profile on the company Intranet. This is one of the elements of language audits identified by Reeves and Wright (1996). The other case companies rely on experience-based knowledge. The management and staff are already aware of everyone´s language skills, because of the smallness of the case companies. Therefore, they do not view it as worthwhile to formally list language capabilities. Although all the case companies are aware of staff language skills, an audit could establish whether the language skills are effectively used and what improvements could be made.

The literature suggests that employees with good language skills are becoming increasingly necessary for company efficiency and success in the global economy (e.g., Bloch 1995). Swift and Smith (1992) note that it is not uncommon for companies to offer language training out of the awareness that something needs to be done without delay. They continue by stating that some companies have the viewpoint that training should be available to all, regardless of job function or business objectives. Our findings support this viewpoint, as none of the case companies had a language strategy to guide their training needs. However, the case companies did have organized efforts to promote language learning. Feely and Harzing (2003) note that although language training is valuable, companies should not be deluded into thinking that it assures success. This type of attitude, however, was not present with any of the case companies.

Half of the survey respondents stated that their staff language skills do not correspond to the needs of the company´s current market areas. Three case companies have organized efforts to promote the learning of languages. They offer or encourage employees to take language courses. One case company evaluates their employees´ progress every six months, and then decides whether to further pay for the courses. The other case companies did not mention that they evaluate their employees´ progress. Two case companies do not offer language training; instead, employees take language courses based on their own initiative. One of the interviewees stated that organizing courses can be difficult also for practical reasons, such as work schedules.

All the case companies use language skills as a criterion in the personnel selection process. The job interview is typically used as a language testing scenario. Four of the five case companies employ native foreign language speakers, as do 60% of the surveyed companies. This contrasts sharply with the 22% of European enterprises who employ native speakers (ELAN 2006). Again, the relative smallness of the Finnish language area, and the high degree of internationalization of the surveyed companies, are likely to be the explaining factors. The interviewed case companies realized the benefits of employing native speakers. It is easier to communicate with customers and to gain their trust. One case company noted that it is difficult to attract people skilled in languages. This concern is voiced also in the academic literature (Hornsby & Kuratko 1990; Cardon & Stevens 2004). Although the use of native speakers has not been formalized into a written language strategy, it does bring benefits that the case companies recognize as important.

One of the most interesting findings was the decrease in the liability of foreignness through employing native speakers. One of the interviewees emphasized that when an employee is a native speaker, the customer believes he is buying a local product. The interviewee stated that this can be beneficial because many business-to-business customers want to buy local products.

One case company noted that it is difficult to attract employees skilled in languages to their small municipality. One way for satisfying Finnish companies´ skill shortages could be through international migration. Currently there are, however, considerable obstacles to attracting the type and number of immigrants needed to fill the emerging bottlenecks. OECD (2008: 149) has recommended that in Finland "more should be done to promote language and vocational training for foreign-born residents, encourage diversity in the workplace and assist firms in attracting foreign workers with the right skills."

OECD (2008) has identified various barriers to attracting foreign workers to Finland. It is noted that climate and language are most commonly mentioned as barriers. Other barriers include modest wage levels, lack of recognition of foreign qualifications, long work permit processing times, and discrimination. According to OECD (2008:154), "considerably more could be done to assist the transition of migrants into the workforce including training (language and skills)". In a similar vein, Jasinskaja-Lahti (2008:15) underlines in a study about Russian and Estonian immigrant adaptation in Finland that "proficiency in the host language at an early stage of acculturation serves as a major

means not only for the further development of these skills and the acquisition of linguistic and cultural competence, but also for immigrants' long-term involvement in the labour market".

One of Finland's competitive advantages is its strong education system which can be used to attract foreign students. They may be convinced to stay on and work in Finland after graduating. Students enrolled in English-language-only programs may not pick up much Finnish, but they can still be valuable employees for companies needing specialists. One of the case companies interviewed for this study has, in fact, recruited foreign students to the Finnish main office, even if they do not speak Finnish. One of the advantages is that they have already been exposed and acclimatized to Finnish society. Once they have worked for the case company in Finland, they can take the company with them and set up sales offices in their home countries. They know the company´s way of doing business, and the case company benefits from their local knowledge.

External translators are commonly used by four case companies. They all have experienced difficulties with the translation of industry-specific terminology. The case companies recognize that their terminology is difficult to learn, and some have taken measures to ensure that the translations are correct. Some of the case companies have long-standing relationships with their translators. This is in line with Nieminen (2005:33), who states that "companies prefer long term relationships with one or few [translators]".

One case company interviewee explicitly stated that they train their translators. Another case company favors a translator who has learned the terminology and products of the company. The translators commenting on the preliminary findings of this study expressed a desire to have training and help from their customer companies. They also emphasized that they sometimes need to take on duties of copywriters, to adjust the content to the cultural context of the target market. This is in line with Xian (2008), who notes that translation is not merely mechanical, but also includes transferring the meaning of the material.

Some case companies have the translated texts proof-read by employees or foreign partners. An interesting finding was the extent to which all the case companies use their partners´ help for translations and revisions. Although this practice has not been codified into a formal language strategy, it is clearly an established practice. Over the course of everyday business, partners willing to help have been identified, and their help is widely used. This shows the emergent nature of

language strategies in small and medium-sized companies. Ylinen (2010) found that most of the large international organization she interviewed outsourced their translations. This is in contrast with the internal and partner translations used by the SMEs interviewed for this thesis.

One interviewee mentioned the use of interpreters, for example on exhibition stands. Instead of professional interpreters, agents or students skilled in languages were used. They were expected to understand the business and products, which goes beyond basic interpreting. The person the company was most satisfied with understood their business quickly, and could negotiate deals on his own. Ribeiro (2007) finds that interpreters are more than just middlemen who literally translate what is being said. Interpreters can also have the role of adjusting what is being said to the cultural context, and thus aid communication by preventing clashes of different worlds. Thus, a language barrier can actually positively impact the communication between people with very different beliefs, customs and concepts (Ribeiro 2007). The case company was primarily looking for someone to conduct sales negotiations with their potential customers. However, the interpreters were also adjusting the message to the cultural context, and thus tailoring the message and avoiding cultural clashes.

Agents are used for their language skills by four case companies. One case company also uses an Export Ring manager skilled in languages to act as an agent. The case companies expect their agents to have language skills and good contacts with the market, since that is why they have been chosen. Agents can act as intermediaries between the Finnish companies and foreign companies and authorities. Many of the companies have had very positive experiences with their agents. The agents do the work that would be difficult for the companies to do from Finland. Most case companies feel that they would not get far without their agents. Literature shows that using an agent is a common mode of internationalization (e.g., Luostarinen et al. 1994). The case companies have taken into consideration the language benefits provided by agents. Even though the interviewed SMEs might not have a written strategy related to the language skills of their agents, a clear strategy has emerged in many companies to use skilled agents.

The websites of all the case companies are available in English, but only three are available in Finnish. Four case companies also have their websites translated into languages other than English. The case companies are responding to their customers´ needs in their international market areas. In line with literature (Shneor 2010), one case company felt that translating a website is not a big

financial concern, but another case company noted that maintaining a multilingual website might be challenging. Chrysostome and Rosson (2004) note that SMEs can access customers from all around the world through their website. However, its implications should be considered. It was interesting to note that one of the case companies had made the decision not to translate their website into certain languages; they felt that this would have given a false impression to the customer about their business language skills.

It is important to recognize that four of the five case companies are in a business-to-business industry. Their websites are a source of information for potential customers. The case companies do not sell products through their websites. Sales negotiations are always conducted in person. A firm can make the decision to simply have the website in English, or to translate it into all the languages it can do business in. As the company enters new market areas, new needs may arise. The decision about website translation is one of many that make up an emergent, bottom-up language strategy.

The previously presented model of SME language strategies emerges from the empirical findings and extant literature (see Figure 5). The model includes the following components: 1) common company language; 2) language audits, 3) language training, 4) personnel selection and the use of native speakers, 5) translators and interpreters 6) agents and 7) company websites. These components have been found in the case companies in varying degrees. The model allows an integrated approach to bottom-up language strategies in SMEs.

The model laid out in this study has practical implications, which will be discussed later in this chapter. The implications of this model are not only theoretical. The model can also be used by managers in SMEs to reflect on their language strategies, and the ways they might be shaped over time.

5.2.   Managerial Implications

The most general managerial implication emerging from this study is the importance of awareness. Language-related decisions are made in SMEs on a daily basis. However, managers tend not to approach language-related issues holistically. Increased awareness about language issues could

prevent a SME from drifting into language strategies that do not fully support their specific business goals.

Language issues often do not receive much focused attention, although companies pay attention to many of the individual components of language strategies. If SMEs were to take some time to look at their language strategies holistically, they might be able to gain insight that is difficult to attain during the course of day-to-day activities. When developing a holistic language strategy, as opposed to the mere sum of its component parts, managers could take advantage of the model developed in this study.

Research suggests that language audits are a useful tool to begin this process. If done in-house, there is no need to employ an expensive language auditing consultant. Doing the audit in-house will not only save money, but it will also enhance the process of thinking about the strategic importance of languages within the company. If there is later a desire or need to perform a professional language audit, then this can be done.

Finland has enjoyed strong economic growth, and will be facing ageing, and the resultant skill shortages, in the coming years. Consequently companies of all sizes are, and will increasingly be, competing to attract the same employees with the same skills. Therefore, SMEs need to step up efforts to be competitive in this regard. Whatever stage of internationalization the SME is at, it could gain an all-important competitive advantage by having a language strategy.

A language strategy can be especially important when recruiting staff or planning promotion schemes internationally. One way for satisfying Finnish SMEs workforce shortages could be through immigration. For example, foreign students could be convinced to stay on and work in Finland after graduating. Foreign-born employees may not know much Finnish. A language strategy could help increase potential job applicants' confidence in the SME, and ensure that skillful applicants are applying for open positions. A language strategy would also help to integrate foreign-born employees in the company, for example through the assessment of possible Finnish language training needs.

The demand for language skills is changing. For example, the need for Chinese and other Asian languages as well as Spanish increases as SMEs turn towards new markets in Asia and South

America. SMEs need to ensure that their employees are equipped with suitable language skills. Therefore, SMEs may need to revise recruitment practices and invest in language training. One of the issues employers face is how to assess that their investment in employee language training is paying off. Employees´ progress can be tested periodically, and the decision to further pay for the languages courses can be made with the progress results in mind.

Overcoming the liability of foreignness without ample firm resources can be difficult. This liability means that the SME may incur higher costs than local (host country) competitors. Employing native speakers can yield great benefits by having customers perceive the SME as local. Customers find it easier to deal with native speakers and, thus, their trust is gained faster.

It is common to experience problems with translators, especially regarding industry-specific terminology. Training translators or simply having a long-standing relationship with them can reduce terminology-related problems. Translators are often very willing to receive this type of help. Companies can also reach out to their partners to find out if they would be willing to translate or proof-read their texts. This can become an established practice.

Multilingual websites are an integral part of the internationalization process of SMEs. Websites are a channel for promotion and sales; and they are an easily accessible means of providing information to international customers. It is important to note, however, that translating websites into too many languages can be problematic. Translating the company website into a language that the company cannot do business in can be misleading to the customer. Moreover, updating multilingual websites can be prohibitive for some SMEs.

5.3. Limitations of the Study and Suggestions for Future Research

Finnish SMEs operate in a small domestic market, and thus often lack profitable growth possibilities domestically. For Finnish SMEs, the average length of the domestic period before the first outward operation is becoming shorter. The pace of internationalization increases especially among newly established SMEs (e.g. Luostarinen *et al.* 1994). Therefore, Finnish SMEs make an extremely interesting subject of research also from the point of view of their language strategies.

This research is situated in the Finnish context, which may limit the generalizability of the findings. The linguistic identity of Finns, molded by geographical facts and historical developments, is likely to affect language strategies of Finnish SMEs. It is important, therefore, to remember that some of the findings may not be readily comparable to findings in other European countries.

Firstly, Finnish is a small language in the global context. This is likely to affect the language strategies of Finnish SMEs compared to other European SMEs. For example, Finnish people are likely to have very different attitudes with respect to second-language learning in comparison with speakers of globally powerful languages, such as English. Secondly, Finland is linguistically rather homogeneous. During the past decade, the number of foreigners in Finland has increasingly changed Finland into a more multilingual society. However, 91% of the population still speaks Finnish as their native language (Statistics Finland 2010). The linguistic homogeneity is likely to affect language strategies of Finnish SMEs. For example, it may be difficult for Finnish SMEs to recruit native speakers.

The multi-case study design (five case companies) offered a means for understanding elements of language strategies in more than one setting. In two case companies, we had more than one interviewee and various documents and databases were used both in pre-interview and post-interview situations. However, a wider understanding of the phenomenon might have emerged if we had interviewed even a greater number of employees within the case companies. Therefore, the suggested model may require further research.

This thesis is an exploratory study of the language strategies of small and medium-sized companies. A longitudinal study could uncover how emergent language strategies change over time. It could also bring insight into how language strategies are shaped by the changing business conditions. Moreover, a longitudinal study could reveal how language strategies can shape business activities over time.

Ylinen (2010) wrote her Master's Thesis on the written language strategies of international organizations. She found that written language strategies were not common in the organizations, but the language-related practices were fairly similar. A similar practice-based view of language strategies has also been used in this thesis. It could be interesting to use the model proposed in the present study in the context of international organizations. Using our model in the multinational

company context could reveal some of the differences between multinational organizations and SMEs.

It would be interesting to follow how a SME adopts a language strategy from the planning phase to implementation, and then to possible strategy revisions. A single case study might be appropriate for this purpose. It would be illuminating to research what benefits a holistic language strategy brings to the company. Such a study could also reveal how different actors within the firm affect the strategy. Also, it might bring more insight into the differences between what companies say and what they do.

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INTERVIEWS

Golla Oy
Petri Kähkönen, Managing Director, Helsinki, 9.8.2010
Kaisa Pajusalo, Human Resources Manager, Helsinki, 7.9.2010

Muovilami Oy
Esko Aho, Chairman of the Board, Ähtäri, 1.9.2010
Jaana Aho, Managing Director, Ähtäri, 1.9.2010

Noptel Oy,
Juhani Heinula, Managing Director, Oulu, 3.9.2010

Stellac Oy,
Ismo Lindén, Managing Director, World Trade Center in Helsinki, 7.9.2010

Veisto Oy,
Taina Taskinen, Marketing Communications Manager, Mäntyharju, 3.9.2010

Bartosz Kijoch, email interview 28.2.2011

Fintra
Competence Development Manager Ulla Gustafsson, Helsinki, 24.5.2010

Finnish-Russian Chamber of Commerce
Human Resources Manager Ulla Palander, Helsinki, 19.5.2010

Finnish Association of Translators and Interpreters Meeting, Helsinki, 14.9.2010

INTERNET

Golla Oy: www.golla.com
Muovilami Oy: www.lamidoors.com
Nopterl Oy: www.noptel.fi
Stellac Oy: www.stellac.fi
Veisto Oy: www.hewsaw.com

PIMLICO

Face to Face Interview Questionnaire

Below you will find the questionnaire for the final stage of the interviewing process of the Pimlico promotional campaign project. This questionnaire is not dissimilar to the first exploratory telephone questionnaire but, as this part is intended only for companies selected for the final stage, it looks more closely to the process and effects of using language strategies in a company.

The questionnaire is divided into four parts with all in all ten short sub-sections with the following headlines:

A. About the Company

1) Position, Company & Trading Profile
2) Foreign Markets
3) Your Foreign Language Strategy
4) Barriers – Languages and Cultures

B. Discrete Strategies

5) Languages / Intercultural Competence and Training
6) Native Speakers
7) Local Agents
8) Translators and Interpreters

C. Language Support Measures and Partnerships

9) Audits and Training

D. Marketing and Publicity

10) Website Adaptation

As mentioned in previous stages, you will know which is the best way to introduce this questionnaire to the company selected for interview. It is extensive and sending it in advance might provide the company with the opportunity to select the appropriate person for the interview and subsequently give him/her a chance to prepare. A common question as to why companies should participate is the amount of free publicity they will receive as a result. Not only will they appear on the EC website but also as the best exporting SME be invited to a conference in Brussels in September and be mentioned in several leaflets and publicity materials over the foreseeable future. The interview will take approximately 45 minutes to one hour. It is essential that all questions are answered. Please encourage the respondent to provide examples of success stories and maybe even examples of the odd failure if the situation allows it. The more information is provided, the better. It will facilitate the process of selecting the overall best enterprise for each country.

Education and Culture DG

PIMLICO

Promoting, Implementing, Mapping Language and Intercultural Communication Strategies in Organisations and Companies

A. About the Company

Respondent's Name	
Company	
Address	

Country					
Austria	Denmark	Greece	Latvia	Norway	Slovenia
Belgium	Estonia	Hungary	Lithuania	Poland	Spain
Bulgaria	Finland	Iceland	Luxembourg	Portugal	Sweden
Cyprus	France	Ireland	Malta	Rumania	Turkey
Czech Republic	Germany	Italy	Netherlands	Slovakia	UK

Telephone number	
Fax number	
Email	
Website	

1.0 POSITION, COMPANY & TRADING PROFILE

1.1 What is your job title?		Managing Director	Export Manager	General Manager	Secretary / Administrator

1.2 How many years have you worked for the company?	less than 5	5 – 10	10 – 15	16 – 20	More than 20

1.3 Is your company a subsidiary of another company?				YES	NO
If yes, would you please indicate where your head office is located:					
Australia	Austria	Belgium	Brazil		
Bulgaria	Canada	China	Czech Republic		
Denmark	Egypt	Estonia	Finland		
France	Germany	Greece	Hungary		
Iceland	India	Ireland	Italy		
Japan	Latin America	Latvia	Lithuania		
Luxembourg	Malta	Middle East	Netherlands		
Norway	Poland	Portugal	Romania		
Russia	Slovakia	Slovenia	South Africa		
South-East Asia	Spain	Sweden	Turkey		
UK	USA	Other (please specify):			

1.4 Is the company a member of any business organisations / Chambers of Commerce	YES	NO
If YES, what organisation and or Chamber?		
Is this a voluntary arrangement?	YES	NO

What is the annual fee if any?		

1.4 What is the main product/service (sector) (NACE code)?

1 Agriculture, hunting and related service activities
2 Forestry, logging and related service activities
5 Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing
10 Mining of coal and lignite; extraction of peat
11 Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying
12 Mining of uranium and thorium ores
13 Mining of metal ores
14 Other mining and quarrying
15 Manufacture of food products and beverages
16 Manufacture of tobacco products
17 Manufacture of textiles
18 Manufacture of wearing apparel; dressing and dyeing of fur
19 Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear
20 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
21 Manufacture of pulp, paper and paper products
22 Publishing, printing and reproduction of recorded media
23 Manufacture of coke, refined petroleum products and nuclear fuel
24 Manufacture of chemicals and chemical products
25 Manufacture of rubber and plastic products
26 Manufacture of other non-metallic mineral products
27 Manufacture of basic metals
28 Manufacture of fabricated metal products, except machinery and equipment
29 Manufacture of machinery and equipment n.e.c.
30 Manufacture of office machinery and computers
31 Manufacture of electrical machinery and apparatus n.e.c.
32 Manufacture of radio, television and communication equipment and apparatus
33 Manufacture of medical, precision and optical instruments, watches and clocks
34 Manufacture of motor vehicles, trailers and semi-trailers
35 Manufacture of other transport equipment
35.1 Building and repairing of ships and boats
35.2 Manufacture of railway and tramway locomotives and rolling stock
35.3 Manufacture of aircraft and spacecraft
36 Manufacture of furniture; manufacturing n.e.c.
37 Recycling

40 Electricity, gas, steam and hot water supply
41 Collection, purification and distribution of water
45 Construction
50 Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
51 Wholesale trade and commission trade, except of motor vehicles and motorcycles
52 Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
55 Hotels and restaurants
60 Land transport; transport via pipelines
61 Water transport
61.1 Sea and coastal water transport
62 Transport of passenger or freight by airlines

63 Supporting and auxiliary transport activities; activities of travel agencies
63.1 Cargo handling and storage
63.2 Other supporting transport activities
63.3 Activities of travel agencies and tour operators; tourist assistance activities n.e.c.
63.4 Activities of other transport agencies
64 Post and telecommunications 65 Financial intermediation, except insurance and pension funding
66 Insurance and pension funding, except compulsory social security
67 Activities auxiliary to financial intermediation
70 Real estate activities
71 Renting of machinery and equipment without operator and of personal and household goods
72 Computer and related activities
73 Research and development
74 Other business activities
75 Public administration and defence; compulsory social security
80 Education
85 Health and social work
90 Sewage and refuse disposal, sanitation and similar activities
91 Activities of membership organisations n.e.c.
92 Recreational, cultural and sporting activities
93 Other service activities
95 Private households with employed persons
99 Extra-territorial organisations and bodies

1.5 How old is your company?	1	1 – 2	2 – 3	3 – 4	5 or more
1.6 Number of employees (your company only)?	1 – 10	11 – 20	21 – 50	51 – 100	101 - 250

1.7 Turnover in last financial year (your company only)?		Euros

1.8 Age band of Managing Director (Head of Company)?	20s	30s	40s	50s	60s

1.9 What is the percentage of your sales abroad of goods or services as a proportion of your total sales?	%

2.0 FOREIGN MARKETS

2.1 Please list, in order of importance for your business, your major foreign markets and the main languages your business uses in each of them.

Market 01		using language	
Market 02		using language	
Market 03		using language	
Market 04		using language	
Market 05		using language	
Market 06		using language	

2.2 Does language competence of your staff influence your company´s choice of export markets? If you answered YES, which Markets/Languages?	YES	NO

Market 01		using language	
Market 02		using language	
Market 03		using language	
Market 04		using language	
Market 05		using language	
Market 06		using language	

3.0 YOUR FOREIGN LANGUAGE STRATEGY

3.1 Please explain your language strategy and describe it in terms of:

    a.   How it was developed

    b.   Why it was developed

	YES	NO
3.2 Has the use of your foreign language strategy increased the company' turnover? If you answered YES, by how much has it increased? **1-5%** **6-10%** **11-15%** **16-25%** **More than 25%** If you answered NO, in what other ways has it helped to improve the company's performance?		

	YES	NO
3.3 Has the use of your foreign language strategy improved the company' organisational efficiency? If you answered YES, in what way has it improved?		

	YES	NO
3.3 Are there any other success indicators, not previously mentioned, which are the result of the company using a formal language strategy? If you answered YES, please name and describe the other indicators.		

4.0 Barriers – Languages and Cultures

4.1 Has your company ever encountered any language or communication barriers during trade?	YES	NO
If you answered YES, please indicate with what language and culture in what situation. If you answered YES, when did this happen? What was the impact on the company? E.g. loss of performance, loss of trade partner etc.		

4.2 Has your company ever lost any contracts due to any language or communication barriers?	YES	NO
If you answered YES, please indicate with what language and culture in what situation. If you answered YES, please indicate the size of economic loss **Less than 50K**　　　**50K-100K**　　　**100K-0.5M**　　　**0.5M-1M**　　　**More than 1M**		

4.3 How has the company dealt with these language or communication barriers in terms of changes made?

4.4 Has your company ever encountered any intercultural barriers during trade?	YES	NO
If you answered YES, please indicate with what culture in what situation. If you answered YES, when did this happen? What was the impact on the company? E.g. loss of performance, trade partner etc. 		

4.5 Has your company ever lost any contracts due to any intercultural barriers?	YES	NO
If you answered YES, please indicate with what culture in what situation. If you answered YES, please indicate the size of economic loss **Less than 50K**　　　**50K-100K**　　　**100K-0.5M**　　　**0.5M-1M**　　　**More than 1M** 		

4.6 How has the company dealt with these intercultural barriers in terms of changes made?

B. Discrete Strategies

5.0 LANGUAGES / INTERCULTURAL COMPETENCE AND TRAINING

	YES	NO
5.1 Do you keep a record of staff language skills?	YES	NO
5.2 Have you ever offered language training to your staff?	YES	NO
5.3 Has your company undertaken foreign language training in the last 3 years?	YES	NO

If YES, please indicate which languages your staff were trained in:

Belgian	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

5.4 Please complete this table below with the foreign languages for which you have staff (including yourself) that are able to competently handle these situations and activities below:

Situation	Language 1	Language 2	Language 3	Language 4	Language 5
LANGUAGE					
Meetings					
Travelling					
Negotiations					
Presentations					
Exhibitions					
Correspondence					
Telephone calls					
Socialising					
Other					

	YES	NO
5.5 Do you keep a record of staff intercultural skills?	YES	NO
5.6 Have you ever offered intercultural briefing to your staff?	YES	NO
5.7 Has your company undertaken intercultural briefing in the last 3 years?	YES	NO

If YES, please indicate which cultures your staff were briefed in:

Belgian	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

6.0 NATIVE SPEAKERS

6.1 For what languages do you employ native speakers to support your foreign trade?

Belgian	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

	YES	NO
6.2 Does you language strategy contain a requirement of recruited native speakers for any particular foreign market? If you answered YES, which Markets?		

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
UK	USA	Other (please specify):	

	YES	NO
6.3 Is there any correlation between the use of native speakers for any particular foreign market and the volume of trade (in terms of sales)? If you answered YES, which Markets?		

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
UK	USA	Other (please specify):	

	YES	NO
6.4 Has the employment of native speakers helped your business performance? If you answered YES, can you identify any success factors?		

6.5 Any other comments you would like to add about recruitment of native speakers?

7.0 LOCAL AGENTS

7.1 For what languages do you employ local agents who speak your own native language in your foreign markets?

Belgian	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

7.2 Does you language strategy contain the requirement of local agents for any particular foreign market? YES NO
If you answered YES, which Markets?

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
UK	USA	Other (please specify):	

7.3 Are you planning on using local agents in any particular foreign market over the next three years? YES NO
If you answered YES, which Markets?

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
UK	USA	Other (please specify):	

7.4 Is there any correlation between the use of local agents for any particular foreign market and the volume of trade (in terms of sales)? YES NO

If you answered YES, which Markets and any particular Trade Partner? Please also explain how sales have been affected by the use of local agents.

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
UK	USA	Other (please specify):	

7.5 Any other comments you would like to add about local agents?

8.0 TRANSLATORS AND INTERPRETERS

	YES	NO
8.1 Do you have a minimum requirement of how many *foreign languages* you expect your individual employee to speak? If you answered YES, how many? 1 2 3 4 More than 4	YES	NO
If you answered NO, are foreign language skills only required at management level and if so how many? 1 2 3 4 More than 4	YES	NO

8.2 For what languages do you employ external translators/interpreters for foreign trade?

Belgian	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

8.3 For which particular foreign markets do you use translators/interpreters to the highest extent? Please explain why these markets and to how high an extent (% of the total amount of communication).

	YES	NO
8.4 Are you planning on using translators/interpreters in any particular foreign market over the next three years? If you answered YES, which Markets?	YES	NO

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
UK	USA	Other (please specify):	

	YES	NO

8.5 Are you planning on using any other means of communicating than translating/interpreting in any particular foreign market over the next three years?
 	
If you answered YES, which Markets/Languages and how:
 	
   a)   By employing native speakers
 	
   b)   By employing local agents
 	
   c) Another way, … (please explain)		

8.6 Any other comments you would like to add about translators and interpreters?

C. Language Support Measures and Partnerships

9.0 AUDITS AND TRAINING

9.1 Have you used linguistic audits to ascertain the language needs of your staff?	YES	NO
If YES, what organisation / company undertakes these audits?		
Is this a free service?	YES	NO
If NO, please indicate the fee paid and how often audits takes place (annually, every 2 years, every 3 years, more seldom)		

9.2 Do you offer on-line learning in foreign languages as part of your staff development training? If YES, indicate in what languages.	YES	NO

Belgian	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

9.3 Do you offer buddying/ secondment schemes as part of your staff development training? If YES, indicate to what countries.	YES	NO

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
UK	USA	Other (please specify):	

9.4 Do you offer foreign student placements as part of your staff development training programme? If YES, indicate from what countries.			YES	NO

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
UK	USA	Other (please specify):	

9.5 Do you have a working arrangement with a university and/or other educational institution (schools, colleges) as part of your staff development training? If YES, please indicate the university and/or educational institution.	YES	NO

9.6 Any other training programme or competence training measure not mentioned.

9.7 Any other comments you would like to add about training or language support?

D. Marketing and Publicity

10.0 WEBSITE ADAPTATION

10.1 For what foreign markets have you adapted your website?

Belgian	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

10.2 Into what foreign languages have you translated your website?

Belgian	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

	YES	NO
10.3 Is your website designed to a multilingual strategy E-commerce model? If YES, please explain briefly how this is noticeable on the website.		

	YES	NO
10.4 Have you culturally adapted your website when translating it into a particular foreign language? **If YES, does the translated website (please circle):** Support the natural writing symbol? YES / NO Support the native date presentation? YES / NO Support the native currency? YES / NO Support the native numbers? YES / NO Support the native time system? YES / NO Support the native address system? YES / NO Support the native colour scheme perceptions? YES / NO Support any cultural metaphors, such as the mailbox and recycle bin? YES / NO		

	YES	NO
10.5 Is there any correlation between the use of languages on the website and the volume of trade (in terms of sales)? If YES, please indicate in which countries you have found a correlation. Please state the language you use in each particular country.		

10.6 How high is the increase in trade due to the use of an adapted and translated website?

1-5%	6-10%	11-15%	16-25%	More than 25%

10.7 Is there any country where you have noticed a decrease in sales due to the lack of website adaptation? If you answered YES, which Markets?	YES	NO

10.8 How high is the decrease in trade due to the lack of website adaptation?

1-5%   **6-10%**   **11-15%**   **16-25%**   **More than 25%**

10.9 Are you planning on translating your website into any other languages over the next three years? If YES, please indicate into what languages.	YES	NO

10.10 Any other comments you would like to add about website adaptation?

Dear Sirs,

PIMLICO
Promoting, Implementing, Mapping Language and Intercultural Communication Strategies in Organisations and Companies

As the executive director of Semantica Ltd, I am writing to seek your support in carrying out a survey of language use in export companies. This is a European Commission study, which identifies a number of top-performing international small and medium sized companies, which have adopted language strategies, are using them for trading purposes and, as a result, are the best at overcoming language and cultural barriers.

The PIMLICO Promotional Project will cover 27 European countries and the companies selected for final interview will be promoted as exemplar international companies in a Europe-wide campaign.

The Commission has asked us to:
- To raise awareness of the nature of language and cultural barriers in trade;
- To promote best practice amongst SMEs on how to overcome language and cultural barriers by adopting innovative practice in handling communication across borders (examples of language strategies);
- To raise awareness of the commercial value of using language strategies and their impact on a company's bottom-line with governments, business agencies, intermediary organisations (like chambers, regional governments etc);
- To identify 'magic formulas' that SMEs can apply to improve their cross-border activity, particularly in global 'foreign language' markets.

I hope you will agree to take part in this study and help answer a few questions regarding Your Company's communication strategy, which will be handled by our researcher in your country.

With sincere appreciation in advance for your assistance.

Yours sincerely,

Susanne Hagen
Director
Semantica Ltd

PIMLICO
Promoting, Implementing, Mapping Language and Intercultural Communication Strategies in Organisations and Companies

PIMLICO on Euroopan unionin 27 jäsenmaassa toteutettava Euroopan komission tutkimus, jonka tavoitteena on kartoittaa jäsenmaissa toimivien, kansainvälistyvien pienten ja keskisuurten (PK) yritysten toimintatapoja vieraisiin kieliin liittyvissä haasteissa.

Kyselyn tavoitteena on kerätä tietoa niistä keinoista, joita PK-yritykset käyttävät kielimuurin ylittämiseen ulkomaankaupassa.

Projektia ohjaa Aalto-yliopiston kauppakorkeakoulussa professori **Rebecca Piekkari.**

Projektin yhteyshenkilöinä toimivat tutkimusapulainen **Kristiina Pohjanen,** GSM 050 341 9312, sähköposti kristiina.pohjanen@hse.fi, ja tutkimusapulainen **Katriina Talja**.

Vastauslomakkeen palautusosoite:

Kristiina Pohjanen
Aalto yliopisto
Kauppakorkeakoulu
PL 21240 (Arkadiankatu 7)
00076 Aalto

Palauttaisitteko lomakkeen ystävällisesti 30.6.2010 mennessä.

Kiitos etukäteen avustanne!

1. VASTAAJAN JA YRITYKSEN YHTEYSTIEDOT

Vastaajan nimi_____

Yritys_____

Postiosoite_____

Yhteyshenkilön puhelinnumero_____

Sähköpostiosoite_____

WWW-osoite_____

Vastaajan asema/titteli
- ❑ Toimitusjohtaja.
- ❑ Vientijohtaja.
- ❑ Henkilöstöjohtaja.
- ❑ Viestintäjohtaja.
- ❑ Muu. Mikä? _____

1.2 Montako vuotta olette työskennellyt yrityksessä?
- ❑ Alle yhden vuoden.
- ❑ 1 – 2 vuotta.
- ❑ 2 – 5 vuotta.
- ❑ 5 – 10 vuotta.
- ❑ Enemmän kuin 10 vuotta.

2. YLEISTÄ KIELISTÄ

2.1 Uskotteko, että vieraiden kielten käytöllä ja vientimenestyksellä on yhteyttä?
❑ KYLLÄ.   ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko antaa esimerkkejä?

_____

_____

_____

_____

2.2 Onko panostaminen henkilökuntanne kielitaitoon ja vieraiden kulttuurien tuntemukseen yrityksellenne kannattavaa?
❑ KYLLÄ.   ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko antaa esimerkkejä?

_____

_____

_____

_____

_____

_____

_____

3. KOMMUNIKOINTI KANSAINVÄLISILLÄ MARKKINOILLA

3.1. Onko yrityksellänne kieleen liittyvää toimintamallia kun olette yhteydessä ulkomaisiin asiakkaisiin?
❑ KYLLÄ.   ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko kuvailla tätä toimintamallia?

_____

_____

_____

_____

_____

3.2. Vaikuttaako toimintatapa, jolla ratkaisette monikielisiä ja -kulttuurisia tilanteita, yrityksenne menestykseen?
❑ KYLLÄ.   ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko yksilöidä, missä tilanteissa toimintatapojenne vaikutus on suurin?
- ❑ Markkinoille pääsy.
- ❑ Markkinoilla laajeneminen.
- ❑ Taloudellinen tulos.
- ❑ Muu. Mikä? _____

3.3 Onko yrityksenne toimintamalli monikielisten tilanteiden varalle kirjallisessa muodossa?
❑ KYLLÄ. ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko toimittaa kopion siitä, esimerkiksi sähköpostitse, kristiina.pohjanen@hse.fi ?

3.4 Onko yritykseltänne jäänyt hyödyntämättä liiketoimintamahdollisuus puutteellisen kielitaidon vuoksi?
❑ KYLLÄ. ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko antaa esimerkin tästä?

_____

_____

_____

_____

3.5 Onko yrityksenne palkkalistoilla vieraiden kielten syntyperäisiä puhujia?
❑ KYLLÄ. ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko yksilöidä, minkä kielen syntyperäisiä puhujia olette palkannut yritykseenne heidän kielitaitonsa perusteella?

_____

_____

_____

_____

3.6 Käytättekö vientimarkkinoilla paikallisia agentteja paikataksenne oman henkilöstönne kielitaidon puutteita?
❑ KYLLÄ. ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko antaa esimerkin tästä?

_____

_____

_____

3.7 Käyttääkö yrityksenne ulkopuolisia tulkkaus- tai käännöspalveluita?
❑ KYLLÄ. ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko yksilöidä, missä tilanteissa ja millä kielillä tulkkaus- tai käännöspalveluita tarvitaan?

_____

_____

3.8 Käyttääkö yrityksenne ulkopuolisia kielentarkistajia viimeistelemään julkaistavia tekstejä?
❑ KYLLÄ. ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko yksilöidä, millä kielillä kielentarkistuspalveluita tarvitaan?

_____

_____

3.9 Miten kehitätte henkilökuntanne vieraiden kielten osaamista?

_____

_____

_____

_____

3.10 Onko yrityksenne tarjonnut henkilökunnalle kielikoulutusta viimeisen kolmen vuoden aikana?
❑ KYLLÄ. ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko yksilöidä minkä kielen koulutusta?

_____

3.11 Vastaako henkilökuntanne kielitaito yrityksenne nykyisten markkina-alueiden asettamia kielivaatimuksia?
❑ KYLLÄ. ❑ EI.
Jos vastauksenne on **KYLLÄ,** voisitteko yksilöidä minkä alueiden/maiden?

_____

_____

3.12 Uskotteko, että yrityksellänne on tarve kehittää henkilöstönne kielivalmiuksia seuraavan kolmen vuoden aikana?

☐ KYLLÄ.   ☐ EI.

Jos vastauksenne on **KYLLÄ**, voisitteko yksilöidä minkä kielen valmiuksia ja mitä työelämän tilanteita varten?

_____
_____
_____
_____

3.13 Voisitteko kutsua yrityksenne kieleen liittyvää toimintamallia kielistrategiaksi?

☐ KYLLÄ.   ☐ EI.

Jos vastauksenne on **KYLLÄ**, voisitteko kommentoida tarkemmin?

_____
_____
_____
_____

4.   YRITYKSENNE VERKKOSIVUT

4.1 Mille kielille yrityksenne WWW-sivut on käännetty?

_____
_____

4.2 Miksi yrityksenne WWW-sivut on käännetty juuri näille kielille?

_____
_____
_____
_____

4.3 Onko yrityksenne WWW-sivujen kääntäminen vieraille kielille lisännyt liiketoimintaanne?

☐ KYLLÄ.   ☐ EI.

Jos vastauksenne on **KYLLÄ**, voisitteko antaa esimerkkejä?

_____
_____
_____
_____
_____
_____
_____
_____

5.   YRITYKSENNE TAUSTATIEDOT

5.1 Onko yrityksenne tytäryhtiö?

☐ KYLLÄ.   ☐ EI.

Jos vastauksenne on **KYLLÄ**, voisitteko ilmoittaa, missä maassa pääkonttorinne

sijaitsee?_____

5.2 Mikä oli ulkomaantoimintojen osuus yrityksenne liikevaihdosta viime tilikaudella?

☐ 0– 10 prosenttia.
☐ 11–20 prosenttia.
☐ 21–40 prosenttia.
☐ yli 40 prosenttia.

5.3 Voisitteko luetella yrityksenne tärkeimmät markkina-alueet ulkomailla ja niillä käyttämänne asiakaskielet?

Alue/maa_____Kielet_____
Alue/maa_____Kielet_____
Alue/maa_____Kielet_____
Alue/maa_____Kielet_____
Alue/maa_____Kielet_____
Alue/maa_____Kielet_____

5.4 Vaikuttaako henkilökuntanne kielitaito yrityksenne markkina-alueiden valintaan?

❑ KYLLÄ.　　　　❑ EI.

Jos vastauksenne on **KYLLÄ,** voisitteko yksilöidä, millä markkinoilla ja mitkä kielet ovat vaikuttaneet tähän?

Alue/maa_____Kielet_____

Alue/maa_____Kielet_____

Alue/maa_____Kielet_____

Alue/maa_____Kielet_____

Alue/maa_____Kielet_____

Alue/maa_____Kielet_____

5.5 Suunnitteleeko yrityksenne ulkomaantoimintojen aloittamista uudella markkina-alueella?

❑ KYLLÄ.　　　　❑ EI.

Mikäli vastauksenne on KYLLÄ, voisitteko yksilöidä, millä markkina-alueella?

_____

_____

KIITOS AVUSTANNE!

Haluatteko, että toimitamme teille tutkimusprojektin loppuraportin?

❑ KYLLÄ.　　　　❑ EI.

Palauttaisitteko lomakkeen ystävällisesti

30.6.2010 mennessä

Vastauslomakkeen palautusosoite

**Kristiina Pohjanen
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00076 Aalto**

PIMLICO-projektin yhteyshenkilöt

Susanne Hagen
Johtaja
Semantica Ltd

Stephen Hagen
Professori
University of the West of England

PIMLICO-projektin yhteyshenkilöt

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Education and Culture DG

Semantica Ltd
International Communications Specialists

Aalto University
School of Economics

PIMLICO

Promoting, Implementing, Mapping Language and

Intercultural Communication Strategies in

Organisations and Companies

PIMLICO on Euroopan unionin 27 jäsenmaassa toteutettava Euroopan komissi-on tutkimus, jonka tavoitteena on kartoittaa jäsenmaissa toimivien, kansainvälis-tyvien pienten ja keskisuurten (PK) yritysten toimintatapoja vieraisiin kieliin liitty-vissä haasteissa.
Palauttaisitteko lomakkeen ystävällisesti 30.6.2010 mennessä

1. RESPONDENT INFORMATION
Questions 1.1. and 1.2. of the Questionnaire

Company	Respondent 's position					Years worked for the company				
	Managing director	Export manager	HR manager	Communications officer	Other	Under 1 year	1-2 years	2-5 years	5-10 years	More than 10 years
Case 1			1				1			
Case 2					1					1
Case 3	1									1
Case 4	1						1			
Case 5				1				1		
Company A	1							1		
Company B	1									1
Company C			1							1
Company D	1									1
Company E	1									1
Company F	1					1				
Company G			1							1
Company H	1									1
Company I	1						1			
Company J	1							1		
Company K	1						1			
Company L	1								1	
Company M	1								1	
Company N			1					1		
Company O	1								1	
Company P	1							1		
Total	15	0	4	1	1	1	4	5	3	8

2. LANGUAGES IN GENERAL

Question 2.1. of the Questionnaire:

Do you believe that there is a connection between the use of foreign languages and export success?

Company	Yes	No	Comments
Case 1	1		Knowing the language of the target market is undoubtedly a benefit, because both sales and other operational issues can be dealt with in the customer's native language.
Case 2	1		Exporting is impossible without being able to communicate in the language of the target country. We currently export 75 %.
Case 3	1		Even in many European countries, for example authorities only speak their own language, so direct connection requires that we are multilingual. (We export 99 % of our production)
Case 4	1		In our industry, the buyers/customers tend to have limited language skills.
Case 5	1		I definitely believe this. Without language skills and local knowledge we would not get deals. The sales of our products (hewsaws) are the result of long-term effort.
Company A	1		
Company B	1		Export success depends completely on communication.
Company C	1		
Company D	1		Negotiations proceed faster and we gain the customers' trust sooner.
Company E	1		
Company F	1		
Company G	1		We started our business in the home market and the expansion to exporting would not have been possible without a staff proficient in languages.
Company H	1		
Company I	1		
Company J	1		Without the language you will not become acquainted with the culture and you will be an outsider.
Company K	1		Using only Finnish limits your possible markets in Europe.
Company L	1		
Company M	1		
Company N	1		
Company O	1		Languages are unquestionably a prerequisite for successful export operations.
Company P	1		If one speaks Finnish only, it is difficult to trade with anyone but Finns living abroad or foreigners that have studied in Finland.
Total	21	0	

2. LANGUAGES IN GENERAL
Question 2.2. of the Questionnaire:
Is it worthwhile for your company to invest in your staff's language and cultural skills?

Company	Yes	No	Comments
Case 1	1		Finding the right people for the right positions ensures that both language and cultural skills are appropriate.
Case 2	1		
Case 3	1		
Case 4	1		
Case 5	1		We would not manage without our agents and the help of our subsidiaries. Language skills are one of the prerequisites for starting negotiations.
Company A	1		
Company B	1		Yes, because we are part of an US corporation.
Company C	1		
Company D	1		Better communication and trusting relationships.
Company E	1		
Company F	1		
Company G	1		
Company H	1		Sales personnel must act appropriately within the cultural context. Fluency in English is essential in an export company.
Company I	1		
Company J	1		Our Russian trade is run by Russians working in Finland.
Company K	1		Networking becomes easier when one knows the culture and can communicate.
Company L	1		
Company M	1		We have trained our store manager and DVD -departmental manager in both Finnish and English. Now they can better deal with customers.
Company N	1		
Company O	1		Our sales personnel has participated in a Fintra training program and the experience has been positive.
Company P	1		Collaboration and communication become easier through language and cultural skills. There are less misunderstandings and clarifying ambiguities is eased.
Total	21	0	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS

Question 3.1. of the Questionnaire:

Does your company have a commonly used practice for dealing with foreign customers?

Company	Yes	No	Comments
Case 1	1		We do not have one, but we always strive to communicate in the customer's own language, if possible. Our internal official language is English.
Case 2		1	
Case 3		1	
Case 4	1		We strive to use local agents whenever possible.
Case 5		1	No specific practice.
Company A		1	
Company B	1		All communication must be fluent. Our corporate language is English.
Company C		1	
Company D		1	
Company E		1	
Company F		1	
Company G		1	
Company H		1	
Company I		1	
Company J	1		When in Rome, speak as the Romans do.
Company K		1	
Company L		1	
Company M	1		We speak to each customer in their native language. We respond to all e-mails in the language that was originally used by the customer.
Company N	1		
Company O		1	Not a special practice; case by case.
Company P	1		In Germany, we use German; in Russia, we communicate in Russian; in Sweden, we speak Swedish; and in other countries, we use English.
Total	7	14	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.2. of the Questionnaire:
Does the commonly used practice, with which you solve multilingual and -cultural situations, affect your company's success?

Company	Yes	No	If yes, please specify in which situations the effect of your practice is the greatest.			
			Market access	Market expansion	Bottom line	Other, what?
Case 1	1		1	1		
Case 2	1		1		1	
Case 3	1		1	1	1	
Case 4	1		1			
Case 5	1		1	1	1	
Company A						
Company B	1		1	1	1	
Company C	1		1	1		
Company D		1				
Company E	1		1			
Company F	1		1	1		
Company G						
Company H	1		1	1		
Company I		1				
Company J	1		1	1		
Company K		1				
Company L		1				
Company M	1			1		
Company N	1		1			Collaboration with customers
Company O	1		1	1	1	
Company P	1		1	1		
Total	15	4	14	11	5	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.3. of the Questionnaire:
Is your commonly used practice for multilingual situations a written document?

Company	Yes	No
Case 1		1
Case 2		1
Case 3		1
Case 4		1
Case 5		1
Company A		1
Company B		1
Company C		1
Company D		1
Company E		1
Company F		1
Company G		
Company H		1
Company I		1
Company J		1
Company K		1
Company L		1
Company M		1
Company N		1
Company O		1
Company P		1
Total	**0**	**20**

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.4. of the Questionnaire:
Has your company been unable to take advantage of a business opportunity because of limited language skills?

Company	Yes	No	Comment
Case 1			Not to my knowledge.
Case 2		1	
Case 3		1	
Case 4	1		We have not been able to enter the French market.
Case 5		1	I hope not.
Company A	1		
Company B		1	
Company C		1	
Company D		1	
Company E		1	
Company F	1		
Company G		1	
Company H		1	I do not know of any situations where this would have happened.
Company I		1	
Company J		1	
Company K	1		Market entry to Germany, France and Russia.
Company L		1	
Company M	1		We should have a Chinese-language Internet store, but nobody knows the language.
Company N		1	
Company O	1		For example, our French and Russian language skills have been insufficient to realize sales.
Company P		1	
Total	**6**	**14**	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.5. of the Questionnaire:
Does your company employ native foreign language speakers?

Company	Yes	No	If yes, please specify, for which languages have you employed native speakers because of their language skills?
Case 1	1		Yes, in Canada, Germany, Austria, Lithuania, Korea, China, Hong Kong, France and Japan.
Case 2	1		Russian.
Case 3		1	
Case 4		1	
Case 5	1		Estonian, Russian for sales and after-sales. German, English, Spanish, French, Polish, Romanian in subsiaries and as our agents.
Company A	1		German.
Company B	1		English and German.
Company C		1	
Company D	1		Russian and Japanese.
Company E		1	
Company F		1	
Company G	1		German. The person in question works in customer service.
Company H		1	
Company I		1	
Company J	1		Russian and Swedish.
Company K	1		Russian and Polish.
Company L		1	
Company M	1		Russian.
Company N	1		
Company O	1		In our company, we have emplyed Russian speaker(s). As representatives/agents: Russian, Polish, Romanian, German, French, Spanish,and English.
Company P	1		German and Russian.
Total	13	8	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS

Question 3.6. of the Questionnaire:

Do you use local agents in your export markets in order to compensate for your staff's limited language skills?

Company	Yes	No	If yes, could please provide an example.
Case 1		1	
Case 2		1	
Case 3	1		Arabic countries, Korea, Japan, etc.
Case 4	1		In Germany, an agent. In Russia, an export ring.
Case 5	1		Agents in France, Poland, Romania, Chile, America.
Company A	1		Yes, especially outside Europe.
Company B	1		Spain, Italy, Russia and so on.
Company C		1	
Company D	1		For example France, Spain, Czech Republic.
Company E	1		For example, in Russia.
Company F	1		
Company G		1	
Company H	1		In Japan, China and Korea, a local distribution company is necessary.
Company I	1		Somewhat in the Estonian trade.
Company J		1	
Company K			
Company L		1	
Company M		1	
Company N		1	
Company O	1		As representatives/agents: Russian, Polish, Romanian, German, French, Spanish ,and English.
Company P	1		Eastern Europe, Arabia, China, and other far-off countries.
Total	12	8	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.7. of the Questionnaire:
Do you use outside interpretation or translation services?

Company	Yes	No	If yes, could you specify in which languages and situations you need interpretation or translation services?
Case 1		1	
Case 2		1	
Case 3	1		Contracts, etc.
Case 4	1		For trade fairs in China and customer meetings.
Case 5	1		Customer magazine, brochures, contracts, technical documentation, etc.
Company A	1		Especially for marketing materials. At times, we use an interpreter in meetings with customers.
Company B	1		Sometimes, for public tender offers.
Company C	1		Translation services are used for agreements and standards.
Company D	1		Trade fairs, translation of brochures.
Company E		1	
Company F	1		
Company G		1	
Company H	1		Yes, for the translation of brochures.
Company I		1	
Company J		1	
Company K	1		Yes, for the translation of documents.
Company L		1	
Company M		1	Yes, for the trade register notice and advertising materials in Russian language.
Company N	1		
Company O	1		Translation of official documents.
Company P	1		France, Italy and Spain, when Google's online language translation service does not render a sufficient translation for our purposes.
Total	13	8	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.8. of the Questionnaire:
Does your company use outside language professionals to revise texts that will be published?

Company	Yes	No	If yes, could you please specify in which languages you need language professionals to revise texts?
Case 1		1	
Case 2		1	
Case 3	1		In all languages we use, if it is intended for publication.
Case 4		1	
Case 5	1		English.
Company A	1		Especially for marketing materials.
Company B		1	
Company C	1		English.
Company D		1	
Company E		1	
Company F	1		
Company G		1	
Company H	1		Yes, for brochurs that include government-required texts.
Company I		1	
Company J	1		Russian.
Company K		1	
Company L		1	
Company M		1	
Company N	1		
Company O	1		Both.
Company P	1		German, Swedish, Russian and Chinese.
Total	**10**	**11**	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.9. of the Questionnaire:
How do you develop your staff's language skills?

Company	Comment
Case 1	Language courses, case by case.
Case 2	Courses.
Case 3	Courses.
Case 4	Through recruitment.
Case 5	The company does not organize courses. Many study independently, in their own free time. Some learn by listening at work, e.g., Russian.
Company A	Outside language training services.
Company B	Language courses and everyday use of languages at work.
Company C	
Company D	
Company E	Developing languages skills is left to the individuals' own initiative. Language courses.
Company F	Occasional courses.
Company G	We offer language courses case by case, based on need.
Company H	English language training for core personnel.
Company I	By offering possibilities to study and to attend courses.
Company J	
Company K	Training is based on everybody's own initiative.
Company L	Staff members who choose to do so, can obtain training.
Company M	We call clients, write e-mails is foreign languages and provide courses for employees.
Company N	Training.
Company O	Language training when necessary.
Company P	We support training.

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.10. of the Questionnaire:
Has your company offered language training to your staff during the past three years?

Company	Yes	No	If yes, could please specify in which language(s) did you offer training?
Case 1	1		I have personally been offered English and Spanish courses.
Case 2	1		Swedish.
Case 3	1		English, German, Spanish.
Case 4		1	
Case 5		1	
Company A	1		English.
Company B	1		English, German.
Company C	1		English.
Company D		1	
Company E		1	
Company F	1		
Company G	1		
Company H	1		English.
Company I	1		English.
Company J		1	
Company K		1	
Company L		1	
Company M	1		Finnish, Russian.
Company N	1		
Company O	1		English.
Company P	1		Yes, through the local federation of municipalities.
Total	**14**	**7**	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS

Question 3.10. of the Questionnaire:

Do your staff's language skills correspond to the language needs of your company's current market areas?

Company	Yes	No	If yes, could you please specify which areas/countries?
Case 1		1	
Case 2	1		There are six different foreign language speakers in our staff: Swedish, English, German, Italian, Russian, Norwegian, French.
Case 3	1		Whole world.
Case 4		1	We do not have French or Chinese language skills.
Case 5		1	
Company A		1	
Company B	1		Yes, globally.
Company C	1		EU
Company D		1	
Company E	1		Germany, UK, Sweden, Norway.
Company F		1	
Company G	1		Sweden, UK, Germany, Switzerland.
Company H	1		English as a lingua franca is usable in all our industry's markets.
Company I	1		
Company J		1	
Company K		1	
Company L	1		Russian language skills have been acquired for the Russian and Baltic markets.
Company M		1	Our knowledge of the German language is insufficient. We could have a better knowledge of all languages.
Company N	1		
Company O	1		More or less.
Company P		1	
Total	**11**	**10**	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS

Question 3.12. of the Questionnaire:
Do you think that your company has a need to develop your staff's language skillls during the next three years?

Company	Yes	No	If yes, could you please specify what language skills and for what working situations?
Case 1	1		For example, Portuguese (Latin America); Chinese (for factory relations).
Case 2		1	
Case 3	1		French.
Case 4	1		French, Russian, Chinese, Spanish.
Case 5	1		We would appreciate, for example, English and Russian to support all communication situations.
Company A	1		English.
Company B		1	
Company C	1		German.
Company D	1		New markets require the command of new languages.
Company E	1		For most of the staff members, English for technical issues.
Company F	1		
Company G		1	
Company H	1		Continual refresher courses in English.
Company I		1	
Company J	1		
Company K	1		Russian, German, French — for customer service.
Company L		1	
Company M	1		English, German, Russian, Finnish: for customer calls and electronic customer service.
Company N	1		For example, Russian.
Company O	1		English, German, Russian?
Company P	1		Swedish, English, Russian, Spanish.
Total	16	5	

3. COMMUNICATION IN THE INTERNATIONAL MARKETS
Question 3.13. of the Questionnaire:
Could your company's commonly used practice for dealing with foreign customers be called a language strategy?

Company	Yes	No	If yes, could you please elaborate?
Case 1		1	
Case 2		1	
Case 3		1	
Case 4		1	
Case 5		1	
Company A		1	
Company B		1	
Company C		1	
Company D		1	
Company E		1	
Company F		1	
Company G		1	
Company H		1	
Company I		1	
Company J		1	
Company K		1	
Company L		1	
Company M	1		
Company N		1	
Company O		1	
Company P		1	
Total	**1**	**20**	

4. COMPANY WEBSITE
Question 4.1. of the Questionnaire:
Which languages are your company's WWW-pages translated to?

Company	Coment
Case 1	English, Spanish, German, French, Russian, Japanese, Chinese.
Case 2	Swedish, English, Russian, French.
Case 3	English, German.
Case 4	English.
Case 5	English, German, Swedish, Russian.
Company A	English.
Company B	They are in English; we do not have Finnish pages.
Company C	English.
Company D	Finnish, Swedish, Russian, English, German.
Company E	Finnish, English.
Company F	Swedish, English, Russian.
Company G	Swedish, English, German, Russian.
Company H	English.
Company I	English (partly); Swedish (partly).
Company J	Norwegian, Russian, English.
Company K	English, Swedish. Polish and Russian are forthcoming.
Company L	English.
Company M	Russian, transliterated Russian, Swedish, English, German, French, Spanish.
Company N	English.
Company O	Swedish, English, German, Spanish, Russian, French, Romanian, Polish.
Company P	English, Chinese (our Chinese company has its own pages), Russian.

4. COMPANY WEBSITE
Question 4.2. of the Questionnaire:
Why have your company's WWW-pages been translated specifically to these languages?

Company	Comment
Case 1	In order to cover the largest language groups. These languages are found in-house.
Case 2	Based on customer needs.
Case 3	Important languages.
Case 4	Widest diffusion.
Case 5	These language areas are significant markets.
Company A	English is the only option for universal language.
Company B	
Company C	Customer base.
Company D	Targeted at the main market areas; and English works in many areas, as does German.
Company E	Most common languages in our market areas.
Company F	Our market areas.
Company G	Our customers are mainly based in areas where these languages are predominant. Russia is a fairly new and significant market area.
Company H	English is the main commercial language.
Company I	Potential increase in sales; English is the main language.
Company J	Market areas.
Company K	Important market areas and support the local sales persons' efforts.
Company L	International.
Company M	Appropriate language skills and appropriate translators.
Company N	
Company O	Sales.
Company P	Most important export markets.

4. COMPANY WEBSITE

Question 4.3. of the Questionnaire:

Has translating your company's WWW-pages into foreign languages increased your business activites?

Company	Yes	No	If yes, could you please provide examples?
Case 1	1		I believe that foreign languages bring our products closer to the customer.
Case 2	1		We have not studied this.
Case 3	1		As a matter of fact, we do not even have Finnish web-pages.
Case 4		1	
Case 5		1	Difficult to say.
Company A	1		Ninety per cent of the company's turnover comes from abroad.
Company B	1		Since they are in English [only].
Company C	1		
Company D	1		We have obtained new contacts that have led to new customer relationships.
Company E	1		Translating has not strictly increased, but has facilitated.
Company F	1		
Company G			We have not researched this.
Company H	1		Yes, the English language is unavoidable.
Company I	1		Yes, the English language is expected.
Company J	1		
Company K	1		The credibility of the company is increased. In certain market areas one must be local.
Company L		1	
Company M	1		Our market area is now the whole world.
Company N	1		
Company O	1		To a certain degree.
Company P		1	
Total	16	4	

5. COMPANY BACKGROUND INFORMATION
Question 5.1. of the Questionnaire:
Is your company a subsidiary?

Company	Yes	No	If yes, could please identify in which country your headqurters are located?
Case 1			
Case 2		1	
Case 3		1	
Case 4		1	
Case 5		1	
Company A		1	
Company B		1	
Company C		1	
Company D		1	
Company E		1	
Company F		1	
Company G		1	
Company H		1	
Company I		1	
Company J			
Company K		1	
Company L			
Company M		1	
Company N		1	
Company O	1		Part of the Länsi-Savo Group
Company P		1	
Total	**1**	**17**	

5. COMPANY BACKGROUND INFORMATION
Question 5.2. of the Questionnaire:
What percentage of your turnover originates from foreign activities?

Company	0-10 %	11-20 %	21-40 %	More than 40 %	Comment
Case 1				1	
Case 2				1	
Case 3				1	
Case 4				1	
Case 5				1	
Company A				1	
Company B				1	
Company C				1	99 %
Company D		1			
Company E				1	
Company F		1			
Company G				1	
Company H				1	
Company I				1	
Company J				1	
Company K				1	
Company L			1		
Company M			1		
Company N					
Company O				1	
Company P			1		
Total	0	2	3	15	

5. COMPANY BACKGROUND INFORMATION

Question 5.3. of the Questionnaire:

Could you please list your company's most important market areas abroad and languages used with customers in those markets.

Company	Europe	Language	Scandinavia	Language	Central Europe	Language	Eastern Europe	Language	Baltic countries	Language
Case 1										
Case 2										
Case 3	1	English German Spanish								
Case 4										
Case 5	1	German French Swedish Finnish							1	Estonian Russian
Company A	1	English								
Company B	1	English								
Company C										
Company D										
Company E			1	Swedish English			1	Enligsh German		
Company F									1	English Finnish
Company G										
Company H	1	English								
Company I										
Company J										
Company K										
Company L										
Company M										
Company N	1	English								
Company O			1	Swedish	1	Germany				
Company P										
Total	6		2		1		1		2	

5. COMPANY BACKGROUND INFORMATION

Question 5.3. of the Questionnaire:

Could you please list your company's most important market areas abroad and languages used with customers in those markets.

Company	Estonia	Language	Latvia	Language	Lithuania	Language	Norway	Language	Sweden	Language
Case 1										
Case 2									1	Swedish
Case 3										
Case 4										
Case 5										
Company A										
Company B										
Company C										
Company D	1	Finnish English								
Company E										
Company F								1	English	1	English Swedish
Company G									1	Swedish
Company H										
Company I	1	English								
Company J								1	Swedish	1	Swedish
Company K									1	Swedish
Company L	1	Estonian Russian English	1	Russian English	1	Russian English	1	Swedish English	1	Swedish English
Company M									1	Swedish
Company N										
Company O										
Company P									1	English
Total	**3**		**1**		**1**		**3**		**8**	

5. COMPANY BACKGROUND INFORMATION

Question 5.3. of the Questionnaire:

Could you please list your company's most important market areas abroad and languages used with customers in those markets.

Company	Austria	Language	Germany	Language	Switzerland	Language	Belgium	Language	NL	Language	Luxembourg	Language
Case 1			1	German								
Case 2												
Case 3												
Case 4	1	German English	1	German English								
Case 5												
Company A												
Company B												
Company C			1	English			1	English	1	English	1	English
Company D			1	German					1	German English		
Company E			1	German English	1	German English						
Company F												
Company G			1	English	1	German English						
Company H												
Company I			1	English								
Company J												
Company K			1	German English			1	English	1	English		
Company L												
Company M			1	German								
Company N												
Company O												
Company P			1	German English								
Total	**1**		**10**		**2**		**2**		**3**		**1**	

5. COMPANY BACKGROUND INFORMATION

Question 5.3. of the Questionnaire:

Could you please list your company's most important market areas abroad and languages used with customers in those markets.

Company	France	Language	Italy	Language	Spain	Language	Poland	Language	Romania	Language	Russia	Language	Turkey	Language
Case 1	1	English									1	Russian English		
Case 2											1	English		
Case 3														
Case 4											1	Russian		
Case 5											1	Russian		
Company A	1	English			1	English	1	English						
Company B	1	French									1	English Russian		
Company C	1	French												
Company D	1	French			1	Spanish	1	Polish English	1	Romanian English				
Company E	1	German									1	Russian		
Company F													1	English Turkish
Company G														
Company H														
Company I			1	English										
Company J											1	Russian		
Company K														
Company L											1	Russian English		
Company M														
Company N														
Company O														
Company P														
Total	6		1		2		2		1		8		1	

5. COMPANY BACKGROUND INFORMATION

Question 5.3. of the Questionnaire:

Could you please list your company's most important market areas abroad and languages used with customers in those markets.

Company	Australia	Language	UK	Language	USA	Language	N. America	Language	S. America	Language	Israel	Language
Case 1					1	English						
Case 2			1	English								
Case 3										1 Spanish		
Case 4					1	English						
Case 5	1	English					1	English French		1 Spanish		
Company A												
Company B												
Company C			1	English								
Company D												
Company E			1	English								
Company F												
Company G			1	English								
Company H					1	English						
Company I			1	English								
Company J												
Company K			1	English								
Company L												
Company M			1	English	1	English					1	English
Company N	1	English					1	English				
Company O												
Company P			1	English								
Total	**2**		**8**		**4**		**2**		**2**		**1**	

5. COMPANY BACKGROUND INFORMATION
Question 5.3. of the Questionnaire:
Could you please list your company's most important market areas abroad and languages used with customers in those markets.

Company	China	Language	Japan	Language	Mexico	Language	Middle East	Language	Africa	Language
Case 1										
Case 2										
Case 3										
Case 4										
Case 5										
Company A							1	English Local languages		
Company B							1	English	1	English
Company C										
Company D			1	Japanese English	1	Spanish				
Company E										
Company F			1	English						
Company G										
Company H										
Company I										
Company J										
Company K										
Company L			1	English						
Company M	1	Chinese English								
Company N			1	Japanese English						
Company O										
Company P										
Total	1		4		1		2		1	

5. COMPANY BACKGROUND INFORMATION

Question 5.4. of the Questionnaire:

Do your staff's language skills impact your company's choice of market areas?

Company	Yes	No	Comment
Case 1		1	
Case 2		1	
Case 3		1	
Case 4		1	
Case 5		1	
Company A	1		
Company B		1	
Company C		1	
Company D	1		In Germany, German; in France, German; and in Russia, Russian and English languages.
Company E		1	
Company F		1	
Company G	1		
Company H		1	
Company I		1	
Company J		1	
Company K			
Company L		1	
Company M		1	
Company N		1	
Company O		1	
Company P		1	
Total	3	17	

5. COMPANY BACKGROUND INFORMATION
Question 5.4. of the Questionnaire:
Is your company planning to start foreign operations in new market ares?

Company	Yes	No	If yes, could you please specify in which market areas?
Case 1		1	
Case 2			
Case 3		1	
Case 4		1	
Case 5		1	
Company A	1		In various countries in Asia, for example in India.
Company B		1	
Company C		1	
Company D	1		In the Middle East, Africa and Central Asia.
Company E	1		Norway, Denmark.
Company F		1	
Company G	1		Sweden.
Company H		1	
Company I		1	
Company J		1	
Company K		1	We already operate all around Europe.
Company L	1		China, Russia.
Company M	1		Africa, South America.
Company N	1		South America, North America.
Company O		1	
Company P		1	
Total	7	13	