Linguistic Competencies for the Entrepreneurial Culture Development

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Abstract: One of the critical objectives of modern societies is promoting entrepreneurship as the basis of economic stability, which is accomplished developing the entrepreneurial way of thinking and entrepreneurial competences in the participants of economic processes. A growing number of people nowadays strive to accommodate business knowledge in their personal development. However, beyond business knowledge, the implementation of entrepreneurial initiatives also requires language competences; that is, the skills of communicating in various linguistic environments.

The purpose of this study is to establish the role of language competences for the development of entrepreneurial culture and the potential of implementation of international business projects. The methods of qualitative content analysis and semantic analysis are used in this study to explore and provide insight to existing scientific concepts. The statistical method is used to consider the previously obtained analytical information. This made it possible to identify the need to develop language competences for entrepreneurial culture boosting.

Following the research, a conceptual model of building language competences has been proposed as a tool for developing an entrepreneurial culture in individuals.

Keywords: entrepreneurial culture; entrepreneurial competences; language competences; language communications; entrepreneurial education; educational organisations.

INTRODUCTION

One of the primary objectives of modern societies is to promote entrepreneurship (as the basis of economic stability) by developing the entrepreneurial way of thinking and entrepreneurial competences in the participants of economic processes.

The modern reality and the outlook of development of socio-economic systems demonstrate and suggest that beyond solely entrepreneurial aptitudes, the implementation of entrepreneurial initiatives also requires basic business knowledge, considerably depending on the ability to communicate in different linguistic environments; that is, apart from entrepreneurial competences, entrepreneurs also need language competences.

Our research was conducted at the intersection of institutional economics and linguistics. Within the development of linguistics, theories of linguistic competences and methods of their formation are quite widely developed (Blagonravova, 2013; Leontiev, 1972). However, linguistics does not consider language competencies in terms of use in business. Institutional economics examines the impact of non-economic factors (including culture, on the nature of economic processes). The general influence of non-economic factors on the economy is considered in the works of Beugelsdijk and Maseland (2014); Toyne and Walters (1993); North (2005) and others. The fact that entrepreneurial culture affects the development of the economy was considered in the works of Baumol (1968), Leibenstam (1968), Ryuttenger (1992) and others.

However, the study of entrepreneurial culture reveals new areas of research. In this study, we examine how linguistic characteristics influence entrepreneurial culture.

To accomplish this objective, the study is built on the hypothesis that the formation of language competencies positively affects the development of entrepreneurial culture. The study begins with a discussion of Materials and Methods employed wherein an overview of the scientific literature is presented and the positions of leading specialists in the fields of entrepreneurial culture, linguistics (formation of linguistic competences) are reflected. The works examined herein forms the theoretical basis of our study. The subsequent sections highlight the main social and organisational, and managerial characteristics of entrepreneurial culture. The study
considers how knowledge of foreign languages contributes into the development of business processes in Russia and in other countries of the world. In doing so, the empirical section argues for the needs of potential entrepreneurs in the formation of language competencies by developing a conceptual model developed describing how language competencies affect entrepreneurial culture. Besides, the study also puts forward the question of the different positions of researchers regarding the relationship between learning a foreign language and improving the level of entrepreneurial culture.

METHODS
Recently, many economists have begun to highlight the role of culture and consider it in their theories. Inspired by the influence of the Nobel Prize-winning economist Douglass North (2005), an essential dimension of research is now developing, which emphasises cultural and institutional factors to build a more realistic theory of economic behaviour.

To understand the entrepreneurial essence of culture, the notion of “culture” itself and the role of cultural factors in developing business communications should be identified. On the one hand, economics, management and law play a dominating role in business process development. On the other hand, there should be no underestimation of the cultural aspects of the business environment in terms of their influence on entrepreneurship. It is important to consider the following definitions of culture, which in turn would help us to understand entrepreneurial culture as a lens of building language competences.

According to one definition, “culture appears to be an evaluative notion and refers to such personality traits that would be more precisely attributed as cultural sensitivity rather than culture.” (Sokolov, 1972). Similarly, Cherenkov (2003) cites the definition of culture adopted by many US universities as “a mosaic of a human life”. Erasov (1997), seemingly proposes the definition of culture: “as a specific system of norms, values and essences distinguishing a society from other societies (or different segments of a society by their social status or professional identification) and supporting its integration and creating its identity.”

The Philosophical Encyclopedic Dictionary contains the following definition: “Culture is a specific method of organisation and development of a human life represented in the products of material and spiritual work, in the system of social norms and institutions, in spiritual values, in the complex of people's attitudes to nature, each other and themselves.” (Ilyichev et al., 1983).

The observation that the economic success of the developed countries and regions is linked to the prevalence or absence of entrepreneurial culture is nothing new (Baumol, 1968).

According to Leibenstein (1968), the main difficulty of the misfit of the entrepreneur in neoclassical thinking is caused by the conventional theory of the production function, in which the complete set of inputs is specified, known and has a fixed relation with output. In his view, the entrepreneur is someone who extends the production function by broadening the existing set of inputs. Such “input completing capacity” of entrepreneurs implies that an entrepreneur has to employ some inputs that are somewhat vague in their nature and whose output is indeterminate. The capacity to do so is not uniformly distributed, and the ability and willingness for such a risky process of gap-filling and input completing can be considered a scarce talent. The entrepreneur, as a gap filler and input completer, is argued to be the prime mover of the capacity creation part of these elements of the growth process (Beugelsdijk, Maseland, 2014). In this context, Brian Toyne and Peter Walters (1993) note that:

“national markets are considered in terms of their economic, trading, political and legal environment. However, market requirements and opportunities cannot be exclusively defined on the basis of information and data on these environmental changes. The markets and consumer market behavior are exposed to cultural factors.”

Researchers offer different approaches to the notion of “entrepreneurial culture”, as well. For example, the Russian economist Lapusta (2000) writes:

“Entrepreneurial culture is a specific established set of principles, procedures, methods of conducting business activity by entities in accordance with the current legal framework of the country (society) (laws, regulations), practices, ethical and moral rules, standards of conducts in civilised business operation.”

In a similar way, the German researcher, Ruettinger (1992) defines entrepreneurial culture as a system of commonly nourished and real beliefs and concepts of values. The concepts of values help to understand the enterprise needs at a particular stage of existence and determine its priorities. Taking this definition forward, Raizberg (1995) construes entrepreneurial culture as the specific behaviour of an entrepreneur in running business operations.

Indeed, entrepreneurial culture is subject to external influences, such as cross-cultural differences relating particularly to business practices, politics, law, government regulation, economy, competition, infrastructure and technology. Discussion of entrepreneurial culture in this study focuses explicitly on the set of qualities expected from each and every entrepreneur, namely, fair practices in relation to the state and law, intra-organisational rules and, certainly, consumers.
According to Weber (1990), the real entrepreneur “avoids ostentation and unnecessary expenditure... conscious enjoyment of his power. He gets nothing out of his wealth for himself, except the irrational sense of having done his job well.” Similarly, the author of The Creed for Free Enterprise, American researcher Randall (1953) makes a point that a businessperson should have integrity and strong personality and specifically describes potential consequences of unfair business practices. He argues:

“Having a strong personality means having a sense and understanding of moral problems and having the courage to act properly in all circumstances. A man of strong personality but dishonest in his soul can eventually cause a disaster for the company. A businessman without integrity is nothing. (Randall, 1953).”

In his work entitled The Eternal Venture Spirit, Tateisi (1990) argues that:

“It is absurd to entice people only by the pay levels. The most efficient way to fully realise the abilities of a young employee is to create a work environment where the employee will experience the excitement of creativity and delight of accomplishment.”

Tateisi (1990) also highlights the dominant role of the company leader in steady fostering of partnership around the common cause. He goes on to argue:

“Confidence in owning a share of capital in the enterprise is a requisite precondition for the employee to be proud for the company. It also strengthens self-respect by bringing higher social status.”

One view is that entrepreneurial culture consists of traditions, informal rules, formal rules, and interests, both individual and group behaviour patterns observed in the enterprise employees, and the level of the employees' satisfaction.

Therefore, the findings of studies by researchers allow identifying two main characteristics of entrepreneurial culture. First, entrepreneurial culture is the enterprise's organised practice aimed at the improvement of its financial results. Second, it is the universality of social rules and practices helping to make entrepreneurship more controllable. In the light of these arguments, the results are critically discussed in the following sections.

RESULTS

Foreign Language as a Tool of Building Entrepreneurial Culture

Among 70 countries, Education First's ranking of competence in English featured Russia in the 39th place. Russia came in between Ecuador and Mexico, ending up in the group with low English language competence levels, scoring 51.59. The only close result among European countries was that of France, which ranked 37th. The first place is traditionally held by Sweden, with a reading of 70.94, the second and third places are respectively taken by the Netherlands (70.58) and Denmark (70.05). Norway (67.83) and Finland (65.32) complete the top five. Russia's low ranks are primarily due to its cultural detachment, including the aspects of entrepreneurship (Volkova, 2015).

The economic thought of the 1960-70ies offers different views of the interrelation between foreign language acquisition and the level of business culture. This shows in numerous remarks of both Russian and international researchers. Leontyev (1972) believes that foreign language competence is a way of “self-actualisation and self-realisation of personality, building creativity and the ability to make independent decisions related to one's life, activity, relationship, and setting an active personal stance.”

All the multiple stable characteristics of entrepreneurship together shape the entrepreneurial occupation. While entrepreneurship as an occupation is not designated in qualification references, it can be considered as an occupation. Rubin (2012) notes that entrepreneurial activity becomes an occupation in cases when people engaged in this activity: perform a set of actions specific for this activity in contrast to others; seek recognition from others and improve their professional level; engage in this activity regularly following their established order; perform it rationally and to gain income, benefit, reproduction. It can be argued that "[a] specialist without the knowledge of a foreign language is not a skilled and accomplished specialist," even if he or she has specialist knowledge (Rubin, 2012).

As we know, language is the base medium of communication and expression. Whether in the domestic or external markets, entrepreneurship will require knowledge of several languages. The most common and relevant today is the Western languages, namely, English, German, French, Italian, and Spanish. Popular Oriental languages are Chinese and Japanese. The importance of foreign language competence in entrepreneurship is associated with the need to hold competent business negotiations, receptions, meetings, engage in business communications in a foreign language. Without it, it will be difficult to develop business and find business partners abroad. International business trips are impossible without the knowledge of the language and culture of the host country. Difficulties also arise in welcoming foreign business partners, as proper reception and proceeding in line with the rules and traditions are of considerable importance. A meeting with international partners will proceed more productively if the communication is held directly without the engagement of third parties, interpreters. That will also help to avoid mistakes, as an interpreter's performance may not always be fully compliant. As we know, the objective of an enterprise is the growth of financial results, which reinforces the interrelation between foreign language competence and the enterprise success.
broadens the horizons and supports the international expansion of the enterprise, which leads to improved financial results. Higher education institutions across the world train future entrepreneurs producing many graduates every year. In the course of studies, students gain knowledge of economic subjects, enterprise management, human resources management, corporate taxation, etc. Besides aspects of the organisation and operation of entrepreneurship, students are also taught tactics, acquire psychological competences and certainly study foreign languages as one of the most essential skills. In Russia, entrepreneurship is studied in more than 30 universities spanning far beyond the large educational centres such as Moscow and St. Petersburg. Students can acquire knowledge for their future entrepreneurial occupation in universities such as Voronezh Institute of Management, Marketing and Finance (Department of Management, Economics); Siberian Institute of Business and Information Technology (Department of Entrepreneurship); Omsk Institute of Economics (Department of Economics); Kuzbass Institute of Economics and Law (Department of Economics, Finance); Kemerovo State University (Department of Economics and Management); Ural State University of Economics (Department of World Economy and Finance) and others.

Basic foreign language competence acquired at school is helpful in the acquisition of the language of business and professional communication at a higher education institution. Usually, several foreign languages are taught at higher education institutions, for instance, English and German, which helps students and future entrepreneurs not just improve their general awareness, develop personal and professional skills but also learn to overcome language barriers. The language barrier can potentially ruin all international relations and agreements despite considerable effort and time devoted to the project. After all, even a minor linguistic error can put an end to a partnership. Foreign language teachers train students for different situations by employing scenario-based learning methods such as brainstorming, case analysis, role plays improving verbal competence for entrepreneurial communications. The final outcome in studying a foreign language is the acquisition of the verbal skills of establishing contact and improvement of the culture of speech for maintaining an amiable personal relationship with the partners.

Moreover, such activities require empathy, that is, the ability to put oneself in someone's place in different circumstances. This type of assignments during foreign language classes help to navigate complicated situations occurring in the life of an entrepreneur. The so-called 'global awareness' helps to generate interest not just in the culture of other countries but also the notions less popular in Russia than in the West, that is, fair trade, ethical investment, ethical consumption, etc.

Every student should have a clear understanding of their future occupation and, respectively, recognise themselves as future entrepreneurs. Accordingly, their entrepreneurial engagement will be supported by the main managerial components, including linguistics. Blagonravova (2013) observes that foreign language competence in graduates is considered not just as a confirmation of specific communicative competence but also a sign of affiliation with a certain sociocultural level.

Studying foreign languages by students is aimed at the elimination of language barriers appearing as barriers for broadening business horizons. Not only fluency in foreign languages is required in the business environment, but also the ability to resolve arising conflicts or disputes. The leader's competence influences the enterprise reputation, and one has to keep this in mind ever since the college years. Even as they enter a university offering entrepreneurial training, students should be aware of the profound and responsible nature of the occupation they have chosen. Foreign languages make part of the compulsory curriculum, and teaching them is also aimed at the development of the personality of the future entrepreneur. Even if there is the only minor influence of educational activities such as studying a foreign language on personal development, it should not be ignored, as it may provide synergy effect in combination with other teaching methods.

Entrepreneurs striving to establish business abroad should participate in international conferences. It brings considerable expertise for any company in any area of business, which is very helpful and will be used by the employees to the benefit of the company. Also, business conferences should be arranged with the participation of foreign partners. This type of interaction with foreigners helps to share experience, visit other countries and get acquainted with the local culture. Such experience will undoubtedly generate interest in the company and lead to closer cooperation. Modern entrepreneurs will find it difficult to profitably position themselves in the supply market without foreign language communication competences.

The authors, together with colleagues, conducted a study of the students’ entrepreneurial potential. For a total 838 students of economic specialties (undergraduate students of 3-4 academic year of study and postgraduate degree students) of Russian universities (Plekhanov Russian University of Economics, Bauman Moscow State Technical University, Financial University) were actively involved into the study as respondents.) Among the respondents, there were 524 women participants (62.53%), and 314 men participants (37.47%). The study was conducted in the form of questionnaires using electronic services. Among numerous questions, students were asked the following questions in particular:

a) Are you planning to start up your own business after graduation or get a job as an employee?

b) What additional competencies you would like to gain/strengthen during your educational process?
After graduation, 43% of the students are planning to enter their own business (and some are already doing business now). The remaining students intend to join corporate and state structures. 88% of the respondents state they will need entrepreneurial competence in carrying out professional activities, notwithstanding the sphere of their activity (public service, corporate governance, own business). The majority of the respondents stressed the relevance of obtaining additional business skills in the following areas: foreign business language, business communication and communication culture, effective leadership and team building, modern digital technologies

![Diagram](image)

**Fig.1: The top additional skills aspiring entrepreneurs need/want to obtain (according to the survey)**

Source: developed by the authors

Today foreign language competence is a medium for the skills of operating in the international market and the development of entrepreneurial competences. Fluency in foreign languages helps students improve their competitive standing in the labour market. Experts from Russian recruiting companies confirm this fact. Foreign language competence requirements currently appear in 80% of job advertisements. While for western companies it is an apparent necessity, for Russian companies, it is often an image filter of its kind to identify higher profile applicants even when there are no language requirements in the job itself. However, if the choice is made between two equal applicants with different language competence levels, the pay gap may reach 15-20%.

In 2011, Metabul Azam of the World Bank, Aimee Chin of the University of Houston and Nishith Prakash of the University of Connecticut estimated the "return" on the English language competence for Indians. It turned out that fluency in English among the Indians added 34% to their income, and any level of English language competence could boost the candidate’s pay by 13% compared to those who do not speak English at all (Volkova, 2015).

Studying foreign languages is also instrumental for personal development and improvement of self-esteem. It helps to boost confidence and makes it possible to supervise transactions and communications independently. To conclude successful deals with foreign partners, it is also essential to execute agreements and documents appropriately. Mistakes in business communications are unacceptable, as they may be taken as signs of the entrepreneur's inadequate education level. The employees' low competence levels should not compromise the enterprise standing. Flawless operation of personnel reserves is one of the objectives and duties of entrepreneurs.

Head Hunter, a Russian Internet recruitment company, conducted an online survey of 463 HR specialists in different regions of Russia from companies in different spheres of activity (Head Hunter Research, 2019). The survey investigated the skills lacked by the applicants. Among these skills, foreign language knowledge was noted. Figure 2 shows the gaps between the required skills and the actual ones (in percentage of respondents’ responses).
Foreign language competence and practising improve professional competence. One should keep in mind that the impression of a business partner is shaped within seconds and should also make sure it holds. The success of an enterprise depends on a smart and competent leader, on the leader's professional level in the respective area and the level of training and experience. To expand the business and grow internationally, one should have advanced communication skills.

**Foreign Language Competence Development Model**

Next, we consider the critical competencies of an entrepreneur in the context of their formation through language skills. The European report on the development of entrepreneurial competences (Komarkova et al., 2015) highlighted the following components influencing the implementation of entrepreneurial initiatives: creativity, opportunity identification, self-efficacy, self-confidence, communication, leadership, decision making, innovation, responsibility, collaboration, ideas generation, problem-solving, autonomy, negotiation and networking. Russian researcher Zaytseva (2019) grouped these competencies into four main areas through which the implementation of entrepreneurial initiatives is carried out: general management and finance, research and development, operations, marketing. The researchers of this study identified key competencies in each group for which their formation occurs through language skills, presented in Figure 3.

**Figure 3. Entrepreneurial competencies structure**

Source: (Zaytseva, 2019) (with Researchers’ adjustments)
Examination of language competences as a tool for developing entrepreneurial culture allowed us to create an adequate concept model (Figure 4).

**Fig.4: Model of language competences formation as an entrepreneurial culture development tool**

Source: developed by the authors

This model shows an intermediate nature of language competences impact on entrepreneurial culture through successful cross-cultural communications.

**DISCUSSION**

**Challenges of Developing Entrepreneurial Culture: Cross-Cultural Communications**

Western research on entrepreneurial culture focuses explicitly on the process of entrepreneurial activity and particularly mutual understanding across cultures during the interaction. Research is also focused on how organised the planning process is, on business negotiation, on the procedure of business meetings and communication with consumers. Such papers are usually practical as they represent specific methods and ways to organise entrepreneurial activity and cover the behavioural specifics of holding meetings with international business partners. Interest in this area of research is powered by the current change in the international markets and steady growth of international trade (cite few references, which are already cited above. At this stage, you cannot cite new reference).

As has been mentioned above, economists take different approaches to the interrelation between foreign language acquisition and the level of business culture (cite reference which are already cited above). Therefore, one may suggest that this interrelation comes down to individual behaviour and attitude to people of different cultures. Mutual understanding and interaction of foreign entrepreneurs with Russian entrepreneurs is an essential component of modern business.

Entrepreneurial practice will bring expertise with each concluded deal, and all business aspects will be taken into account and analysed to make things perfect. Foreign languages are primarily used in business and less for personal needs.

**CONCLUSION**

To examine the entrepreneurial culture through the lens of building language competences was the key objective of this study, which was based on the hypothesis that the formation of language competencies positively affects the development of entrepreneurial culture. To explain this hypothesis the researchers developed a conceptual model explaining how language competencies affect entrepreneurial culture. It was estimated that foreign language knowledge possessed by an individual contributes to the development of cross-cultural communications, which in turn shape entrepreneurial culture through a deeper understanding and study of the traditions and customs of business turnover, ethical and legal norms. The empirical proof of the hypothesis is based on a survey of undergraduate and postgraduate students of economic universities – potential entrepreneurs. Most students indicated that foreign language knowledge would help them open and promote their business in the future. Interrelations between studying a foreign language and prosperous business activities increase both competitiveness in Russian and international markets as well as it increases the reputation of the company. This is turn would raise the entrepreneurial culture level of the company. To ensure professional and career growth, the students must have a solid foundation for the development of leadership skills, a deep understanding of the business ethics resulting from mastering the educational program, which includes not only subjects, teaching
company management, organisation and economics, but also good command over foreign languages. The more languages, an individual can acquire, the easier it will be for the individual to develop the company further.

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