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Volume 1

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“Entrepreneurship and Macroeconomic Management:
Reflections on the World in Turmoil”
The 5th International Scientific Conference
"Entrepreneurship and Macroeconomic Management: Reflections on the World in Turmoil"

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BUSINESS ENGLISH EDUCATION AS A KEY TO CROATIAN COMPETITIVENESS

ABSTRACT

English language as the most studied foreign language in the European Union or lingua franca of the modern era is also one of the most important qualification for the job. That is especially important when we talk about Croatia as a knowledge society where the knowledge has become the key to competitiveness and success as well knowing the fact that Croatia is accession country. This article presents the results of the research which shows the importance of Business English skills in getting a job.

The research was carried out on a total of 328 graduate economists of the Juraj Dobrila University of Pula who were able to get a job. Graduates were divided in two groups, first group consisting of participants that graduated from 2001 to 2005, while the second group included graduates from the year 2005 to 2009.

The results of the research confirmed that the knowledge of Business English is inevitable in doing business. It will lead to higher firms’ competitiveness and this is the reason way the measures that are directed on educating and training employees are important if Croatia wants to be competitive on the global market.

Key words: Business English, Employment, Competitiveness, Education
1. INTRODUCTION

Foreign language is crucial to nation's economic competitiveness. Multilingualism enhances cognitive and social growth, competitiveness in the global marketplace, national security, and understanding of diverse people and cultures.

Language plays a role in communication. It helps people to understand each other. People share ideas and understand one another by means of language. Language roles make work easy, and help increasing working abilities. Foreign language study is today a key to the understanding of another way of life and since better intercultural understanding is a vital ingredient of a liberal education in today's world, it follows that language study is an essential part of such a liberal education, and should not be denied to any student.

English has emerged as the global language of trade and commerce in the past few decades, affecting many key aspects of business in the modern world. The English language first spread as the result of colonial expansion, and has become the standard for all important official communications in an increasingly large number of countries with a wide variety of native languages. In the modern world, thanks to the Internet, English continues to spread as the major medium through which both small businesses and large corporations do business.

English is the fourth most widely spoken native language in the world, and in terms of sheer number of speakers, it is the most spoken official language in the world. It is the primary language used in international affairs. The English language has official status even in nations where it is not the primary spoken language. It is one of the main official languages in the EU and Commonwealth through which all business is conducted. The Commonwealth is comprised of 52 nations which were formerly British colonies and English is the main language for all business transacted by the Commonwealth, which promotes free trade amongst its member states.

English is a global language for doing business. It is the indisputably primary language of global trade and commerce. In many countries, most tourism authorities and other officials in contact with the public speak English to interact and engage with tourists. In some industries, such as the airline and shipping industries, it is the official standard language. Therefore, an excellent command of English is required for key jobs, such as air traffic controller or ship captain. In addition, it has emerged as a major language for
finance and the stock markets around the world. People wishing to do businesses globally need to have a good command of spoken English. The ability to clearly write in it is also very important, as many forms of business communication, from emails to presentations and marketing to important business contracts, are written in English. In some industries, knowledge of business terminology in English is critical for entry into and the success of a business. Workers need to have an understanding and command of detailed vocabulary dealing with specific concepts in order to be able to communicate effectively with other professionals in the business. Examples of specialized businesses requiring knowledge of English include computing, engineering, science, technology, medicine and law.

English has emerged as one of the major languages for doing business on the Internet. A website written in English can attract many customers and enable even small business owners in remote villages to sell items to people around the world. Well-written product and service descriptions in English are keys for attracting new customers and keeping them up to date on any new product offerings.

Even though people study Basic English in schools as a subject, they face various communication related problems, be it written or spoken skills. Lack of English knowledge can cause many problems such as: unemployment, achieving success in fields like business, science, media etc. and in fact international travel can also become uncomfortable if you visit a place where your local language is not spoken and English is the only common medium of communication.

The globalization of modern business has ensured that more opportunities are available for individuals to build a career. At the same time, being proficient in a field is not just sufficient rather the capability to market your skills globally has become a priority. In order to be competitive in an international business market you should have fluency in English language to state your ideas/views clearly.

2. FOREIGN LANGUAGES IN EUROPEAN UNION

Learning two foreign languages is now considered one of the eight key competences for lifelong learning that were recommended by the Council and European Parliament.
Majority of European schoolchildren learn English at some stage of their compulsory education and this figure is rising, according to a study presented by Bush (1999). The research also found that children across the EU are starting to learn foreign languages at an earlier age.

Although English is the most studied language in schools in the European Union, Eurostat data shows that over 35 percent of adults only speak their mother tongue, especially in Hungary, where three in four grown-ups have no other language skills. The same data shows that English is the most studied foreign language in upper secondary education, except for Luxembourg, where English, French and German have equal status in the curriculum. But teaching foreign tongues in school is no guarantee for language skills among adults. An EU-average of 36.2 percent of adults aged 25 to 64 claimed to speak no foreign language at all. Hungary scored particularly badly, with 75 percent speaking only Hungarian, followed by Portugal, where half of the adult population can speak no other languages. Other laggards at foreign languages include Spaniards, Bulgarians and Greeks with more than 40 percent unilingual. At the other end of the scale, over 70 percent of Slovenians say they can speak two or more foreign languages, Slovaks, Finns and Balts are the runners-up in the foreign-language league table.

The EU recommends learning mother tongue plus 2 languages: one for general communication and one tailor-made for specific needs. The range of language skills level goes from survival level to academic competence. The aims that are to be met by language skills in enterprises are employability and competitiveness. Most Europeans learn languages for professional purposes. Thomas, Collier and Abbott (1993) conclude that much progress has been made in language education, especially with respect to early language learning, but much still remains to be done, however, in terms of learning languages for the job: at the workplace and in vocational education and training.

Enterprises need competitive advantages to survive. Languages are important in companies, including for lower skilled jobs, and they are very important for multinationals. For outside contacts, English is generally the lingua franca, but for specific aspects within specific types of activities other languages are often needed. Finally, languages are important for the integration of immigrants, for low skilled workers in enterprises and for society in general (Bhatia, 1993).

Losing potential or actual business because of misunderstandings through language and culture can cost a company millions of dollars. Deals lost
because of lack of understanding on both sides result in loss of return on investment in the business infrastructure abroad, actual business revenue loss, and loss of an important perception of "competitive edge". Developing new business, especially negotiating complex arrangements, increasingly requires a full knowledge of the specific language and culture of the region. According to Seidhofer (2004) the lack of language skills among businessmen is an enormous barrier to increasing greater participation in markets abroad.

There are lots of examples where new business was lost or delayed because of lack of language skills to negotiate the deals. Strategies that enterprises use to tackle the problem are: autonomous learning, employ staff with the necessary language skills, employs a native speaker, help of translators, and interpreters for specific tasks (Jo St John, 1996).

Language skills, usually at a very high level, are needed for successful business negotiations. Poorly structured agreements, resulting from not understanding the legal terms in another language, can cost company money when they finally realize the errors in the language of the contract to which they had agreed. Lack of trust in business relationships reduce or preclude revenues. Developing trust with clients and foreign partners require advanced language and cultural skills. Higher proficiency in the language produces better relationships and moves that development time along more quickly than lack of language skills (Ammon, 2006).

For the time being, the world is globalizing. All people at every corner around the world are linked together. It is really hard to be separated them from others because of the new connection by high technology. New technology reduces barriers to entry into the world of international businesses. Companies can be successful if the management understands how to activate in the international arena (Reinhold, Diamantis and El-Mourhabi, 2004). They have to adapt themselves in order to become global and international, particularly adapting the communication either inside or outside the organization. Language is a basic channel for people simply to hand on their ideas or feelings, and showing their representative cultures, so language competences would be an abundantly necessary asset for companies to communicate to everyone with the same understanding whether they are employees, employers, suppliers, tourists or even competitors.
3. RESEARCH

Although it is generally known that English language is important in everyday business communication worldwide (Wood, 2006; Adler and Rodman, 2000; Baraya, Budden and Juban, 2005) we wanted to examine the role of Business English language in getting a job in our region based on the experience of the students from Department of Economics and Tourism. Further, we wanted to investigate if the knowledge of English determined whether a candidate was accepted or denied a certain job position and if the demand for English language skills has changed over the time.

3.1 Method

The research was carried out among 328 graduated economists of the University of Juraj Dobrila Pula in a period 2001 – 2009. Graduates were contacted mostly by e-mail and some of them by phone call. They were asked the questions about their experience in getting their current job positions. Participants were very opened and compliant for that kind of interview. Analyzing their answers we obtained results about the necessity of Business English in getting a job. Participants were divided into two groups depending on the year of their graduation. First group consisted of 153 graduates that graduated in the period of 2001-2005, while the graduates that graduated from 2005 till 2009, 175 of them, formed a second group of participants. All the participants were attending lectures of Business English as a foreign language during their studies.
Table 1
Characteristics of participants (N=328)

<table>
<thead>
<tr>
<th>Year of graduation</th>
<th>Participants</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full time students</td>
<td>Part time students</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>2001-2005</td>
<td>121</td>
<td>32</td>
<td></td>
<td>153</td>
</tr>
<tr>
<td>2005-2009</td>
<td>132</td>
<td>43</td>
<td></td>
<td>175</td>
</tr>
</tbody>
</table>

3.2 Results and discussion

The collected data from the interview was statistically analyzed for frequencies. The results from the first group of participants (graduated from 2001 till 2005) are described in the table 2.

Table 2
Importance of Business English in getting a job (graduates from the year 2001-2005)

<table>
<thead>
<tr>
<th>Graduates from the year 2001-2005</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business English was important for getting a job</td>
<td>93</td>
<td>60,78</td>
</tr>
<tr>
<td>Business English was not important for getting a job</td>
<td>60</td>
<td>39,22</td>
</tr>
<tr>
<td>Total</td>
<td>153</td>
<td>100,00</td>
</tr>
</tbody>
</table>

From the results presented in the above table we can concluded that from the total of 153 graduated economists who were included in the research, more than half of them (61%) of them said that Business English was very important for getting a job. Less than 40% percent of them claimed that Business English was not so important.
Table 3
Importance of Business English in getting a job (graduates from the year 2005-2009)

<table>
<thead>
<tr>
<th>Graduates from the year 2005-2009</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business English was important for getting a job</td>
<td>133</td>
<td>85.81</td>
</tr>
<tr>
<td>Business English was not important for getting a job</td>
<td>22</td>
<td>14.19</td>
</tr>
<tr>
<td>Total</td>
<td>175</td>
<td>100.00</td>
</tr>
</tbody>
</table>

According to the results of the second group (participants graduated from 2005 till 2009) the majority of them (86%) claimed that English had an important role in getting their current job position. Only 14% of participants think that English didn’t play an important role in their recruitment process.

The research findings support researchers (Wood, 2000; Devito, 2003; Lindell and Stenstrom, 2005) when they stated that language capability is really crucial in acquiring a job. It is important to stress out that most of the interviewed graduates who got the job and needed the Business English are those who obtained their jobs in international corporations. Most of those companies are managed by the business people who are foreigners. In order to communicate with their colleagues and supervisors graduates need English. To the similar conclusion came Trim (2003) who stated that language training, however, is needed increasingly for companies’ staff to compete in the global market, so company owners are now eager to support their employees to practice or take some more courses up in order to develop language skills.

Most of participants interviewed for this survey had a job interview in English where employer estimated the level of their English knowledge. Some of them had an interview in Croatian language but in their job description a very important requirement was the knowledge of Business English.

Participants interviewed for this research mostly found their jobs in the region of Istra, some of them went to Zagreb and very few went abroad. Regarding this facts we may conclude that employers in Croatia need...
qualified employees with high education who are able to use English for business purposes and in this way to compete in the global market.
From the Figure 1 we can see the difference between the results from the first (participants that graduated between 2001 and 2005) and second group (participants that graduated between 2005 and 2009) of participants. As we have expected, our research results showed that the English language is indeed necessary for job attainment. We could also notice that over time necessity for Business English skills has increased (61% compared to 86%). For the employers of the second group of participants the knowledge of Business English was more important in the process of hiring new employees than it was the case with the employers of the first group.

In the majority of cases, the knowledge of English determined whether a candidate was accepted or denied a certain position. The similar results were shown in the studies conducted by Babcock and Du-Babcock (2001), Kostić-Bobanović (2003) and Nickerson (2005) where language skills were crucial in obtaining the job. In addition, many of the employers required letter of recommendation from the students’ Business English professors which was a proof that an applicant can communicate successfully in English which also had an important role in application process.
We were also interested in examining what kind of job did graduates, who stated that Business English was not important in getting it, obtained. The answers of them were divided into three provisional groups. The graduates that got a job in their family firm (usually accounting firm) form the first group. Second group presented those participants that found a job as a clerk or insurance agents. Those participants that got their job positions not related to their higher education formed the third group. The knowledge of English is important even in those job positions but was not required for obtaining it.

Those results were expected since Croatian entrepreneurs and managers are doing more business with foreign partners, lot of businesses are tourist oriented and more and more foreign companies are entering Croatian market.

4. CONCLUSION

English language has been acknowledged as one of the most widely spoken language and is the most accepted form of communication in the business world. It is the official language of European Union and is taught as the second language in most of the countries across the world. Today, knowledge of English language has become the basic requirement in most of the professions / industries.

In order to determine the necessity of knowing the Business English language in employment process in Croatia we made a research with our University graduates. The results showed that most of the employers find it very important to know English language since it is a main language of communication around the world.

With 80 percent of international business communications written in English and most of the world’s trade and financial business transacted in the language, companies worldwide acknowledge the necessity of having an English speaking workforce. In today’s competitive world, everyone needs skills that will equip them for a changing work environment. Technical and communication skills are highly desired by companies yet proficiency in English is essential for many posts (Jones and Alexander, 2000).

Since Croatia is a candidate for membership in European Union from the year 2005 its accession process had a role in promoting Business English in Croatian economy. This can be one of the reasons why Croatian employers paid more intention to employees’ languages skills. That means that our graduates need to continue to practice their language skills since Business
English will be one of theirs' most important qualification ones they enter the labor market.

Language facilitates international understanding and language skills now seem to be more relevant than ever. It is an international passport since speaking another language is an essential business asset in a competitive world. We need to support the drive for better language skills amongst employers in globally aware companies as well as our smaller and newer enterprises.

Limitations of the study and suggestions for further research

Due to the technical reason our study didn’t investigate Business English implementation and use benefits for particular jobs in Croatia. It would be interesting to explore which professions necessitate higher degree of Business English knowledge, and the positions within the most successful companies that require the knowledge of it.

REFERENCES


