



## The economics of foreign language proficiency at international companies

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THE Malaysian economy heavily relies on its industrial sector, and the government has consistently welcomed foreign direct investments as a important driver of the nation's economic growth.

As of December 2023, the Companies Commission of Malaysia had recorded closed to 5,000 international companies registered with them.

According to the Department of Statistics Malaysia (DOSM) report on International Direct Investment in Malaysia, the inflows resilience in 2021 exceeded that of 2019, with an amount of RM48.1 billion compared to RM32.4 billion in 2019.

In 2020, the inflow resilience was RM13.3 billion.

The rise is mainly attributed to a greater net inflow in equities and investment fund shares. This indicates the sophism of Malaysia's monetary policy, which licenses the retrieval of capital, interest, dividends, and incomes.

The Netherlands, the People's Republic of China, Korea, and Japan are the main nations that invest and set up their enterprises. These countries conjointly equates 88.9% of the total approved FDI (flow deposit investment) across many sectors.

They are also making a contribution of 2.5 million ringgit for a reduced tax rate of 19 percent. Such revenue is not only great for the country but Malaysians as a whole.

With a literacy rate of 97.51%, Malaysia boasts a highly educated workforce that can impart to the advancement of the country in various areas.

Business enterprises need highly educated work forces to operate efficiently. Malaysia's competitive investment climate is attributed to its strategic location, robust infrastructure, proficient workforce, stable political environment, and cost-effective structure.

In term of language proficiency, Malaysia has secured the third spot among Asian countries with high English proficiency, as revealed by the 2023 EF English Proficiency Index (EF EPI). It serves as the predominant mode of communication and engagement within the professional sphere, encompassing routine personnel interactions as well as consequential deliberations with customers which is a must for the international companies.

This can be seen from the employment advertisements which inclusive the foreign companies highlight the significance of proficient English communication abilities, rendering them a desirable prerequisite.

It also reflects the widespread use of English as the primary medium of instruction and communication in international companies and its importance in facilitating effective interactions among employees.

With reference to the Malaysian education system, English is placed as the second language and, in line with the education policy, English language is made a compulsory subject at all levels of education.

For the general population in Malaysia, English is widely spoken albeit on a lower but passable conversational level.

Kuala Lumpur itself was also categorised as a city with high English proficiency, obtaining a score of 564 in the EF EPI 2023 City score.

Hence, it can be said that the high standard of English proficiency among Malaysians is an asset for the locals to venture into the global multinational companies as it enhances employees' communication skills especially to engage with the foreign superiors.

Malaysians are also well known to speak few languages because it is a multi-cultural, multi-religious society, with a fair degree of tolerance and acceptance.

Multilingualism in the workplace offers numerous plus, particularly in enhancing the success of companies, as evidenced by the significant influx of international corporations in Malaysia.

Most of these companies highlight the needs of their home/foreign languages despite operating in here.

At certain points, the main headquarters in the home countries are using their languages even when they deal with outsiders.

It is noteworthy foreign languages are given a place, allowing for a diverse and inclusive work environment that exposes locals to different cultures and languages.

For Malaysians, they can expand not only their international network but also the personal environment. It is a fact that the foreign companies would definitely bring their people to the Malaysian markets.

As a result, the international environment is a very common thing at work places. Consequently, there might be more problems in intercultural communication. To avoid this kind of issue, proficiency in the languages of foreign nations is a significant advantage not only for the companies but the workers as well.

Subordinates who know the language of the host country will make their superiors feel less like a stranger and more like one of them.

The first may earn more trust since knowing the such language which indicates the subordinate understands certain cultural norms and values. As a company, this also improves one's reputation.

Apart, it can also create mutual understanding which increases the productivity. Effective communication and negotiation among the employees who can speak more than a language can enhance the desirability of local employees' skill sets to companies.

To put forward, clients from Korea will show different personality traits when Malaysian workers are able to communicate in Korean with them.

They're instantly more comfortable, happier, and more confident.

The good point some international agencies would pay hefty signing bonuses and yearly incentives to people who speak foreign languages, particularly those deemed "mission-critical" like Arabic, Russian and Mandarin.

It is timely then for Malaysians to grab the opportunity. Being proficient more than two languages is a must and essential for enhancing their employability.

For the university students, it is advisable to take the foreign language as an elective. Time spent studying can be an excellent time to work on the skills that will be most useful in the future.

Those students who have a good grasp of a foreign language instantly have more roles to apply for as they can look further afield for the perfect position.

Taking the foreign language per se is not only for the sake of knowing simple greetings like, sayonara, bon voyage or gahm-sah-hahm-ni-da.

In order to satisfy and stand out the expectations of all stakeholders, graduates must have the ability to collaborate effectively with others, display proficient communication skills, show inventiveness and originality, and have the fortitude to execute their innovative ideas through the foreign language(s) they take.

Prospective employers prioritise employees who can articulate their ideas or opinions. Those who are constrained from doing so due to language barriers may struggle to flourish in the emulous industrial landscape. Therefore, it is imperative for the young graduates and those in job market to equip themselves with the requisite abilities to speak proficiently.

As it goes, foreign language learning has appeared as a distinct aspect of language acquisition in the workplace due to the linguistic and socio-psychological differences.

A Forbes article recently highlights the appeal of international work opportunities for young professionals, suggesting that such potential not only heightens employee morale and retention but also incentivize language learning, further increasing the likelihood of long-term commitment within a company.

Overall, the benefits of learning a new language offer a lot of potential for both employees and the organization. It is not only facilitating effective communication but also contributing to the company's culture, productivity, and profitability.

Language proficiency goes beyond mere linguistic abilities; it plays a crucial role in shaping the work environment, influencing processes, and creating a sense of unity among employees. By prioritizing language skills and providing necessary support, companies can pave the way for success and create an inclusive and dynamic workplace.

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