D1.2 Business Sector Reports on Companies' language needs - ICT Sector

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1. Introduction

This analysis is based on the collection of questionnaires carried out by project partners COTANCE and data analysis carried out by project partner EURASHE.

The ***sample size*** of the ICT sector amounts to 84 questionnaires or 15.5 % of received questionnaires. While this size does not allow for quantitative extrapolation, it provides a qualitative overview on the sector's needs that in many aspects is comparable to other sectors investigated, but with some significant differences (e.g. with regard to language use by staff category).
While all respondents ticked the ICT sector, 3 ticked also the services sector option (in addition to ICT), 2 "retail" and 1 "other".

With regard to the ***company size***, there were:

21 micro enterprises
23 SME
11 large companies
7 companies did not indicate their size

Furthermore, 22 Business Representative Organisations (hereinafter BROs) fall into this category of which 14 are acting at international level, 5 at European, and 4 each at national and regional level; whereby some act at different levels at the same time (hence the higher number than the total). The average membership level of these BROs varies between SMEs, large and micro-enterprises, whereby not all indicated the size of their membership.

That gives a preponderance of micro, small and medium sized enterprises for this sector, a fact that needs to be considered when evaluating the responses.

The ***geographical spread*** of the samples covers 21 of the EU 27 countries (no samples received from Cyprus, Ireland, Lithuania, Czech Republic, Slovenia and Slovakia) plus Norway, Switzerland and Azerbaijan. Most answers were received from Spain and Romania, followed by France, Belgium, Denmark, Italy and Malta, with smaller samples from the rest.

2. Analysis of Feed-back by questions

2.1 General questions about language use

To the question "Does language matter for your competitiveness?", only 7 out of the sample of 84 answered no: one SME from Norway, one Micro enterprise from Malta, 1 SME from the UK, 3 SMEs from Rumania, and one large enterprise from Germany.
In all cases except Germany, English was also used in the organisation. The reason given by these organisations was: in three cases, because they cater for the national market only; in two cases, they outsource; and in the other two cases, one answered that language is useful but not indispensable, the other (UK) organisation said that all partners speak English anyway.

When asked, which languages are spoken in their organisation, the majority (81 out of 84) ticked English in addition to their native language. Other languages than the native language were: German (36), French (33), Spanish (29), Italian (25), a rather surprising 11 for Russian and 8 for Chinese. The answers from Spanish companies included in 4 cases Basque in addition to Spanish, in 6 cases Catalan.

Does the knowledge of foreign languages in your enterprise matter for its operation or its competitiveness on the market?

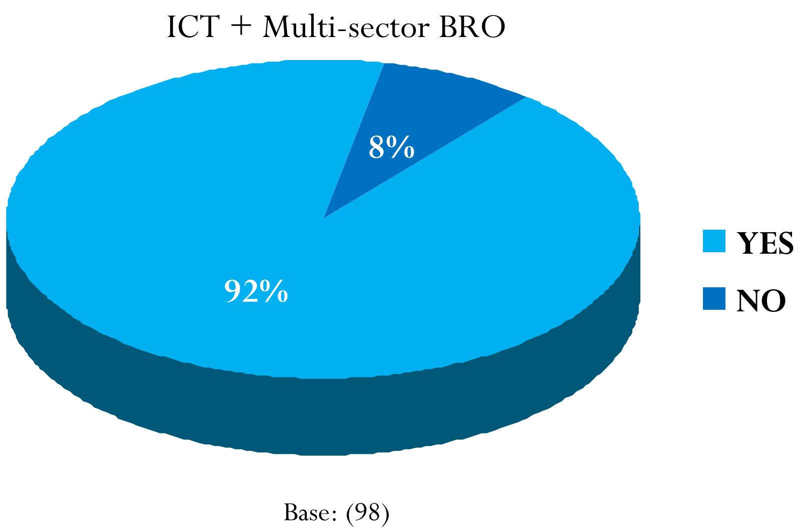

Fig.1 Do languages matter?

This answer corresponds to the majority of all received answers in all sectors: only a minority – 8-11% - indicate that languages do not matter for their business development.

If yes, where?

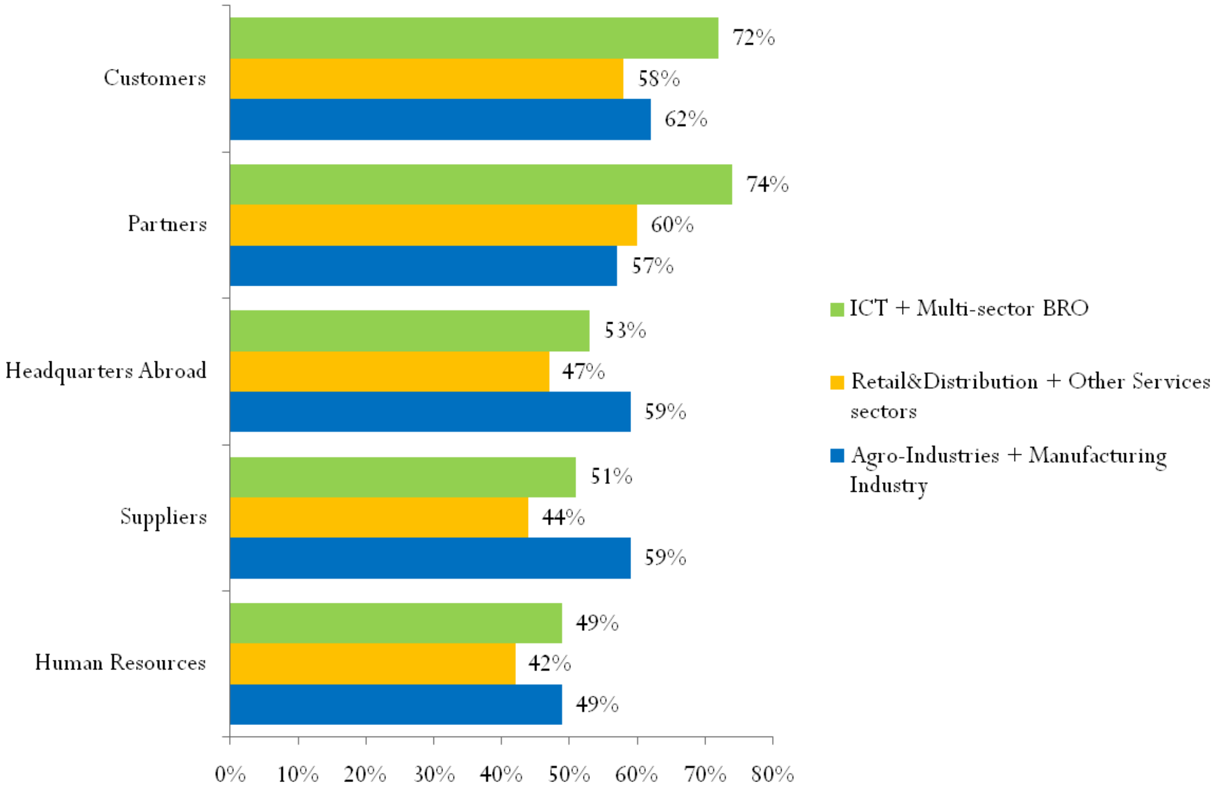

Fig.2 Language use by staff category

The graph above shows that in the ICT sector – more than in any other sector – languages are important in the communication with customers and partners where they reach 72 and 74% respectively, considerably higher than the retail or agricultural/manufacturing sector. With regard to communication with headquarters, suppliers and Human Resources, the percentage is more than 20% less. The reason for this lower level of importance may reside in less need, but it might also be a reflection of the internal structure of the business: micro or small enterprises do not have headquarters or Human Resource departments; hence there is no need for communication.

Question 18 asked: Do you think this may change in the next few years?

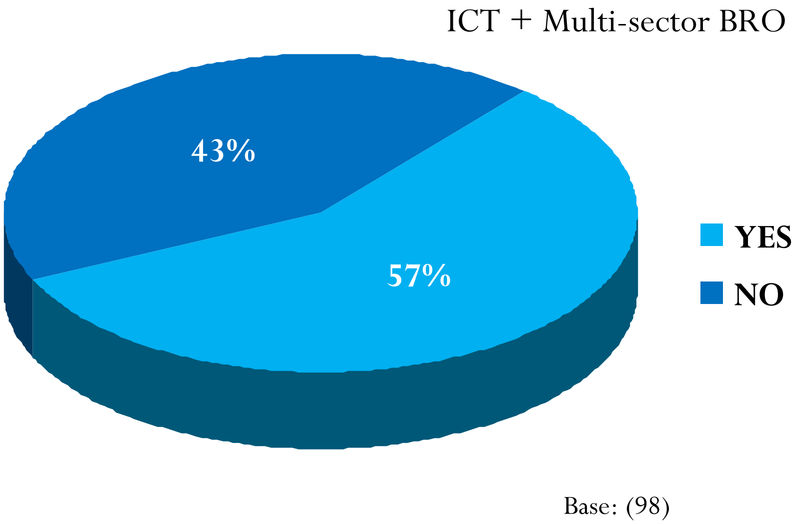

Fig. 3 Feed-back to Q18

ICT is the only sector where a clear majority (57%) indicates that this might change in the future. It is obvious that the producers and users of new technologies in a broad sense see the importance of cross-border and global action that would involve the need for specific language skills, while in the traditional agriculture/manufacturing sector 89% deny this need, and in the retail segment, 53%.

Q19 asked: Do you have ***in-house language skills***?

This question has been answered very similarly in all three sectors. 64% of the ICT sector employ staff with existing language skills (compared to 61% in the retail segment, and 65% in the agriculture/manufacturing segment). With regard to in-house trained staff, ICT reports 42% (37:41 respectively in the other segments) and 24% in recruitment of native speaker (23:25 respectively the others).

It can be concluded that the ICT sector tends to employ staff that has as an added value the language skills the respective work needs, but is less inclined to provide training courses for their employees and even less so, recruit native speakers. One reason for the low native speaker rate might lay in the lack of native speakers due to lack of mobility on the European labour market. This may impact the availability of native speakers at the national labour market, hence the option is less usable in a sector where micro-companies and SMEs prevail.

2.2. Specific questions on languages for business

2.2.1 How important are language skills (Q20)?

When recruiting staff, ***how important are language skills*** (Q20)?

Answers to this question were related to the type of staff and divided into 4 possible staff types: Management, technician, shop floor and "other".
The ICT sector scored highest at management level where languages are important in 71% of all answers. Only 30% of ICT technicians "need" languages and even less at shop floor level, i.e. 19%. Again, there might be a caveat as some very small or micro enterprises might not have a shop floor level, hence they accorded less importance to

it. Overall, the ICT sector is highest in languages skills at management level, technician and shop floor level compared to the other 2 sectors.

2.2.2 What *motivates the use of languages* in your business (Q21) ?

Possible answers were: economic, cultural and quality reasons.
The answers show clearly that in the ICT sector, economic values prevail. 71% put the economic value first (which is considerably higher than, as comparison, the retail sector where it is only 53%). This question showed some interesting differences with regard to the company size. While the economic motivation scored similar among all company sizes, the quality scored highest in micro enterprises (39%; compared with 29% in large enterprises and 26 in SMEs). This is in correlation with the ICT sector response, where 35% put quality as motivation and where there are a relatively high number of micro enterprises.

The cultural motivation showed no difference to other sectors (46:45:45%) while 53% of micro enterprises are motivated to use languages for cultural reasons (40% large, 43 % SMEs).

2.2.3 Does your company have a formal language development policy (Q22)?

The question if the company has a formal ***language development policy*** in place (**Q22**) showed that this is not an issue for the ICT sector. 81% of ICT organisations answered no, the highest rate of all sectors. Across all questionnaires, only 26% have a language development policy in place, with a 42% highest in large companies.

It is surprising that, with a relatively high sensibility towards languages for business in the ICT sector (see fig. 2 and 3 above), the development of a language policy does not seem to be a priority. It is at that level that a potential language strategy and its benefits should be promoted, in order to see whether an improvement of the business performance can be achieved (as indicated by several recent reports).

2.2.4 Which language tools for business do you use (Q23)?

Question 23 tackled the use of ***language tools for business*** and their importance.

The responses could rate the usefulness from 1 (least important) to 5 (most important). The % below reflects the number of answers that considered that respective tool as most important:

For the ICT sector, the following percentages were achieved. With the exception of the first tool and "other", they lay slightly higher than the other two sectors, but do not differ significantly.
Computer-assisted spell checks and dictionaries: 52% (54% retail:41% agro/manufacturing)
Automatic on-line translation: 31% (23%:29%)
Multilingual glossaries: 21% (19%:28%)
Terminology Database: 21% (18%:19%)
C-assisted/machine translation: 16% (13%:15%)
Common European framework for languages: 13% (12%:5%)

Other: 12% (17%:17%)

It is obvious from these answers that mainstream tools that are easily available and/or available for free are most used. More sophisticated technologies like Machine translation are still underused, probably because of lack of information how these tools can support the business processes. No sector-specific result can be reported.

2.2.5 How useful are language services (Q24)?

Question **24** asked about the ***usefulness of language services***.

It is interesting to note that the highest percentage (translation service agricultural/manufacturing sector) is not higher than 34%.
For the ICT sector, the highest rate is also the translation sector with 30%, followed by languages courses for staff with 27%. Here it is interesting to note that the bigger the enterprise, the more importance have language courses (42% in large enterprises as opposed to 26% in SMEs and 16 in micro-enterprises). Other data show that languages courses are important for Business representative organisations (BROs) with 36% as opposed to enterprises with 23%. It is obvious that larger conglomerates (be it enterprises or BROs) attach a stronger importance to language learning for their staff. Another reason is surely that they can afford it easier in terms of manpower and financial resources than small or micro-enterprises.

Communication services in relation to linguistic corporate web services play in 24% of responses a role in the ICT sector, foreign language trained job seekers 28% - which correlates to the answers to Q19 – in-house language skills (see above).

Only 11% of the ICT sector uses Interpretation services, and 7% use services of Examination bodies for formal recognised language qualification. Again, 7% use Business oriented language strategy consultancy, and 6% go to Foreign cultural institutes. Another 6% use distance simultaneous interpretation and 12% rely on "other" services. It is interesting to note that 50% of large enterprises from all sectors tick "other" services, but 0% of SMEs.

Overall, it can be said that language services focus on immediate services for the business (translation) or its staff (courses) while other offers are used in a negligible frequency only.

2.2.6 Do you prefer certified language service providers (Q25)?

When asked for the preference of **certified language service providers**, the overall answer across all sectors was in 43% yes, while in ICT only 37% cared for certification, 36% did not know and 17% did not care at all. These percentages correlate to answers from micro-businesses and SMEs – the major part of the ICT sector, while large companies incline towards a higher use of certified providers.

2.2.7 Are you aware of the services offered by the language industries (Q26)?

Question **26** asked about the **knowledge of the services offered by the language industries**.

Answers could range between excellent, good, fair and poor.
The majority across sectors answered with 33% each fair and good, 14 poor, 6 excellent. While the size played a minor role in the ranges of poor, fair and good, 12 % of micro enterprises claimed to have excellent knowledge (as opposed to 6% of large and 4% and SMEs).
ICT shares the average range of 33% fair and good; with 9% poor it scored lowest among all sectors and with 9% excellent highest, which again has its reflection in the company size of the ICT sector, with a considerable number of micro enterprises.

2.2.8 In what specific business activities you commonly have to perform are foreign languages required (Q27)?

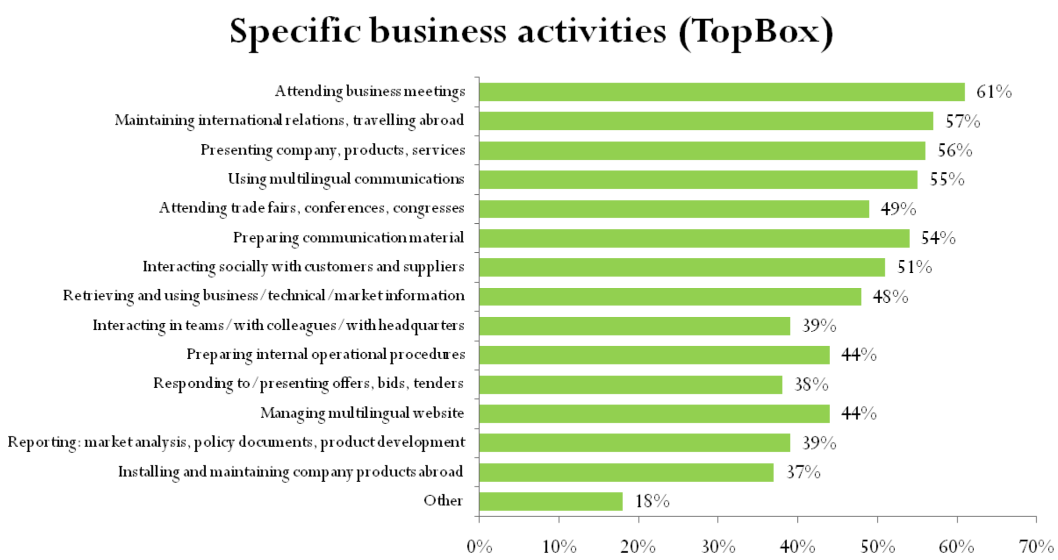

Fig.4 Specific business activities where languages are needed

All sectors rate "attending business meetings" first, although the ICT sector rated it lowest with 61% (62% retail, 70% agro/manufacturing). Maintaining International relations/travelling abroad ranked two in all sectors but rank three differs from sector to sector: ICT clearly puts weight on communication as can be seen from Fig.4: Presenting company products and services, using multilingual communications, preparing communication material and interacting socially with customers and suppliers all ranked above 50% (56, 55, 54 and 51% respectively). Other business activities showed some changes vis-à-vis the retail sector but is very similar to the agro/manufacturing sectors.

2.2.9 How frequent do you use foreign languages in your business (Q28)?

Question **28** inquired about the **frequency of foreign language needs**.

The general average percentage across all sectors for "continuous need" is 46%, but it goes up to 59% for large companies.
41% of the ICT sector see a continuous need for foreign languages (as opposed to 53% retail:56% agro/manufacturing). This is the lowest score of the three segments.

However, it is clear from the answers to Q27 (business activities): all activities that scored above 50% are not necessarily permanent activities but recurrent ones.

2.2.10 Which languages are needed in your business (Q29)?

With regard to **languages needed,** four options were given:
Other EU languages, neighbouring EU languages, neighbouring extra-EU languages and oriental languages.

While the investigated sectors score similarly on "Other EU languages" with ICT 41%: 48% retail and 49% agro/manufacturing, there is a difference between SMEs (highest with 53%) and micro enterprises with only 38% (across sectors).

When it comes to "Neighbouring EU languages", ICT sticks out with 57% (to 32% retail and 49 Agro/manufacturing) while size plays no role (between 45-48%).

Neighbouring extra-EU languages and oriental languages play a lesser role in ICT with 10% each.

2.2.11 Who needs language skills in your company (Q30)?

Question **30** asked **who needs language skills** in the enterprise.

Answers were split between staff type (management, technician, shop floor) and use of language: spoken interaction, writing, speaking, reading, listening.

Management: ICT ranks between 61-69%, highest is spoken interaction, lowest writing, although the percentage is overall very close. It is interesting that the Agro sector at managerial level is overall in the 70ies (between 73% and 75%) and the retail sector between 58% and 61%.
Compared to language size, SMEs rank highest (between 71% and 75%) whereas Micro enterprises rank 63%, with large enterprises in between both.

Technicians:
With regard to the size of the company, it is significant that large enterprises and SMEs on average need double as much skills at technical level than micro enterprises, no matter which type of language use (spoken, written etc.). Reading is the most used in this staff category.
WRT sectoral differences, Agro/manufacturing needs most, closely followed by ICT while retail is lowest. Most important also here: reading.

As the differences are high, it is best to look at the graph:

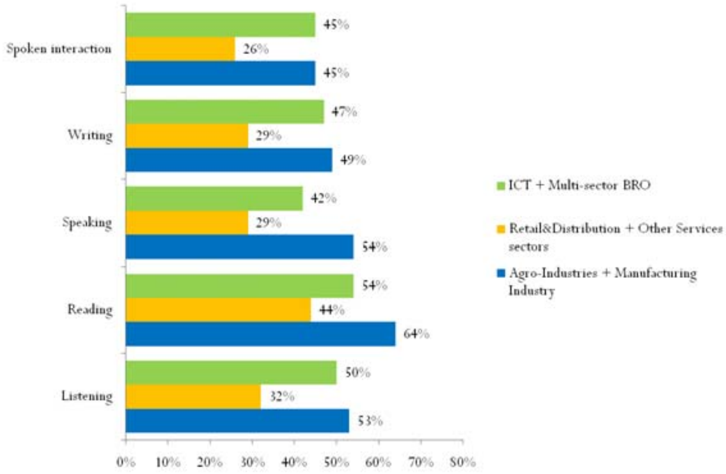

Fig. 5 Technical level: Language use

Here, most differences appear amongst sectors, with ICT and Agro/manufacturing at similar rates to large and SME enterprises, and the retail sector clearly 1/3 + below. In ICT, reading and listening comes first (54 and 50%), followed by writing, spoken interaction and speaking (47, 45 42%).

Shop floor:
WRT size: The bigger the enterprise, the more need for language skills there are, although overall considerably lower than at management level. Listening scores 39% in large companies, followed by 29% SMEs an 15% micro. This is the skill with highest discrepancy by size. Naturally, writing scores lowest in this staff type.

Sectoral differences are closer here than with technicians. It is not surprising that spoken interaction is highest in retail (24%) followed by agro/manufacturing with 20% and ICT 19%.
For the ICT sector, speaking comes first (26%), followed by reading and listening (both 23%), spoken interaction 19% and writing 17% last.

2.2.12 Do you find a central web-based information point for languages strategies for business useful (Q31)?

This question raised only limited interest. Respondents could chose between "very interested", "fairly interested" and "modestly interested" (lowest).

Overall, only 24% of respondents are very interested. There is a difference between companies and BROs: While 39% of BROs are fairly interested, only 29% of companies are fairly interested.

The ICT sector is the most interested which is not surprising given that it is more accustomed to on-line tools than any other sector: 32% are very interested, 29% fairly and 31% modestly interested.

2.2.13 Are you interested in the findings of this survey (Q32)?

Question 32 asked if the respondent was interested in the **findings of this survey**.

There was a higher interest in micro-enterprises (72%) than SMEs (65%) or large enterprises (55%).
In the ICT sample of 84 questionnaires, only 25 ticked the box, but 53 gave their e-mail address and commented that they would be interested in the results (63%).

3. Conclusions

The sample of the ICT sector consisted in a majority of SMEs and micro enterprises, with 62 company responses and 22 BROs responses. The sector is aware of the importance of languages for their business and, as the sole sector, expects that this trend increases in the near future.

Almost all respondents answered that, apart from their native language, they use English in their organisations. The need for neighbouring EU languages is highest in this sector which leads to the conclusion that cross-border activities play a significant role.

The driver for language use is the economic factor (71%) which is high if compared to the 53% of the retail sector. The size plays a role in the motivation, as micro-enterprises look significantly at the quality factor (39%).

In the ICT sector – more than in any other sector – languages are important in the communication with customers and partners where they reach 72 and 74% respectively. Language skills are prominent at managerial level (71%) but drop significantly at technician level (30%) and shop floor level (19%). These answers correlate fully with the answers to Q30, who needs language skills.

Regarding language tools, the ICT sector does not differ from others, using mainstream spell-check and dictionaries (only result over 50%), followed by website translation tools (30%). It is obvious that tools freely available are preferred.

Language services are less popular in the ICT sector, with the highest percentage reaching 30% for translation services, followed by languages courses for staff with 27%. Large enterprises and BROs put a higher priority on language courses for staff that SMEs or micro-enterprises.

The ICT sector uses languages mainly for communication and marketing purpose, in presenting products and services, interact with clients or suppliers, to mention but a few.

While the results showed that only 32% of respondents are interested in a central language strategy for business platform, it is nevertheless higher than the other sectors. At the same time, it should not be forgotten that this sector had the lowest response rate with regard to formal language development policies. This may result in the ICT sector as potential "early adopters" and "case study" for the CELAN platform services and should therefore be targeted accordingly.