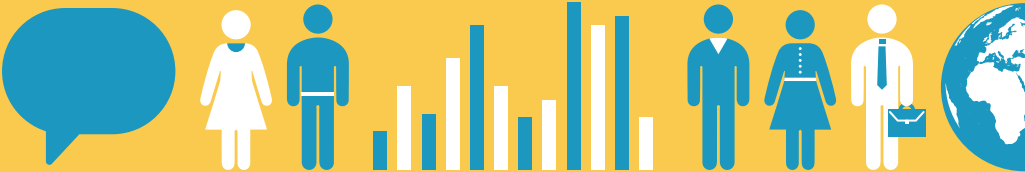


02

SMALL AND MEDIUM SIZED ENTERPRISES (SMEs) LANGUAGE SURVEY



Born Global is a British Academy project on language skills for employability, trade and business.

The British Academy set out to develop a deeper understanding of the language needs for employment, employer attitudes to languages and how language is used in the workplace for different purposes, by employees of different levels of skill and accountability.

We have produced an overview booklet on the Born Global project and the context in which it was undertaken. We have also produced a separate overview and summary of each data set.

This booklet deals with a nationally representative survey of Small and Medium Sized Enterprises (SMEs) in the UK, commissioned by the British Academy in Autumn 2014.

The survey sample of 410 enterprises was nationally representative in terms of size (number of employees), sector, longevity (number of years trading) and turnover.

Introduction

Recurrent surveys and reports on employer attitudes and needs indicated high levels of unmet demand for language skills in employment and notable gaps in language proficiency amongst the UK workforce.¹

To investigate this further the British Academy commissioned a survey of a nationally representative sample of UK

Small and Medium Sized Enterprises (SMEs) to develop a deeper understanding of their language needs and how they meet them, as well as their perceptions of the benefits of languages for their own organisation and the UK economy as a whole, both now and in the future.

Summary of key findings

The majority of SMEs do not use languages other than English

- The most striking finding is that 83% of SMEs do not use any language other than English

Of the 83% that operate in English only

- 67% deal only with English-speaking clients and 63% agree that English is enough to operate effectively in international markets

67% deal only with English-speaking clients and 63% agree that English is enough to operate effectively in international markets.

However, this does not mean they do not perceive the value of language skills

- 78% of those who operate in English only disagreed that it was a waste of time for English speakers to learn other languages

78% of those who operate in English only disagreed that it was a waste of time for English speakers to learn other languages.

- 89% of all SMEs agreed that bilingualism of young people who speak a different language in the home should be regarded as a useful asset in the jobs market

What are SMEs?

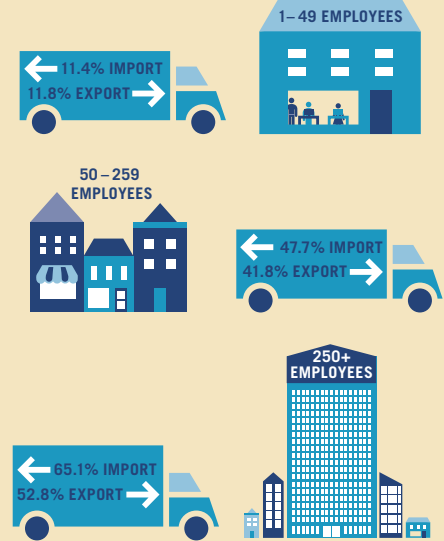
The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees. There were 5.2 million SMEs in the UK in 2014, which was over 99% of all businesses.

Micro-businesses are business with 0–9 employees. There were 5.0 million micro-businesses in the UK in 2014, accounting for 96% of all businesses.

Although the vast majority of businesses in the UK employ fewer than 10 people, this sort of business only accounts for 33% of employment and 19% of turnover. Large businesses, with more than 250 employees, accounted for less than 0.1% of businesses but 40% of employment and 53% of turnover.²

How many SMEs trade internationally?

In 2012, the number of UK businesses engaged in international trade was as follows:



Source: Office for National Statistics

- 54% of all SMEs agreed that languages were as important as sciences, technology, engineering and maths

Over half of all SMEs agreed that school leavers (51%) and graduates (53%) who only spoke English were at a disadvantage in the jobs market.

Languages are useful in the job market

- Over half of all SMEs agreed that school leavers (51%) and graduates (53%) who only spoke English were at a disadvantage in the jobs market
- 68% agreed that multilingual international graduates had a strong advantage in the jobs market and greater chances of promotion

- 58% of all SMEs agreed that foreign language skills and international experience were becoming tie-breakers at interview and 71% agreed that future executives would need (foreign) language skills and international experience

A lack of language skills does not currently cause problems

- 78% of all SMEs disagreed that a lack of relevant language skills had resulted in operational problems or misunderstandings and the majority were unmoved as to the benefits of languages for day-to-day operations



83% OF SMES DO NOT USE ANY LANGUAGE OTHER THAN ENGLISH.



89%

89% OF ALL SMES AGREED THAT BILINGUALISM OF YOUNG PEOPLE WHO SPEAK A DIFFERENT LANGUAGE IN THE HOME SHOULD BE REGARDED AS AN ASSET THAT IS LIKELY TO BE VERY USEFUL IN THE JOBS MARKET.



71% AGREED THAT FUTURE EXECUTIVES WOULD NEED (FOREIGN) LANGUAGE SKILLS & INTERNATIONAL EXPERIENCE.



52% OF ALL SMES AGREED THAT ADDITIONAL FOREIGN LANGUAGES WOULD BE HELPFUL TO EXTEND BUSINESS OPPORTUNITIES IN THE FUTURE (OF THOSE ALREADY USING LANGUAGES IT WAS 78%).

OF THE SMES THAT USE LANGUAGES OTHER THAN ENGLISH ...



69% AGREE THAT LANGUAGES ARE ESSENTIAL FOR THE UK'S ECONOMIC RECOVERY.



HALF AGREE THAT LANGUAGES ARE ESSENTIAL FOR THEIR OWN ORGANISATION'S SUCCESS.



79% AGREE THAT LEARNING A FOREIGN LANGUAGE SHOULD BE COMPULSORY UP TO SCHOOL LEAVING AGE.

However, they saw potential value in language skills in the future

- 52% of all SMEs agreed that additional foreign languages would be helpful to extend business opportunities in the future (of those already using languages it was 78%)

The languages thought to be most useful were Spanish, French, German and Chinese (both Cantonese and Mandarin).

- The languages thought to be most useful were Spanish, French, German and Chinese (both Cantonese and Mandarin)

Recruitment for language skills is low

- Only 16% of organisations that do not use languages other than English actively recruit employees with language skills compared to 52% of those who use other languages

Investment in language training is rare

- Investment in language training is extremely low, both in organisations that use languages (16%) and those that use English only (3%)

SMEs that do use languages are more likely to perceive them as beneficial

Of the SMEs that use languages other than English:

- 69% agree that languages are essential for the UK's economic recovery
- Half agree that languages are essential for their own organisation's success
- 79% agree that learning a foreign language should be compulsory up to school leaving age
- Over 24 different languages are reported in use with the most common being French, Spanish, Polish and German

Investment in language training is extremely low, both in organisations that use languages (16%) and those that use English only (3%).

About the data set

The sample consists of 410 Small and Medium Sized Enterprises. The data is weighted and is made up of the following:

- **Size:** 1 to 5 employees – 253 (61.7%); 6 to 9 employees – 88 (21.5%); 10 to 19 employees – 30 (7.3%); 20 to 49 employees – 29 (7.1%); 50 to 99 employees – 6 (1.5%); 100 to 250 employees – 4 (1.0%)
- **Sector:** Primary/Manufacturing/Construction – 99 (24.1%); Transport/Retail/Distribution – 112 (27.3%); Business Services – 144 (35.1%); Other services – 55 (13.4%)
- **Longevity:** 1–2 years – 14 (3.4%); 2–3 years – 18 (4.4%); 3–5 years – 17 (4.1%); 5–10 years – 70 (17.1%); 10–15 years – 67 (16.3%); >15 years – 219 (53.4%); Don't know – 1 (0.2%)
- **Turnover:** 1–2 years – 14 (3.4%); 2–3 years – 18 (4.4%); 3–5 years – 17 (4.1%); 5–10 years – 70 (17.1%); 10–15 years – 67 (16.3%); >15 years – 219 (53.4%); Don't know – 1 (0.2%)

Methodology

The SME Languages Survey was commissioned by the British Academy in autumn 2014. The survey consisted of a nationally representative sample of 410 SMEs. All data reported from this survey are weighted and therefore representative of UK SMEs as a whole.

The survey was conducted by phone, using Computer Aided Telephone Interviewing (CATI), between 23 September and 7 October 2014, as part of a bimonthly business omnibus carried out by IFF Research.

In December 2014, the British Academy commissioned the Education and Employers Taskforce to analyse the data.

The raw data and the Education and Employers Taskforce analysis are both available on the British Academy website.

Endnotes

1. UKCES (2014) UK Commission's Employer Skills Survey 2013: UK Results. Evidence Report 81; CBI (2013) Changing the Pace: CBI/Pearson education and skills survey 2013; Business is Good for Britain: British Chambers of Commerce 2013.
2. *Small businesses and the UK economy*. House of Commons Library Standard Note: SN/EP/6078. December 2014. Matthew Ward and Chris Rhodes.




The British Academy, established by Royal Charter in 1902, champions and supports the humanities and social sciences across the UK and internationally. It aims to inspire, recognise and support excellence and high achievement across the UK and internationally. As a Fellowship of over 900 UK humanities scholars and social scientists, elected for their distinction in research, the Academy is an independent and self-governing organisation, in receipt of public funding. Views expressed in this report are not necessarily shared by each individual Fellow, but are commended as contributing to public debate.

In 2011, the British Academy launched a new programme, with funding from the Department for Business, Innovation and Skills, targeting deficits in languages and quantitative skills. The programme of work reflects the Academy's longstanding concerns about deficits in these areas of the humanities and social sciences, as well as in UK education and research. Through the programme, the Academy funds research and relevant initiatives, and seeks to influence policy in these areas.

THE BRITISH ACADEMY
10–11 Carlton House Terrace
London SW1Y 5AH
+44 (0)20 7969 5200

Registered Charity: Number 233176

britishacademy.ac.uk

 @britac_news
 TheBritishAcademy
 britacfilm



Designed and typeset by Soapbox, www.soapbox.co.uk