

Russian Businesses Losing From Language Inadequacies

By Howard Amos

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Though translation services are available, businesses don't trust them. Vladimir Filonov

Russian companies find cultural differences and linguistic barriers more of a problem when looking to expand internationally than most of their emerging market peers, according to research released Tuesday.

Unfamiliarity with foreign mores and a poor command of languages are perceived to be obstacles to global business success by 89 percent of Russian companies surveyed by the Economist Intelligence Unit and language-teaching firm Education First in a report titled "Competing Across Borders."

In China, the figure was 67 percent and in Brazil 70 percent. Just 36 percent of companies headquartered in Scandinavian countries felt restricted by cultural and linguistic differences while the figure was 55 percent in the United States and 62 percent in Britain. The global average was 64 percent.

"When a company goes to do business outside its home market it is somewhat like going on a first date," said Abhik Sen, who led the research for the Economist Intelligence Unit. "You kind of know what you want ... but you're not sure how it's going to turn out."

By this simile, Russia is not lucky in love. The report, which surveyed 572 top managers from global companies, also showed that 49 percent of Russian respondents admitted that their companies had been hit by financial losses as a result of linguistic and cultural difficulties — 6 percent higher than the global average.

The level of mistrust in translations was also greater in Russia where 36 percent said they suffered from poor translations compared with 23 percent worldwide.

Participants at a round-table discussion at Education First's Moscow offices Tuesday also highlighted another trend. Both Russian and foreign companies rate the need for languages very highly but are unwilling to do much to resolve the issue.

"There is a real tension between the awareness of a gap in language skills and the actual implementation of policy," said Christopher McCormick, vice president at Education First.

This divergence between understanding the problem and trying to implement a solution is often a result of complacency and short-term thinking, said Sen from the Economist Intelligence Unit.

Globally, learning Russian is not considered much of an asset for companies seeking to expand internationally over the next five years. Just 3 percent of international respondents said it was a language crucial to their overseas growth plans.

Almost 70 percent said English was the most sought-after language, with Mandarin in second place at 8 percent.

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